

2 May 2022

Dear Shareholder,



Renounceable rights issue – letter to ineligible shareholders

On 19 April 2022 Magnetite Mines Limited (**Company**) announced a renounceable pro rata offer of approximately 632 million fully paid ordinary shares (**New Shares**) at an issue price of \$0.025 per New Share, with 1 attaching option (exercise price \$0.05 expiring 1 year from issue) for every 2 New Shares issued (**Rights Issue**).

The Rights Issue is offered to holders of the Company's fully paid shares held as at 7pm (AEST) on 22 April 2022 (**Record Date**) with a registered address in Australia or New Zealand on the basis of 1 New Share for every 5 shares held, and will raise up to approximately \$15.8 million (before costs).

The Company has decided that it is impractical to make offers under the Rights Issue to shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the Shares under the Rights Issue to those shareholders.

Unfortunately, since you are an Ineligible Shareholder, no offer is being made to you and the offer document prepared by the Company in relation to the Rights Issue will not be sent to you. In accordance with the Listing Rules, the Company has appointed Mahe Capital Pty Limited to sell Ineligible Shareholders' entitlements, and to account to them for the net proceeds of sale (if any).

This letter is neither an offer to issue new shares to you, nor an invitation for you to apply for new shares, and you do not have to take any further action in relation to the Rights Issue.

Yours faithfully

A handwritten signature in black ink, appearing to read "Peter Schubert". The signature is fluid and cursive, with a long horizontal stroke at the end.

Peter Schubert
Executive Chairman & CEO

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