



MAGNETITE MINES

High Grade Iron Ore Concentrate

**ASX ANNOUNCEMENT
29 NOVEMBER 2021**

CHAIRMAN'S ADDRESS & PRESENTATION TO 2021 ANNUAL GENERAL MEETING

In accordance with Listing Rule 3.13.3 we attach a copy of the Chairman's Address and the Company Presentation to be delivered today at the 2021 Annual General Meeting.

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

For further information contact:

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Executive Chairman and CEO
+61 416 375 346



CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING 2021

Welcome, Ladies and Gentlemen. My name is Peter Schubert, Chairman and CEO of Magnetite Mines Limited, and on behalf of the Board, I want to thank you for participating in today's Magnetite Mines Annual General Meeting, being held physically in Perth and virtually through Zoom.

I would like to start the meeting by acknowledging the traditional owners of the land on which I am chairing this meeting from today in Sydney - the Garigal people, to those attending in Perth, the Noongar people and in South Australia, the Ngadjuri people where the Razorback mine is due to be built. I pay my respects to their Elders past, present and emerging, and to all Aboriginal and Torres Strait Islander People.

I am disappointed that current circumstances prevent me and my fellow Director, Mark Eames from joining you in person for a second year, but we have arranged for all shareholders to be able to join virtually in accordance with section 249S of the Corporations Act.

Every effort has been made to ensure that today's meeting runs as smoothly as possible, but if you encounter any technical issues at any point, a transcript of my Chairman's Address and a recording of the presentation will be made available on the Company's website after the meeting. Should we lose connectivity at any point during the meeting's proceedings, the Chair will automatically pass to Malcolm Randall who will continue as Chair for the meeting until the connection resumes.

As set out in the Company's Notice of Annual General Meeting, the virtual component of this meeting does not facilitate online voting or the submission of online questions during the meeting. As we have not received any pre-submitted questions, we will address any live questions from shareholders present in Perth. If you have any remaining questions after today's meeting, please reach out to Investor Relations who are always happy to assist.

I would now like to introduce my fellow Directors joining us today. Here with me is Mark Eames, Technical Director and in Perth, Malcolm Randall, Non-Executive Director who is joined by Frank DeMarte, Company Secretary.

To all of our valued shareholders who are joining us online and in Perth – welcome and thank you for attending this year's Magnetite Mines AGM.

Last year, I spoke to you of the vision and plan we had for your Company to reach producer status by late 2024 with our flagship Razorback Iron Ore Project. We have made significant progress towards achieving that outcome over the past 12 months and as a shareholder myself, I am very optimistic about your Company's potential value as we move forward.



The PFS study work completed and announced in July this year was a transformational moment for the Razorback project demonstrating the opportunity for a high-grade, high-return, long-life operation which leverages the advantages of staged development, available infrastructure and low-cost sustainable power. We are excited by the unique competitive advantages of Razorback which continue to be demonstrated as we progress the Definitive Feasibility Study which is well underway.

In the last few months, we have commenced DFS engineering, expanded our team and initiated our first major drilling programme in eight years with drilling contractor, Foraco.

Building a high-performance team to deliver the Razorback project is a major focus and several key staff and consulting appointments were made throughout the year to enhance our capabilities across a range of areas:

These appointments include the following:

- Mr Stephen Weir was appointed to the role of Chief Development officer, working alongside Trevor Thomas as General Manager (Geology)
- Mr Matthew Paul was appointed as Senior Geologist
- Mr Jack Masi was appointed as Senior Mining Engineer.
- Mr Mark Eames was appointed as Technical Director.
- Mr Duncan Orchard was appointed as Commercial and Finance Engineer
- Mr Rafael Orschulok was appointed as the Owner's Lead Electrical Engineer to provide specialist advice to Magnetite Mines owners team and assist GHD in delivering the Transmission Line component of the DFS
- Ms Gemma Brosnan was appointed as Head of IR & Communications

I expect to advise of more strategic appointments as we progress.

In September, the Company announced the appointment of leading global engineering and professional services company, GHD to deliver the critical Power Supply and Non-Process Infrastructure elements of the DFS for the Project. Global processing experts Hatch were also appointed during this period to complete the process plant section of the DFS. These appointments continue the work both companies completed in the PFS and reflects Magnetite Mines' continued strategy of appointing high-quality, globally-renowned experts to partner with as Razorback is developed.

Our commitment to responsible stewardship and development of our resources remains steadfast. Through Magnetite Mines' emerging Environment, Social and Governance framework, we have a clear ESG strategy that aligns with our vision of delivering a premium iron ore product while minimising our environmental footprint and maximising benefits for local communities. These sustainability principles are



driving our integration of grid-connected renewable power supply while simultaneously delivering value to shareholders, stakeholders and supply chain partners alike. Engagement is deepening with key stakeholders, including multiple SA government agencies, local landholders and Ngadjuri Nation native title representatives, while land access discussions have commenced for mine development and the principal infrastructure corridors.

Earlier in the year, we announced the award of the Muster Dam tenements by the South Australian Government which offer the potential to expand the Company's footprint and apply our demonstrated expertise in the Braemar region to a new area in parallel with the development of Razorback.

While the year has seen significant volatility in the iron ore market, several key trends have consistently emerged to support our view that high-grade, low-impurity feedstock for steelmaking will be increasingly supported.

We continue to see few new large-scale iron ore developments and restricted capital allocation by the majors. This is the opposite of what we witnessed between 2010-2015 when there were significant investments in iron ore projects across the globe. The growing concern about carbon emissions from ironmaking is expected to increase demand for a high-grade product like ours.

While there is clearly some short-term volatility in China, the global steel industry is experiencing positive trading conditions and the case for magnetite development in South Australia's Braemar is more compelling than ever.

South Australia has a long history as an iron ore producer and the Braemar is a significant part of Australia's remaining iron ore endowment. The region boasts many geographical advantages supported by a receptive government and regulatory environment which firmly align with the global push towards a carbon-conscious steelmaking industry and ensures we are ideally placed for future iron ore needs.

We are sincerely grateful for the ongoing support of shareholders with the introduction of two new resource-focused institutions to our share register.

Mine-funding discussions will continue and be advanced in parallel with the DFS study work and we will continue to work tirelessly for all shareholders to add value. It is anticipated that once travel restrictions ease, face to face investor communication of the Company will further enhance our ability to demonstrate Razorback's potential, both domestically and overseas.



We believe our low-capital staged development approach, and the fact that your Company owns 100% of the Razorback Iron Ore Project, will stand us in good stead as we advance financing options.

Finally, I would like to thank all members of the Magnetite team for their efforts and focus on accelerating our journey to production and to our loyal shareholders for your continued support.



MAGNETITE MINES

High Grade Iron Ore Concentrate

Magnetite Mines Limited (ASX:MGT)

Annual General Meeting

November 29, 2021



Disclaimer



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High Grade Iron Ore Concentrate

IMPORTANT NOTICE

The purpose of this presentation is to provide general information about Magnetite Mines Limited ("MGT"). It is not recommended that any person makes any investment decision in relation to MGT based on this presentation. This presentation contains certain statements which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

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ADDITIONAL INFORMATION

This presentation should be read in conjunction with the Annual Report at 30 June 2021 together with any announcements made by MGT in accordance with its continuous disclosure obligations arising under the Corporations Act 2001. Any references to resources estimations should be read in conjunction with MGT's Mineral Resources statement for its Magnetite projects at 30 June 2021 and subsequent releases to the Australian Securities Exchange as referenced. MGT confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. All amounts within this presentation are stated in Australian Dollars consistent with the functional currency of MGT, unless otherwise stated. Tables contained within this presentation may contain immaterial rounding differences.

Company Strategy

Opening up the Braemar in stages

- Favourable business setting with growing iron ore demand, premiums for high grade products and limited new supply

- Large Razorback resource with world class infrastructure and favourable mining jurisdiction

- Low capital, long life development is readily fundable with high returns⁵

- Experienced team systematically assembling the building blocks for a sustainable and attractive business

SOUTH AUSTRALIA

Premium Grade is a Major Advantage

The Iron Ore Market



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CRU:

“Steelmakers need to adopt best practices that prioritise decarbonisation with existing assets. Some of these best practices include installation of energy efficient technology, optimisation of the blast furnace (BF) burden (e.g. with high-grade ore)”

<https://www.crugroup.com/knowledge-and-insights/insights/2021/decarbonisation-challenges-in-the-steelmaking-industry>

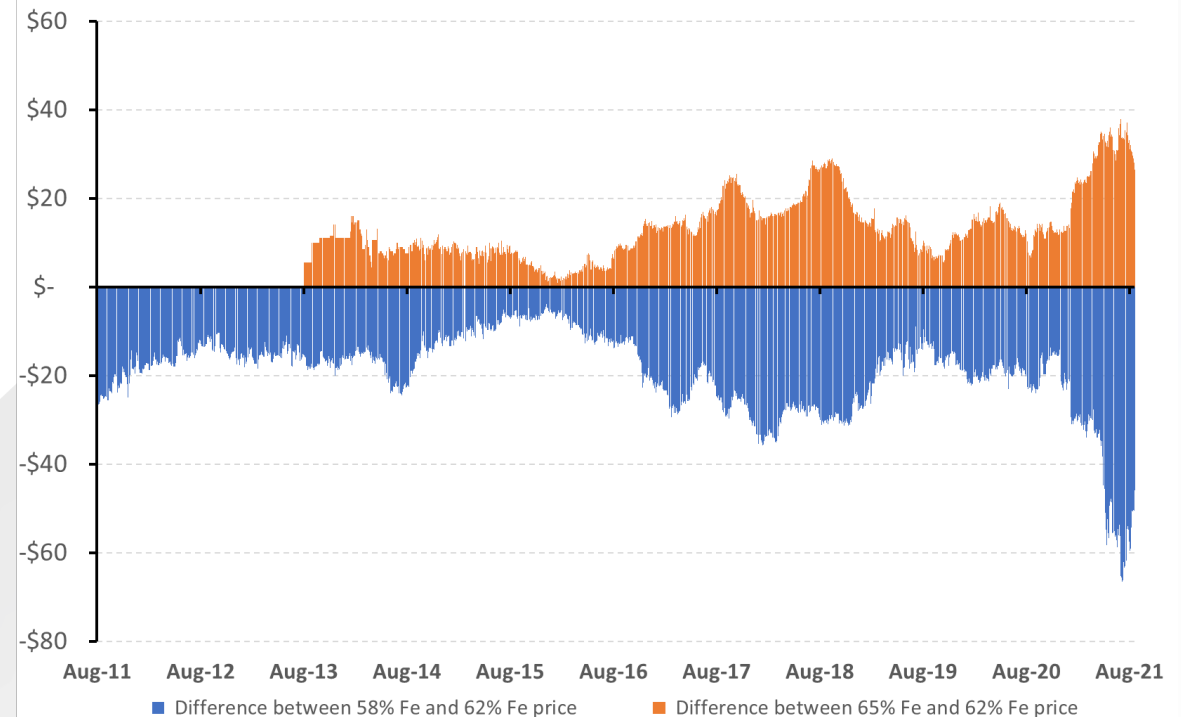


PETER HANNAH FASTMARKETS/METAL BULLETIN:

“To succeed in decarbonizing the global steelmaking industry there needs to be a greater recognition of how much the iron ore supply base needs to change. Vast volumes of existing production will need to be replaced by higher-grade supply, first to meaningfully reduce CO₂ emissions from the prevailing BF/BOF technology, and later to meet the demands of a DRI sector at least an order of magnitude larger than it is today”

<https://www.fastmarkets.com/article/3974510/iron-ores-critical-role-in-decarbonizing-steelmaking>

Iron Ore Premiums and Discounts



Favourable Location

LARGE, ACCESSIBLE MINERAL RESOURCES

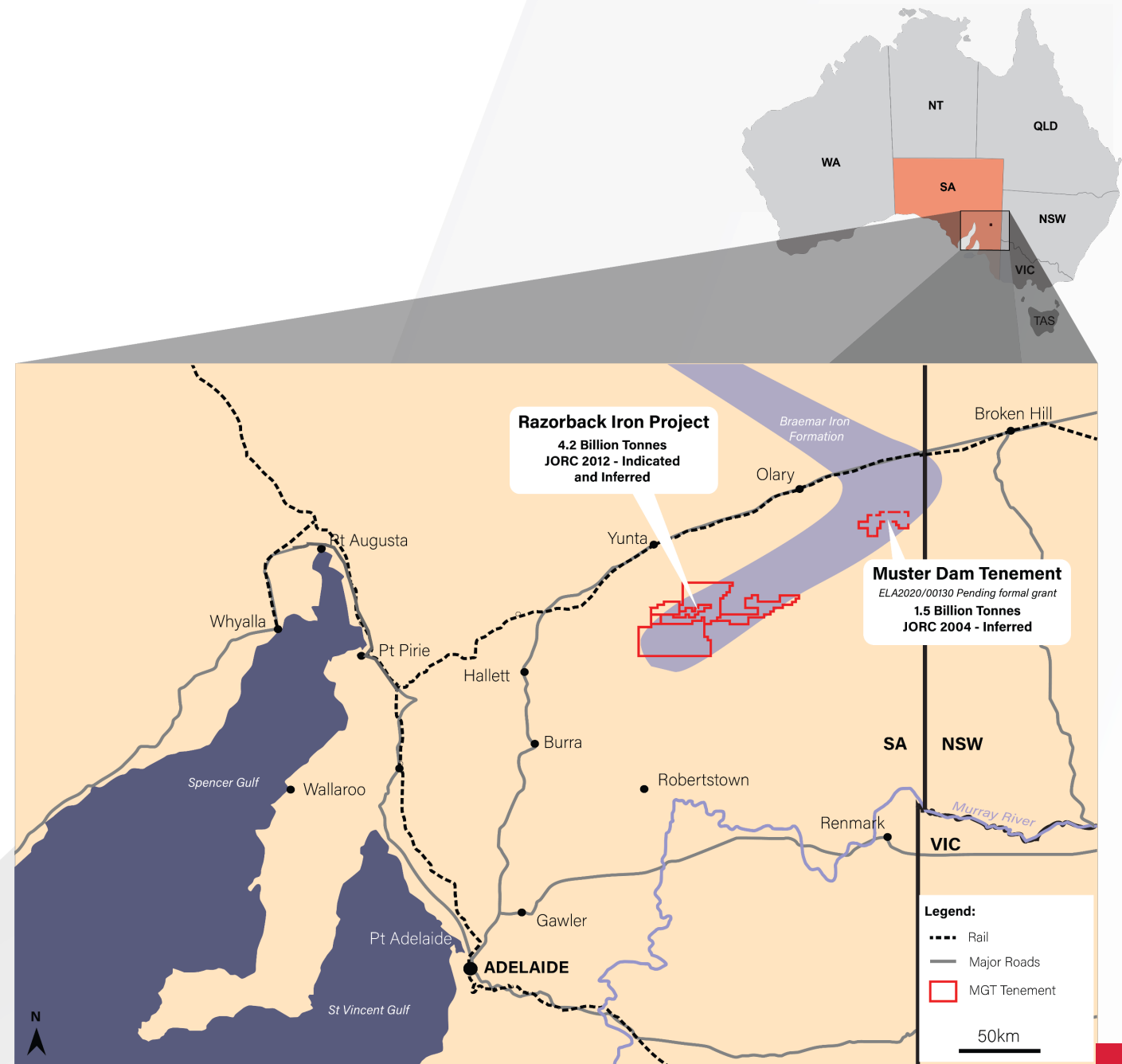
- Company Mineral Resources of 5.7Bt including Muster Dam^{1,2,3*}
- 240km to Adelaide from Razorback

ESTABLISHED INFRASTRUCTURE NEARBY

- Heavy freight open access rail
- High voltage powerlines connected to main Australian grid

FAVOURABLE REGION

- Supportive and stable government
- Low intensity pastoral country



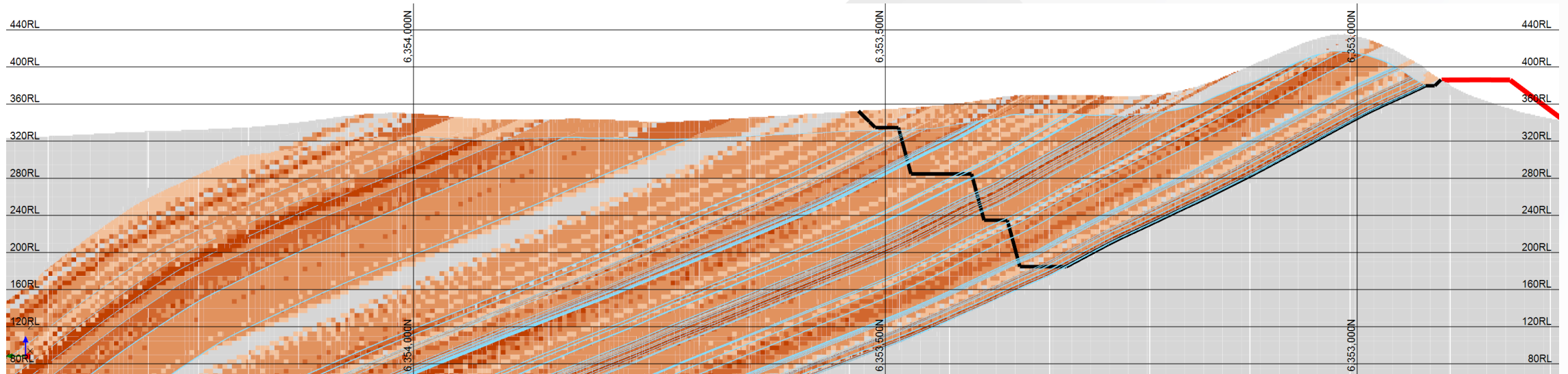
*The quoted total Mineral Resource estimate of 5.7 billion tonnes is inclusive of the Razorback Mineral Resource (3 billion tonnes at JORC 2012 Indicated and Inferred)¹, Ironback Hill Mineral Resource (1.2 billion tonnes at JORC 2012 Inferred)² and Muster Dam Iron Projects (1.5 billion tonnes at JORC 2004 Inferred)³. The exploration licence application (ELA2020/00133) for the Muster Dam Iron Project tenement was awarded to the Company by the SA Government on 24 February 2021 and is currently undergoing standard exploration licence grant processes prior to official exploration licence grant to the Company³. ⁴Probable Ore Reserves are a subset of ore classified at Indicated and included within the Razorback Iron Ore Project Mineral Resource estimate⁴

Simple Mining with Head Grade Upside



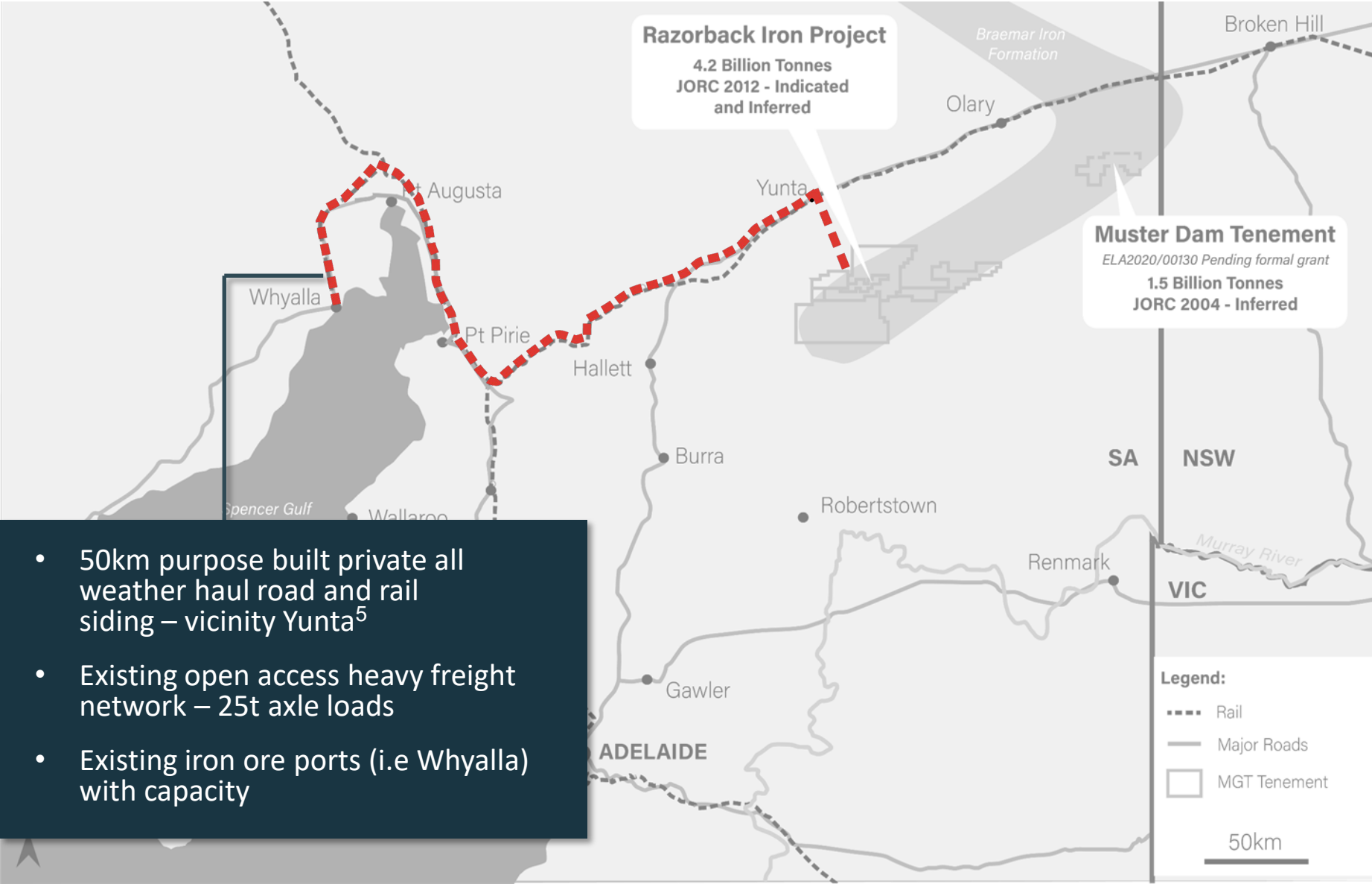
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- Ore mined from surface – minimal pre-strip⁵
- Ore haul for initial box cut all downhill, flat waste dumps
- Low PFS strip ratio of 0.16:1
- Grade uplift potential from selective mining and/or ore sorting
 - Lateral stratigraphic continuity
 - New geophysics regressions under investigation plus high resolution sampling and analysis



Existing Transport Infrastructure

Minimal Capital

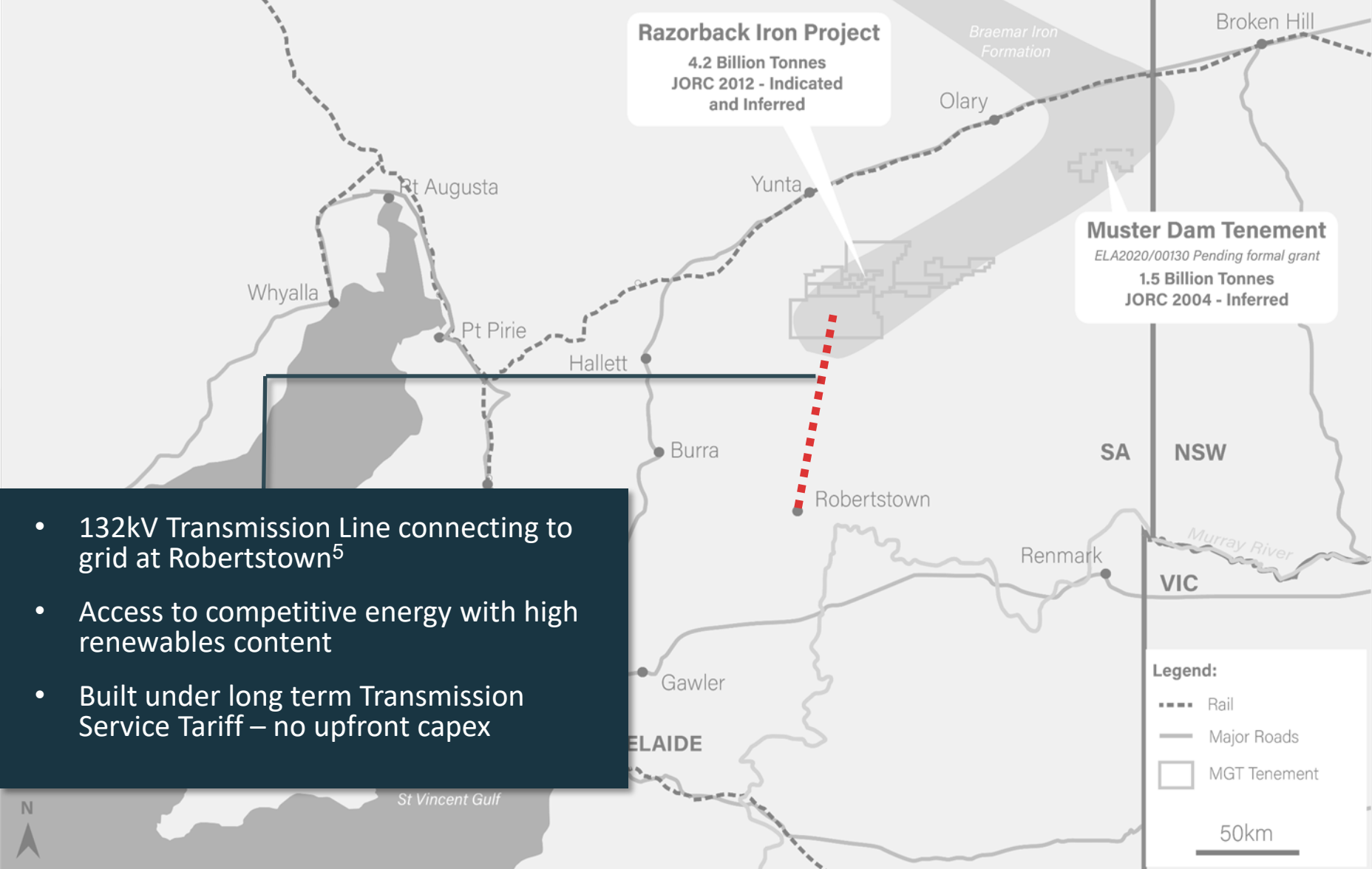


- 50km purpose built private all weather haul road and rail siding – vicinity Yunta⁵
- Existing open access heavy freight network – 25t axle loads
- Existing iron ore ports (i.e Whyalla) with capacity

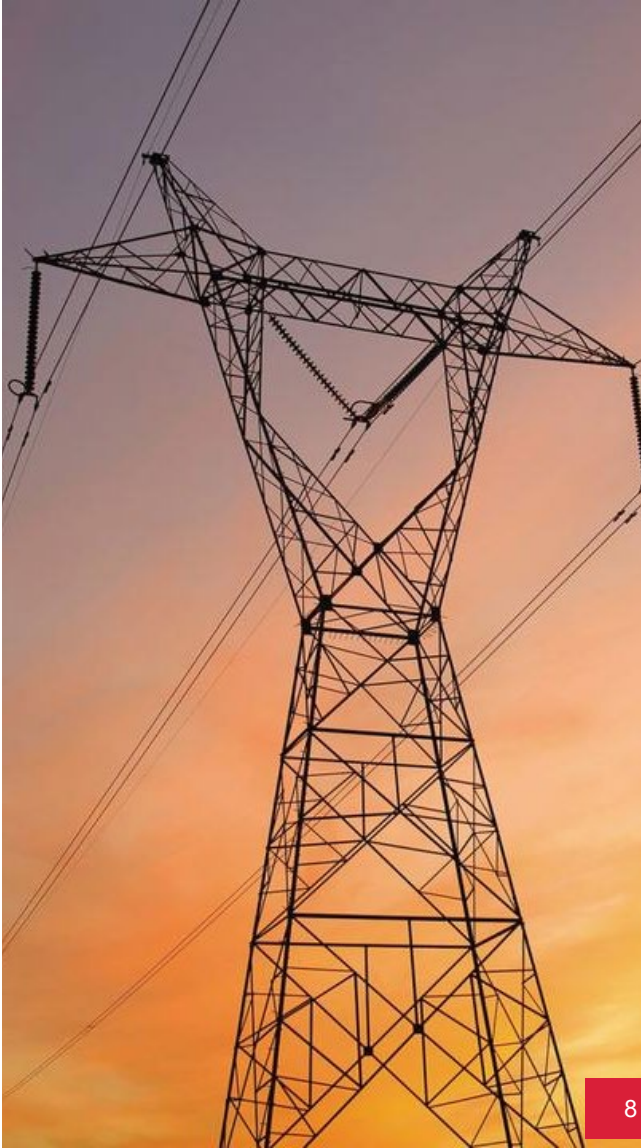


Existing Power Infrastructure

Minimal Capital



- 132kV Transmission Line connecting to grid at Robertstown⁵
- Access to competitive energy with high renewables content
- Built under long term Transmission Service Tariff – no upfront capex



Successful Razorback PFS

Focused on Development



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Razorback PFS confirmed long life initial development leveraging resource scale, low stripping ratio, available infrastructure, low-cost sustainable power and leading product quality ⁵

Scope optimised on 10 year average historical prices delivering practical scale, capital efficiency, attractive returns, high quality product and potential low emissions footprint

Selected go forward case based on 3Mt capacity of premium iron ore concentrate at 68% Fe

Key Financial and Production Metrics	Unit	Head Grade Improvement Case*	
Iron ore price (62% Fe)	US\$/t	110	150
LOM Ore mined (100% reserves)	Mt	472.7	472.7
LOM Concentrate produced	Mt	63.2	63.2
Strip ratio	t:t	0.16	0.16
Mining rate	Mtpa	25	25
Operation life	Years	23	23
Plant feed	Mtpa	15.5	15.5
LOM yield	%	18.2%	18.2%
Average product	Mtpa	2.7	2.7
Class of plant estimate	AACE	5	5
Capital estimate	A\$m	675	675
Post tax NPV	A\$m	700	1,576
Post tax IRR	%	20%	33%
All in breakeven 62% price	US\$/t	54	54
Payback	Years	4.6	2.3
Average net cashflow (post tax)	A\$m	144	241

*. Headgrade Improvement Case results are preliminary – to be confirmed in Definitive Feasibility Study

Unlocking the Braemar Large Resource, Long Life



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PFS RELIES ON ONLY

8% of resource
4% of Braemar strike
0.3% of tenure area

TENURE^{1,2,3}

RAZORBACK REGION^{1,2}

RAZORBACK RESOURCE¹

PFS RESERVE⁴

AREA (KM²)

STRIKE (KM)

TONNES (MT)

1700

13

5700

1500

20

4200

20

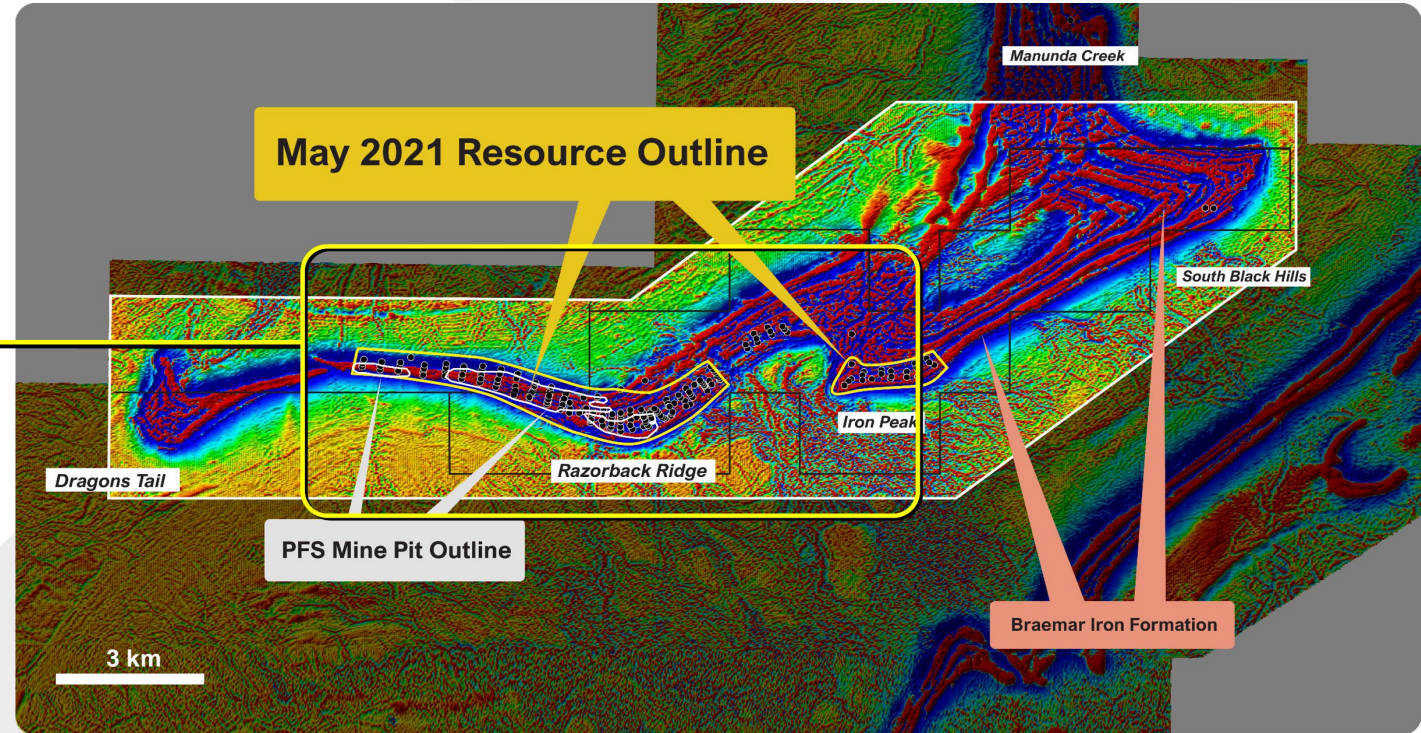
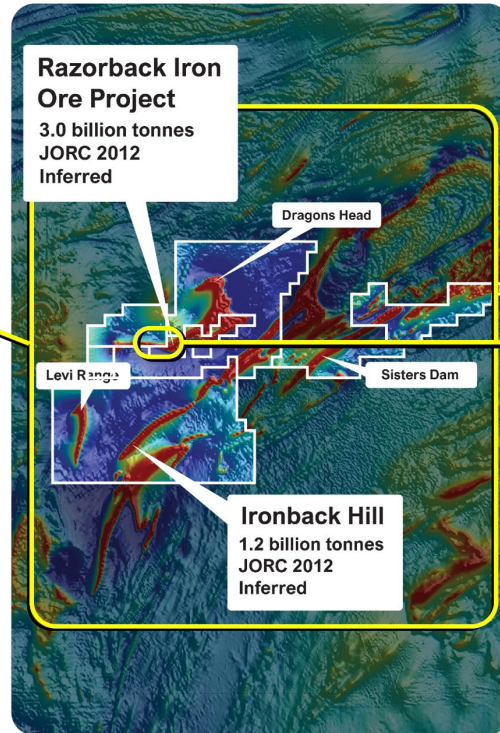
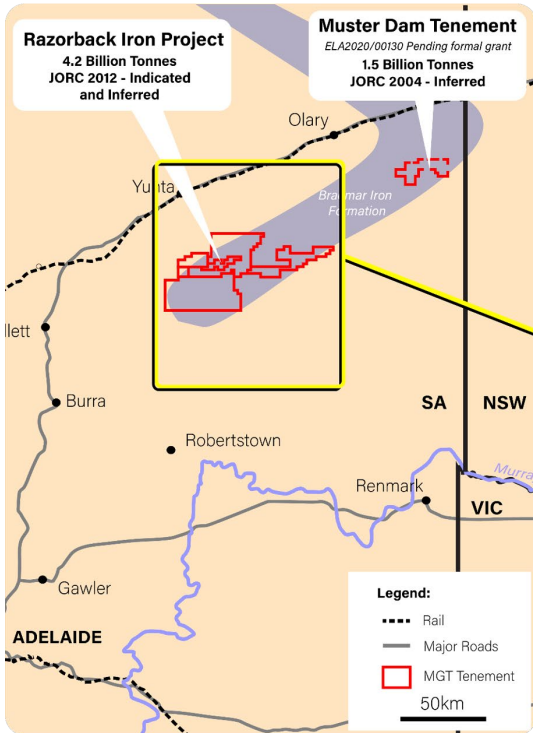
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3000

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473

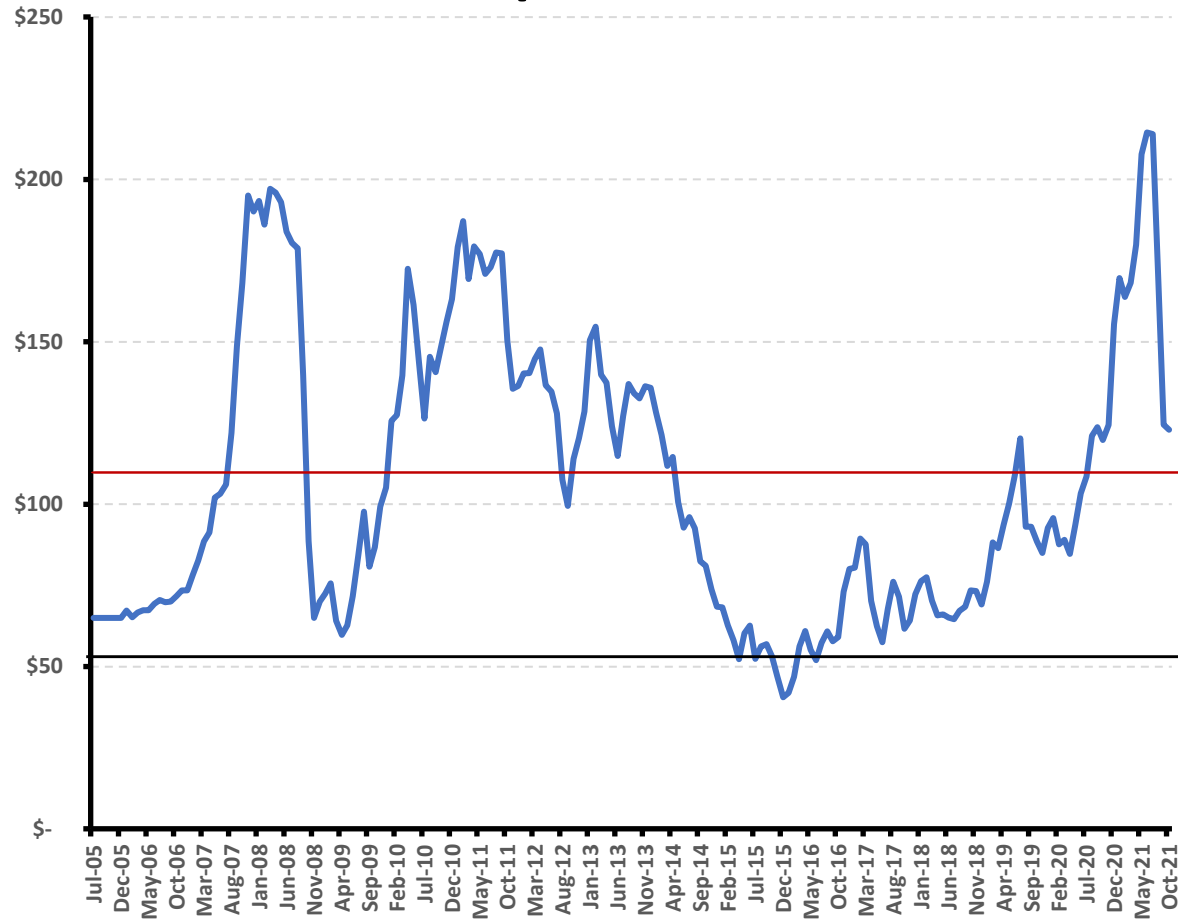


Robust Economics

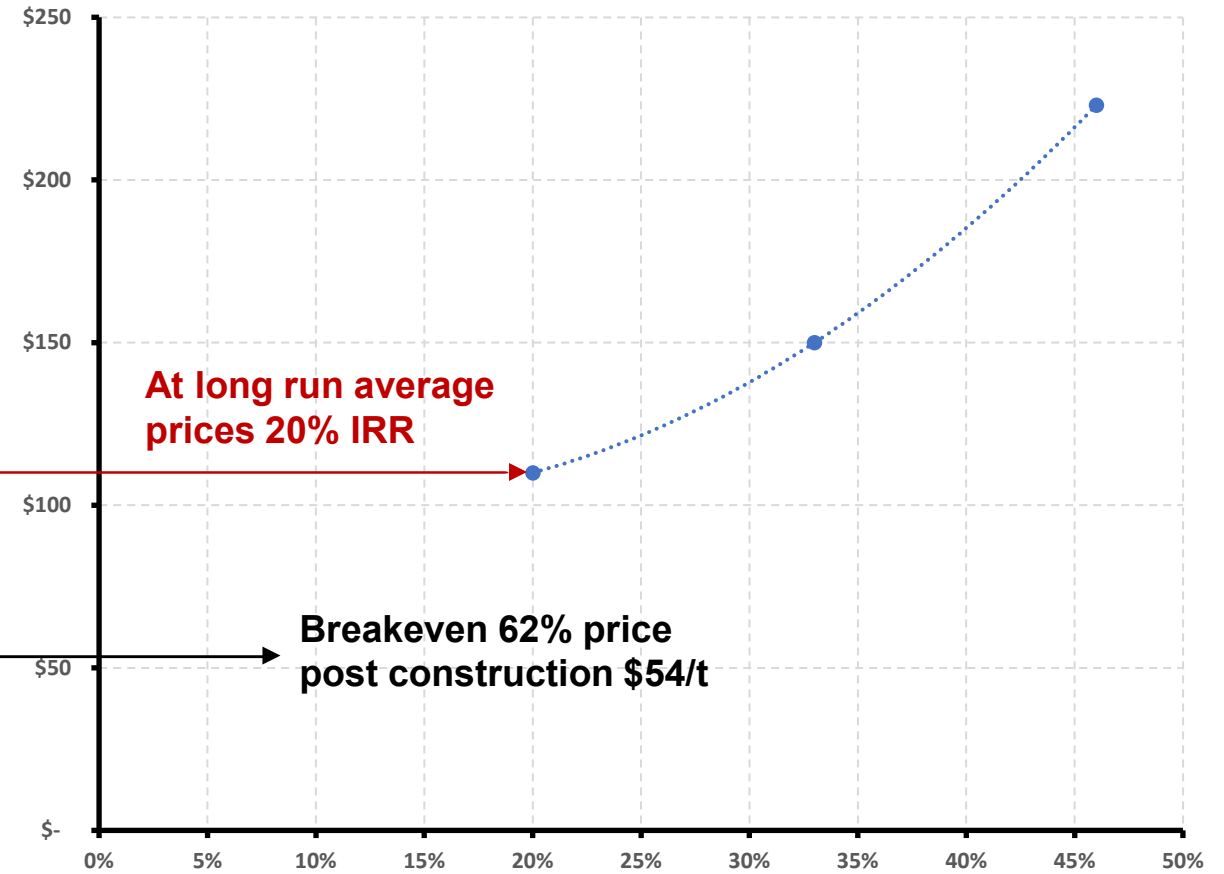


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Iron Ore prices, 62% CFR

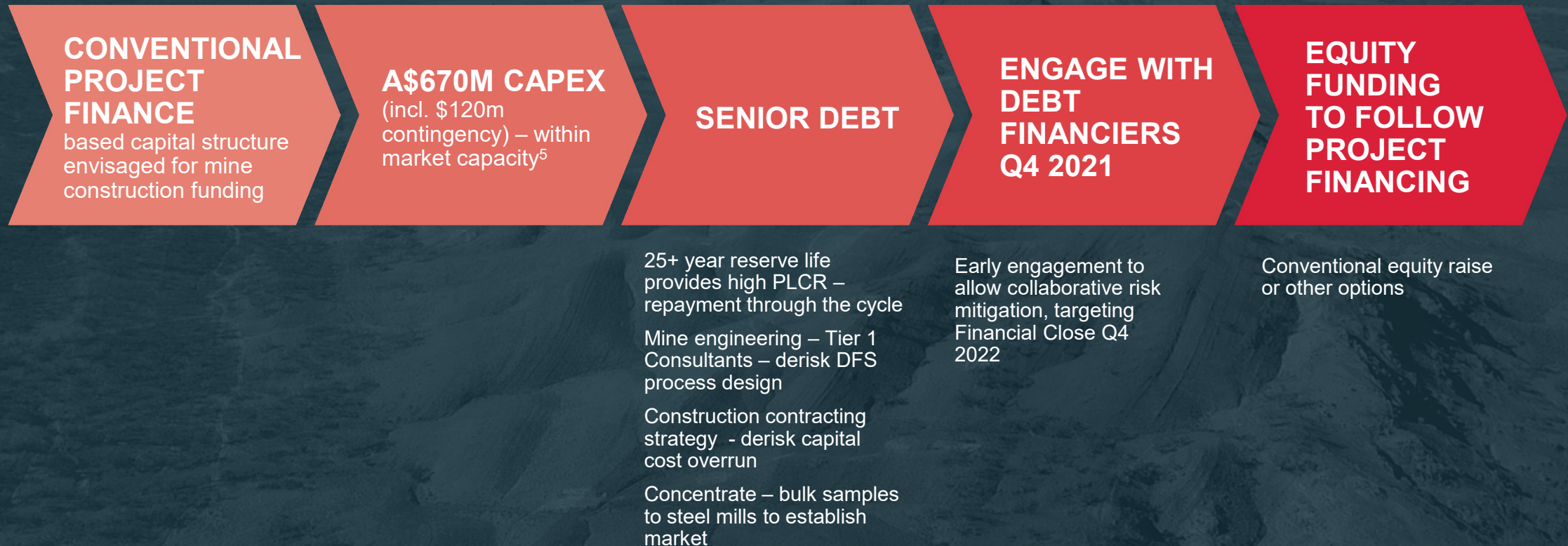


Price versus Razorback PFS IRR



Financing

Attractive Risk Profile for Lenders



Building strong ESG platform



Environmental Sustainability

- GHG accountability
- Maximising renewable component for Scope 1 and 2 emissions
- Minimising scope 3 emissions
- Water quality optionality
- Early site closure planning

- Sustainable power
- Sustainable co-use water supply under investigation



Social & Community Inclusion

- Free, prior and informed consent model – informed stakeholders and communities
- Local opportunities – service, supply
- Targeted employment

- Early First Nations involvement
- Inclusive approach



Accountable Governance

- Planned ESG framework and reporting system
- Shared capacity building for agreement-making with First Nations
- Supply chain verification

- MGT Compliance framework and Code of Conduct



People & Culture

- Teamwork
- Individual capacity building

- Safety and wellbeing focus
- Open culture

Opportunities

Early Action

Advancing Project Approvals and Access

Area	Status	Upcoming Activities
Approvals	SA Government approvals pathway confirmed, with supportive regulator (low jurisdictional risk). SA Government consultation underway	Preparation of approvals documentation Targeted approval award – 2023 Broad and targeted community engagement
Baseline Environmental Studies	Baseline environmental studies well progressed Limited potential for listed flora, fauna Characterisation of waste rock, tailings non-acid forming	Completion of baseline environmental studies - 2021/22 Optimisation of non-mining infrastructure location to minimise footprint / impact
Land Access	Early cultural heritage assessment programs commissioned with Ngadjuri Nation	Commencement of agreement-making process with Ngadjuri Nation to reflect / respect Native Title rights. Land access negotiations with landowners and lessees

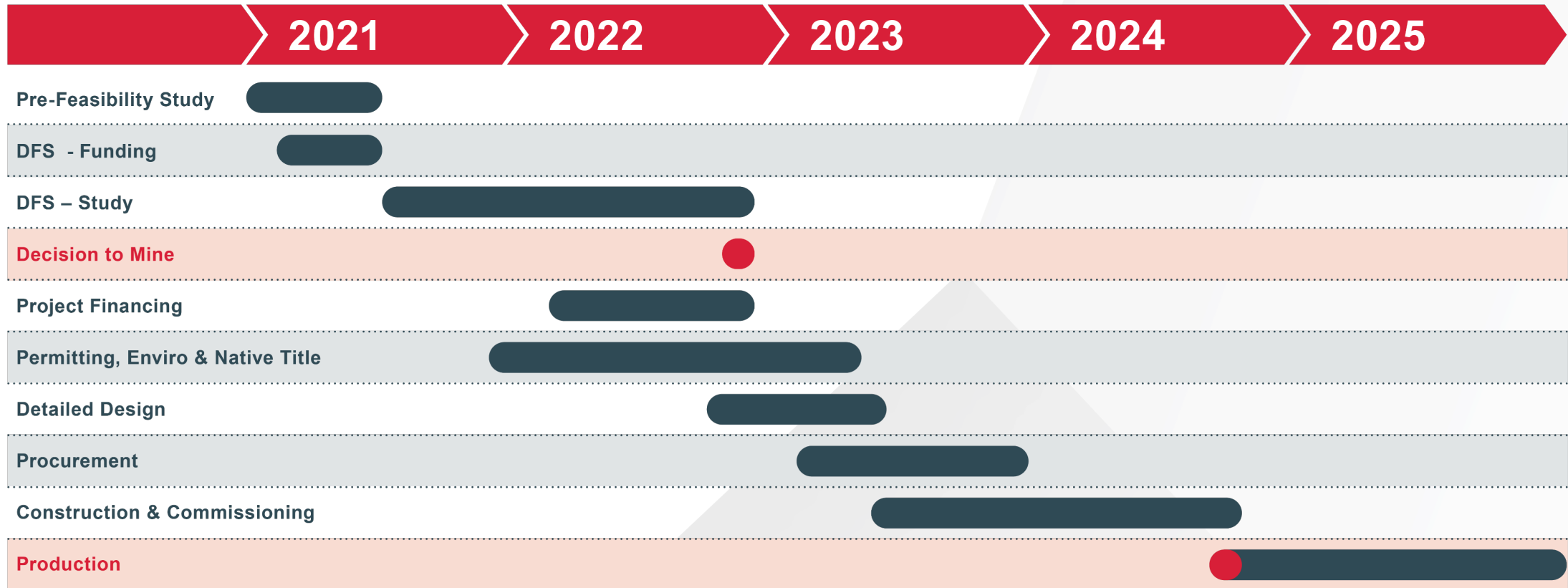
FOCUS ON ENSURING SOCIAL LICENSE

- Built into project design, government relations and community engagement
- Building confidence through open information and stakeholder consultation

Indicative Development Schedule ¹



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1. Schedule subject to review as part of DFS currently underway

Key Milestones

Progress & Critical Work Planned



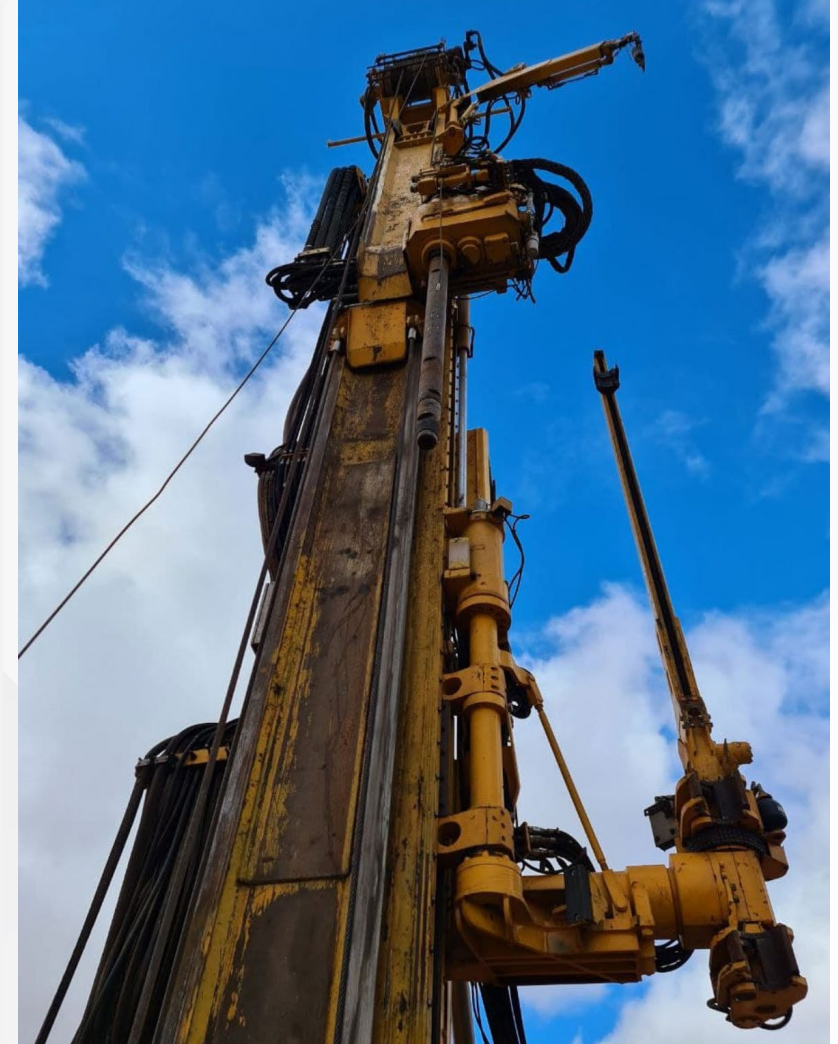
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Progress on key milestones:

- ✓ Delivered a successful PFS in July 2021 demonstrating financial and technical viability of Razorback project
- ✓ Assembled Owners Team and commenced DFS
- ✓ Commenced drilling programs at Razorback, appointed drilling contractor Foraco
- ✓ Appointed key technical consultants Hatch, GHD, AMC and Eco Logical.
- ✓ Commenced metallurgical testing under Hatch supervision to confirm process flow sheet and design
- ✓ Submitted a Connection Enquiry to ElectraNet to initiate the process of connecting Razorback's load to the grid via a 132KV transmission line from Robertstown
- ✓ Advanced permitting and landholder engagement

Critical work planned to complete the Definitive Feasibility Study:

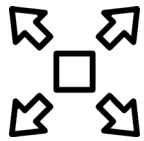
- Finalise land access agreements and environment studies
- Infill, geotech and water drilling
- Progress mine planning and scheduling
- Process plant and tailings storage facility design
- Non-Process Infrastructure design
- Undertake a Scoping Study to look at future expansion options for Razorback
- Advance engagement with project financiers



Delivering Premium Iron Ore to high demand markets



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Long Life with Optionality

**Large 5.7Bt
resources
with expansion
potential^{1,2,3}**



Low Initial Project Capital

**Staged Razorback
development with
ESG advantages**

- Mining/Strip – minimal stripping
- Power – East coast grid power
- Infrastructure – existing rail and port access
- Low emissions – renewable power and low emissions product



High Grade Product

68% Fe product⁵

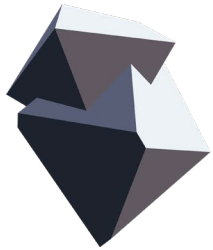
- Higher than any of the routinely quoted iron ore indices



Delivering

**First ore on ship
planned for late
2024**

- Jurisdiction – supportive government
- Team – extensive iron ore and project experience



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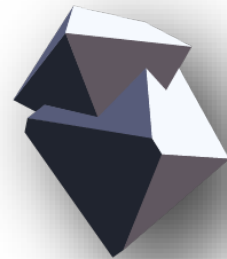


References



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1. ASX Announcement – 24/05/21 – Razorback Iron Project Mineral Resource Upgrade
2. ASX Announcement – 20/11/18 – Ironback Hill Deposit – JORC 2012 Resource Update
3. ASX Announcement – 01/03/21 – Muster Dam Iron Project Tenements awarded to Magnetite Mines
4. ASX Announcement – 30/06/21 - Maiden Ore Reserve for the Razorback Iron Project
5. ASX Announcement – 05//07/21 – Positive PFS Results for Razorback Iron Project
6. ASX Announcement – 13/09/16 - Metallurgical Update – Positive Results



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Mineral Resources & Ore Reserves



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- May Razorback resource upgrade⁵ (JORC 2012) delivered 50% of total resource in the Indicated category

JORC Resources Classification	Million Tonnes (dry)	Mass Re (eDTR%)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%	Magnetite %
Indicated	1,494	15.6	18.5	47.9	8.0	0.18	5.4	15.0
Inferred	1,503	16.0	18.0	48.3	8.2	0.18	5.5	15.9
Total	2,998	15.8	18.2	48.1	8.1	0.18	5.5	15.5

Note: All figures quoted at an 11% eDTR cut-off category

- July 2021 Maiden Reserve of 473Mt⁶ with all mining based 100% on Reserves

JORC Reserves Classification	Million Tonnes (dry)	Mass Recovery	Tonnes concentrate (dry)
Probable	472.7	14.5	68.5

Note: Reserves are a subset of resources

- Further 2.7Bt resource at Ironback Hill and Muster Dam (in addition to Razorback resources)
 - The Ironback Hill prospect hosts a JORC (2012) Mineral Resource estimate of 1.2 billion tonnes at 23.2% Fe with no minimum Fe cut-off⁷
 - Muster Dam hosts a JORC (2004) Mineral Resource estimate of 1.5 billion tonnes