MAGNETITE MINES
High Grade Iron Ore Concentrate

ASX Announcement

16 March 2021

Title and Role Changes at Magnetite Mines

- Following the recruitment of an experienced study team to deliver the Pre-Feasibility Study for the Razorback High Grade Iron Ore Project and the award of the Muster Dam tenement package, the Board of Magnetite Mines has decided to clarify its organisational structure and provide greater certainty as it works to develop its iron ore business options.
- Mr Peter Schubert has agreed to take on a role as Interim CEO of the Company (in addition to his current role as Executive Chairman).
- Mr Mark Eames will take on the role of Technical Director of the Company (previously, Mr Eames worked as Non-Executive Director and provided consulting services to the Company)

As previously announced on 17 December 2020 and February 16, 2021, Magnetite Mines Limited (ASX: MGT) (Company) is progressing the Pre-Feasibility Study (PFS) for the Razorback High Grade Iron Ore Project. As advised on 1 March 2021, the Company was awarded the Muster Dam tenement package which further expands the Company's footprint in South Australia. The Board has considered the greater scope and demands associated with the Company's current opportunities, together with an increasingly tight mining employment environment, and decided that greater clarity and certainty of senior management organisation will assist the Company in meeting its objectives, simplify stakeholder relationships and enhance shareholder value.

Accordingly, the Company wishes to advise that Mr Peter Schubert has been appointed interim Chief Executive Officer (CEO) and Mr Mark Eames has been appointed the Technical Director.

Mr Schubert and Mr Eames have been instrumental in driving in the Company's growth and development strategy and have been pivotal in the renewed development options for the Company's Razorback High Grade Iron Ore project, allowing for a substantial rerating of the Company's share price and increase in market capitalisation, with a fully funded PFS underway and a pathway and plan to move into production. The new roles deepen the commitment of these key executives to the Company and its shareholders, providing for continued consistency of leadership.

Mr Schubert was appointed Chairman on 3 September 2018 and since the departure of the previous CEO in September 2018, the Board has temporarily undertaken the responsibilities of the position of CEO. In the last 18 months, the Company, led by Mr Schubert and the Board, has set out a clear vision for the development of Razorback High Grade Iron Ore project, raised funds to progress the PFS programme and has seen a significant revaluation of the business. In view of this progress and the central contribution by Mr Schubert, the Board has decided to appoint Mr Schubert as Interim CEO in addition to his role as Executive Chairman with effect from 1 January 2021. It is intended that Mr Schubert will continue to act in this role during the study and financing phases of Razorback High Grade Iron Ore project development.

It is proposed that Mr Schubert's existing executive employment contract be changed to reflect his additional role and responsibilities, as well as his contribution to the success of the Company.

Mr Eames, as an experienced mining executive, has been providing consulting services to the Company since May 2019 and was responsible for leading the Scoping Study in that year, which led to the PFS that is currently underway. He was appointed a non-executive director in March 2020. The Board considers that Mr Eames has made a material contribution to the direction of the Company and is pleased that Mr Eames is prepared to formalise his role in a suitable employment arrangement as the Technical Director. This will secure his services for the current development programme and allow Mr Eames to provide leadership and technical direction to the PFS team.

Mr Eames will enter into an ongoing part-time executive employment contract to reflect his modified role and responsibilities.

In arriving at the key contractual terms for the employment arrangements for Mr Schubert and Mr Eames, the Board carefully considered the Company's Remuneration Charter and Policy and reviewed comparable remuneration arrangements with similar companies in the industry to ensure that the arrangements are fair, competitive, and appropriate. To ensure alignment of incentives with shareholders and provide maximum transparency, the Company has proposed an incentive framework with a regular annual consideration of short-term incentive options which will apply to Mr Schubert and Mr Eames as set out in the attached summary of material terms, which is broadly similar to the Director options that have been recommended to shareholders in recent years. However, any incentives will be subject to the Board's consideration of performance as well as specific shareholder approval for each issue.

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

For further information contact:
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Summary of Peter Schubert's (Interim Chief Executive Officer's) key contractual terms

Item	Description
Term	• Ongoing (no fixed term), recognising that the role is an Interim appointment which will be reviewed as the Company progresses its objectives.
Effective from:	• 1 January 2021 (recognising that Mr Schubert has been taking on a greater scope of duties since the Pre-Feasibility study commenced).
Fixed remuneration	• $275,000 (excluding superannuation and other benefits) • Subject to annual review by the Board.
Short term incentive	• The opportunity under the Company's Option Incentive Plan of 80% of the base salary (Incentive Value) to be granted in short term incentive options (STIO), depending on Board assessment of performance. • The grant of STIO as recommended by the Board will be detailed in each year's Notice of AGM and are subject to specific shareholder approval before taking effect. • The exercise price of the STIO will be equal to a premium of 60% to the volume weighted average price VWAP of the Company's shares for the 14 days immediately prior to the date approval is sought from shareholders at the annual AGM. • The STIO will vest on grant. • The term of the STIO is 3 years from the date of issue. • The number of options will depend on the Board's consideration of performance but will be derived from the Incentive Value using a conventional approach to option pricing. • The STIO will be subject to the Company's Clawback policy.
Notice, Termination and termination payments	• 3 months' written notice must be given by either party. The CEO may be required to serve out all or part of this notice period or be paid in lieu of notice at the Board's discretion. • The Company may terminate the agreement immediately for cause.

Summary of Mark Eames (Technical Director) (part-time) key contractual terms

Item	Description
Term	• Ongoing (no fixed term).
Effective from:	• 1 May 2021.
Fixed remuneration	• $240,000 (excluding superannuation and other benefits) • Subject to annual review by the Board.
Short term incentive	• The opportunity under the Company's Option Incentive Plan of 80% of the base salary (Incentive Value) to be granted in short term incentive options (STIO), depending on Board assessment of performance. • The grant of STIO as recommended by the Board will be detailed in each year's Notice of AGM and are subject to specific shareholder approval before taking effect. • The exercise price of the STIO will be equal to a premium of 60% to the volume weighted average price VWAP of the Company's shares for the 14 days immediately prior to the date approval is sought from shareholders at the annual AGM. • The STIO will vest on grant. • The term of the STIO is 3 years from the date of issue.

	• The number of options will depend on the Board's consideration of performance but will be derived from the Incentive Value using a conventional approach to option pricing. • The STIO will be subject to the Company's Clawback policy.
Notice, Termination and termination payments	• 3 months' written notice must be given by either party. The Technical Director may be required to serve out all or part of this notice period or be paid in lieu of notice at the Board's discretion. • The Company may terminate the agreement immediately for cause.