

ASX ANNOUNCEMENT

26 May 2026

MAGNETITE MINES ANNOUNCES LEADERSHIP TRANSITION AND STRATEGIC RESET

HIGHLIGHTS:

- **Strategic reset and further cost reduction program implemented** to address current market conditions, reduce cash burn and align expenditure with near-term value drivers, with a priority focus on seeking new sources of funding.
- **Leadership transition underway**, with Managing Director Tim Dobson stepping down and former ArcelorMittal and BHP senior executive, Scott Lowe, appointed as CEO and Managing Director, transitioning to Executive Chairman over the coming months. Paul White and Simon Wandke to remain on the Board.
- **Razorback Iron Ore Project continues to progress** including:
 - **Strategic Partnering** Appointment of GC Partners Asia in early May 2026 to support China-focused strategic partnering and DFS funding initiatives.¹
 - **Major Project Status (MPS)** Ongoing engagement with State and Federal Governments regarding policy, infrastructure and funding support following the award of MPS in February 2026.²
 - **Mining Lease Proposal (MLP)** Progression of key approvals with the South Australian Government.^{3,4}
 - **Revised development strategy** focused on capital efficiency and phased delivery, including advancement of Dry Magnetic Separation (DMS) technology aimed at reducing water requirements, lowering capital intensity and supporting a potential early revenue pathway.
- **Critical Minerals:** Increased focus on unlocking value from critical minerals and precious metal opportunities, including gold, copper, silver and rare earth elements (REE), across the Company's substantial tenement portfolio, with results from the recent REE drilling program expected in the coming weeks.^{5,6}

Paul White, Chair of the Board, said:

"Over the past two years, Magnetite Mines has made significant progress advancing the Razorback Project and positioning the Company within the global shift toward low-carbon steel. Much of this progress has been led by Tim Dobson, and the Board thanks Tim for his dedication and leadership during this important phase of development."

“The Board believes the long-term outlook for high-grade iron ore remains strong, particularly as steelmakers continue to transition toward lower-emissions steel production. However, current market conditions support a more staged and capital-efficient development pathway for Razorback. This strategic reset ensures we preserve the long-term value of our world-class resource while focusing on capital efficiency, partnership opportunities and near-term pathways to value creation.

“We are pleased to welcome Scott Lowe as CEO. Scott brings strong capital markets, operational and strategic experience that is well-aligned with the Company’s immediate funding priorities and its next phase of development.”

Magnetite Mines Limited (ASX:MGT) today announces a strategic reset of its business, a leadership transition, and a series of initiatives designed to strengthen the Company’s financial position, preserve project optionality and support long-term shareholder value in response to evolving market conditions.

BACKGROUND AND PROGRESS TO DATE

MGT holds globally significant magnetite iron ore resources in South Australia, including 6.6 billion tonnes of total Mineral Resources and 2.0 billion tonnes of Ore Reserves at its flagship Razorback Project in the Braemar Iron Region, located approximately 240km north of Adelaide.^{7,8,9,10,11} The Company also holds more than 2,800 km² of exploration licences in South Australia prospective for precious and critical minerals.

Since 2022, MGT has pursued a strategy focused on:

- Positioning Razorback within emerging global steel decarbonisation trends
- Increasing geological and metallurgical understanding of its resource base, including growing the Mineral Resource Estimate and establishing a maiden Ore Reserve for Razorback
- Elevating the Company’s profile with Federal, South Australian and local governments
- Establishing engagement with global offtake and strategic partners to support future development and offtake pathways
- Securing key energy, logistics and engineering partnerships to enable Razorback’s development as a long-life supplier of DR-grade concentrates for global green iron markets
- Progressing development pathways toward long-term project execution

Over the past three years, MGT has achieved a number of significant milestones, including:

- Securing Major Project Status from the Australian Federal Government²
- Lodgement of the Mining Lease Proposal (MLP) for Razorback^{3,4}
- Expanding the Company’s global Mineral Resource Estimate to 6.6 billion tonnes and delivering a maiden Ore Reserve for Razorback of 2.0 billion tonnes^{7,8,9,10,11}
- Securing interest and completing due diligence processes with a number of leading global steelmakers, traders, private equity groups and financiers regarding project development,

funding and offtake opportunities, with a view to securing a long-term strategic partner for the project, with these efforts ongoing.^{12,13}

- Forming a logistics consortium (Green Iron SA) to support coordinated infrastructure development in line with South Australian Government priorities, with a focus on Port Pirie¹⁴
- Strengthening relationships and project support across Federal and South Australian government bodies
- Advocating for magnetite to be recognised as a Critical Mineral in Australia, given its role in low-carbon steelmaking
- Progressing and patenting saline water processing solutions for the process flowsheet¹⁵
- Completing key trade-off studies to optimise project design and improve overall project economics
- Signing a Partnering Agreement with the Ngadjuri Nation Aboriginal Corporation, establishing a framework for collaboration across Razorback's development and operations¹⁶
- Executing cooperative Memoranda of Understanding with the two key council jurisdictions impacted by the project: Peterborough and Port Pirie^{17,18}
- Launching a bespoke sustainability platform, "foresight", to align the Company's sustainability objectives with community and market expectations as it transitions from explorer to developer and producer¹⁹

Collectively, these milestones have increasingly advanced and de-risked the Razorback Project and provide a strong foundation for the Company's next phase of development. The Board acknowledges the significant work undertaken and thanks shareholders for their continued support.

STRATEGIC RESET

The Board is undertaking a strategic refresh in response to evolving market conditions, including:

- Ongoing funding constraints
- Heightened global uncertainty
- Ongoing inflationary pressures, particularly in energy markets
- A slower-than-expected transition to green iron and steel production globally

Since 2022, the Company's strategy has been underpinned by forecast growth in demand for DR-grade magnetite concentrates as feedstock for Electric Arc Furnace (EAF) steelmaking, driven by the global steel industry's decarbonisation objectives.

While EAF adoption continues to expand, the pace of transition by global steelmakers has been slower than anticipated due to broader macroeconomic conditions and increasing cost pressures. However, the demand for high-grade magnetite is expected to strengthen materially over the medium to long term, particularly beyond 2030.^{20,21}

Accordingly, while the long-term fundamentals supporting low-carbon steel production remain compelling, the Board believes the current environment favours a more phased and capital-efficient pathway to development.

The Board's strategic refresh is therefore focused on preserving long-term value while adapting to near-term funding and market conditions, including prioritising capital discipline, advancing phased development pathways, progressing strategic partnerships, and unlocking additional value from critical minerals across the Company's tenement portfolio. Additionally, the Company recognises emerging prospectivity for gold, copper and rare earth elements (REE) across its tenements.

LEADERSHIP TRANSITION

MGT announces that current CEO and Managing Director Tim Dobson will step down effective immediately and will remain in an advisory capacity for a period to facilitate an orderly and structured handover. Mr Dobson has agreed to accept 50% of his contractual notice period in equity in lieu of cash, subject to shareholder approval.^A

The Board thanks Mr Dobson for his outstanding contribution over the past three and half years, including advancing the Razorback Project and strengthening government and industry engagement and support.

The Company is pleased to appoint Scott Lowe as CEO, Managing Director and Chairman Elect, with a transition to Executive Chairman over the coming months.

Mr Lowe is a senior mining executive with more than 35 years' experience across mining operations, project development, capital markets and strategic partnerships. His experience includes CEO with ASX-listed resource companies and senior executive positions with major global mining groups including BHP, South32, ArcelorMittal and Peabody. Mr Lowe brings extensive experience in capital raising, stakeholder engagement and advancing resource projects through development and operational phases in iron ore, coal and base metals.

A summary of the material terms of Mr Lowe's executive service agreement is set out in the Annexure to this announcement.

Tim Dobson, outgoing CEO and Managing Director, said:

"It has been a privilege to lead Magnetite Mines over the past three and a half years and to progress the Razorback Project to its current stage. I am proud of the considerable advancements made by the team, including strengthening government and industry relationships and positioning the Company within the emerging green iron sector.

"I remain confident in the long-term potential of the Razorback Project and believe the strategic reset announced today positions the Company to navigate current market conditions. I look forward to supporting an orderly transition and wish Scott and the Board every success in the next phase of development."

^A The number of shares to be issued will be calculated based on the 5-day volume weighted average price of the Company's shares traded on the ASX up to the date Shareholders approve the issue at the Company's 2026 AGM. If Shareholders do not approve the issue of these shares at the relevant meeting, the Company will consider alternative payment arrangements, including payment in cash, in each case subject to compliance with applicable law

Scott Lowe, incoming CEO and Managing Director, said:

“I am pleased to join Magnetite Mines at this important stage in its development. The Company has a globally significant resource and has made strong progress in positioning Razorback within the emerging low-carbon steel value chain. Having worked across major global mining and steel businesses over more than 35 years, I also bring experience across a range of critical minerals and look forward to assessing opportunities to maximise value across both the Razorback Project and MGT’s broader portfolio.

“My immediate focus will be on strengthening the Company’s funding position, progressing strategic partnerships and advancing a more capital-efficient development pathway to unlock value for shareholders.”

As part of this transition:

- **Paul White** will step down as Chair and transition to a Non-Executive Director role within the next three months
- **Simon Wandke** will remain on the Board as a Non-Executive Director

REVISED STRATEGIC DIRECTION

MGT will adopt a more focused and capital-efficient strategy:

Iron Ore Development

- Maintain core intellectual property and long-term optionality of the Razorback Project
- Continue efforts to secure a strategic funding partner for completion of the DFS and path to Final Investment Decision (FID)
- Engage with Federal and State governments to secure infrastructure funding support (water, power, logistics)
- Progress collaboration with industry stakeholders regarding downstream processing and export solutions, including Port Pirie and Whyalla

Technology and Phased Development

- Advance studies focused on using more efficient grinding technologies and Dry Magnetic Separation (DMS) technology with established OEM partners
- Evaluate a phased “Early Revenue Project” pathway, potentially reducing:
 - Water requirements
 - Capital expenditure (including desalination infrastructure)
 - Operating costs
- Subject to positive results, progress a Scoping Study for staged development

Critical Minerals and Exploration

- Actively assess farm-in and partnership opportunities to unlock value from gold, copper and REE prospectivity
- Rationalise exploration spend to focus on assets with the highest near-term value potential

FUNDING AND COST MANAGEMENT

Short-Term Funding

Following the March 2026 capital raising²², MGT is actively pursuing non-debt funding options, including:

- Equity funding options
- Strategic and alternative capital sources aligned with the revised strategy

The Company will continue to engage constructively with lenders, C/M Capital Partners,²³ regarding its existing financing arrangements, including convertible note obligations due in 2027.

Cost Reduction Measures

MGT is implementing disciplined cost management initiatives, including:

- Workforce optimisation aligned to core strategic priorities
- Reduced expenditure on non-critical iron ore advancement activities
- Review and potential rationalisation of land holdings, including non-core exploration assets
- Broad-based austerity measures to materially reduce annual cash burn

OUTLOOK

The Board of Magnetite Mines remains committed to unlocking the long-term value of its world-class magnetite resource while adapting to current market realities.

The revised strategy prioritises:

- Capital discipline
- Strategic partnerships
- Phased development pathways
- Diversification through critical minerals

The Board believes the revised strategy positions Magnetite Mines to preserve the long-term value of Razorback while progressing a more capital-efficient pathway aligned with future demand for high-grade iron ore products.

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

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ABOUT MAGNETITE MINES

Magnetite Mines Ltd is an ASX-listed iron ore company focused on the development of magnetite 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 ore⁷⁻¹⁰ 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, positioning the Company to benefit from long-term demand for high-purity iron ore products used in lower-emissions steelmaking. 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.

DISCLOSURE

Information in this announcement that relates to Mineral Resources has been previously released to ASX and is available on the Company's website. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

REFERENCES

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|---------------------------------|-------------|--|
| 1. ASX:MGT | 04 May 2026 | GC Partners Asia Appointed To Advance Chinese Investment Opportunities |
| 2. ASX:MGT | 17 Feb 2026 | Razorback Project Awarded Major Project Status |
| 3. ASX:MGT | 26 Mar 2025 | Razorback Project Mining Lease Proposal Lodged |
| 4. ASX:MGT | 24 Nov 2025 | Razorback Mining Lease Validity Assessment Finalised |
| 5. ASX:MGT | 21 Apr 2026 | Drilling Commences at the Ironback Hill REE Project |
| 6. ASX:MGT | 10 Mar 2026 | Investor Presentation |
| 7. ASX:MGT | 30 Jun 2025 | Razorback Iron Ore Project 2025 Mineral Resource Update |
| 8. ASX:MGT | 09 Feb 2023 | Iron Peak Mineral Resource Significantly Improved |
| 9. ASX:MGT | 03 Nov 2022 | Muster Dam Mineral Resource Estimate |
| 10. ASX:MGT | 20 Nov 2018 | Ironback Hill Deposit - JORC 2012 Resource Update |
| 11. ASX:MGT | 09 Jun 2023 | Iron Peak Maiden Ore Reserve |
| 12. ASX:MGT | 19 Dec 2025 | Razorback Strategic Partnering Update |
| 13. ASX:MGT | 08 Jul 2024 | Agreement signed with JFE Shoji to fund DFS |
| 14. ASX:MGT | 22 Oct 2024 | Green Iron SA alliance launched for Green Iron revolution |
| 15. ASX:MGT | 22 Jul 2024 | Green Iron grade concentrates produced using saline water |
| 16. ASX:MGT | 21 Dec 2023 | Historic Partnering Agreement signed with Ngadjuri Nation |
| 17. ASX:MGT | 5 May 2023 | Landmark Community MOU Signed for Razorback Project |
| 18. ASX:MGT | 13 Feb 2024 | Partnership positions Port Pirie as Future Green Iron Hub |
| 19. ASX:MGT | 27 Jun 2023 | Magnetite Mines Launches Foresight Sustainability Platform |
| 20. Agora industry | | Global Steel Transformation Tracker |
| 21. Global Energy Monitor (GEM) | | Global Iron and Steel Tracker |
| 22. ASX:MGT | 1 Apr 2026 | Completion of Renounceable Rights Issue |
| 23. ASX:MGT | 13 Jan 2025 | Magnetite Mines secures up to \$7M funding |

Annexure – Material Terms of Chief Executive Officer Executive Service Agreement

Commencement Date:	26 May 2026
Total Fixed Remuneration:	Base salary of A\$270,000 per annum (Cash Salary) plus statutory superannuation. Remuneration to be reviewed annually.
Short-Term Incentive:	In accordance with the Company's Employee Incentive Plan (EIP), eligibility to participate in the Company's Short Term Incentive Plan (STI) with a target STI opportunity of 40% of annual Cash Salary (exclusive of superannuation) and an additional stretch opportunity of up to 20% of annual Cash Salary (exclusive of superannuation) in accordance with the Company's STI Plan. Participation in the STI Plan will be subject to annual Board review. Any incentive will be adjusted by the Board depending on performance against key performance indicators.
Long-Term Incentive:	In accordance with the Company's EIP, eligibility to participate in the Company's Long Term Incentive (LTI) Plan, with an LTI target opportunity of 40% of annual Cash Salary (exclusive of superannuation) in the form of fully paid ordinary shares in the Company, subject to the terms of the EIP and Shareholder approval. Participation in the LTI Plan will be subject to annual Board review. Any incentive will be subject to applicable Board-approved performance and vesting conditions.
Sign-on Arrangements:	Subject to Shareholder approval, fully paid ordinary shares with a nominal value of A\$20,000
Retention Bonus:	If the Executive completes 3 years' full time in the role of Chief Executive Officer of the Company, subject to Shareholder approval, the Executive will be entitled to receive fully paid ordinary shares in the Company with a value of 50% of the Executive's annual Cash Salary (exclusive of superannuation).
Termination of Employment:	▪ Three (3) months' notice by either party or payment by the Company in lieu of notice; ▪ Termination without notice for cause; ▪ Post-employment restraints for a period of up to six months.