ASX ANNOUNCEMENT

30 OCTOBER 2026

FIRST QUARTER ACTIVITIES REPORT

ENDING 30 SEPTEMBER 2026

HIGHLIGHTS

- **New Razorback Scoping Study delivered,** incorporating substantial improvements aimed at simplifying and advancing the Project development plan, with positive outcomes supporting further study work.
- **Revised Razorback Project configuration** incorporates saline water processing, prioritisation of higher-grade mining areas in the early years and a proposed 55km rail spur connecting Razorback to the main rail line.
- **Scott Lowe appointed Executive Chair** effective 1 July 2026, succeeding Paul White, who remains on the Board as a Non-Executive Director.
- **Partially underwritten Share Purchase Plan (SPP) announced** on 28 September 2026 to support the advancement of the Razorback Project and pursue strategic growth opportunities.
- **Funding and strategic partnering initiatives advanced**, including continued evaluation of royalty financing opportunities for the Razorback Project.

Magnetite Mines Limited (ASX: MGT) is pleased to provide its quarterly activities update for the period ending 30 September 2026.

A key highlight of the September quarter was the release of a new Scoping Study update for the Razorback Iron Ore Project, incorporating substantial changes aimed at simplifying the Project development plan, enhancing economic potential and reducing development risk. The Company continued engagement with the South Australian Government regarding the Mining Lease application and progressed a range of funding and strategic partnering initiatives. On 28 September 2026, the Company also announced a partially underwritten Share Purchase Plan to support the advancement of the Razorback Project and pursue strategic opportunities.

RAZORBACK IRON ORE PROJECT UPDATE

During the quarter, the Company continued to progress its review of the Razorback Iron Ore Project development strategy, with a focus on simplifying the Project configuration, enhancing economic potential and reducing development risk.

On 4 September 2026, the Company released a new Scoping Study work for its Razorback Iron Ore Project.[1] The study incorporates substantial changes to the proposed development configuration aimed at simplifying and advancing the Project development plan, while providing a more robust basis for the next stage of feasibility work.

The outcomes of the Scoping Study work to date are positive and justify continued evaluation of the revised development pathway, subject to funding.

Revised Project Configuration

The new Scoping Study incorporates a number of significant changes to the proposed development configuration, while retaining key elements of previous studies, including the mining method and conventional processing.

The principal changes include:

- **Saline Water Processing:** The revised configuration incorporates the use of saline water for conventional processing, potentially eliminating the need for a coastal desalination plant and associated water supply pipeline. This decision is based on positive results from previous test work and has the potential to minimise significant capital and infrastructure requirements while simplifying the Project's water supply and development pathway.
- **Prioritisation of Higher-Grade Mining Areas:** The revised mine development strategy prioritises higher-grade areas in the initial years of potential mining operations, with further resource drilling and mine planning work required as the Project advances.
- **Rail Infrastructure:** The revised logistics concept incorporates a proposed 55km rail spur connecting Razorback to the existing main rail line, providing a potential export pathway subject to further technical and commercial assessment.

Scoping Study Outcomes and Next Steps

The outcomes of the new Scoping Study work to date are positive and support progressing to the next stage of exploration and development.

Future work is expected to include additional resource drilling to convert Inferred Mineral Resources to Indicated Mineral Resources, metallurgical testing to enhance confidence in recovery performance using saline water, and engineering work to assess rail and port infrastructure requirements.

Subject to funding, the Company intends to advance the Scoping Study work towards a new Pre-Feasibility Study (PFS) and ultimately a Definitive Feasibility Study (DFS).

The Scoping Study work remains preliminary and ongoing. The Company is not currently reporting an updated production target or forecast financial information based on the revised project configuration. The previously reported Probable Ore Reserves remain unchanged, and further studies and funding will be required before an economic development case can be established.

Funding and Strategic Partnering

The Company continued to progress a range of funding and strategic partnering initiatives to support the development of the Razorback Iron Ore Project and its broader business strategy. These included evaluating potential royalty funding opportunities with the assistance of ProspEx Group Pty Ltd and ongoing engagement with strategic, financial and industry participants regarding potential funding, partnering and business opportunities.

Project approvals

During the quarter, the Company continued engagement with the South Australian Department of Energy and Mining concerning the Razorback Mining Lease Proposal, including the implications of the revised development configuration and the regulator's requirements for progressing the application. [2]

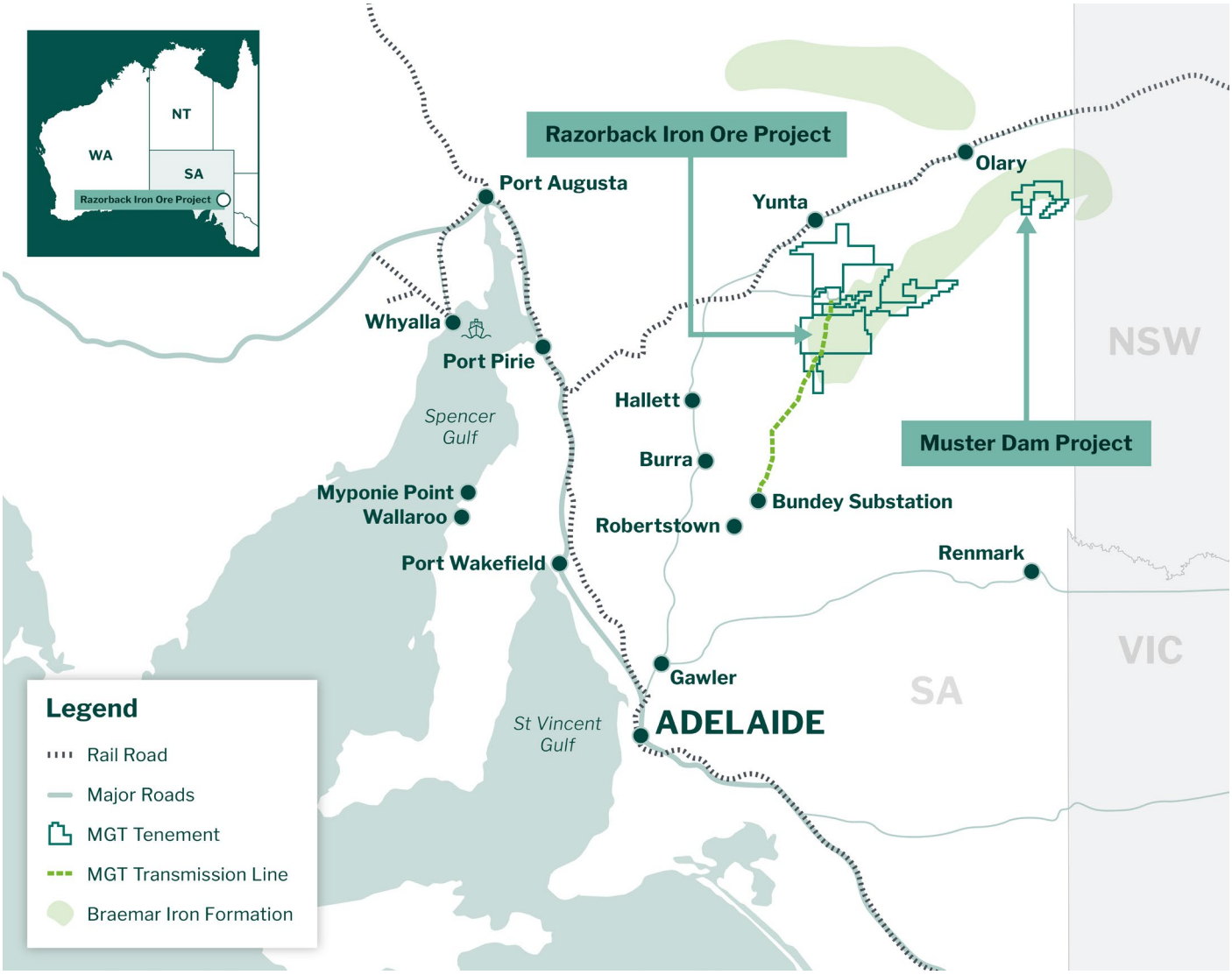


Figure 1. Project Location

EXPLORATION UPDATE

During the quarter, the Company continued its disciplined, low-cost evaluation of multi-commodity exploration opportunities within its extensive South Australian tenement portfolio. Activities remained focused on assessing the potential for critical minerals and precious metals, including rare earth elements, copper, silver and gold, supported by their strategic importance and favourable commodity market conditions.

CORPORATE

Leadership and Board changes

As part of the Company's leadership transition, Scott Lowe assumed the role of Executive Chair effective 1 July 2026, succeeding Paul White, who remains on the Board as a Non-Executive Director.[3] Mr Lowe was appointed Chief Executive Officer, Managing Director and Chair-elect on 26 May 2026.

Share Purchase Plan

On 28 September 2026, the Company announced a partially underwritten Share Purchase Plan (SPP), together with a Top-up Placement, to raise up to approximately $1.5 million to support the advancement of the Razorback Iron Ore Project and pursue strategic opportunities.[4]

The SPP provided eligible shareholders with the opportunity to subscribe for new fully paid ordinary shares at an issue price of the lower of $0.015 per share or a 10% discount to the five-trading-day volume weighted average price (VWAP) as at the closing date, subject to the minimum pricing requirements under the ASX Listing Rules.

Subsequent to the end of the quarter, on 28 October 2026, the Company announced that the SPP had closed fully subscribed, raising the maximum permitted amount of approximately $824,500 through the proposed issue of 68,704,266 new shares at $0.012 per share. A further approximately $492,000 was raised through the Top-up Placement, comprising 41,024,281 new shares, bringing the total capital raised to approximately $1.32 million. Excess SPP subscriptions were reallocated to the Top-up Placement with the agreement of the relevant sophisticated investors, allowing all SPP applications to be accommodated without scaling back. [5]

Subject to shareholder approval at the Company's AGM on 30 November 2026, participants in the SPP and Top-up Placement will receive one free attaching quoted option for every new share issued, exercisable at $0.015 per share and expiring on 31 December 2029.

Change of Registered Address

Subsequent to the end of the quarter, on 28 October 2026, the Company announced a change to its registered office address and principal place of business to Level 7, 151 Clarence Street, Sydney, NSW 2000, effective 28 October 2026. All other contact details remain unchanged.[6]

Related party transactions

The Company made cash payments totalling $269k to related parties during the quarter. These payments comprised remuneration paid to current Managing Director Scott Lowe, directors' fees paid to Non-Executive Directors and payments to former Managing Director Tim Dobson in accordance with his contractual notice arrangements following his resignation on 26 May 2026.

For the quarter ended 30 September 2026, the Company continued its arrangement with Non-Executive Directors Mr Paul White and Mr Simon Wandke to receive fully paid ordinary shares in lieu of a combined $30k in directors' fees under the Company's Employee Incentive Plan (EIP).

As the average daily Volume Weighted Average Price (VWAP) for the quarter was below the approved minimum floor price of $0.02, the issue of shares has been deferred pending shareholder approval of an amendment to the floor price, which will be sought at the upcoming Annual General Meeting.

EXPLORATION & EVALUATION EXPENDITURE

Exploration and evaluation activities during the quarter included Razorback scoping study and associated technical assessment, Mining Lease Proposal engagement, tenement administration and low-cost review of the broader exploration portfolio, as applicable.

Exploration and evaluation expenditure during the quarter totalled $0.14 million.

Tenement Holdings

Tenement/ Project Name	Tenement Number	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during the Quarter	Disposed of during the Quarter	Joint Venture Partner/Farm -In Party
SOUTH AUSTRALIA						
PUALCO	EL 6126	100%	100%	-	-	-
RED DRAGON	EL 6127	100%	100%	-	-	-
RAZORBACK RIDGE	EL 6353	100%	100%	-	-	-
DRAGON'S TAIL	EL 5902	100%	100%	-	-	-
SISTER'S DAM	EL 6037	100%	100%	-	-	-
BRAEMAR	EL 6788	100%	100%	-	-	-
LIPSON	EL 6745	100%	100%	-	-	-
MANUNDA NORTH	EL 6878	100%	100%	-	-	-
MUSTER DAM	EL 6746	100%	100%	-	-	-
MUTOOROO RIDGE	EL 6877	100%	100%	-	-	-
BRAEMAR CREEK	EL 7100	100%	100%	-	-	-
MANNA HILL	EL 7106	100%	100%	-	-	-

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

For further information contact:

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ABOUT MAGNETITE MINES

Magnetite Mines Ltd is an ASX-listed iron ore company focused on the development of magnetite iron ore resources in the highly prospective Braemar Iron Formation of South Australia. The Company holds a 100%-owned Mineral Resource of 6.6 billion tonnes of iron ore and is developing the Razorback Iron Ore Project, located 240km from Adelaide. Razorback is one of the few undeveloped magnetite projects globally capable of producing premium Direct Reduction (DR) grade concentrate at scale — a key feedstock for green iron and lower-emissions steelmaking — positioning the Company to benefit from growing demand for high-purity iron ore products. In addition, the Company holds a substantial South Australian tenement portfolio prospective for rare earth elements (REE), copper, silver, and gold. This provides disciplined exposure to critical minerals aligned with global electrification and decarbonisation trends. For more information visit magnetitemines.com.

References

1. ASX:MGT 4/09/26 New Razorback Iron Ore Project scoping Study and Funding Options
2. ASX:MGT 26/03/25 Razorback Project Mining Lease Proposal Lodged
3. ASX:MGT 1/07/26 Appointment of New Chair
4. ASX:MGT 28/09/26 Partially underwritten Share Purchase Plan
5. ASX:MGT 28/10/26 MGT Raises $1.32Mn through Fully Subscribed SPP and Top-up Placement
6. ASX:MGT 28/10/26 Change of Registered Address

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity	
MAGNETITE MINES LIMITED	
ABN	**Quarter ended ("current quarter")**
34 108 102 432	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(760)	(760)
	(e) administration and corporate costs	(280)	(280)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	21	21
1.5	Interest and other costs of finance paid	(6)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (fuel tax credit, royalty income)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,033)**	**(1,033)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(144)	(144)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security bond)	51	51
2.6	**Net cash from / (used in) investing activities**	**(93)**	**(93)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)[1]	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(43)	(43)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payment of lease liabilities)	(44)	(44)
3.10	**Net cash from / (used in) financing activities**	**(87)**	**(87)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**2,014**	**2,014**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,033)	(1,033)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(93)	(93)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(87)	(87)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**801**	**801**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	244	227
5.2	Call deposits	557	1,787
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**801**	**2,014**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	269
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Notes)	2,714	2.714
7.4	**Total financing facilities**	2,714	2.714
7.5	**Unused financing facilities available at quarter end**		-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Note to 7.3 (above):

- On 13 January 2025, the Company announced it had secured up to $7.0 million in funding through the issue of unsecured Convertible Notes to two investment funds managed by US-based C/M Capital Partners, LP (C/M Capital).
- On 24 January 2025, Convertible Notes with a face value of $1.296 million were issued, with an original maturity date of 24 January 2027 (first tranche).
- Following shareholder approval at the EGM held on 5 March 2025, further Convertible Notes with a face value of $1.404 million were issued on 7 March 2025, with an original maturity date of 7 March 2027 (second tranche).
- On 25 March 2025, C/M Capital converted 350,000 of Convertible Notes into 4,347,826 fully paid ordinary shares.
- On 19 May 2025, Convertible Notes with a face value of $0.81 million were issued, with an original maturity date of 19 May 2027 (third tranche).
- On 30 June 2025, Convertible Notes with a face value of $0.314 million were issued, with an original maturity date of 30 June 2027 (fourth tranche).
- On 19 August 2025, C/M Capital converted 300,000 of Convertible Notes into 3,750,000 fully paid ordinary shares.
- On 2 December 2025, C/M Capital converted 460,000 of Convertible Notes into 9,330,629 fully paid ordinary shares.
- Subject to mutual agreement and necessary approvals, C/M Capital may provide up to an additional $3.46 million under the facility in future tranches.

During the quarter, the Company agreed to extend the maturity dates of the outstanding Convertible Notes by 12 months. As consideration for the extension, the Company has agreed to issue 16,666,667 unquoted options (Extension Options) to WVP Emerging Manager Onshore Fund LLC – C/M Capital Series and C/M Capital Master Fund, LP (together, C/M Capital), subject to shareholder approval at the Company's Annual General Meeting scheduled for 30 November 2026. The Extension Options will have an exercise price of $0.015 per option and will expire three years from their date of issue.

As at 30 September 2026, Convertible Notes with an aggregate face value of $2.714 million remained on issue under the C/M Capital facility, comprising:

- First tranche – $186,000 (maturing 24 January 2028);
- Second tranche – $1.404 million (maturing 7 March 2028);
- Third tranche – $0.810 million (maturing 19 May 2028); and
- Fourth tranche – $0.314 million (maturing 30 June 2028).

While the original facility provides for funding of up to $7.0 million, any additional funding is subject to mutual agreement between the Company and C/M Capital and the receipt of necessary approvals. Accordingly, no additional funding is considered available for drawdown as at quarter end, and the Company has reported nil unused financing facilities under Item 7.5.

The current key terms of the facility are:

- Security Description: Convertible Note
- Interest rate %: Nil
- Security: Unsecured
- Maturity: During the quarter, the Company agreed with C/M Capital to extend the maturity dates of the outstanding Convertible Notes by 12 months. The revised

maturity dates are 24 January 2028, 7 March 2028, 19 May 2028 and 30 June 2028 for the first, second, third and fourth tranches, respectively.

- Redemption: Any remaining Convertible Notes under the facility may be fully redeemed by the Company at any time prior to the Maturity Date and the facility terminated, subject to the payment on redemption being 105% of the outstanding face value of the Convertible Notes being redeemed (C/M Capital may elect to convert up to 30% of the Convertible Notes proposed to be redeemed).
- Conversion: C/M Capital will be entitled to convert the Notes into fully paid ordinary shares at either 100% of the 10 day Volume Weighted Average Price (VWAP) up to the facility execution date within the first two months of initial funding or from day 61 to the Maturity Date at 90% of the average of the two lowest 15 day VWAP immediately prior to a Conversion Notice being received by the Company, subject to a minimum conversion price of $0.02 per share. The conversion price is subject to adjustment in the event of certain customary events (such as a consolidation or subdivision of the Company's issued capital).
- Repayment: Any Convertible Notes which have not been previously converted (or are the subject of a conversion notice) must be repaid on the earlier to occur of:
  - 20 business days of the Maturity Date;
  - if an event of default continues for 10 business days following written notice from C/M Capital, within a further 10 business days; or
  - where there is a change of control event, delisting event, or qualifying capital raising event (being where $10m or more is raised) and if C/M Capital elects for repayment to occur, on or before the date on which the relevant event occurs.
- Ownership cap: At no point can C/M Capital hold shares in the Company that exceed 9.99% of the Company's issued share capital.
- Options: Following shareholder approval at the EGM held on 5 March 2025, and upon the closing of the second tranche, on 7 March 2025, C/M Capital was issued 8,106,355 unquoted options with an exercise price of $0.1542 each, expiring on 7 March 2028. On closing of the third tranche on 19 May 2025, 2,881,548 unquoted options were issued with an exercise price of $0.1301, expiring on 19 May 2028, and on closing of the fourth tranche on 30 June 2025, 1,200,495 unquoted options were issued with an exercise price of $0.1212, expiring on 30 June 2028. These options represent 50% of the total funding amount from the first and second tranches and have an exercise price equal to 120% of the 15-day VWAP immediately prior to the respective tranche's funding. C/M Capital will be issued unquoted options equivalent to 50% of the funded amount, with an exercise price of 120% of the 15-day VWAP immediately prior to the execution date of the facility, and in the case of any subsequent funding, the date of the issuance of the options. The options will have a 36-month term from the date of issue.

  As disclosed above, during the quarter, the Company agreed to issue additional unquoted options to C/M Capital as consideration for extending the maturity dates of the outstanding Convertible Notes by 12 months. The proposed issue of options is subject to shareholder approval at the Company's Annual General Meeting scheduled for 30 November 2026.
- Commencement Shares: On closing of the first tranche funding, in accordance with the Company's ASX LR7.1 placement capacity, C/M Capital were issued Ordinary Shares in the Company equivalent to 2% of the total facility amount ($140,000).
- Other terms: Customary investor protections have been agreed, such as negative covenants, events of default, and representations and warranties.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,033)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(144)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,177)
8.4	Cash and cash equivalents at quarter end (item 4.6)	801
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	801
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.68

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

No. The Company expects its net operating cash outflows to reduce significantly in future quarters following substantial reductions in corporate overheads and operating costs. The September 2026 quarter included one-off employee termination payments, which are not expected to recur in subsequent quarters.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes. As announced on 28 October 2026, the Company successfully raised approximately $1.32 million through its Share Purchase Plan (SPP) and Top-up Placement, providing additional funding to support its ongoing operations and strategic objectives.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes. The Company expects to be able to continue its operations and meet its business objectives, supported by the approximately $1.32 million raised through the SPP and Top-up Placement announced on 28 October 2026, together with the significant reduction in corporate overheads and operating costs implemented during the quarter.

The Directors continue to closely monitor the Company's financial position, cash-flow forecasts and funding requirements and remain focused on progressing the funding opportunities currently under evaluation.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2026

Authorised by: This report has been authorised for release to the market by the board.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.