



Magnetite Mines Limited
ACN 108 102 432

SECOND SUPPLEMENTARY PROSPECTUS

1 Important Information

This is a second supplementary prospectus (**Second Supplementary Prospectus**) which is intended to supplement and be read with the prospectus dated 15 August 2025 (**Prospectus**) and the supplementary prospectus dated 20 August 2025 (**First Supplementary Prospectus**), each issued by Magnetite Mines Limited ACN 108 102 432 (**Company**).

This Second Supplementary Prospectus is dated 5 September 2025 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. ASIC, the Australian Securities Exchange (**ASX**) and their respective officers do not take any responsibility for the contents of this Second Supplementary Prospectus.

This Second Supplementary Prospectus should be read together with the Prospectus and the First Supplementary Prospectus. Other than as set out below, all details in relation to the Prospectus and the First Supplementary Prospectus remain unchanged and remain applicable. To the extent of any inconsistency between this Second Supplementary Prospectus, the Prospectus and/or the First Supplementary Prospectus, this Second Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus or the First Supplementary Prospectus have the same meaning in this Second Supplementary Prospectus.

This Second Supplementary Prospectus, the Prospectus and the First Supplementary Prospectus are all important documents and should be read together in their entirety. If you do not understand the documents, you should consult your stockbroker, accountant or other professional adviser without delay.

2 Purpose of Second Supplementary Prospectus

On 8 August 2025, the Company announced a pro rata renounceable rights issue to raise up to \$2.65 million (**Rights Issue**). The Rights Issue is lead managed and partially underwritten by Mahe Capital (**Lead Manager**) pursuant to the terms of a mandate letter from Mahe Capital dated 31 July 2025, and a subsequent underwriting agreement between Mahe Capital and the Company dated 8 August 2025 (**Original Underwriting Agreement**).

On 5 September 2025, the Company announced that the Rights Issue (and the corresponding Shortfall Offer) had closed fully subscribed, raising the maximum \$2.65 million being sought (before costs).

The Company further announced that due to the excess demand following over-subscriptions under the shortfall offer, the Board had announced that it would undertake a follow-on placement to professional and sophisticated investors on the same terms as the Rights Issue to partially satisfy that excess demand (**Follow-on Placement**), raising a further \$1.214 million (before costs). The combination of the fully subscribed Rights Issue and the Follow-on Placement will raise a total of approximately \$3.87 million before costs.

As a result of the announcement of the Follow-on Placement, the Company proposes to issue up to 18,676,923 Shares and 18,676,923 Options under the terms of the Prospectus (as supplemented by the First Supplementary Prospectus and this Second Supplementary Prospectus).

In addition, due to the success of the Rights Issue, and as a result of the services performed by the Lead Manager in securing the Follow-on Placement, the Company has agreed to

increase the ratio of options to be granted to the Lead Manager for its services to one new option for every \$1.00 raised under the Offers and the Follow-on Placement (from one new option for every \$1.50 raised under the Offers). This results in up to 3,869,418 Options to be issued to the Lead Manager under the Prospectus (as supplemented by the First Supplementary Prospectus and this Second Supplementary Prospectus) (**Lead Manager Options**).

By this Second Supplementary Prospectus, the Company updates the Prospectus and the First Supplementary Prospectus to:

- include the offer of 18,676,923 Shares and 18,676,923 Options under the Follow-on Placement; and
- revise the offer of the Lead Manager Options to be an offer of up to 3,869,418 Lead Manager Options,

and supplements, and amends the Prospectus and the First Supplementary Prospectus, as set out in this Second Supplementary Prospectus.

The information outlined in Section 3 below should be read in conjunction with the Prospectus and the First Supplementary Prospectus.

3 Supplementary disclosure and amendments to the Prospectus

3.1 Offer of securities under the Follow-on Placement

Due to the excess demand following over-subscriptions under the shortfall offer, the Board had announced that it would undertake a follow-on placement to professional and sophisticated investors on the same terms as the Rights Issue to partially satisfy that excess demand (**Follow-on Placement**), raising a further \$1.214 million (before costs).

A total of 18,676,923 Shares and 18,676,923 Options (**Placement Options**) will be issued under the Follow-on Placement. The Placement Options will be issued on the same terms as the Options to be issued under the Rights Issue, with an exercise price of \$0.12 and an expiry date of 2.5 years from the date of issue of the Options under the Rights Issue – refer Section 6 of the Prospectus). Due to ASX Listing Rule constraints, the issue of 12,306,667 Placement Options will remain subject to Shareholder approval, with such approval to be sought at the Company's forthcoming Annual General Meeting (**AGM**). If Shareholder approval is not obtained at the AGM, the Company has agreed that it will instead pay to the subscriber of those Placement Options a payment in cash equal to the value of the Placement Options (to be calculated on the same basis as the value of the Lead Manager Options that remain subject to Shareholder approval is to be calculated – refer to Section 3.3 of the Prospectus).

If all of Placement Options are issued and ultimately exercised by the holder in due course, the Company will receive up to approximately \$2.24 million in additional funds. However, the future exercise of any Placement Options is entirely at the discretion of the holder and is likely to depend on the share price of the Company prior to the expiry date of the Placement Options.

The securities to be issued on completion of the Follow-on Placement have been allocated at the discretion of the Lead Manager (in consultation with the Company). Each subscriber under the Follow-on Placement is a 'sophisticated investor' under section 708(8) of the Corporations Act or a 'professional investor' under section 708(11) of the Corporations Act, and each subscriber has been contacted directly by the Lead Manager to participate in the Follow-on Placement. Since each subscriber under the Follow-on Placement is either a sophisticated investor or a professional investor, no Target Market Determination is required in connection with the offer and issue of the Placement Options.

The Prospectus (as supplemented by the First Supplementary Prospectus and this Second Supplementary Prospectus) is revised to include the offer of the 18,676,923 Shares and 18,676,923 Placement Options to be issued under the Follow-on Placement and each subscriber under the Follow-on Placement will subscribe for their Shares and Placement Options pursuant to the Prospectus (as supplemented by the First Supplementary Prospectus and this Second Supplementary Prospectus).

As a result of the proposed issue of the Placement Options, the definition of “Options” in the Prospectus and the terms of the Options in Section 6 of the Prospectus should be read to include reference to the Placement Options.

The Follow-on Placement is expected to be completed immediately following completion of the Rights Issue.

3.2 Increased offer of Lead Manager Options

Due to the success of the Rights Issue, and as a result of the services performed by the Lead Manager in securing the Follow-on Placement, the Company has agreed to increase the ratio of options to be granted to the Lead Manager for its services in connection with the Capital Raising to one new option for every \$1.00 raised under the Offers and the Follow-on Placement (from one new option for every \$1.50 raised under the Offers). This results in up to 3,869,418 Options to be issued to the Lead Manager under the Prospectus (as supplemented by the First Supplementary Prospectus and this Second Supplementary Prospectus) (**Lead Manager Options**).

As disclosed in the Prospectus, the issue of the Lead Manager Options remains subject to the approval of Shareholders at the AGM.

If all of the Lead Manager Options are approved by Shareholders and ultimately exercised by the holder in due course, the Company will receive up to approximately \$0.46 million in additional funds. However, the exercise of the Lead Manager Options is entirely at the discretion of the holder and is likely to depend on the share price of the Company prior to the expiry date of the Lead Manager Options.

All references in the Prospectus to the ratio of Lead Manager Options to be issued to the Lead Manager should be amended and read as one Option for every \$1.00 raised under the Offers and the Follow-on Placement and the total or maximum number of Lead Manager Options to be issued pursuant to the Prospectus should be amended and read as 3,869,418, being the references:

- in the Investment overview and summary of the Offers under the headings “Lead Manager Options” and “How will the Offers impact existing securities on issue”
- in Section 3.3
- in Section 4.3
- in Section 8.8

Subject to the above, all other disclosures with respect to the Lead Manager Options in the Prospectus remain the same.

Mahe Capital 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 and issue of the Lead Manager Options.

3.3 Use of funds

Since the Offers have closed fully subscribed and the Company is looking to complete the Follow-on Placement, to raise a total amount of approximately \$3.87 million (before costs), the Company has updated its use of funds table to replace the existing table in Section 4.1 of the Prospectus, as follows:

Item	Allocation based on Rights Issue and Shortfall Offer being fully subscribed (\$2.65 million)	Allocation based on Rights Issue and Shortfall being fully subscribed and Follow-on Placement being completed
	(A\$'000)	(A\$'000)
Support Mining Lease Proposal assessment / land access	\$200	\$250
Water and derisking studies	\$600	\$600
Tenement prospectivity assessment for gold, copper, REE	\$200	\$600
Anticipated costs to complete binding agreements with strategic partners	\$250	\$250
Working capital	\$1,155	\$1,769
Expenses of the Offers	\$250	\$400
Total	\$2,655	\$3,869

Notes:

All amounts are in A\$'000 (thousands).

The use of proceeds table above is a statement of the proposed application of the funds to be raised under the Offers as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way the funds that are raised are applied.

General working capital includes amounts for ongoing corporate administration and operating costs (including directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs).

The estimated expenses of the Offers includes legal, ASX and Registry costs in connection with the Offers.

3.4 Effect of the Offers and the Follow-on Placement

The Follow-on Placement and the increase in the total number of Lead Manager Options has an effect on the Company.

Consequently, Section 4.2 of the Prospectus (as amended by the First Supplementary Prospectus) is deleted and replaced with the following:

The principal effect of the Offers and the Follow-on Placement will be to:

- increase the cash reserves of the Company by \$3,869,418 (based on completion of the Follow-on Placement but subject to the rounding of fractional entitlements to New Shares), before deducting costs;
- increase the number of Shares on issue as shown in Section 3.5 of the Second Supplementary Prospectus; and
- based on the Offers being fully subscribed and completion of the Follow-on Placement, increase the number of Options on issue as shown in Section 3.5 of the Second Supplementary Prospectus (subject to ASX approval of Official Quotation of the Options to be issued under the Offers and the Follow-on Placement).

The Company's prevailing cash position can be reviewed via the quarterly Appendix 5B's the Company lodges with ASX.

3.5 Effect on the Company's capital structure

Upon completion of the Follow-on Placement, the Company will issue an additional 18,676,923 Shares and 18,676,923 Placement Options to subscribers under the Follow-on Placement, with the issue of 12,306,667 Placement Options to remain subject to the approval of Shareholders at the AGM.

Up to 3,869,418 Lead Manager Options have been agreed to be issued subject to Shareholder approval at the AGM.

Consequently, the capital structure table in Section 4.3 of the Prospectus (as amended by the First Supplementary Prospectus) is deleted and replaced with the following updated capital structure table, based on the Offers being fully subscribed and the completion of the Follow-on Placement (subject to the rounding of fractional entitlements to New Shares).

In addition, since the date of the Prospectus, a holder of the Company's convertible notes has exercised its conversion right in respect of 300,000 convertible notes, resulting in the issue of 3,750,000 Shares to that holder.

Shares and Options	Number (based on Offers being fully subscribed)	Number (based on Offers being fully subscribed and completion of the Follow-on Placement)
Shares currently on issue	126,307,735	126,307,735
New Shares to be issued pursuant to the Rights Issue (including the Shortfall Offer)	40,852,578	40,852,578
New Shares to be issued on completion of the Follow-on Placement	-	18,676,923
Total Shares	167,160,313	185,837,236
Quoted options currently on issue (ASX: MGTOA)	16,639,408	16,639,408
Unquoted options currently on issue	21,880,819	21,880,819
Convertible Loan Notes (maximum number of Shares to be issued if converted)	39,678,500	39,678,500
Options to be issued pursuant to Rights Issue	40,852,578	40,852,578
Options to be issued pursuant to the Follow-on Placement	-	18,676,923
Lead Manager Options	2,655,417	3,869,418
Total share capital (on a fully diluted basis)	287,981,896	327,434,882

The Notes set out in Section 4.3 of the Prospectus continue to apply to the replacement capital structure table set out above with the addition of the following note:

- The issue of 12,306,667 Options under the Follow-on Placement, and the issue of all of the Lead Manager Options, remain subject to the approval of Shareholders at the Company's forthcoming Annual General Meeting.

3.6 Effect on the control of the Company

The Follow-on Placement, and the increase in the number of Lead Manager Options to be issued under the Prospectus, are not expected to have any effect on the control of the Company. In fact the Follow-on Placement will have a dilutory effect on Shareholders who do not participate in the Follow-on Placement.

Since the Rights Issue has closed fully subscribed, and the Underwriter has not been required to take up any underwritten securities under the Rights Issue, the last two bullet points in Section 4.4 of the Prospectus are deleted and a new bullet point is added as follows:

- other than as noted above, given the structure of the Rights Issue as a pro rata issue and since the Company has agreed to undertake the Follow-on Placement (which has a dilutory effect on Shareholders who do not participate in the Follow-on Placement), the Company does not expect that the Offers and the Follow-on Placement will have a material effect on the control of the Company or result in any Shareholder increasing their holding to an amount in excess of 19.9%.

3.7 Financial effect of the Offers

The Follow-on Placement will have an impact on the Pro Forma Statement set out in the Annexure to the Prospectus, and a replacement Pro Forma Statement is attached in the Annexure to this Second Supplementary Prospectus.

3.8 ASX quotation

An amendment to the application for Official Quotation of the securities under the Follow-On Placement and the Lead Manager Options offered pursuant to the Prospectus and this Second Supplementary Prospectus will be made to ASX within 7 days after the date of this Second Supplementary Prospectus.

If the Company does not receive sufficient Applications to meet the requirements for Official Quotation of a second class of securities (being the class of Options offered under the Prospectus and this Second Supplementary Prospectus, including all the Options to be issued under the Offers, the Follow-on Placement and the Lead Manager Options) under the ASX Listing Rules, or ASX does not grant Official Quotation of the Placement Options or the Lead Manager Options offered pursuant to the Prospectus and this Second Supplementary Prospectus before the expiration of 3 months after the date of issue of this Second Supplementary Prospectus (or such other period as varied by ASIC), the Company will refund all Application Monies received for the Placement Options and the Lead Manager Options (which will be \$nil as there is no consideration payable with respect to the issue of the Placement Options or the Lead Manager Options) within the time prescribed under the Corporations Act, without interest, however the Company may, subject to compliance with applicable law, continue with the issue of the Placement Options and/or the Lead Manager Options, including potentially issuing Placement Options or Lead Manager Options that are not quoted on ASX.

The fact that ASX may grant Official Quotation to the securities to be issued under the Follow-on Placement or the Lead Manager Options is not to be taken in any way as an indication of the merits of the Company or the securities being offered under the terms of the Prospectus (as supplemented by the First Supplementary Prospectus and this Second Supplementary Prospectus).

3.9 Continuous disclosure obligations

The Prospectus is a “transaction specific prospectus” to which the special content rules under section 713 of the Corporations Act apply. As such, the Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company that has been notified to ASX, including each of the First Supplementary Prospectus and this Second Supplementary Prospectus. Accordingly, any investor should have regard to the other publicly available information in relation to the Company before making a decision whether to invest or not.

The table in Section 8.1 of the Prospectus sets out details of documents lodged by the Company with ASX since the date of lodgement of the Company's 2024 annual financial report up to the date of lodgement of the Prospectus with ASIC.

That table has been updated in this Second Supplementary Prospectus to add details of documents lodged with ASX subsequent to the lodgement of the First Supplementary Prospectus with ASIC, up to the date of lodgement of this Second Supplementary Prospectus with ASIC, as follows:

Date	Headline	Type
25/08/2025	Security Class Suspension from Quotation - MGTOF	ASX notification
20/08/2025	Update – Proposed issue of securities - MGT	Appendix 3B
20/08/2025	Supplementary Prospectus	Disclosure Document
20/08/2025	Update on renounceable Rights Issue to Raise \$2.65mn	Announcement

3.10 Expenses of the Offers

Section 8.11 of the Prospectus is deleted and replaced with the following:

The total expenses of the Offers are estimated to be approximately \$400,000 (excluding GST), based on full subscription under the Offers, and completion of the Follow-on Placement.

4 Consent

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

The party referred to below:

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

Mahe Capital has given its written consent to being named in this Second Supplementary Prospectus as the lead manager and underwriter to the Rights Issue, the Shortfall Offer and the Follow-on Placement, and the subscriber of the Lead Manager Options, in the form and manner in which it is named. Mahe Capital has not withdrawn its consent prior to the lodgement of this Second Supplementary Prospectus with ASIC.

5 Governing law

This Second Supplementary Prospectus, the Offers, the Follow-on Placement, the offer of the Lead Manager Options, and the contracts formed on acceptance of the securities under the Offers or the Follow-on Placement or the offer of the Lead Manager Options are governed by the laws in force in New South Wales.

Any dispute arising out of, or in connection with this Second Supplementary Prospectus, the Offers, the Follow-on Placement or the offer of the Lead Manager Options will be determined by the courts of New South Wales. By accepting the offer of securities under the Offers or the Follow-on Placement or the offer of the Lead Manager Options, the subscriber agrees to submit to the non-exclusive jurisdiction of the courts in New South Wales.

6 Directors' Authorisation

This Second Supplementary 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 Second Supplementary Prospectus with ASIC.

Dated: 5 September 2025

Signed for and on behalf of Magnetite Mines Limited by



Paul White
Chairman
Magnetite Mines Limited

Annexure – Pro Forma Statement of Financial Position

	30 June 2024 Audited \$	Audit Reviewed 31 December 2024 \$	Subsequent events \$	Pro forma 30 June 2025 \$	Pro forma adjustments (based on full subscription of Rights Issue and completion of follow-on placement) \$	Pro forma after the Offers (based on full subscription of Rights Issue and completion of follow-on placement) \$
Assets						
Current assets						
Cash and cash equivalents	5,134,710	1,029,206	456,973	1,486,179	3,869,418	5,355,597
Other receivables	274,634	353,832	(154,789)	199,043		199,043
Total current assets	5,409,344	1,383,038	302,184	1,685,222	3,869,418	5,554,640
Non-current assets						
Other receivables	112,588	195,726	-	195,726		195,726
Exploration Expenditure	32,863,921	37,627,288	1,361,414	38,988,702		38,988,702
Property, plant and equipment	107,343	104,065	(21,440)	82,625		82,625
Right of use of assets	477,950	517,904	(120,276)	397,628		397,628
Total non-current assets	33,561,802	38,444,983	1,219,698	39,664,681		39,664,681
Total assets	38,971,146	39,828,021	1,521,882	41,349,903	3,869,418	45,219,321
Liabilities						
Current liabilities						
Trade and other payables	969,114	898,908	(89,602)	809,306		809,306
Provisions	267,642	440,737	(15,894)	424,843		424,843
Lease liabilities	313,855	238,047	16,118	254,165		254,165
Convertible loan	1,975,000	-	-	-		-
Total current liabilities	3,525,611	1,577,692	(89,378)	1,488,314		1,488,314
Non-current liabilities						
Lease liabilities	135,390	267,376	(118,279)	149,097		149,097
Convertible loan	-	-	3,474,280	3,474,280		3,474,280
Total non-current liabilities	135,390	267,376	3,356,001	3,623,377		3,623,377
Total liabilities	3,661,001	1,845,068	3,266,623	5,111,691		5,111,691
Net assets	35,310,145	37,982,953	(1,744,741)	36,238,212	3,869,418	40,107,630
Equity						
Contributed Equity	89,513,282	98,268,200	(230,416)	98,037,784	3,869,418	101,907,202
Reserves	13,398,439	14,358,347	26,223	14,384,570		14,384,570
Accumulated losses	(67,601,576)	(74,643,594)	(1,540,548)	(76,184,142)		(76,184,142)
Total equity	35,310,145	37,982,953	(1,744,741)	36,238,212	3,869,418	40,107,630

This Second Supplementary Prospectus is intended to be read in conjunction with the Prospectus dated 15 August 2025 and the First Supplementary Prospectus dated 20 August 2025, issued by Magnetite Mines Limited and lodged with ASIC on those respective dates.