

ASX ANNOUNCEMENT

7 JANUARY 2026

NEW TENEMENT GRANTED ADJACENT TO IRONBACK HILL RARE EARTHS PROJECT

- Exploration Licence EL7100, 'Braemar Creek' (previously application ELA-01049) has been granted in South Australia and is 100% held by Magnetite Mines Limited.
- The Licence covers 227 square kilometres immediately adjacent to EL6126, which hosts the previously reported Ironback Hill rare earth element (REE) mineralisation.
- The Licence secures downstream drainage corridors interpreted to be related to the clay-hosted REE mineralisation at Ironback Hill, providing strategic exploration optionality for potential REE extensions.

Magnetite Mines' Managing Director Tim Dobson said:

"The Braemar Creek ground was identified early in our alternative commodities exploration program as a strategically important licence that secures key drainage corridors immediately downstream of the clay-hosted REE mineralisation we have reported at Ironback Hill.

"The grant of this licence gives us optionality for future rare earth exploration, coincident with those local drainage features, should our ongoing work at Ironback Hill support follow-up. It is a logical addition to our local tenure position, and we will continue to advance this work in a disciplined manner while keeping our primary focus on the Razorback Iron Ore Project."

Magnetite Mines Limited (ASX:MGT) is pleased to advise that the South Australian Department for Energy and Mining (DEM) has granted the Braemar Creek Exploration Licence EL7100 (the Licence), formerly application ELA-01049 to Magnetite Mines Limited.^{1,2}

The Licence is located in the Braemar Iron Region of South Australia, immediately adjacent to EL6126, which hosts the Ironback Hill REE prospect and Ironback Hill magnetite deposit.^{2,3} The licence application was lodged in August 2025 and has now been granted to Magnetite Mines Limited on a 100% basis.

Braemar Creek has an initial term of two years and covers an area of 227 square kilometres. Standard statutory expenditure and land-access conditions apply.

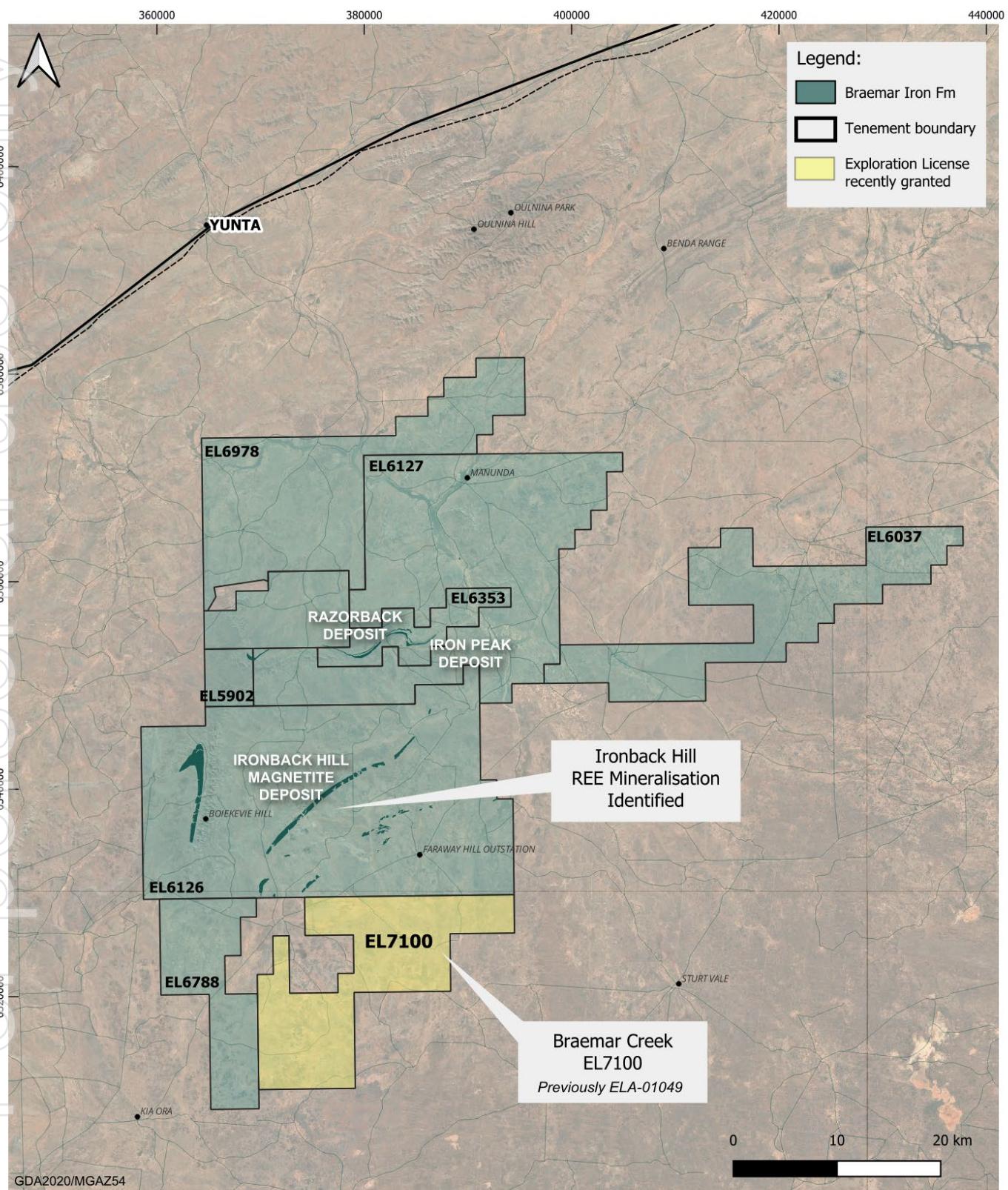


Figure 1. Location of Braemar Creek EL7100 relative to Ironback Hill REE prospect EL6126 and the Razorback Iron Ore Project.

STRATEGIC CONTEXT

In August and November 2025, the Company reported near-surface, clay-hosted REE mineralisation from archived drill samples at Ironback Hill within EL6126, with mineralised intervals interpreted to be associated with shallow clay horizons developed along local creek and drainage systems.

Following these results, the Company outlined plans for a low-cost, decision-gated air core drilling program at Ironback Hill and applied for an additional exploration licence over the downstream extension of the relevant drainage network. The Braemar Creek (EL7100) is the outcome of that application.

The grant of EL7100 consolidates the Company's tenure position around Ironback Hill by securing the adjacent drainage corridors interpreted to be linked to the REE mineralisation within EL6126. While no exploration work has yet been undertaken on EL7100, the Licence provides strategic optionality for future REE exploration, subject to the results of ongoing and planned work at Ironback Hill.

The addition of EL7100 is consistent with Magnetite Mines' broader strategy to assess the critical minerals potential of its Braemar tenure in a phased, capital-light manner, while maintaining the Razorback Iron Ore Project as the core development focus.

PLANNED WORK PROGRAM

No exploration activities related to REE mineralisation have yet been completed on EL7100, and there has been no drilling, resource estimation or metallurgical testwork on the Licence area by the Company to date. The tenement has been acquired based on adjacency to EL6126 which is known to host REE mineralisation. It is unknown if REE mineralisation extends into EL7100 however a work program to assess potential mineralisation is planned,

Initial work programs on Braemar Creek are expected to be modest in scale and include:

- compilation and review of open-file geological, geophysical and geochemical data
- refinement of the regolith and drainage-based REE targeting using the geological model developed at Ironback Hill
- reconnaissance mapping and low-impact surface geochemical sampling along priority creek lines within the Licence
- integration of results with the planned air core drilling program at Ironback Hill to assess whether follow-up drilling on the tenement is warranted.

All on-ground activities will be subject to completion of standard heritage clearances, landholder consultation and regulatory approvals.

DISCLAIMERS

This announcement does not report any new Exploration Results, Mineral Resources or Ore Reserves in relation to Braemar Creek, EL7100. Exploration results for REE mineralisation at Ironback Hill referred to in this announcement were previously disclosed in the Company's ASX announcements dated 19 August 2025 and 18 November 2025, and in the Magnetite Mines AGM presentation dated 26 November 2025. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and that all material assumptions and technical parameters underpinning the exploration results in the relevant market announcements continue to apply and have not materially changed.

Cautionary statement regarding forward-looking information

This document may contain forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "expect", "target" and "intend", and by statements that an event or result "may", "will", "should", "would", "could" or "might" occur or be achieved, and other similar expressions. Forward looking information is subject to business, legal and economic risks and uncertainties and other factors that could cause actual results to differ, sometimes materially, from those expressed or implied in such statements. These factors may include, among other things, risks relating to tenure and property interests, the global economic climate, commodity prices, sovereign and legal risks, and environmental and regulatory risks. Forward looking statements are based on the Company's estimates and opinions at the date the statements are made. Magnetite Mines undertakes no obligation to update any forward-looking statements for events or circumstances that occur after the date of this document, or to update or keep current any of the information contained herein, except as required by law. Any estimates or projections about future events, including projections of revenue, expenditure, net income or performance, are based on the Company's best judgement from information available as at the date of this document. There is no guarantee that any of these estimates or projections will be achieved, and actual results may differ, possibly in a material way. Nothing in this document is, or should be relied upon as, a promise, forecast or representation as to past or future performance. Any reliance placed by the reader on this document, or on any forward-looking statement contained in or referred to in this document, will be solely at the reader's own risk and readers are cautioned not to place undue reliance on forward looking statements because of the inherent uncertainty in them.

Competent Person's statement

The information in this announcement that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Trevor Thomas, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Member of the Australian Institute of Geoscientists (AIG). Mr Thomas is a full-time employee of Magnetite Mines Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012). Mr Thomas consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Mr Thomas holds unquoted options in the Company. The information in this announcement that relates to Exploration Results is extracted from the Company's ASX announcements and presentation referred to above. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market disclosures.

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

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ABOUT MAGNETITE MINES

Magnetite Mines Limited (ASX: MGT) is an Australian iron ore company focused on the development of magnetite iron ore resources in the highly prospective Braemar Iron Region of South Australia. The Company has a 100% owned Mineral Resource of 6.6 billion tonnes and is developing the Razorback Iron Ore Project, located 240km from Adelaide, to meet accelerating market demand for premium iron ore products created by iron and steel sector decarbonisation. With the potential to produce high-value Direct Reduction (DR) grade concentrates, Razorback is set to become a very long-life iron ore project with expansion optionality in a tier 1 jurisdiction that will produce a superior iron ore product sought by steelmakers globally. For more information visit magnetitemines.com.

REFERENCES

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| 1. ASX:MGT | 18/11/2025 | Additional Rare Earths Confirmed, Drilling Planned |
| 2. ASX:MGT | 19/08/2025 | Rare Earths Mineralisation Identified at Ironback Hill |
| 3. ASX:MGT | 20/11/2018 | Ironback Hill Deposit - JORC 2012 Resource Update |