



**Magnetite Mines Limited**  
**ACN 108 102 432**

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## **OPTIONS PROSPECTUS**

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This Options Prospectus relates to:

- the offer of up to 68,704,266 SPP Options, to be issued for nil consideration on the basis of one (1) free attaching Option for every one (1) SPP Share issued under the Company's Share Purchase Plan;
- the offer of up to 57,253,555 Top-up Placement Options, to be issued for nil consideration on the basis of one (1) free attaching Option for every one (1) Top-up Placement Share issued under the Top-up Placement; and
- the issue of one (1) Lead Manager Option for every three (3) Shares issued under the Share Purchase Plan and the Top-up Placement.

The issue of all options offered under this Options Prospectus remains subject to the receipt of shareholder approval at the Company's 2026 Annual General Meeting expected to be held on 30 November 2026.

This Options Prospectus is a transaction specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Options Prospectus you have any questions about the securities being offered under this Options Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

THIS OPTIONS PROSPECTUS IS NOT FOR RELEASE TO US WIRE SERVICES OR FOR DISTRIBUTION IN THE UNITED STATES

## Important Notice

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### Options Prospectus

This Options Prospectus is issued by Magnetite Mines Limited ACN 108 102 432 (**Magnetite Mines** or **Company**) and relates to:

- the offer of up to 68,704,266 Options to Eligible Shareholders, on the basis of one (1) free attaching Option for every one (1) SPP Share subscribed for and issued under the Company's share purchase plan (**SPP**);
- the offer of up to 57,253,555 Options to investors under the Top-up Placement, on the basis of one (1) free attaching Option for every one (1) Top-up Placement Share issued under the Top-up Placement;

(together, the **Offers**).

This Options Prospectus also relates to the issue of Lead Manager Options on the basis of one (1) Lead Manager Option for every three (3) Shares issued under the SPP and the Top-up Placement (if any).

All of the Options offered under this Options Prospectus (including the Lead Manager Options) will only be issued if Shareholder approval for the issue is obtained at the Company's Annual General Meeting expected to be held on 30 November 2026.

This Options Prospectus is dated 5 October 2026 and was lodged with ASIC and ASX on that date. None of ASIC and ASX, or their respective officers, take responsibility for the contents of this Options Prospectus or the merits of the investment to which this Options Prospectus relates.

No Options may be issued on the basis of this Options Prospectus later than 13 months after the date of this Options Prospectus.

The Company will apply to ASX for Official Quotation of the Options offered pursuant to this Options Prospectus within 7 days of the date of this Options Prospectus.

It is important that investors read this Options Prospectus in its entirety and seek professional advice where necessary. Options allotted and issued pursuant to this Options Prospectus will be allotted and issued on the terms and conditions set out in this Options Prospectus.

This Options Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act), and has been prepared in accordance with section 713 of the Corporations Act. This Options Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all information that is generally required to be included in a document of this type. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Options Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

### No representation other than in this Options Prospectus

No person is authorised to give information or to make any representation in connection with this Options Prospectus, which is not contained in the Options Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Options Prospectus.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Options Prospectus.

### Options Prospectus does not contain investment advice

The information provided in this Options Prospectus is not investment advice and it has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Options Prospectus in full before deciding to apply for the SPP Shares under the SPP which entitles you to the Options offered under this Options Prospectus and consider the risks that could affect the performance of the SPP Shares and the Options offered under this Options Prospectus as set out in Section 6 of this Options Prospectus.

If you are in any doubt about whether to participate in the Offers, you should seek advice from your financial, taxation or other professional adviser before participating.

### Accessing the Options Prospectus

This Options Prospectus will be issued in electronic format only.

A copy of this Options Prospectus and a personalised Application Form will be available from the opening date of the Share Purchase Plan, expected to be 5 October 2026, and is available and accessible by you (by entering your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) from your latest Holding Statement, and your postcode) at the following link: <https://portal.automic.com.au/investor/home>.

If you access a copy of this Options Prospectus electronically you should ensure that you read the entire Options Prospectus before making any Application.

There is no public offer of the Options offered under this Options Prospectus.

Only Eligible Shareholders will be able to accept the offer of SPP Options by downloading the personalised Application Form which accompanies the SPP Offer Booklet and this Options Prospectus at <https://portal.automic.com.au/investor/home>, and by making payment for SPP Shares using BPAY® or by electronic funds transfer (in each case, refer to the SPP Offer Booklet that accompanies this Options Prospectus).

Only participants in the Top-up Placement can apply for Top-up Placement Options and only the Lead Manager can apply for the Lead Manager Options.

The Company reserves the right not to accept an Application Form from a person that is not eligible to participate in a particular offer being made under this Options Prospectus or if it has reason to believe that when that person was given access to the Application Form, a copy of the electronic SPP Offer Booklet and Options Prospectus together with any relevant supplementary or replacement prospectus was not made available, or any of those documents were incomplete or altered.

### **Key risks**

Potential investors for SPP Options should be aware that subscribing for SPP Shares under the SPP (which entitles you to the SPP Options offered under this Options Prospectus) involves a number of risks. The key risk factors of which those investors (and all other investors) should be aware are set out in Section 6 of this Options Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares and Options in the future. Investors should consider consulting their professional advisers before deciding whether to apply for SPP Shares under the SPP (and the SPP Options offered under this Options Prospectus).

### **Website**

No document or information on the Company's website is incorporated by reference into this Options Prospectus.

### **Target Market Determination**

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of the SPP Options to be issued under this Options Prospectus. The Company will only distribute this Options Prospectus to those investors for SPP Shares who fall within the target market determination (TMD) as set out on the Company's website (<https://magnetitemines.com>) and accompanying the electronic Options Prospectus at <https://portal.automic.com.au/investor/home>. By completing an Application Form under the SPP Offer, the applicant warrants that they have read and understood the TMD and that they fall within the target market for the SPP Options set out in the TMD. Since the Top-up Placement Options and the Lead Manager Options will only be offered to sophisticated and professional investors (as determined by reference to the Corporations Act), the TMD does not extend to those Options or investors.

### **Privacy**

The Company collects information about each applicant provided on an Application Form for the purposes of processing the Application, and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Registry, the Company's related bodies corporate, agents, contractors and third-party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

If an Applicant becomes a securityholder in the Company (which includes a holder of Options), the Corporations Act requires the Company to include information about the securityholder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a securityholder of the Company. Information contained in the Company's registers is also used to facilitate corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under the law. A fee may be charged for access. Access requests must be made in writing to the Company's registered offices.

### **Rounding**

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

### **Definitions**

Throughout this Options Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to the Glossary in Section 8 of this Options Prospectus for a list of defined terms.

### **Restrictions of foreign jurisdictions**

This Options Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, or to issue this Options Prospectus.

No action has been taken to register or qualify the Options being offered under the Offers or otherwise permit a public offering of the Options in any jurisdiction other than Australia and New Zealand. This Options Prospectus may not be distributed to or relied on by persons outside Australia or New Zealand.

This Options Prospectus may not be released or distributed in the United States or to any person acting for the account or benefit of a person in the United States. This Options Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The Options to be offered under this Options Prospectus have not been, and will not be, registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Options may not be offered, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which Magnetite Mines has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US securities laws.

THIS OPTIONS PROSPECTUS IS NOT FOR RELEASE TO US WIRE SERVICES OR FOR DISTRIBUTION IN THE UNITED STATES.

#### **Shareholders resident in New Zealand**

The SPP Options offered under the SPP Option Offer are not being offered or sold to the public in New Zealand other than to Eligible Shareholders to whom the offer of the SPP Options under the SPP Option Offer is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### **Financial information and forward-looking statements**

This Options Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Options Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Options Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Options Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

#### **Taxation implications**

The Directors do not consider it appropriate to provide Eligible Shareholders advice regarding the taxation consequences of applying for the SPP Shares under the SPP (which entitles you to the SPP Options offered under this Options Prospectus).

The Company, its advisers and its officers do not accept any responsibility or liability for any taxation consequences to you. As a result, you should consult your own professional tax adviser in connection with applying for SPP Shares under the SPP (which entitles you to the SPP Options under this Options Prospectus).

#### **Enquiries**

If you have any questions in relation to this Options Prospectus, please contact the Company's share registry, Automic, on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8.30am and 7.00pm (Sydney time), Monday to Friday, or consult your stockbroker, accountant or other professional adviser.

## 1 Timetable and Summary of Offers

### 1.1 Timetable

| Event                                                                                                      | Date (2026)                           |
|------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Record date for Eligible Shareholders to subscribe for SPP Shares via the SPP Offer ( <b>Record Date</b> ) | Friday, 25 September                  |
| Announcement of the SPP Offer (with free attaching Options)<br>Lodge SPP Offer Booklet with ASX            | Monday, 28 September                  |
| Lodge Options Prospectus with ASIC and ASX                                                                 | Monday, 5 October                     |
| SPP Opening Date                                                                                           | 10am (Sydney time), Monday, 5 October |
| SPP Closing Date                                                                                           | 5pm (Sydney time), Friday, 16 October |
| Completion announcement date (and notice of scale backs, if any)                                           | Thursday, 22 October                  |
| Allotment Date for SPP Shares                                                                              | Thursday, 22 October                  |
| Despatch of holding statement for SPP Shares                                                               | Friday, 23 October                    |
| SPP Shares commence trading on ASX on a normal settlement basis                                            | Friday, 23 October                    |
| Magnetite Mines 2026 AGM                                                                                   | Monday, 30 November                   |
| Subject to receipt of shareholder approval to issue the Options, allotment date for Options                | Tuesday, 1 December                   |
| Options commence trading on ASX on a normal settlement basis                                               | Wednesday, 2 December                 |

*\*\* These dates are indicative only, are subject to change, and in some cases are subject to further approvals. 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 SPP (either generally or in particular cases), and to withdraw or vary the SPP without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment and issue of SPP Shares. All times are Sydney, Australia time.*

### 1.2 Background and overview to the Offers

On 28 September 2026, the Company announced a Share Purchase Plan (**SPP**) to enable eligible shareholders to apply for up to \$30,000 worth of Shares at an issue price (**Issue Price**) of the lower of:

- (a) \$0.015 per Share, representing a 15.8% discount to the 15-trading day VWAP and an 11.8% discount to the last traded price of the Company's shares prior to announcement of the SPP; and
- (b) a 10% discount to the 5-trading day volume weighted average price of MGT shares (VWAP) as at the closing date of the SPP (being 16 October 2026), rounded down to the nearest 0.01 cent (subject to satisfying the price restrictions in Exception 5 of Listing Rule 7.2).

If, ultimately, the calculation of the Issue Price does not satisfy the price restrictions in Exception 5 of Listing Rule 7.2, then, subject to receipt of an ASX waiver, the Company may not be able to proceed with the SPP, and it would need to be withdrawn, in which case no SPP Options would be issued pursuant to this Options Prospectus.

Each Eligible Shareholder who applies for SPP Shares under the SPP is entitled to receive one (1) free attaching Option for every one (1) SPP Share subscribed for. The issue of all Options offered under this Options Prospectus remains subject to the Company obtaining Shareholder approval for the issue of the Options at its AGM expected to be held on 30 November 2026.

The SPP is seeking to raise up to an aggregate of \$1.03 million (before costs).

The Company intends to apply the funds raised under the SPP as set out in the Letter from the Chair in the SPP Offer Booklet, ASX Announcement and Investor Presentation, each of which was released to the ASX on 28 September 2026. Eligible Shareholders are recommended to read the SPP Offer Booklet and other market releases made by the Company carefully before applying for SPP Shares (which entitles each Eligible Shareholder to receive the SPP Options that are being offered under this Options Prospectus).

In addition, alongside the SPP, the Board reserves the right to use its existing placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A to undertake a Top-up Placement of further shares with sophisticated and professional investors on the same terms as offered to investors under the SPP (i.e. at the same Issue Price and by also offering one (1) free attaching Option for every one (1) Share subscribed), with the aim of raising a further \$500,000 in addition to the SPP proceeds. The issue of Top-up Placement Options also remains subject to the receipt of shareholder approval at the AGM.

No funds will be raised from the Offers or from the offer of the Lead Manager Options other than funds raised if the Options are subsequently exercised (of which there can be no guarantee).

### 1.3 Summary of Offers

You should read this Section in conjunction with the other information set out in this Options Prospectus.

| Key Offer details     | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Further information |     |                      |                                                                                                                                                     |                |                                                                                                               |             |                  |                       |                                                                                                                                                   |           |                                                                                 |  |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------|-------------|------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------|--|
| Key Option Terms      | All of the Options offered under this Options Prospectus are being offered on the following terms:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Section 5           |     |                      |                                                                                                                                                     |                |                                                                                                               |             |                  |                       |                                                                                                                                                   |           |                                                                                 |  |
|                       | <table><tr><td>Grant price</td><td>Nil</td></tr><tr><td>Shareholder approval</td><td>The issue of all of the Options remains subject to the approval of Shareholders, to be sought by the Company at the AGM to be held in November 2026</td></tr><tr><td>Exercise price</td><td>25% premium to the Issue Price of the SPP Shares, fixed as a dollar amount at the time the Options are issued</td></tr><tr><td>Expiry date</td><td>31 December 2029</td></tr><tr><td>Issue date of Options</td><td>All Options will be issued as soon as practicable, and within 5 Business Days, following receipt of Shareholder approval at the AGM (if obtained)</td></tr><tr><td>Quotation</td><td>Subject to the approval of ASX, the Options will be quoted and tradeable on ASX</td></tr></table> | Grant price         | Nil | Shareholder approval | The issue of all of the Options remains subject to the approval of Shareholders, to be sought by the Company at the AGM to be held in November 2026 | Exercise price | 25% premium to the Issue Price of the SPP Shares, fixed as a dollar amount at the time the Options are issued | Expiry date | 31 December 2029 | Issue date of Options | All Options will be issued as soon as practicable, and within 5 Business Days, following receipt of Shareholder approval at the AGM (if obtained) | Quotation | Subject to the approval of ASX, the Options will be quoted and tradeable on ASX |  |
| Grant price           | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     |     |                      |                                                                                                                                                     |                |                                                                                                               |             |                  |                       |                                                                                                                                                   |           |                                                                                 |  |
| Shareholder approval  | The issue of all of the Options remains subject to the approval of Shareholders, to be sought by the Company at the AGM to be held in November 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     |     |                      |                                                                                                                                                     |                |                                                                                                               |             |                  |                       |                                                                                                                                                   |           |                                                                                 |  |
| Exercise price        | 25% premium to the Issue Price of the SPP Shares, fixed as a dollar amount at the time the Options are issued                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                     |     |                      |                                                                                                                                                     |                |                                                                                                               |             |                  |                       |                                                                                                                                                   |           |                                                                                 |  |
| Expiry date           | 31 December 2029                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |     |                      |                                                                                                                                                     |                |                                                                                                               |             |                  |                       |                                                                                                                                                   |           |                                                                                 |  |
| Issue date of Options | All Options will be issued as soon as practicable, and within 5 Business Days, following receipt of Shareholder approval at the AGM (if obtained)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                     |     |                      |                                                                                                                                                     |                |                                                                                                               |             |                  |                       |                                                                                                                                                   |           |                                                                                 |  |
| Quotation             | Subject to the approval of ASX, the Options will be quoted and tradeable on ASX                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                     |     |                      |                                                                                                                                                     |                |                                                                                                               |             |                  |                       |                                                                                                                                                   |           |                                                                                 |  |

| Key Offer details               | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                  | Further information |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------|
|                                 | <b>Further information</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Refer to Section 5 of this Options Prospectus for further information regarding the terms and conditions of issue of the Options |                     |
| <b>How to apply for Options</b> | <p>There is no public offer of the Options. Only the persons noted below may apply for Options.</p> <p><b>SPP Option Offer</b></p> <p>Applications under the SPP Option Offer can only be made by SPP Subscribers.</p> <p>If you are participating in the SPP you are eligible to participate in the SPP Option Offer. The Application Form that you download under the SPP (which was accompanied by this Options Prospectus) will automatically constitute an Application Form for SPP Options under this Options Prospectus.</p> <p>Details of how to pay for your SPP Shares are included in the SPP Offer Booklet. By making payment for the SPP Shares you will be deemed to have applied for the number of SPP Options applicable to the parcel of SPP Shares that you have applied for on the basis of one (1) SPP Option for every one (1) SPP Share applied for and issued to you under the SPP.</p> <p>The SPP Options are issued for nil consideration and therefore SPP Subscribers are not required to make any payment in respect of the SPP Options.</p> <p>By making payment by BPAY® or EFT, an SPP Subscriber will be deemed to have applied under this Options Prospectus for the corresponding number of SPP Options to which they are entitled.</p> <p>Your payment must be received by the Registry prior to the close of the Offers at 5.00pm (Sydney time) on 16 October 2026 (unless extended).</p> <p>In the event of a scale-back under the SPP, the number of SPP Options to be issued to SPP Subscribers will be scaled-back in the same proportion as the number of SPP Shares applied for are scaled-back (so that the number of SPP Options issued to an SPP Subscriber will be the same number as SPP Shares that are ultimately issued to the SPP Subscriber following the scale-back).</p> <p><b>Top-up Placement Option Offer</b></p> <p>The Top-up Placement Option Offer is only extended to participants who participate in the Top-up Placement and who are issued Top-up Placement Shares in the Top-up Placement. Application forms for the Top-up Placement Option Offer will only be provided to Top-up Placement Participants. The Lead Manager will separately advise Top-up Placement Participants</p> |                                                                                                                                  |                     |

| Key Offer details | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Further information |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
|                   | <p>of the application process regarding the Top-up Placement Option Offer.</p> <p>Any Top-up Placement Options issued under the Top-up Placement are issued for nil consideration and therefore Top-up Placement Participants are not required to make any payment in respect of those Top-up Placement Options.</p> <p>By making payment for Top-up Placement Shares, Top-up Placement Participants will be deemed to have applied for the number of Top-up Placement Options applicable to the parcel of Top-up Placement Shares applied for on the basis of one (1) Option for every one (1) Top-up Placement Share applied for and issued to the Top-up Placement Participants under the Top-up Placement.</p> <p><b>Lead Manager Option Offer</b></p> <p>The Lead Manager Option Offer is only extended to the Lead Manager. The Company will invite the Lead Manager to participate in the Lead Manager Option Offer separately and to complete an Application Form for the applicable number of Lead Manager Options.</p> <p>The Lead Manager is entitled to subscribe for such number of Lead Manager Options under the Lead Manager Option Offer on the basis of one (1) Lead Manager Option for every three (3) Shares issued under the SPP and any Top-up Placement.</p> <p>Any Lead Manager Options issued under the Lead Manager Option Offer are being issued as compensation to the Lead Manager for services rendered by the Lead Manager with respect to the SPP and the Top-up Placement. In consideration of the services provided, the Lead Manager will not provide any further consideration for the issue of the Lead Manager Options and therefore the Lead Manager is not required to make any payment in respect of those Lead Manager Options.</p> <p><b>General</b></p> <p>All applications for Options are irrevocable once received by, or on behalf of, the Company.</p> <p>All applications for Options received prior to the AGM remain subject to the receipt of Shareholder approval to issue the Options to be sought by the Company at the AGM.</p> <p>Any person who makes an application for Options acknowledges that they have read and understood the Target Market Determination and that they fall within the target market set out in the Target Market Determination.</p> <p>Participation in the Offers is subject to the terms and conditions relating to the Offers set out in this Options Prospectus.</p> <p>Applicants for Options under this Options Prospectus should seek and obtain their own tax advice with respect to the acquisition, and subsequent exercise, of Options, since the tax</p> |                     |

| Key Offer details                      | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Further information |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
|                                        | consequences will depend on the particular circumstances of the Applicant.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
| <b>Number of Options being offered</b> | <p><b>SPP Option Offer</b></p> <p>Up to 68,704,266 SPP Options may be issued to SPP Subscribers under the SPP Option Offer.</p> <p><b>Top-up Placement Option Offer</b></p> <p>Up to 57,253,555 Top-up Placement Options may be issued to Top-up Placement Participants under the Top-up Placement Option Offer.</p> <p><b>Lead Manager Option Offer</b></p> <p>Up to 41,985,940 Lead Manager Options may be issued to the Lead Manager under the Lead Manager Option Offer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |
| <b>Exercise of Options</b>             | A recipient of Options under the Offers and the Lead Manager Option Offer is under no obligation to exercise those Options. Any future exercise of an Option is entirely at the discretion of the holder.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                     |
| <b>No funds received for Options</b>   | <p>The Options under the Offers are being offered for nil consideration. Accordingly no funds will be raised by the Company from the issue of the Options under the Offers.</p> <p>The Lead Manager Options issued under the Lead Manager Option Offer are being issued as compensation to the Lead Manager for services rendered by the Lead Manager with respect to the SPP and the Top-up Placement. Other than the consideration provided in the form of services to the Company,, the Lead Manager will not provide any further consideration for the issue of the Lead Manager Options.</p> <p>Each Optionholder must pay the exercise price to exercise their Option and receive a Share. If the Options are exercised, the Company will receive the exercise price at that time. The Company will assess the most appropriate use of the funds received from the exercise of Options at the applicable time, depending on how much is raised, and what the Company's need for funds, and for what purpose, at the relevant time.</p> |                     |
| <b>Underwriting</b>                    | <p>The Offers are not underwritten.</p> <p>However, the Lead Manager has agreed to partially underwrite the SPP to the amount of \$0.5 million, such that at least 33,333,333 SPP Shares should be issued under the SPP and therefore at least 33,333,333 corresponding SPP Options should be issued, subject to the receipt of Shareholder approval at the AGM.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     |
| <b>Participation and key risks</b>     | If you are in any doubt as to what action you should take regarding the Offers, Magnetite Mines recommends you seek independent financial advice from your stockbroker, accountant or other professional adviser. Before making any application for SPP Shares and/or Options you should consider the key risks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Section 6           |

| Key Offer details                                                                  | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Further information |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
|                                                                                    | <p>facing Magnetite Mines' business and the key risks of investing in the SPP Shares and Options that are set out in Section 6 of this Options Prospectus. Some of those key risks include:</p> <ul style="list-style-type: none"> <li>• future capital needs and additional funding</li> <li>• strategic partner risk</li> <li>• resource estimation risk</li> <li>• operating and project costs</li> <li>• commodity and price volatility and exchange rate risks</li> <li>• debt and interest rates risk</li> <li>• specific risks relating to the Company's Razorback Project</li> </ul> <p>If you do not wish to participate in the SPP, you need not take any further action.</p>                                                                                                    |                     |
| <p><b>How will the Offers impact existing securities on issue?</b></p>             | <p>Assuming the SPP is fully subscribed, assuming the Company fully utilises its placement capacity for the Top-up Placement and assuming Shareholder approval for the issue of the Options is obtained at the AGM, following completion of the SPP and Top-up Placement, the Company will have a total of 354,972,042 Shares, 237,470,424 quoted Options, 32,774,919 unquoted Options, and 2,714,280 convertible notes on issue.</p> <p>Following the issue of the Lead Manager Options, the number of quoted Options will increase by up to 41,985,940.</p>                                                                                                                                                                                                                              | <p>Section 3.2</p>  |
| <p><b>What will be the effect of the Offers on the control of the Company?</b></p> | <p>The effect of the Offers on the control of the Company will vary depending on the level of participation by Eligible Shareholders in the SPP and the Top-up Placement.</p> <p>If the SPP is fully subscribed and the Company fully utilises its placement capacity under the Top-up Placement, approximately 136,050,133 Options will be issued under the Offers and the Lead Manager Option Offer. If all of those Options are subsequently exercised, that would represent approximately 29.13% of the Company's existing share capital.</p> <p>No Shareholder is expected to, and no Shareholder will be entitled to, increase their voting power to an amount greater than 19.9% as a result of an exercise of Options following the Offers or the Lead Manager Option Offer.</p>   | <p>Section 3.3</p>  |
| <p><b>More information</b></p>                                                     | <p>If you have any questions in relation to how to participate in the Offers, please contact the Registry on 1300 288 664 (from within Australia) or +61 2 9698 5414 (from outside Australia) between 8.30am and 7.00pm (Sydney time), Monday to Friday, or consult your stockbroker, accountant or other professional adviser. Alternatively, you can access a copy of the SPP Offer Booklet, this Options Prospectus and the Target Market Determination online at <a href="https://portal.automic.com.au/investor/home">https://portal.automic.com.au/investor/home</a></p> <p>If you have any questions in relation to whether an investment in Magnetite Mines through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.</p> |                     |

## **2 Details of the Offers**

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### **2.1 Share Purchase Plan and Top-up Placement**

The Offers are being made in accordance with the Company's announced intention to offer free attaching SPP Options to SPP Subscribers and free attaching Top-up Placement Options to Top-up Placement Participants.

The SPP Option Offer entitles SPP Subscribers to be issued one (1) Option for every one (1) SPP Share applied for and issued to Eligible Shareholders under the SPP.

In addition, alongside the SPP, the board reserves the right to use its existing placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A to undertake a Top-up Placement of further shares to sophisticated and professional investors on the same terms as offered to investors under the SPP (i.e. at the same Issue Price and by also offering one (1) free attaching Option for every one (1) Share subscribed), with the aim of raising a further \$500,000 in addition to the SPP proceeds. The Top-up Placement Participants will be contacted directly by the Lead Manager with respect to their subscription for the Top-up Placement Options.

Each investor under the Top-up Placement will be a 'sophisticated investor' under section 708(8), or a professional investor under section 708(11), of the Corporations Act and, as such, no Target Market Determination is required in connection with the offer of the Top-up Placement Options, and their subsequent issue (subject to Shareholder approval).

Any Options to be issued under the SPP Option Offer and the Top-up Placement Option Offer remain subject to Shareholder approval at the AGM in November 2026. If Shareholders approve the issue of the Options under the SPP Option Offer and the Top-up Placement Option Offer they will be issued to the Applicants as soon as practicable, and within 5 business days, after the AGM. If Shareholders do not approve the issue of the Options under the SPP Option Offer or the Top-up Placement Options under the Top-up Placement Option Offer at the AGM, the respective Options will not be issued to the Applicants and the Applicant will not receive any replacement securities or compensation.

All of the SPP Options and the Top-up Placement Options offered under this Options Prospectus will be issued on the terms and conditions set out in Section 5. All Shares issued on conversion of the SPP Options or the Top-up Placement Options will rank equally with the Shares on issue at the date of this Options Prospectus.

### **2.2 Lead Manager Options**

In consideration for services performed, and to be performed, by the Lead Manager in connection with the SPP and the Top-up Placement, the Company has agreed to issue the Lead Manager one (1) Lead Manager Option for every three (3) Shares issued under the SPP and the Top-Up Placement, and accordingly subject to the SPP and Top-up Placement being fully subscribed a total of up to 41,985,940 Lead Manager Options may be issued to the Lead Manager. The number of Lead Manager Options that will be issued to the Lead Manager is entirely dependent on the amount raised under the SPP and Top-up Placement, with such number being equal to one-third of the total number of Shares issued under the SPP and the Top-up Placement, rounded down to the nearest Lead Manager Option.

The issue of the Lead Manager Options remains subject to Shareholder approval at the AGM.

All of the Lead Manager Options offered under this Options Prospectus will be issued on the terms and conditions set out in Section 5. All Shares issued on conversion of the Lead Manager Options will rank equally with the Shares on issue at the date of this Options Prospectus.

The Lead Manager will be contacted directly by the Company with respect to its subscription for the Lead Manager Options.

If Shareholders approve the issue of the Lead Manager Options they will be issued to the Lead Manager as soon as practicable, and within 5 business days, after the AGM. If Shareholder approval for the issue of the Lead Manager Options is not obtained, or is not sought within the period required under the Company's mandate with the Lead Manager, the Company must instead pay the Lead Manager a cash amount equal to the value of the Options that the Lead Manager would have received as determined on a Black-Scholes basis by an independent expert, payable within 10 business days of such determination.

The Lead Manager is a 'sophisticated investor' under section 708(8) of the Corporations Act and, as such, no Target Market Determination is required in connection with the offer of the Lead Manager Options, and their subsequent issue (subject to Shareholder approval).

## **2.3 Eligibility for SPP and Top-up Placement**

### ***SPP***

Only Eligible Shareholders may participate in the SPP.

'Eligible Shareholders' for the purpose of the SPP are Shareholders who:

- (a) are a registered holder of Shares at 7.00pm (Sydney time) on the Record Date, being 25 September 2026;
- (b) have a registered address in either Australia or New Zealand; and
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States.

The Company has determined that due to the low number of overseas shareholders and the cost of complying with regulatory requirements the SPP will not be made available to Shareholders who are residents in jurisdictions outside Australia and New Zealand. Accordingly, the SPP is not made to Shareholders with a registered address outside of Australia and New Zealand, or that are in the United States or are acting for the account or benefit of a person in the United States, and accordingly those Shareholders may not participate (**Ineligible Shareholders**).

Participation in the SPP is optional and is subject to the terms and conditions set out in the SPP Offer Booklet.

### ***Top-up Placement***

Participants in the Top-up Placement will be contacted directly by the Lead Manager and invited to participate.

## **2.4 Applications for Options**

### **SPP Option Offer**

If you are participating in the SPP you are eligible to participate in the SPP Option Offer. The Application Form that you download under the SPP (which was accompanied by this Options Prospectus) will automatically constitute an Application Form for Options under the SPP Option Offer.

By making payment by BPAY® or EFT for SPP Shares, an SPP Subscriber will be deemed to have applied under this Options Prospectus for the corresponding number of SPP Options to which they are entitled.

Your payment must be received by the Registry prior to the close of the SPP at 5.00pm (Sydney time) on 16 October 2026 (unless extended).

### **Top-up Placement Offer Option**

Application forms for the Top-up Placement Option Offer will only be provided to Top-up Placement Participants. The Lead Manager will separately advise Top-up Placement Participants of the application process regarding the Top-up Placement Option Offer.

By making payment for Top-up Placement Shares, Top-up Placement Participants will be deemed to have applied for the number of Top-up Placement Options applicable to the parcel of Top-up Placement Shares applied for on the basis of one (1) Option for every one (1) Top-up Placement Share applied for and issued to the Top-up Placement Participants under the Top-up Placement.

### **Lead Manager Option Offer**

The Company will separately invite the Lead Manager to participate in the Lead Manager Option Offer and to complete an Application Form for the applicable number of Lead Manager Options.

## **2.5 Consequences of completing an Application Form**

By downloading an Application Form and applying for SPP Shares, you will be taken to have acknowledged and represented to the Company and the Lead Manager that:

- (a) you are bound by the terms of the Offers, the SPP Offer Booklet and this Options Prospectus;
- (b) you have reviewed a copy of the SPP Offer booklet, this Options Prospectus, the Target Market Determination and the Application Form and read them all in their entirety;
- (c) the Application Form may not be varied or withdrawn by you except as required by law;
- (d) the Application Form does not need to be signed to be a valid application and the Directors' decision on whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final;
- (e) you are eligible to be offered the Options in accordance with all applicable laws, and any acceptance by you on your own behalf or in respect of any person for which you are acting complies with all applicable law;
- (f) the Options have not, and will not be, registered under the securities laws in any jurisdiction outside Australia and New Zealand and accordingly, the Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws, in particular the US Securities Act;
- (g) you authorise the Company and its respective officers or agents to do anything on your behalf necessary for the Options to be issued to you, including to act on instructions of the Registry and use any contact details set out in the Application Form or held on record by the Registry; and
- (h) you agree to be bound by the provisions of the Constitution (as amended and as it may be amended from time to time in the future), and the terms and conditions of the issue of the Options set out in Section 5.

## **2.6 Privacy policy**

Chapter 2C of the Corporations Act requires information about a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.

Magnetite Mines and the Registry may collect personal information to process your application, implement the Offers and administer your holding of Shares. The personal information contained in the share register is also used to facilitate payments and corporate communications (including financial results), annual reports and other information to be communicated to holders of Shares, and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of Magnetite Mines and its agents and contractors, and the ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.

The Registry's privacy policy is available on their website:  
<https://www.automicgroup.com.au/privacy-policy/>.

## **2.7 Costs of participation in the Offers**

Magnetite Mines will not charge any brokerage, commissions or other transaction costs in respect of the application for, and allotment of, Options to be issued under this Options Prospectus.

## **2.8 No minimum subscription and maximum application**

There is no minimum subscription under the Offers. Instead, the subscription limits under the Offers are determined by the minimum and maximum subscription limits under the SPP.

Eligible Shareholders may apply for a minimum of \$1,000 and a maximum of \$30,000 of SPP Shares under the SPP, subject to the terms and conditions set out in the SPP Offer Booklet.

If the Company receives applications under the SPP which, in aggregate, exceed the maximum amount sought to be raised under the SPP, the Company reserves the right to scale back applications in accordance with the terms of the SPP Offer Booklet, meaning that the corresponding Options offered to that SPP Subscriber under this Options Prospectus will be scaled-back in the same ratio.

## **2.9 ASX quotation**

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

If the Company does not receive sufficient Applications to meet the requirements for Official Quotation of a second class of securities (being the Options) under the ASX Listing Rules, or ASX does not grant Official Quotation of the Options offered pursuant to this Options Prospectus under the Offers before the expiration of 3 months after the date of issue of the Options Prospectus (or such other period as varied by ASIC), the Company will not issue any Options in connection with the Offers and it will refund all application monies received for the Options (which will be \$nil as there is no consideration payable with respect to the issue of the Options) within the time prescribed under the Corporations Act, without interest, however the Company may continue with the issue of SPP Shares under the SPP and the issue of Top-up Placement Shares under the Top-up Placement without the Options, or may, subject to compliance with applicable law, issue Options that are not quoted on ASX.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the SPP Shares or Options offered under this Options Prospectus.

## **2.10 Issue of Options under the Offers**

If Shareholder approval is obtained at the AGM, the Options to be issued pursuant to the Offers under this Options Prospectus are expected to be issued as soon as practicable, and within 5 business days, following the AGM, which is expected to be around 1 December 2026.

Holding statements for the Options (expected to be issued on or around 1 December 2026) will be mailed to successful Applicants in accordance with the ASX Listing Rules as soon as practicable after their issue.

## **2.11 Overseas Shareholders**

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Options Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of SPP Shares and Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended, and the SPP Shares and/or Options will not be issued to, any Shareholders with a registered address which is outside Australia or New Zealand.

The SPP Shares and attaching Options under the Offers are not being offered or sold to the public in New Zealand other than to Eligible Shareholders to whom the offer of SPP Shares and attaching Options under the Offers are able to be made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## **2.12 Beneficial holders, nominees, trustees and custodians**

The foreign selling restrictions under the Offers summarised in Section 2.11 above apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for SPP Shares does not breach securities laws in relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the SPP Offer is only available to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial holder of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offers is compatible with applicable foreign laws and the rules outlined in Section 2.11 above.

## **2.13 Inconsistency**

The terms and conditions of the Offers and the Lead Manager Option Offer set out in this Options Prospectus prevail to the extent of any inconsistency with the Application Form.

## 3 Effect of the Offers and Lead Manager Option Offer

### 3.1 Effect of the Offers

No funds will be raised under the Offers or the Lead Manager Option Offer.

The principal effect of the Offers, assuming the SPP is fully subscribed, and the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A is fully utilised for the Top-up Placement, will be to issue up to approximately 125,957,821 Options (subject to rounding).

One (1) Option will be issued for every one (1) Share issued under the SPP and the Top-up Placement. The final number of Shares issued under the SPP and the Top-up Placement (and hence the final number of Options issued in connection with those Offers) will depend on the level of applications received and accepted under the SPP and the Top-up Placement.

In addition, one (1) Lead Manager Option will be issued to the Lead Manager for every three (3) Shares issued under the SPP and the Top-up Placement (if any). The final number of Shares issued under the SPP and the Top-up Placement (and hence the final number of Lead Manager Options to be issued to the Lead Manager) will depend on the level of applications received and accepted under the SPP and the Top-up Placement. If the SPP is fully subscribed and the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A is fully utilised for the Top-up Placement, the Company will issue up to approximately 41,985,940 Lead Manager Options (subject to rounding).

### 3.2 Effect on the Company's capital structure

The effect of the Offers (and the separate Capital Raising) and the Lead Manager Option Offer on the capital structure of Magnetite Mines, based on \$0.5 million (SPP underwritten amount), \$1 million and up to approximately \$1.5 million (full subscription but subject to the rounding of fractional entitlements to SPP Shares) being raised under the Capital Raising is set out below.

| Shares and Options                                                                                 | Number<br>(if \$0.5m raised under<br>SPP and Top-up<br>Placement) | Number<br>(if \$1m raised<br>under SPP and<br>Top-up<br>Placement) | Number<br>(if \$1.5m raised<br>under SPP and<br>Top-up<br>Placement) |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------|
| Shares currently on issue                                                                          | 229,014,221                                                       | 229,014,221                                                        | 229,014,221                                                          |
| Shares to be issued pursuant to the SPP and Top-up Placement*                                      | 33,333,333                                                        | 66,666,666                                                         | 100,000,000                                                          |
| <b>Total Shares</b>                                                                                | <b>262,347,554</b>                                                | <b>295,680,887</b>                                                 | <b>329,014,221</b>                                                   |
| Quoted options currently on issue (ASX: MGTOA, MGTOF, MGTOG)                                       | 111,512,603                                                       | 111,512,603                                                        | 111,512,603                                                          |
| Unquoted options currently on issue                                                                | 32,774,919                                                        | 32,774,919                                                         | 32,774,919                                                           |
| Convertible Loan Notes (maximum number of Shares to be issued if converted at current floor price) | 135,714,000                                                       | 135,714,000                                                        | 135,714,000                                                          |
| Options to be issued pursuant to the SPP and Top-up Placement*                                     | 33,333,333                                                        | 66,666,666                                                         | 100,000,000                                                          |
| Lead Manager Options                                                                               | 11,111,111                                                        | 22,222,222                                                         | 33,333,333                                                           |
| <b>Total share capital (on a fully diluted basis)</b>                                              | <b>586,793,520</b>                                                | <b>664,571,297</b>                                                 | <b>742,349,076</b>                                                   |

## Notes:

\* For illustrative purposes, the number of SPP Shares and Options to be issued under the SPP and Top-up Placement has been calculated assuming an issue price of \$0.015 per Share. The actual issue price will be determined in accordance with the SPP pricing formula set out in the SPP Offer Booklet and may be lower than \$0.015 per Share. Accordingly, the actual number of SPP Shares issued may differ from the amounts shown above.

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

As at the date of this Options Prospectus the Company has 111,512,603 quoted Options (MGTOA, MGTOF, MGTOG), 32,774,919 unquoted Options and 2,714,280 Convertible Loan Notes on issue, as follows:

- (a) 16,639,408 quoted options (ASX: MGTOA) with an exercise price of \$0.30 each expiring on 2 October 2027;
- (b) 63,398,569 quoted options (ASX: MGTOF) with an exercise price of \$0.12 each expiring on 5 March 2028;
- (c) 31,474,626 quoted options (ASX: MGTOG) with an exercise price of \$0.08 each expiring on 8 October 2028;
- (d) 8,106,355 unquoted options with an exercise price of \$0.1542 each expiring on 7 March 2028;
- (e) 2,881,548 unquoted options with an exercise price of \$0.1301 each expiring on 19 May 2028;
- (f) 1,200,495 unquoted options with an exercise price of \$0.1212 each expiring on 30 June 2028;
- (g) 1,978,713 unquoted options with an exercise price of \$0.556 each expiring on 5 December 2029;
- (h) 5,227,160 unquoted options with an exercise price of \$0.229 each expiring on 6 December 2030;
- (i) 13,380,648 unquoted options with an exercise price of \$0.091 each expiring on 5 December 2031;
- (j) 186,000 convertible notes with a face value of \$1 each expiring 24 January 2028;
- (k) 1,404,000 convertible notes with a face value of \$1 each expiring 7 March 2028;
- (l) 810,000 convertible notes with a face value of \$1 each expiring 19 May 2028; and
- (m) 314,280 convertible notes with a face value of \$1 each expiring 30 June 2028.

Since the SPP and Top-up Placement offer price is below the current floor price of the exercise price of the Company's existing Convertible Loan Notes, in accordance with the terms of the Convertible Securities Agreements (**CSAs**) with associated entities of C/M Capital Partners, the Company has obtained the consent of the counterparties to the CSAs to proceeding with the SPP and the Top-up Placement.

### 3.3 Effect on the control of the Company

The effect of the Offers and the Lead Manager Option Offer on the control of the Company will vary depending on the level of participation by Eligible Shareholders in the SPP and the Top-up Placement.

If the SPP is fully subscribed and the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A is fully utilised for the Top-up Placement, approximately 136,050,133 Options will be issued under the Offers and the Lead Manager Option Offer. If all of those Options are subsequently exercised, that would represent approximately 29.13% of the Company's existing share capital.

No Shareholder is expected to, and no Shareholder will be entitled to, increase their voting power to an amount greater than 19.9% as a result of an exercise of Options following the Offers.

### 3.4 Financial effect of the Capital Raising and the Offers

The Company is looking to raise approximately \$1.5 million (before costs) from the SPP and the Top-up Placement.

No funds are being raised as a consequence of the Offers or the Lead Manager Option Offer. If all Options issued pursuant to this Options Prospectus are exercised, the Company will receive

additional funds. This will have a positive effect on the Company's balance sheet by raising current assets by a corresponding amount. However, the Company is not able to specify with any certainty the extent of any change to the statement of financial position given the uncertainty around the number of Options to be ultimately issued and whether and when (if at all) the Options may be exercised.

Notwithstanding that the Offers or the Lead Manager Option Offer do not raise any funds, because the offer of Options under this Options Prospectus is associated with the terms of the Capital Raising, a pro forma statement of financial position that shows the financial effect of the Capital Raising has been included in this Options Prospectus and is set out in the Annexure (**Pro Forma Statement**). The Pro Forma Statement is for illustrative purposes only to assist investors with understanding the potential financial effect on the Company as if the Capital Raising had completed at 30 June 2026.

The Company's audited statement of financial position as at 30 June 2026 has been prepared on the basis of the accounting policies adopted by the Company as more fully disclosed in the Company's Financial Statements for the year ended 30 June 2026.

The unaudited Pro Forma Statement as at 30 June 2026 has been prepared for illustrative purposes only using the Company's audited 30 June 2026 statement of financial position as the base, adjusting for subsequent events after that date and assuming that the Capital Raising is fully subscribed to raise \$1.5 million (before costs). To the extent that the Company raises less than that amount, the cash balance of the Company will be reduced by the corresponding shortfall.

The Pro Forma Statement has been prepared to provide investors with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company. The historical financial information and the pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

## **4 Rights and Liabilities attaching to Shares**

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### **4.1 Introduction**

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted, and continues to be admitted, to the Official List of the ASX.

### **4.2 Escrow restrictions**

In the event that ASX determines that certain Shares should be classified as 'restricted securities', a Shareholder must not dispose of those restricted securities (and the Company must refuse to acknowledge a disposal) during the applicable escrow period, except as permitted by the ASX Listing Rules. Shareholders who hold restricted securities are taken to have agreed that the restricted securities are kept on the Company's issuer sponsored sub-register and to have a holding lock applied for the duration of the escrow period. Shareholders will not be entitled to participate in any return of capital on restricted securities during the escrow period except as permitted by the ASX Listing Rules.

### **4.3 Voting at a general meeting**

The Company's Constitution requires the Company to decide resolutions at a general meeting on a show of hands unless a poll is demanded before a vote by show of hands is taken, or before or immediately after the declaration of the result of the show of hands by the chair of the general meeting, by at least five members present and entitled to vote on the relevant resolution or by any member or members present and entitled to vote on the relevant resolution representing at least 5% of the votes that may be cast on the resolution on a poll. In the case of an equality of votes upon any proposed resolution, the chair of the meeting does not have a second or casting vote and the proposed resolution is taken as having been lost.

### **4.4 Meetings of members**

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

The Company's Constitution enables the Company to hold a general meeting at two or more venues using any technology that gives the Shareholders as a whole a reasonable opportunity to participate. The chair of the meeting may, subject to the Corporations Act and the Constitution, allow the meeting to continue or adjourn the meeting in the event that a technical difficulty prevents a Shareholder from participating in the meeting.

### **4.5 Dividends**

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and decide the method of payment.

### **4.6 Transfer of Shares**

Subject to the Constitution and to any rights or restrictions attached to a Shareholder's Shares, Shares may be transferred by proper ASTC transfer (effected in accordance with the ASX Settlement Operating Rules, *Corporations Regulations 2001* (Cth) and ASX Listing Rules) or by a written transfer in any usual form or in any other form approved by the Board and permitted by the Corporations Act and ASX requirements. The Company may decline to register, or prevent registration of, a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the ASX Listing Rules.

#### **4.7 Issues of further Shares**

The Board may, subject to the Constitution, Corporations Act and the ASX Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

#### **4.8 Winding up**

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them. If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of shareholders.

#### **4.9 Non-marketable parcels**

In accordance with the ASX Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution. A marketable parcel of shares is defined in the ASX Listing Rules and is generally, a holding of shares with a market value of not less than \$500.

#### **4.10 Variation of class rights**

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under the Constitution, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of shares may be varied:

- with the written consent of the holders of 75% of the shares of the class; or
- by a special resolution passed at a separate meeting of the holders of shares of the class.

#### **4.11 Directors – Appointment and retirement**

Under the Constitution, the Board is comprised of a minimum of three Directors and a maximum of ten Directors or such lower number as the directors determine, provided the directors have been authorised by the Company at a general meeting to make such a determination if required under the Corporations Act. Directors are elected or re-elected at general meetings of the Company.

No Director may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint any eligible person to be a Director either as an addition to the existing Directors or to fill a casual vacancy, who will then hold office until the conclusion of the next annual general meeting of the Company following his or her appointment.

#### **4.12 Directors – Voting**

Questions arising at a meeting of the Board must be decided by a majority of votes cast by the Directors present and entitled to vote on the matter. If the votes are equal on a proposed resolution, the chairman of the meeting has a casting vote in addition to any vote the chair has in his or her capacity as a director, unless there are only two Directors present or entitled to vote in which case the chairman of the meeting does not have a second or casting vote and the proposed resolution is taken as having been lost.

#### **4.13 Directors – Remuneration**

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director but the total aggregate amount provided to all non-executive Directors of the Company for their services as Directors must not exceed in total in any financial year the amount fixed by the Company in general meeting. Any change to that maximum aggregate amount needs to be approved by Shareholders.

Directors are entitled to be paid for all travelling and other expenses they incur in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of Board Committees. Any Director who performs extra services or makes any special exertions for the benefit of the Company may be remunerated for the services (as determined by the Board) out of the funds of the Company.

#### **4.14 Powers and duties of Directors**

The business of the Company is to be managed by the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers that are within the power of the Company and that are not by the Constitution or by law directed or required to be done by the Company in its general meeting.

#### **4.15 Preference shares**

The Company may issue preference shares which are, or at the option of the Company or holder are, liable to be redeemed or converted into ordinary shares. The rights attaching to preference shares are those set out in the Constitution or have been otherwise approved by special resolution of the Company.

#### **4.16 Indemnities**

The Company may indemnify each person who is or has been an officer of the Company on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by the person as an officer of the Company.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for insurance for each officer of the Company against any liability incurred by that person as an officer or auditor of the Company or of a related body corporate, including, but not limited to, a liability for negligence or for legal costs.

#### **4.17 Access to records**

The Company may enter into contracts with an officer or former officer agreeing to provide rights of access to the books of the Company conferred by the Corporations Act or otherwise by law.

#### **4.18 Amendment**

The Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy, attorney or representative) and entitled to vote on the resolution at a general meeting of the Company.

## 5 Rights and Liabilities attaching to Options

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The free attaching Options to be issued pursuant to the Offers and the Lead Manager Option Offer each have the same terms and conditions as set out in this Section. The issue of all Options offered under this Options Prospectus remains subject to receipt of shareholder approval at the AGM.

### 5.1 Entitlement

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

### 5.2 Exercise Price

Subject to Section 5.11, the amount payable upon the exercise of each Option will be an amount equal to a **25% premium to the Issue Price**, fixed as a dollar amount at the time the Options are issued (**Exercise Price**).

### 5.3 Expiry Date

Each Option will expire at 5.00 pm (Sydney time) on or before 31 December 2029 (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### 5.4 Exercise Period

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

### 5.5 Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option holding statement (**Notice of Exercise**) and payment of the relevant Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### 5.6 Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the relevant Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

### 5.7 Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will, subject to compliance with all applicable laws and the ASX Listing Rules:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (b) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

### 5.8 Shares issued on exercise

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

### 5.9 Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

#### **5.10 Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without first exercising the Options and being registered as a holder of the resulting Shares prior to the record date for the new issue of capital.

#### **5.11 Change in Exercise Price**

Subject to compliance with the ASX Listing Rules, an Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

#### **5.12 Transferability**

The Company will apply for the Options to be quoted on ASX. Subject to ASX approval of Official Quotation of the Options, the Options will be transferable subject to any restrictions imposed by ASX.

If the Options are not granted approval of Official Quotation by ASX, but the Company determines to proceed with an issue of Options, the Options will be personal to the holder and will not be transferable.

## 6 Risk Factors

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This Section 6 describes the potential risks associated with the Company's business and an investment in Shares. It does not list every risk that may be associated with the Company or an investment in Shares now or in the future, and the occurrence or consequences of some of the risks described in this Section 6 are partially or completely outside the control of the Company, the Directors and the management team.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and management team as at the date of this Options Prospectus. There may be other risks which Directors are unaware of at the time of issuing this Options Prospectus which may impact on the Company, its operations or the valuation and performance of the Shares or Options. The importance of different risks may change and other risks may emerge in the future.

Before applying for SPP Shares and attaching Options, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and should consider whether the SPP Shares and attaching Options are a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Options Prospectus or are in any doubt as to whether to invest in the SPP Shares and attaching Options, it is recommended that you seek professional guidance from your stockbroker, accountant or other professional adviser before deciding whether to invest.

### 6.1 Risks specific to an investment in the Company

#### (a) Future capital needs and additional funding

Similar to all early-stage resource companies, the Company has a constant need for additional capital to maintain its corporate status and to pursue its stated activities or projects. The Company continues to require additional funding to continue as a going concern, to 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 (including its ability to pay its debts as they fall due) and to progress its plans regarding its projects will result in the delay or cancellation of certain activities or projects, including the Razorback Project, and may result in the Company ceasing to be able to continue as a going concern.

#### (b) Strategic partner risk

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, 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.

**(c) Material business risk**

Magnetite Mines recognises that effective risk management is a critical component of its operations. The Company has developed a robust framework for identifying, understanding, managing, and reporting risks. As outlined in the Company's Board Charter, the Board bears the responsibility for overseeing our risk management framework and monitoring significant business risks. The Audit & Risk Committee assists the Board in ensuring the existence of an appropriate corporate risk management framework and in identifying business, operational, financial, and regulatory risks along with mitigation measures.

Given the nature of Magnetite Mines' operations, the material business risks that could have an adverse impact on the Company's financial position or performance include economic risks, operational risks, social licence-to-operate and health, safety and environmental risks. A description of the nature of the risks and how such risks are managed is set out below. This list is neither exhaustive nor in order of importance.

**(d) Operating and project risks**

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.

**(e) Major Project Delivery**

Magnetite Mines is focused on creating shareholder value through the future commercial development of the Razorback Project. However, as with any future significant capital project, there is a risk of failure or incomplete achievement of project objectives, which could result in lower investment returns than initially anticipated. These risks could emerge from various factors, including challenges in obtaining necessary 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.

**(f) Disputes and litigation**

The nature of the operations of Magnetite Mines means it may be involved in litigation or disputes from a range of sources, including contractual disputes, breach of laws, lawsuits or personal claims. Magnetite Mines engage experienced external legal firms and keeps abreast of claims, changes to legislation and regulatory requirements.

**(g) Commodity price volatility and exchange rate risks**

In the early stages of development, resource project economics are particularly sensitive to changes in commodity prices and foreign currency exchange rates assumptions, which can impact investment attractiveness. In the event that the Company achieves development success, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors

include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities and some services are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rates of exchange between the United States dollar and the Australian dollar, as determined by international markets.

**(h) Cyber Risk**

The integrity, availability and confidentiality of data within Magnetite Mines' information and operational technology systems may be subject to intentional or unintentional disruption (for example, from a cyber security attack). Given the current size of Magnetite Mines' business, the Company engages a third-party IT support company who have robust processes and technology, supported by specialist cyber security skills to prevent, detect, respond and recover from such attacks should one occur.

**(i) People and Capability**

The industry in which Magnetite Mines operates faces challenges in attracting and retaining personnel with specialised skills and expertise. The inability to attract and retain 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.

**(j) Health, Safety and Environmental risks**

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

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

**(k) Climate Change**

Magnetite Mines is likely to be subject to increasing regulations and costs associated with climate change and, specifically, management of carbon emissions. Strategic, regulatory and operational risks and opportunities associated with climate change and the energy transition are progressively being incorporated into Company policy, strategy and risk management processes and practices. The Company actively monitors current and potential areas of climate change and energy transition risk.

**(l) Speculative Nature of Investment**

Any potential investor should be aware that subscribing for Shares involves various risks. The SPP Shares, and the Options to be issued pursuant to the Offers and the Lead Manager Option Offer, carry no guarantees with respect to the payment of dividends, return of capital

or market value. An investment in the Company should therefore be considered speculative in nature.

**(m) Exploration Risk**

The Company's exploration activities targeting rare earth elements (REE), gold, silver, copper and other critical minerals are inherently high risk. Mineral exploration is speculative in nature and there is no assurance that exploration programs will result in the discovery of mineral deposits that are economically recoverable. Even if mineralisation is identified, there is no guarantee that it will be of sufficient grade, continuity, size or metallurgical characteristics to support the estimation of Mineral Resources or Ore Reserves in accordance with the JORC Code, or that any such resources could be economically developed.

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

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

**(n) Commodity Market Conditions**

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

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

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

## **6.2 Razorback Project**

The Company currently has a number of iron ore projects within South Australia. The Razorback Project is the primary focus, consisting of the Razorback and Iron Peak deposits. On 9 June 2023, the Company announced to ASX the results of a pre-feasibility optimisation study (PFS) for the Razorback Project. 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.

Further evaluation work following completion of the new scoping study work is ongoing, with appropriate studies 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:

**a) Resource Estimation risk**

The Company holds projects, including the Razorback Project, for which Mineral Resource and Ore Reserve estimates have been prepared, and engineering and

economic studies have been completed. However, these estimates and calculations rely on assumptions and expressions of judgement based on knowledge, experience and industry practice. The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always be different from the assumptions used to develop resource estimates. Consequently, actual mineral resources may differ from those estimated, which may have a negative effect on operations and the Razorback Project's economic performance.

**b) Resources/geology**

Mineral Resources and Ore Reserve estimates have been prepared for Razorback, however further geological and geo-metallurgical investigations may result in changes to these estimates and hence to the Razorback Project outcomes.

Variability within the orebody including grade distribution, mineralogy, ore hardness, structural complexity, liberation characteristics, and metallurgical response that differs from assumptions used in the Mineral Resource and Ore Reserve estimates may have a negative effect on operations and the Razorback Project's economic performance.

**c) Mining**

The Razorback Ore Reserve estimate was based on mining approaches and designs derived from geological model information available at the time and completed to a 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.

**d) 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.

**e) Product transport and logistics**

Road, rail, and port options for product transport and export logistics for Razorback concentrate products were examined during the PFS studies to identify viable transport solutions for the Razorback Project. Pricing and access assumptions were based on indicative third-party estimates and available infrastructure at the time of study.

Further investigations are 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.

**f) Tailings**

Historically, resource project tailings management represents a key area of technical, environmental, and regulatory risk.

The Razorback Project will produce significant quantities of tailings from processing operations, which require storage in a Tailings Storage Facility (**TSF**), the design of which has been undertaken to a PFS level of accuracy. Further investigations are required to 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.

**g) Power**

The Razorback Project requires access to reliable electrical power, to be supplied via a high-voltage transmission line connection to the South Australian electricity grid.

Preliminary engineering and commercial options for grid connection were assessed during the Razorback Project's optimisation study phase, which identified potential connection points and transmission routes. Further investigations are required to 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.

**h) 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. As announced on 4 September 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.

**i) Reliance on key personnel and consultants**

The Company's success largely depends on the core competencies of its Directors, management and third-party consultants and their familiarisation with, and ability to operate in, the resources industry. The financial performance of the Company and the value of an investment in the Company partly depend on the ability of the Company to retain these key personnel and consultants.

**j) Tenement title**

The Company's ongoing title to its currently held tenements is contingent upon continued compliance with the terms and conditions of grant, including the satisfaction of minimum annual expenditure or work commitments. Accordingly, the ability of the Company to maintain its tenement holdings is subject to the availability of funding for minimum expenditure compliance.

Failure of the Company to meet its statutory tenement obligations, or an inability to justify variations or deferrals to the relevant regulatory authorities, may result in the forfeiture, relinquishment, or compulsory surrender of tenements, either in whole or in part. Partial surrender of tenement areas may limit access to prospective mineralisation or constrain future exploration and development flexibility.

**k) Counterparty, supplier and joint venture risks**

The Company is a party to a number of contracts with suppliers and may in the future become a party to other contracts or commercial arrangements (such as joint venture agreements). There is a risk that one of the Company's commercial counterparties may default on their obligations or not act in the best interests of the Company. There is a risk of insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and co-venturers or contractors or other suppliers. This may have an adverse effect on the interests and prospects of the Company.

**l) Input pricing and availability**

The timing and cost of inputs to mining businesses, including consultants, people, equipment, construction materials and consumables, vary with demand and supply and has historically been tight when commodity prices rise. Inflationary impacts on mining inputs may result in increased capital and operating cost or delays to the Razorback Project.

**m) Technology and performance risk**

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

**n) Regulatory risk**

Changes in government policy (such as in relation to taxation, environmental and cultural protection, and licensing) or statutory changes may affect Magnetite Mines' business operations and its financial position. A change in government regime may significantly

result in changes to fiscal, monetary, property rights and other issues which may result in a material adverse or positive impact on Magnetite Mines' business. Magnetite Mines monitors changes in relevant regulations and engages with regulators and governments to ensure policy and law changes are appropriately influenced and understood.

**o) Permitting risk**

All Exploration licences held by Magnetite Mines are subject to the granting and approval of relevant government bodies and ongoing compliance with licence terms and conditions. Tenure management processes and standard operating procedures are utilised to minimise the risk of losing tenure. The Company regularly engages with principal regulator Department for Energy and Mining regarding its tenement compliance management. Development of Razorback requires new consents, licensing and operating approvals for which the extensive preparatory work is underway. Major new consents and licences will need to be secured pursuant to the SA Mining Act 1971, while other regulatory approvals and consents (State and/or Commonwealth) may also be required. As with any approval process, consent is not guaranteed and conditions or other consent requirements may impact Razorback Project timing and outcomes.

**p) Land access, cultural heritage Native Title and community stakeholders**

Magnetite Mines is required to notify owners and occupiers of land within its licence areas prior to undertaking exploration works and must negotiate access conditions prior to commencing mine development activities. There is a risk that any negotiations could be protracted and/or costly.

Magnetite Mines operates in a number of areas within South Australia that are subject to Native Title determination or claim. Native title rights are acknowledged by Magnetite Mines and the Company must comply with relevant obligations under Federal and State regulation. A Native Title agreement is generally required before the commencement of exploration activities upon a tenement or prior to the granting of a mining lease; consequently, this may impact the timing and cost of exploration, development and production. Magnetite Mines notes that it already has a relevant agreement in place for exploration activities upon the Razorback tenements and negotiation for a mining agreement is scheduled into the development process.

The iron ore industry is also subject to interest from a wide range of stakeholders from the broader community who may be opposed to the role of the industry. Magnetite Mines' standard operating procedures and stakeholder engagement processes are used to manage land access, cultural heritage, native title and community stakeholder risks. The Company actively engages with its stakeholders and monitors for any emerging risks.

**q) Environmental, Social and Governance (ESG)**

As part of the Company's ESG initiatives, the environmental and social impacts of its operations will be baselined against global best practice, with an ambition to outperform peer iron ore suppliers on Scope 1, 2 and 3 emissions profiles. This will 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.

## **6.3 General risks**

**(a) The price of Shares may fluctuate**

The price of Shares may trade on ASX at a price higher or lower than the exercise price of the Options which could determine whether a holder wishes to exercise the Options (and receive value upon exercise in the form of a Share) or not.

The price at which Shares trade following the Capital Raising will be affected by the financial performance of the Company and by external factors unrelated to the operating performance of the Company, including movements on international share markets, the level of interest rates and exchange rates, general domestic and international economic conditions and government policies relating to taxation and other matters.

**(b) Dilution**

The potential exercise of existing Options and the Options to be issued pursuant to this Options Prospectus will have a dilutory effect on the existing shareholdings of Shareholders. This means that each Share may ultimately represent a lower proportion of the ownership of the Company on a fully diluted basis.

**(c) Trading in Shares and/or Options might not be liquid**

There can be no guarantee that an active market in the Shares or the Options will exist. There may be relatively few potential buyers or sellers of the Shares or the Options on the ASX at any time. This may increase the volatility of the market price of the Shares or the Options. It may also affect the prevailing market price at which Shareholders are able to sell their Shares or the Options. Ultimately, this may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid for their Shares or the implied price of the Options at the time of issue.

**(d) Australian Accounting Standards may change**

Australian Accounting Standards are set by the AASB and are outside the control of the Company. The AASB regularly introduces new or refined Australian Accounting Standards, which may affect future measurement and recognition of key statements of profit and loss and balance sheet items, including revenue and receivables.

There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statements of profit and loss and balance sheet items, may differ. Changes to Australian Accounting Standards issued by the AASB, or changes to commonly held views on the application of those standards, could materially adversely affect the financial performance and position reported in the Company's consolidated financial statements.

**(e) Inflation rates**

Higher than expected inflation rates could lead to increased development and/or operating costs. If such increased costs cannot be offset by increased sources of capital or potential revenue, this could impact the Company's future financial performance.

**(f) Debt and interest rates**

The Company currently has indebtedness to an investor in the form of convertible notes, which have various maturity dates in 2028 (following the 12-month extension as announced on ASX on 12 August 2026). If the Company is unable to refinance or repay that debt at maturity, and the investor is not willing to convert that debt into Shares, the Company would be in default of the agreement with the investor. If the investor chose to enforce that default, and the Company is unable to pay the debt, it could result in the Company ceasing to be able to continue as a going concern.

If the Company borrows further money in the future (including issuing further convertible notes to investors), it may be exposed to increased costs and/or interest rates which would increase the cost of servicing the Company's debts.

**(g) Other risks**

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the SPP Shares and attaching Options to be issued under this Options Prospectus.

Shareholders and other investors are recommended to consult their stockbroker, accountant or other professional adviser before deciding whether to apply for SPP Shares with the free attaching Options offered pursuant to this Options Prospectus.

## 7 Additional Information

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### 7.1 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Options Prospectus is a “transaction specific prospectus” to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities or an offer of options to acquire securities in a class of securities that has been continuously quoted by ASX in the three months prior to the date of the Options Prospectus. The Options offered pursuant to this Options Prospectus are options to acquire Shares, such Shares having been continuously quoted securities on the official list of the ASX during the three months prior to the issue of this Options Prospectus.

In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect on the Company of the issue of the Options and the rights and liabilities attaching to the Options and the Shares that may be acquired upon the exercise of those Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Options Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Eligible Shareholders should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from the lodgement of the Company’s annual financial report for the financial year ended 30 June 2026 up to the date of this Options Prospectus. This requires the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the securities exchange operated by ASX.

Generally, information that is already in the public domain has not been reported in this Options Prospectus other than that which is considered necessary to make this Options Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Options Prospectus and the Closing Date:
  - (i) the Company’s annual financial report for the year ended 30 June 2026; and
  - (ii) any continuous disclosure documents given by the Company to ASX after the lodgement of the Company’s annual financial report for the year ended 30 June 2026 (on 30 September 2026) and before the lodgement of this Options Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the Company's principal place of business during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report for the financial year ended 30 June 2026 (on 30 September 2026), and including the prior announcements of the SPP offer, and up to the date of lodgement of this Options Prospectus with ASIC, are set out in the table below (in reverse order, with the latest announcements appearing first):

| Date        | Headline                                            | Type                                                                                                                                                  |
|-------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| 30/09/2026, | 2026 Corporate Governance Statement and Appendix 4G | Corporate Governance and Appendix 4G                                                                                                                  |
| 30/09/2026  | Annual report to shareholders                       | Annual Report<br>Top 20 Shareholders<br>Full Year Accounts<br>Full Year Audit Review<br>Full Year Directors' Statement<br>Full Year Directors' Report |
| 28/09/2026  | Proposed Issue of Securities - MGT                  | Appendix 3B (Proposed issue of securities)                                                                                                            |
| 28/09/2026  | SPP Offer Booklet                                   | Security Purchase Plan                                                                                                                                |
| 28/09/2026  | Equity Raising Investor Presentation                | Company Presentation<br>Security Purchase Plan                                                                                                        |
| 28/09/2026  | Partially Underwritten Share Purchase Plan          | Progress Report<br>Security Purchase Plan                                                                                                             |

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

## 7.2 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last closing prices of the Shares on ASX during the three months immediately preceding 2 October 2026 (being the latest practicable date prior to the lodgement of this Options Prospectus with ASIC) and the respective dates of those prices were:

|                                | Price   | Date       |
|--------------------------------|---------|------------|
| Highest                        | \$0.022 | 21/07/2026 |
| Lowest                         | \$0.014 | 02/10/2026 |
| Last close before announcement | \$0.014 | 02/10/2026 |

### 7.3 Substantial Shareholders

As at the date of this Options Prospectus, the Company has not received any formal notification of any Shareholder having a substantial shareholding of more than 5% of the Company's issued share capital (although the Company is aware that Citicorp Nominees Pty Limited has an aggregate holding of approximately 8.53% on behalf of various underlying beneficial Shareholders, but none of whom themselves, as far as the Company is aware, hold more than 5% of the Company's issued share capital).

### 7.4 Interests of Directors

Other than as set out in this Options Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Options Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offers.

### 7.5 Directors' interests

The relevant interest of each of the Directors in the securities of the Company as at the date of this Options Prospectus is set out in the table below:

| Director     | Shares    | Options   |
|--------------|-----------|-----------|
| Paul White   | 4,304,828 | 1,534,554 |
| Simon Wandke | 1,130,320 | 184,619   |
| Scott Lowe   | Nil       | Nil       |

**Note:** The table above does not include any SPP Shares and/or SPP Options that the Directors may apply for under the Capital Raising.

### 7.6 Litigation

As at the date of this Options Prospectus, Magnetite Mines is not involved in any legal proceedings against the Company and the Directors are not aware of any legal proceedings pending or threatened against the Company.

## 7.7 Remuneration of Directors

The Constitution provides that each Director is entitled to such remuneration from the Company as the Board decides. The total maximum remuneration of non-executive directors in any financial year is determined by the Company in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The current maximum aggregate amount payable to all non-executive directors in any financial year has been set at an amount not to exceed \$800,000. The determination of each individual non-executive director's remuneration within that approved remuneration pool is made by the Board having regard to a number of factors including the inputs and value to the Company of the non-executive director's contribution.

Under the Constitution of the Company, the remuneration of the executive directors is determined by the Board. As at the date of this Options Prospectus, the Company has one executive director, being the Executive Chair, whose remuneration has been set by the Board.

The table below sets out the total remuneration provided to each of the Directors and their associated companies during the last two financial years (**FY**), inclusive of directors' fees, executive payments, consultancy fees, superannuation benefits and share-based payments.

| Director                  | FY 2025 | FY2026  |
|---------------------------|---------|---------|
| Paul White <sup>1</sup>   | 158,334 | 172,180 |
| Simon Wandke <sup>2</sup> | 131,076 | 124,142 |
| Scott Lowe <sup>3</sup>   | -       | 33,371  |

### Notes:

- 1 Mr Paul White was appointed as Chair of the Board on 23 September 2024. Effective 1 February 2025, Mr White elected to forego \$90,000 of his annual \$160,000 fee entitlement in lieu of an issue of shares to the same value to support the Company's cash conservation strategy. Mr White resigned as Chair effective 1 July 2026 and continues to serve as a Non-Executive Director. Effective 1 July 2026, the annual Non-Executive Director fee entitlement was \$100,000, of which Mr White elected to forego \$30,000 in lieu of an issue of shares to the same value.
- 2 Effective 1 February 2025, Mr Simon Wandke elected to forego \$40,000 of his annual \$110,000 fee entitlement in lieu of an issue of shares to the same value to support the Company's cash conservation strategy. Effective 1 April 2026, following the cessation of his overseas allowance, Mr Wandke elected to forego \$30,000 of his annual \$100,000 director fee entitlement in lieu of an issue of shares to the same value.
- 3 Mr Scott Lowe was appointed as Managing Director, CEO & Chair-elect on 26 May 2026 and as Executive Chair on 1 July 2026.

Please refer to the remuneration report, which is contained on pages 28-47 of the Company's latest annual financial report for the financial year ended 30 June 2026 (**Annual Report**), for full details of the remuneration of the Company's directors in FY2026.

Related party transactions (if any) are disclosed on page 77 of the Company's Annual Report.

The Annual Report was lodged with ASX on 30 September 2026 and is available on the company's announcements platform at the ASX website – [www.asx.com.au](http://www.asx.com.au) (ASX code: MGT).

## 7.8 No underwriting of Offers

The offer of Options under this Options Prospectus is not underwritten. However, the Underwriter has agreed to partially underwrite the SPP to the amount of \$500,000. Details of that underwriting arrangement, including a summary of the terms of the Underwriting Agreement, are set out in the SPP Offer Booklet.

## 7.9 Interests of experts and advisers

Other than as set out in this Options Prospectus, no:

- (a) person named in this Options Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Options Prospectus; or
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the SPP or a financial services licensee named in this Options Prospectus as a financial services licensee involved in the SPP,

holds, or has held within the 2 years preceding lodgement of this Options Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

## 7.10 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares and Options), the Directors, the persons named in the Options Prospectus with their consent as proposed Directors, any underwriter, persons named in the Options Prospectus with their consent having made a statement in the Options Prospectus and persons involved in a contravention in relation to the Options Prospectus, with regard to misleading and deceptive statements made in the Options Prospectus. Although the Company bears primary responsibility for the Options Prospectus, the other parties involved in the preparation of the Options Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Options Prospectus other than those consented to below; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Options Prospectus other than a reference to its name and a statement included in this Options Prospectus with the consent of that party as specified in this Section.

GBA Capital has given its written consent to being named in this Options Prospectus as the lead manager to the Capital Raising and underwriter to the SPP in the form and manner in which it is named. GBA Capital has not withdrawn its consent prior to the lodgement of this Options Prospectus with ASIC.

Mills Oakley has given its written consent to being named in this Options Prospectus as the legal adviser to the Company in the form and manner in which it is named. Mills Oakley has not withdrawn its consent prior to the lodgement of this Options Prospectus with ASIC.

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

### **7.11 Expenses of the Offers**

The total expenses of the Offers are estimated to be approximately \$195,000 (excluding GST), assuming full subscription under the SPP and Top-up Placement. If only the underwritten amount of \$500,000 is raised, the total expenses of the Offers are estimated to be approximately \$150,000 (excluding GST).

### **7.12 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the SPP Shares and the Options.

### **7.13 Target Market Determination**

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of the SPP Options to be issued under this Options Prospectus. The Company will only distribute this Options Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (<https://magnetitemines.com>) and accompanying the electronic Options Prospectus at <https://portal.automic.com.au/investor/home>. By completing an Application Form under the SPP Offer, the applicant warrants that they have read and understood the TMD and that they fall within the target market for the SPP Options set out in the TMD. Since the Top-up Placement Options and the Lead Manager Options will only be offered to sophisticated and professional investors (as determined by reference to the Corporations Act), the TMD does not extend to those Options or investors.

### **7.14 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship**

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including the SPP Shares issued under the SPP Offer Booklet and Options issued under this Options Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of SPP Shares issued under the SPP Offer Booklet and Options issued to an investor under this Options Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Registry and will contain the number of SPP Shares issued under the SPP Offer Booklet and Options issued to you under this Options Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

### **7.15 Governing law**

This Options Prospectus, the Offers, the Lead Manager Option Offer and the contracts formed on acceptance of the Offers or the Lead Manager Option Offer are governed by the laws in force in New South Wales.

Any dispute arising out of, or in connection with this Options Prospectus, the Offers, the Lead Manager Option Offer and the contracts formed on acceptance of the Offers or the Lead Manager Option Offer will be determined by the courts of New South Wales. By accepting the Offers, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales.

#### **7.16 Director's authorisation**

This Options Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Options Prospectus with ASIC.

A handwritten signature in black ink, appearing to read 'Scott Lowe', is positioned above the printed name and title.

**Scott Lowe**  
**Executive Chair of the Board**  
**Magnetite Mines Limited**

## 8 Glossary

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**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a person who submits an Application.

**Application** means:

- (a) with respect to the SPP, an application for SPP Shares under the SPP Offer Booklet, together with attaching SPP Options, which are offered under this Options Prospectus;
- (b) with respect to the Top-up Placement, an application for Top-up Placement Shares, together with attaching Top-up Placement Options, which are offered under this Options Prospectus; or
- (c) with respect to the Lead Manager Option Offer, an application for Lead Manager Options which are offered under this Options Prospectus.

**Application Form** means:

- (a) with respect to the SPP Option Offer, an Application Form (personalised or otherwise), which accompanies the SPP Offer Booklet and this Options Prospectus (including via an on-line application process);
- (b) with respect to the Top-up Placement, an application form or other form of confirmation letter which is provided by a Top-up Placement Participant with respect to Top-up Placement Shares and Top-up Placement Options; or
- (c) with respect to the Lead Manager Options, an application form or other form of confirmation letter which is provided by the Lead Manager with respect to the Lead Manager Options.

**AGM** means the 2026 annual general meeting of the Company, expected to be convened and held by the Company on 30 November 2026.

**ASPL** means ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

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

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except any day that ASX declares is not a business day.

**Capital Raising** means the SPP and Top-up Placement.

**CHESS** means the Clearing House Electronic Sub register System operated by ASPL.

**Closing Date** means the date on which the SPP closes, being the date specified as such in the timetable set out in Section 1.1 (unless extended or closed early).

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

**Convertible Loan Notes** means the convertible loan notes issued by the Company to funds associated with C/M Capital Partners under the Convertible Securities Agreements dated January 2025 (as subsequently varied or amended).

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**DFS** means definitive feasibility study.

**Directors** means the directors of the Company as at the date of this Options Prospectus.

**Eligible Shareholders** are the Shareholders determined in accordance with Section 2.3.

**Ineligible Shareholders** means those Shareholders who are not Eligible Shareholders determined in accordance with Section 2.3.

**Issue Price** means the issue price per SPP Share under the SPP, as described in Section 1.2.

**Lead Manager** means GBA Capital.

**Lead Manager Options** means Options to be issued to the Lead Manager pursuant to this Options Prospectus.

**Lead Manager Option Offer** means the offer of Lead Manager Options to the Lead Manager pursuant to this Options Prospectus.

**Magnetite Mines** or **Company** means Magnetite Mines Limited ACN 108 102 432.

**GBA Capital** means GBA Capital Pty Ltd ABN 51 643 039 123.

**MLP** means mining lease proposal.

**Offers** means the SPP Option Offer and the Top-up Placement Option Offer.

**Official Quotation** means official quotation of a security on ASX.

**Option** means an option to acquire a Share on the terms on which the option is issued, and includes the free attaching options offered under the SPP Option Offer, the Top-up Placement Option Offer, and the Lead Manager Options (where applicable) each offered under this Options Prospectus.

**Optionholder** means a registered holder of Options.

**Options Prospectus** means this prospectus.

**PFS** means pre-feasibility study.

**Razorback Project** means the Company's flagship Razorback iron ore project in South Australia.

**Record Date** means the date specified in the timetable set out in Section 1.1.

**REE** means rare earth elements.

**Section** means a section of this Options Prospectus.

**Securities** mean Shares and/or Options.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**SPP** means the Company's share purchase plan announced on 28 September 2026.

**SPP Offer Booklet** means the offer booklet issued by the Company in respect of the SPP.

**SPP Option** means an Option offered to an SPP Subscriber pursuant to this Options Prospectus.

**SPP Option Offer** means the offer of Options to SPP Subscribers.

**SPP Share** means a Share to be issued under the SPP.

**SPP Subscriber** means an Eligible Shareholder who subscribes for, and is issued, SPP Shares under the SPP, and for this purpose also includes the Underwriter who may be required to subscribe for SPP Shares in accordance with the terms of the Underwriting Agreement.

**Target Market Determination** means the target market determination in respect of the Options which is available on the Company's website (<https://magnetitemines.com>), a copy of which will be made available alongside this Options Prospectus at <https://portal.automic.com.au/investor/home>.

**Top-up Placement** means a placement of Shares (if any) conducted by the Lead Manager alongside the SPP.

**Top-up Placement Participant** means a person who subscribes for, and is issued, Shares under the Top-up Placement.

**Top-up Placement Options** means an Option offered to a Top-up Placement Participant pursuant to this Options Prospectus.

**Top-up Placement Option Offer** means the offer of Top-up Placement Options to Top-up Placement Participants.

**Top-up Placement Shares** means a Share issued under the Top-up Placement.

**TSF** means tailings storage facility.

**Underwriter** means GBA Capital.

**Underwriting Agreement** means the underwriting agreement between the Company and GBA Capital dated 25 September 2026.

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

**VWAP** means volume weighted average price.

## Corporate Directory

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|                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b><br>Scott Lowe<br><i>Executive Chair</i><br><br>Simon Wandke<br><i>Non-executive Director</i><br><br>Paul White<br><i>Non-executive Director</i> | <b>Registered Office &amp; Principal Place of Business</b><br>Suite 3, Level 3, 30 Currie Street<br>Adelaide, SA 5000<br><br><b>Shareholder Enquiries</b><br>Contact - Automic<br>Telephone: 1300 288 664<br><br>Website: <a href="https://magnetitemines.com/">https://magnetitemines.com/</a> |
| <b>Company Secretary</b><br>Inthu Siva                                                                                                                           | <b>Registry</b><br>Automic Pty Ltd<br>Level 5, 191 St Georges Terrace<br>Perth WA 6000                                                                                                                                                                                                          |
| <b>Legal adviser</b><br>Mills Oakley<br>Level 7, 151 Clarence Street<br>Sydney NSW 2000                                                                          | <b>Registry Information Line</b><br>Within Australia: 1300 288 664<br>Outside Australia: +61 2 9698 5414<br>Operating hours: 8.30am to 7.00pm (Sydney time) Monday – Friday (excluding public holidays).                                                                                        |
| <b>Lead Manager and Partial Underwriter to SPP</b><br>GBA Capital Pty Ltd<br>Level 2, 68 Pitt Street<br>Sydney NSW 2000                                          | <b>Investor Application Portal</b><br><a href="https://portal.automic.com.au/investor/home">https://portal.automic.com.au/investor/home</a>                                                                                                                                                     |
| <b>ASX Code</b><br>MGT                                                                                                                                           |                                                                                                                                                                                                                                                                                                 |

## Annexure – Pro Forma Statement of Financial Position

|                                      | Audited 30 June 2026<br>\$ | Pro forma adjustments<br>(assuming full<br>subscription under SPP<br>and Top-up Placement)<br>\$ | Pro forma 30 June<br>2026 <sup>1</sup><br>after the Offers<br>(assuming full<br>subscription under SPP<br>and Top-up Placement)<br>\$ |
|--------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>Assets</b>                        |                            |                                                                                                  |                                                                                                                                       |
| <b>Current assets</b>                |                            |                                                                                                  |                                                                                                                                       |
| Cash and cash equivalents            | 2,014,076                  | 1,500,000                                                                                        | 3,514,076                                                                                                                             |
| Other receivables                    | 110,856                    |                                                                                                  | 110,856                                                                                                                               |
| <b>Total current assets</b>          | <b>2,124,932</b>           | <b>1,500,000</b>                                                                                 | <b>3,624,932</b>                                                                                                                      |
| <b>Non-current assets</b>            |                            |                                                                                                  |                                                                                                                                       |
| Other receivables                    | 195,726                    |                                                                                                  | 195,726                                                                                                                               |
| Exploration Expenditure              | 40,575,977                 |                                                                                                  | 40,575,977                                                                                                                            |
| Property, plant and equipment        | 43,347                     |                                                                                                  | 43,347                                                                                                                                |
| Right of use of assets               | 325,685                    |                                                                                                  | 325,685                                                                                                                               |
| <b>Total non-current assets</b>      | <b>41,140,735</b>          |                                                                                                  | <b>41,140,735</b>                                                                                                                     |
| <b>Total assets</b>                  | <b>43,265,667</b>          | <b>1,500,000</b>                                                                                 | <b>44,765,667</b>                                                                                                                     |
| <b>Liabilities</b>                   |                            |                                                                                                  |                                                                                                                                       |
| <b>Current liabilities</b>           |                            |                                                                                                  |                                                                                                                                       |
| Trade and other payables             | 629,676                    |                                                                                                  | 629,676                                                                                                                               |
| Provisions                           | 413,966                    |                                                                                                  | 413,966                                                                                                                               |
| Lease liabilities                    | 155,536                    |                                                                                                  | 155,536                                                                                                                               |
| Convertible loan                     | 2,486,821                  |                                                                                                  | 2,486,821                                                                                                                             |
| <b>Total current liabilities</b>     | <b>3,685,999</b>           |                                                                                                  | <b>3,685,999</b>                                                                                                                      |
| <b>Non-current liabilities</b>       |                            |                                                                                                  |                                                                                                                                       |
| Lease liabilities                    | 149,062                    |                                                                                                  | 149,062                                                                                                                               |
| <b>Total non-current liabilities</b> | <b>149,062</b>             |                                                                                                  | <b>149,062</b>                                                                                                                        |
| <b>Total liabilities</b>             | <b>3,835,061</b>           |                                                                                                  | <b>3,835,061</b>                                                                                                                      |
| <b>Net assets</b>                    | <b>39,430,606</b>          | <b>1,500,000</b>                                                                                 | <b>40,930,606</b>                                                                                                                     |
| <b>Equity</b>                        |                            |                                                                                                  |                                                                                                                                       |
| Contributed Equity                   | 103,617,380                | 1,500,000                                                                                        | 105,117,380                                                                                                                           |
| Reserves                             | 16,360,797                 |                                                                                                  | 16,360,797                                                                                                                            |
| Accumulated losses                   | (80,547,571)               |                                                                                                  | (80,547,571)                                                                                                                          |
| <b>Total equity</b>                  | <b>39,430,606</b>          | <b>1,500,000</b>                                                                                 | <b>40,930,606</b>                                                                                                                     |

*Note 1: The pro forma figures are based on the Company's audited financial position as at 30 June 2026 and have been adjusted to reflect the pro forma transactions described above. The pro forma figures are included for illustrative purposes only and do not represent the Company's actual financial position as at the date of this Options Prospectus.*