ASX ANNOUNCEMENT

30 JANUARY 2025

SECOND QUARTER ACTIVITIES REPORT

ENDING 31 DECEMBER 2024

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HIGHLIGHTS

RAZORBACK IRON ORE PROJECT

- **Strategic Partnering**
  - Definitive Agreement completion with JFE Shoji Australia (JFE) well advanced, including DFS funding, joint venture partnering arrangements and product marketing strategies; now scheduled for execution in Q2 2025.
  - Several other potential strategic partners are completing due diligence on Razorback.
- **Mining Lease Proposal**
  - Documentation complete and scheduled for submission to SA Government by mid-March 2025 in alignment with incoming funds.
- **Technical Progress**
  - Further saline water processing and product quality testwork approved and commenced.
- **Land Access & Native Title**
  - Formal Indigenous Land Use Agreement negotiations commenced with Ngadjuri Nation; multiple pastoral land access agreements in negotiation.

CORPORATE

- **Funding**
  - Comprehensive overhead cost reductions implemented during December Quarter.
  - Rights Issue closed in October raising $2.4 million, before costs.
  - $7 million flexible funding facility announced 13 January: $1.2 million cash received; second tranche of $1.3 million requiring shareholder approval via EGM in early March.
- **Board Restructure**
  - Transition to three-person Board completed: Paul White (Non-Executive Chair), Tim Dobson (Managing Director) and Simon Wandke (Non-Executive Director).

GREEN IRON SA CONSORTIUM (Magnetite Mines, Aurizon, Flinders Ports, GHD)

- **SA Government 'Green Iron Opportunity' EOI Submission**
  - Continued positive engagement with SA Government departments, Ministers and Premier post EOI submission.
  - Magnetite Mines participated in trade mission and targeted meetings in Korea and Japan with SA Trade Minister Hon. Joe Szakacs MP in Oct 2024.
  - SA Government to provide EOI process update in early 2025.

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Magnetite Mines Limited (ASX: MGT) is pleased to provide an update of activities and financial results for the quarter ending 31 December 2024.

The quarter was marked by continuing uncertainty in macroeconomic and geopolitical environments resulting in challenging conditions for fundraising via equity markets. In response, the Company undertook a comprehensive cost reduction program resulting in a significant decrease in overhead costs and a substantial streamlining of Board composition.

These events have not impacted the Company's negotiations with strategic partner JFE Shoji Australia Pty Ltd (JFE), with Definitive Agreements for DFS funding now well advanced. Execution of binding agreements, originally targeted for 31 January 2025, is now planned to occur during the second quarter of 2025 to accommodate final technical due diligence at the Razorback Project site by JFE.

Subsequent to the quarter end, on 13 January 2025, the Company announced it had secured a $7 million funding facility that will provide flexible working capital while Definitive Agreements with JFE are completed and enable the submission of the Razorback Mining Lease Proposal to the South Australian Government[1].

MARKET UPDATE

The long-term transition of the global steel industry to low-carbon steelmaking continued its momentum during the period with a range of industry announcements highlighting decarbonisation investments in existing assets, R&D into new low-carbon technologies and the securitisation of future 'green iron' supply chain including DR-grade (direct reduction) magnetite concentrates, DRI (direct reduction iron) and high-quality scrap.

Of particular market significance was the December announcement relating to the sale of 49% of the Kami magnetite project in Canada by Champion Iron to a major global steelmaker[2]. Similar to Razorback, Kami is a greenfield, PFS-level magnetite project that can produce DR-grade concentrates for green iron and steelmaking. The transaction values the Kami project at CAD$500 million post-DFS completion.

Due to supply rarity and increasing demand for green iron and steelmaking products, there is an expectation that the pricing of DR-grade magnetite concentrates will disconnect from traditional low and medium-grade iron ore pricing benchmarks over the coming years.

Both the South Australian and Federal governments have continued to support the development of a new 'green iron' industry in Australia, recognising the economic and job creation impacts this new industry will enable, and taking full benefit of Australia's comparative advantages of abundant renewable energy and DR-grade magnetite resources.

The South Australian government's "Green Iron Opportunity" Expression of Interest (EOI) process received 53 submissions, including from Magnetite Mines' Green Iron SA consortium, and remains a top priority for the state and is expected to be further developed in early 2025.

RAZORBACK IRON ORE PROJECT

Strategic Partnering

On 8 July 2024, Magnetite Mines announced the signing of a non-binding Heads of Agreement (HoA) with JFE Shoji Australia Pty. Ltd. (JFE). JFE Shoji Australia is a wholly owned subsidiary of JFE Shoji Corporation, which in turn is a wholly owned subsidiary of JFE Holdings[3].

Magnetite Mines and JFE are now developing detailed Definitive Agreements, as contemplated in the HoA, for a binding transaction to support the completion of a Definitive Feasibility Study (DFS) and related studies to progress the Razorback Iron Ore Project to a Final Investment Decision (FID). These agreements will also include foundational arrangements for long-term joint venture partnering following FID.

Part of this process includes coordinating teams from Japan and Australia to finalise technical due diligence requirements at the Razorback Project site in preparation for the DFS workstreams. This follows a series of high-level meetings in Nagoya and Tokyo in October 2024 with senior management from both parties, and the support of South Australian Minister for Trade & Investment Hon. Joe Szakacs MP and the Department for State Development.

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Hon. Joe Szakacs MP, Department of State Development, Invest SA, JFE Shoji & Magnetite Mines – Nagoya, Oct 2024

Both parties remain committed to completing negotiations as soon as possible and are now targeting execution of binding agreements in the second quarter of 2025.

During the period, JFE also assessed international market appetite for Razorback specification DR-grade concentrates with interest expressed from Indian, Middle Eastern and Chinese iron ore consumers. This interest has resulted in new relationships for the Company with regard to potential strategic partnering alongside JFE.

In close consultation with JFE, the Company has continued to pursue high-quality partnerships with additional potential strategic partners in line with its strategy of securing the optimal funding structure for its large-scale, multi-decade asset. These include preferred partners introduced by JFE, as well as international steelmakers, trading houses and private equity groups who have engaged with the Company directly in both due diligence and transactional negotiations.

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Technical Progress

During the period, technical efforts were largely focused on supporting due diligence programs with potential JV and offtake partners, including JFE and their nominated technical teams and external advisors.

Additionally, Magnetite Mines has refined the Razorback Project DFS scope and budgets with input from potential strategic partners to produce a Project Execution Plan and cashflow forecast. This work has been completed in preparation for potential funding with strategic partners, to support the immediate initiation of a DFS once funding is secured.

Work completed during the quarter included:

- Data room curation and RFI (Request for Information) management
- Core facility, Razorback and Iron Peak site field trips
- DFS scope of works and budget definition
- Quotations for works from leading engineering consultants

In support of the Razorback Mining Lease Proposal (MLP) preparation, technical studies related to mining and tailings storage were completed during the quarter. These studies, which provide the technical basis for tailing risk management, ore stockpile and waste rock evolution and rehabilitation opportunities, are required to inform the technical components of the MLP.

Metallurgy: Razorback Saline Water Testwork Program

To progress metallurgical de-risking while maintaining a low-cost profile, metallurgical test programs during the period were confined to minor low-cost comminution and magnetic separation testwork studies.

Subsequent to the reporting period, a metallurgical testwork program to further test the use of saline water (Spencer Gulf seawater) commenced. This program of work will submit several composite samples from the Razorback deposit, complementing the breakthrough pioneering testwork completed on the Iron Peak Composite and announced by the Company on 22 July 2024[4].

The intent of the program is to test the samples response to saline water flotation processing using the in-house developed water treatment methodology that was previously demonstrated to successfully produced high grade DR-Grade (i.e. less than 2.5% silica plus alumina) concentrates.

The outcomes of the testwork are expected to further define and prove the ability of the Razorback and Iron Peak deposits to be processed in saline water and inform broader ore body variability testwork planned for the DFS. The demonstrated use of saline water, instead of fresh water, in processing has significant potential benefits for the Project, principally in the removal of large-scale coastal desalination and therefore remains a high derisking and cost reduction priority for the Company.

SUSTAINABILITY

Approvals: Mining Lease Proposal (State Government)

Magnetite Mines progressed and finalised a range of preparatory processes ahead of the intended submission of the Project's Mining Lease Proposal (MLP). In November, the SA Government gazetted bespoke Terms of Reference (ToR) for the Project that defined the minimum requirements of the MLP[5]. The gazettal of the ToR was a significant step forward for the Project's approvals program as it formalised the SA Government's processes to consider Commonwealth environmental matters in a single, streamlined assessment process.

Preliminary tenement management applications were lodged with the South Australian Department for Energy and Mining to meet statutory and regulatory requirements, with the Company receiving the relevant authorisations subsequent to the reporting period.

An application consent was sought and received from the District Council of Peterborough – completing a further enabling step for the MLP submission. The Company also commenced the development and distribution of statutory notifications to all affected landowners.

With all impact assessment activities completed for the MLP, Magnetite Mines is completing final reviews of the extensive MLP documentation to ensure alignment with the ToR. These intensive efforts reflect both the Company's material investment in the approvals program and its commitment to effective governance and transparency processes under the 'f**ore**sight' sustainability initiative.

Approvals: EPBC Act Referral (Federal Government)

Magnetite Mines submitted a variation request to the federal Department for Climate Change, Energy, the Environment and Water (DCCEEW) to address minor changes in the Razorback Project area and disturbance footprint. These changes, resulting in a net reduction of both project area and disturbance footprint, have been principally achieved through:

- a change in accommodation camp location and associated rationalisation of access tracks
- improved management controls for the Iron Peak haul road
- optimisation of the tailings storage facility footprint
- optimisation of other project infrastructure and construction planning.

DCCEEW have advised that they will finalise assessment of the variation request during the current reporting period.

Land Access and Native Title

Discussions with the Ngadjuri Nation Aboriginal Corporation progressed in the quarter, with a focus on the continuing development of a native title agreement for the Razorback Project. Magnetite Mines maintains a strong commitment to fair and respectful agreement-making in accordance with our *Walking Together – One Team Partnering Agreement*[6].

Access negotiations are continuing with a large number of pastoral and other landowners to support the future grant of mining and other Project tenements. An access agreement was signed with SA Exploration Pty Ltd (100% owned by iTech Minerals Ltd) during the quarter to enable the development of the proposed transmission line corridor through their existing exploration tenement.

Negotiations are continuing with priority landowners into the following quarter.

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GREEN IRON SA CONSORTIUM

AURIZON MAGNETITE MINES Flinders Ports GHD

Green Iron SA consortium members: Brad Weston (Aurizon); Tim Dobson (Magnetite Mines), Stewart Lammin (Flinders Ports), Mike Nolan (GHD) – Adelaide, Oct 2024

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On 22 October 2024, Magnetite Mines announced the launch of a pioneering consortium, Green Iron SA, comprised of Magnetite Mines, Aurizon Holdings, Flinders Port Holdings, and GHD. Green Iron SA is committed to the establishment and acceleration of green iron production and export capability in South Australia by leveraging the vast untapped potential of the Braemar Iron Region together with the state's world-leading renewable energy capacity and infrastructure network[7].

In response to the SA Government's call for Expressions of Interest (EOI) relating to the state's 'Green Iron Opportunity', the consortium developed a comprehensive submission focused on the Razorback Iron Ore Project and a new Green Iron hub to be established at Port Pirie.

Green Iron SA's EOI submission defines a pathway for the development of the Braemar Iron Region and Port Pirie as the best location in South Australia to centre a green iron industry, because of its vast

magnetite reserves, strong industrial foundations, talented local workforce, and access to existing port and rail infrastructure.

Green Iron SA Proposed Footprint for Green Iron production in Port Pirie

The consortium advanced discussions with key ministers and departments throughout the quarter in support of its efforts to fast-track the development of necessary infrastructure required to enable the establishment of a South Australian green iron industry that would deliver significant economic opportunity including the creation of new jobs and new businesses in the state.

Green Iron SA's proposals are strongly aligned with the South Australian and Federal Governments decarbonisation, economic growth and green industry development goals seen in policy initiatives such as the State Prosperity Plan, Green Iron & Steel Strategy and Future Made in Australia.

CORPORATE

Capital Raising and Funding: Renounceable Rights Issue

On 2 October 2024, the Company announced the completion of a capital raise, raising $2.4 million before costs, via a 1 for 5 pro-rata Renounceable Rights Issue to eligible shareholders, including funds raised via the partial underwriting and shortfall facility. Mahe Capital Pty Ltd served as the Lead Manager and Underwriter, partially underwriting the issue to $2 million[8].

Capital Raising and Funding: C/M Partners Funding

Subsequent to the quarter, on 13 January 2025, the Company announced it had secured up to $7.0 million funding in the form of unsecured Convertible Notes, from US-based fund manager C/M Capital Partners, LP (C/M Capital)[1].

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The funding facility to be provided by C/M Capital has been structured as follows:

First tranche of investment

- C/M Capital will provide $1.2 million of funding to the Company by way of Convertible Notes with a face value of $1.296 million. These funds were secured under the Company's existing ASX LR7.1 placement capacity and have been received by the Company.

Second tranche of investment

- C/M Capital will provide a further $1.3 million of funding to the Company by way of Convertible Notes with a face value of $1.404 million. In accordance with the ASX Listing Rules, the provision of these funds are subject to MGT shareholder approval as they exceed the Company's existing ASX LR7.1 placement capacity limit. Shareholder approval will be sought at an Extraordinary General Meeting of Shareholders (EGM) to be held by 15 March 2025, with the Notice of Meeting (NOM) to be provided in due course.

Subsequent tranches of investment

- If required by the Company, and subject to agreement by C/M Capital and the Company's compliance with all necessary approvals, C/M Capital will provide up to a further $4.5 million by way of Convertible Notes (with a face value of 108% of the relevant investment amount) from the $7.0 million (facility limit) facility, in tranches to be mutually agreed between C/M Capital and the Company.

Use of Funds

- Complementing recently announced overhead cost reductions, these new funds will be used to lodge the Razorback Mining Lease Proposal with the South Australian Government and for general working capital while it completes definitive agreements for a transaction with JFE Shoji Australia as contemplated in the Heads of Agreement announced on the ASX platform on 8 July 2024[3].

Annual General Meeting of Shareholders (AGM)

On 27 November 2024, the Company held its AGM at the Hotel Grand Chancellor in Adelaide. Shareholders voted in favour of all resolutions at the meeting except for Resolution 1 - Remuneration Report. In relation to Resolution 1, as more than 25% of the votes cast were against the resolution, a first strike was recorded for the purposes of the Corporations Act 2011 (Cth).

Board changes

Immediately following the AGM, and as previously announced by the Company[9], the composition of the Magnetite Mines Board transitioned to three directors comprising Paul White (Non-Executive Chair), Tim Dobson (Managing Director) and Simon Wandke (Non-Executive Director).

Research & Development (R&D) Refund

The Company submitted its Research and Development Tax incentive application to the Australian Taxation Office (ATO) and the Department of Industry, Science and Resources (DISR) during the period. The R&D submission related to technical work undertaken during the 2024 financial year on dry magnetic separation and ore processing using saline water. Subsequent to the quarter end, the Company received a cash refund of $170,000.

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Investor Relations

During the quarter, the Company participated in the following investor and industry events:

- Australian Japan Business Cooperation Committee (AJBCC), Nagoya – Oct 23-25, 2024
- International Mining and Resources Conference (IMARC), Sydney[10] – Oct 29-31, 2024

Magnetite Mines MD Tim Dobson presenting at the IMARC Conference 2024 – Sydney, Oct 2024

Trade Delegation to Japan and Korea

In October 2024, Magnetite Mines joined a South Australian trade delegation to Japan and Korea led by Trade and Investment Minister Hon. Joe Szakacs MP to advance green industry transition investment opportunities with two key regional trading partners, representing nearly $1B in annual exports from South Australia[11].

Magnetite Mines welcomed the opportunity for further direct engagement with government and leading Japanese and Korean cooperations, including major steelmakers, and the promotion of opportunities in the green iron and steel supply chain as both countries look to accelerate their transitions towards net zero. The green energy transition has established a priority focus for South Australia to develop its massive magnetite endowment as the foundation for a green iron industry in South Australia to meet emerging demand from regional steelmakers.

Collaboration is essential, and by working directly with Korea and Japan's government and steelmakers, South Australia can support their decarbonisation commitments and at the same time, create a new economic growth pillar for the state.

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EXPLORATION & EVALUATION EXPENDITURE

Mine production and development expenditure

Exploration activities and associated expenditure during the reporting period were related to the following activities:

- Exploration expenditure and tenement administration
- Mining Lease preparation and associated studies
- Permitting and approvals related consultation
- Collaboration and consultation with the Ngadjuri Nation (native title claimant group)

No exploration drilling activities occurred during the quarter.

The Company remains in the pre-development stage with no active mining production and therefore no expenditure was recorded during the quarter related to production or development activities.

The Company continued its active participation in formal consultations with the South Australian Government, contributing inputs to the proposed Green Iron and Steel Strategy and the State Infrastructure Strategy. Engagement efforts included collaboration with government departments including the Department of Energy & Mining, Department of Infrastructure & Transport, Department of Trade & Investment, Department of Treasury & Finance, and the Department of Environment & Water.

These interactions are aligned with Magnetite Mines' ongoing commitment to aligning the Razorback Project development with government priorities aimed at fostering sustainable industry growth.

Tenement holdings

The following tenements were held by Magnetite Mines Limited (and its controlled entities) as of 31 December 2024:

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%	-	-	-

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 region of South Australia. The Company has a 100% owned Mineral Resource of 6 billion tonnes of iron ore 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 & 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

1. ASX Announcement - 13 Jan 2025 – Magnetite Mines secures up to $7 million funding
2. Champion Iron ASX Announcement– 19 Dec 2024
3. ASX Announcement - 8 Jul 2024 - Heads of Agreement with JFE Shoji Australia Pty.
4. ASX Announcement - 22 Jul 2024 - Green Iron grade concentrates produced using saline water
5. SA Government Gazette, No. 77, Thursday, 28 November 2024, pp. 4267-4421
6. ASX Announcement – 21 Dec 2023 - Historic Partnering Agreement Signed With Ngadjuri Nation
7. ASX Announcement - 22 Oct 2024 - Green Iron SA alliance launched for Green Iron revolution
8. ASX Announcement - 2 Oct 2024 - Rights Issue closes securing $2.4M
9. ASX Announcement - 23 Sep 2024 - Corporate and Board Update
10. ASX Announcement - 29 Oct 2024 – IMARC Conference 2024 Presentation
11. Minister Szakacs leads CEO delegation to advance green transition investment | Premier of South Australia – 20 Oct 2024

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Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

MAGNETITE MINES LIMITED

ABN	Quarter ended ("current quarter")
34 108 102 432	31 December 2024

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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	(518)	(1,143)
	(e) administration and corporate costs	(312)	(579)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	18
1.5	Interest and other costs of finance paid	(5)	(8)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (fuel tax credit, royalty income)	-	7
1.9	**Net cash from / (used in) operating activities**	**(825)**	**(1,705)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(13)	(13)
	(d) exploration & evaluation	(847)	(1,627)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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)	-	102
2.6	**Net cash from / (used in) investing activities**	**(860)**	**(1,538)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,400	3,568
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	(313)	(444)
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)	(29)	(65)
3.10	**Net cash from / (used in) financing activities**	**2,058**	**3,059**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**656**	**1,213**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(825)	(1,705)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(860)	(1,538)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,058	3,059

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,029**	**1,029**

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	24	354
5.2	Call deposits	1,005	302
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)**	**1,029**	**656**

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	109
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.

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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 (please specify)	-	-
7.4	**Total financing facilities**	-	-
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.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(825)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(847)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,672)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,029
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,029
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.61

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?

Answer:

The Company expects to continue negative operating cashflows as it continues exploration and resources development activities to build the value of its mineral assets, in particular the Razorback Project. As a mineral exploration company, the Company does not have any mining operations at this point in time to generate a positive net operating cashflow.

On 23 September 2024, the Company announced a Corporate and Board update which included the streamlining of the Board and reduction of the Company's operating overheads. The reduction in Board fees and other overhead costs will generate over $600,000 in cost savings annually.

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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?

Answer:

As announced on 13 January 2025, the Company secured up to $7.0 million funding in the form of unsecured Convertible Notes, from two investment funds managed by US-based C/M Capital Partners, LP (C/M Capital). C/M Capital have provided $1.2 million of funding to the Company by way of Convertible Notes with a face value of $1.296 million. The $1.2 million was received in cash on 24 January 2025.

C/M Capital will provide a further $1.3 million of funding to the Company by way of Convertible Notes with a face value of $1.404 million. In accordance with the ASX Listing Rules, the provision of these funds are subject to MGT shareholder approval as they exceed the Company's existing ASX LR7.1 placement capacity limit. Shareholder approval will be sought at an EGM with the Notice of Meeting to be provided in due course and to be held prior to 15 March 2025.

If required by the Company, and subject to agreement by C/M Capital and the Company's compliance with all necessary approvals, C/M Capital will provide up to a further $4.5 million by way of Convertible Notes (with a face value of 108% of the relevant investment amount) from the $7.0 million facility, in tranches to be mutually agreed between C/M Capital and the Company.

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?

Answer:

See 8.8.2 above.

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 January 2025

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.

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