



# Premium Iron Ore

For a decarbonising  
iron & steel sector

IMARC - November 2022



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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 and ore reserves, 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.

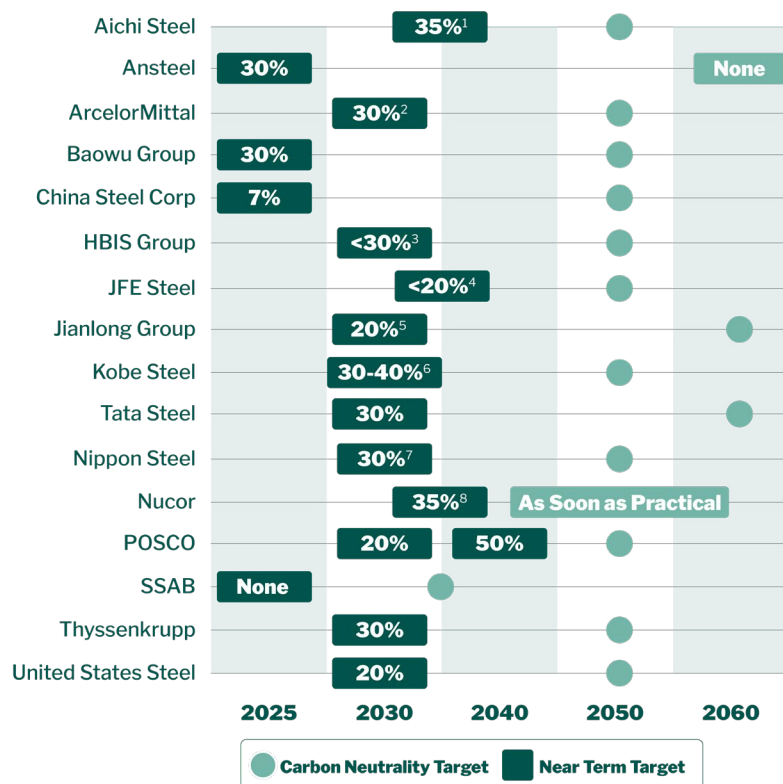
## ACKNOWLEDGEMENT OF COUNTRY

Magnetite Mines, our shareholders and our stakeholders acknowledge the Ngadjuri People as the Traditional Owners of the lands on which the Razorback Iron Ore Project is located. We respect their continuing custodianship of this Country, and their spiritual and cultural beliefs and practices.

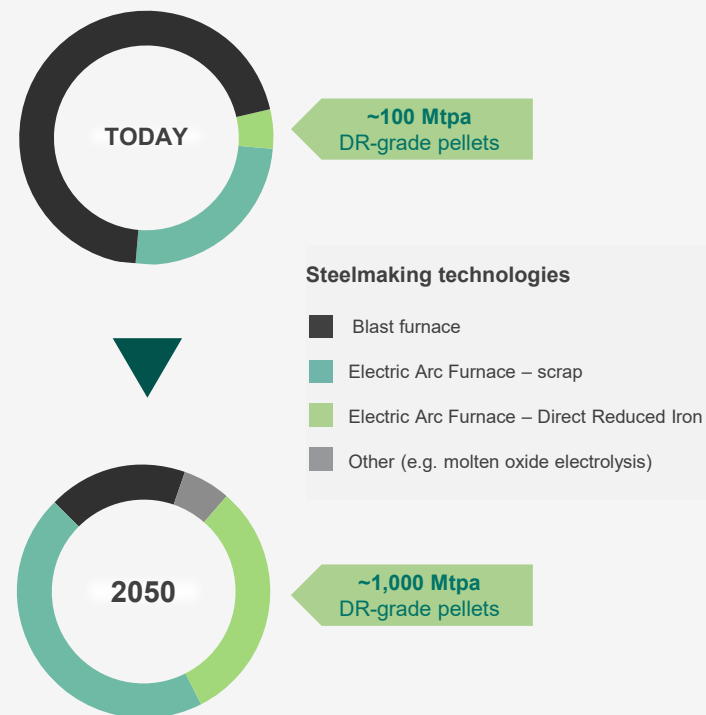
# Iron & steelmaking is irreversibly changing

Increasing global demand for steel in direct conflict with decarbonisation

## Major steel producer carbon reduction targets



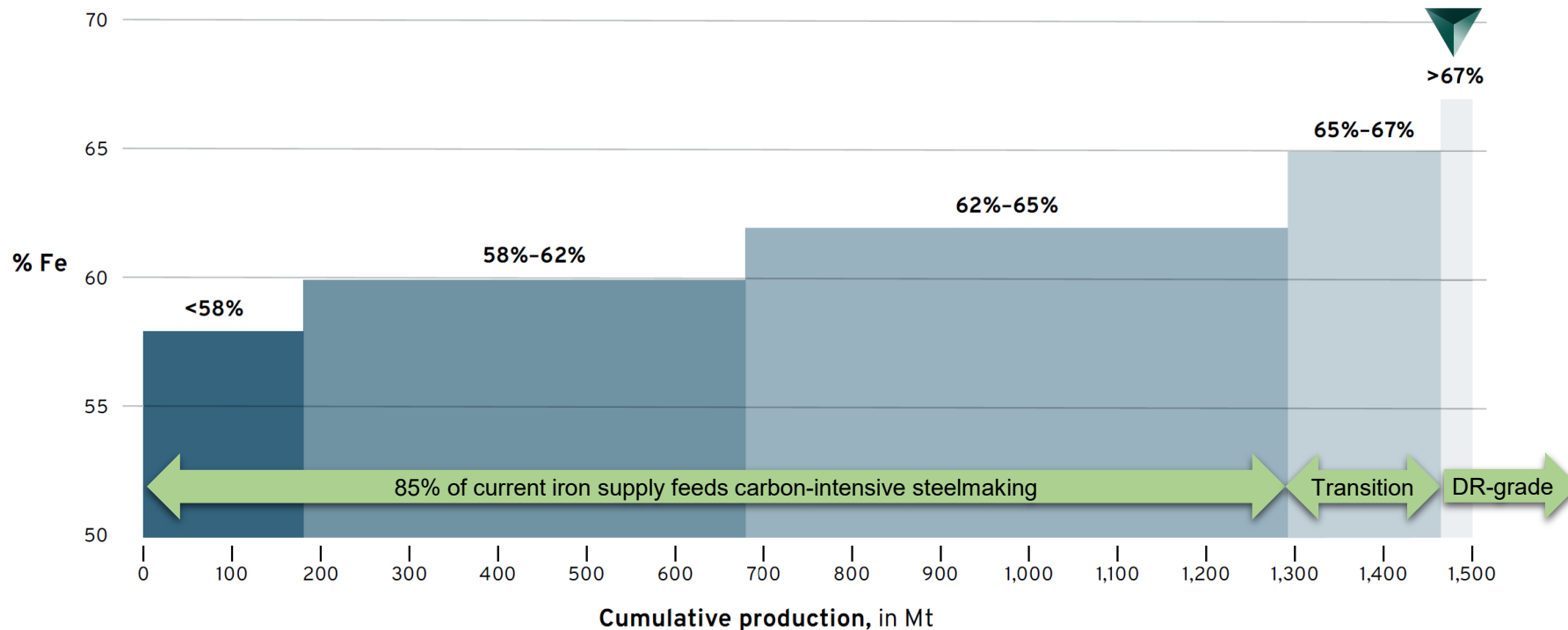
## Direct Reduction (DR) essential to transition



# New high-grade iron ore supply critical to transition

*Magnetite Mines' Razorback Project positioned to meet urgent new demand*

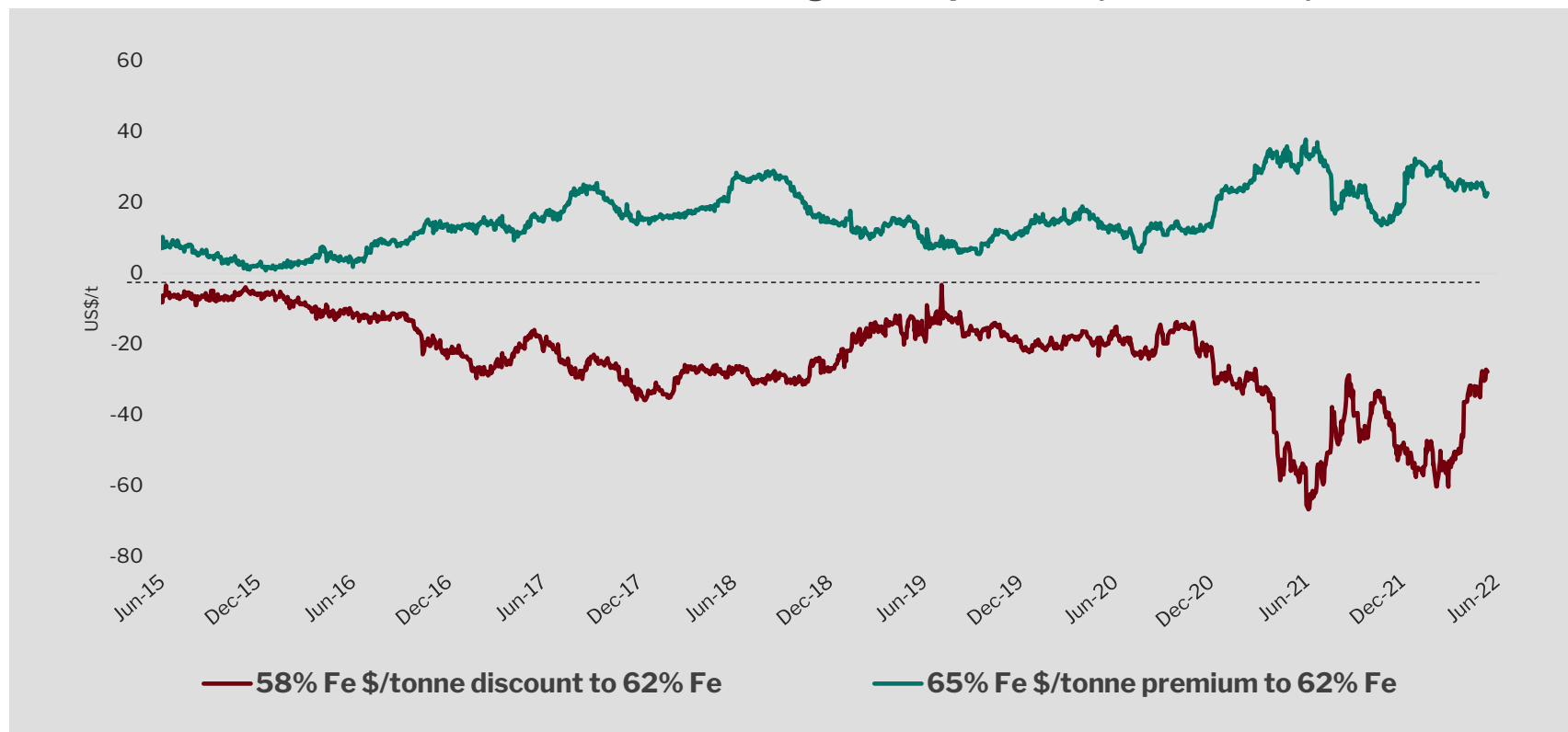
## Seaborne Iron Ore by Fe (%)



# Shift in demand for high-quality ore now evident

*High-grade and low-grade iron ore prices are diverging*

## Fastmarkets iron ore index grade spreads (US\$/tonne)

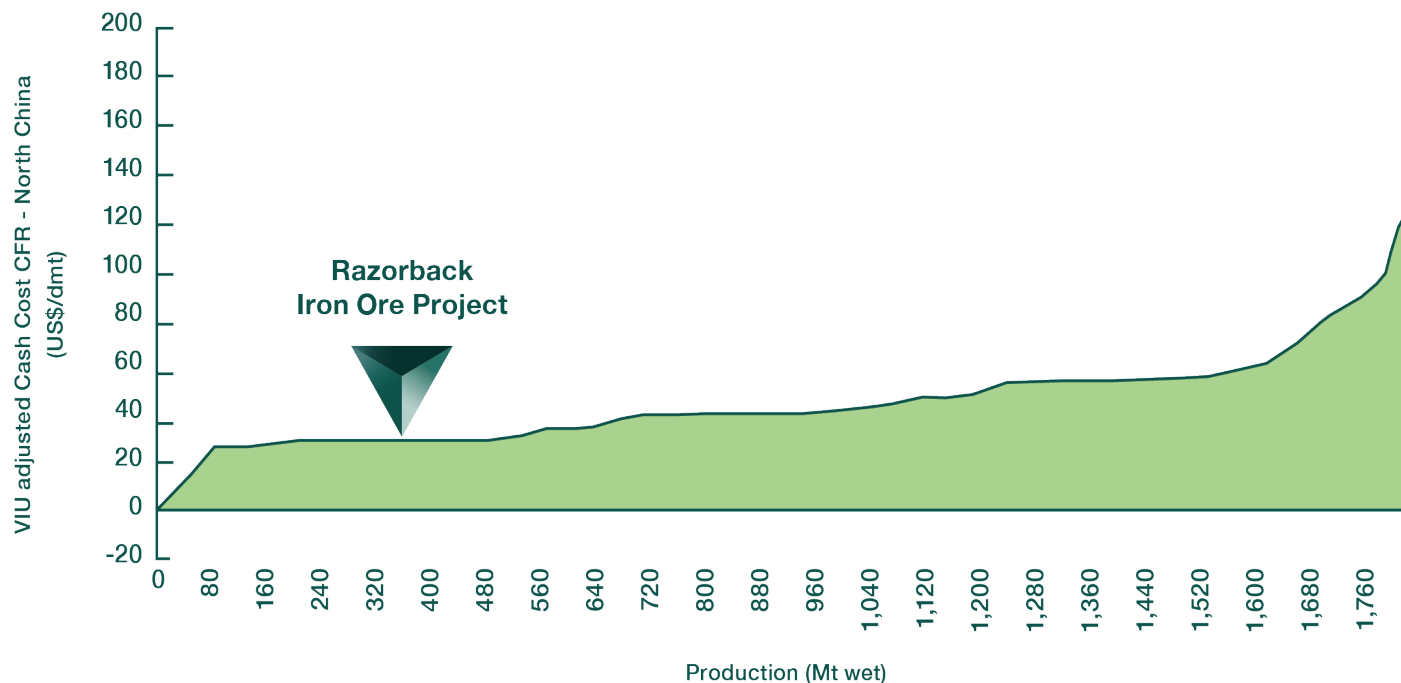


# Premium quality iron ore is first quartile competitive

*De-risking exposure to commodity price cycle downturns*

## First quartile cash costs (62% Fe equivalent)

VIU-adjusted total cash cost curve - CFR north China<sup>a,b</sup>



Source: Wood Mackenzie, Magnetite Mines

a) Accounts for product premium or discount based on grade / specification

b) Cash costs calculated in 2022 dollars using the Single-Step Expansion case from Expansion Study, March 2022



# Razorback Project well positioned for development

*The Braemar – a globally-significant magnetite province*



## The Braemar advantage

- Outcropping ore: very low strip ratio
- Siltstone-hosted iron ore, not BIF\*
- Soft relative to WA magnetite ores
- Concentrates to premium grade iron ore
- Undeveloped, low intensity pastoral country

## Substantial resources

- ~2,000km<sup>2</sup> total iron ore tenements
- 4.2Bt Razorback Resource<sup>1,2</sup>  
(JORC 2012 Indicated & Inferred)
- 473Mt Maiden Ore Reserve<sup>3</sup>  
(JORC 2012 Probable)
- Muster Dam historic Resource<sup>4</sup>  
(converting to JORC 2012 Resource)



\*BIF: Banded Iron Formation, common host geology for West Australian magnetite deposits

# Outstanding project location in South Australia

*Close to rail, port & renewable energy supply*



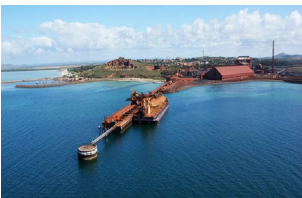
**Adelaide**

240km



**Open-access rail**

~50km



**Whyalla Port**

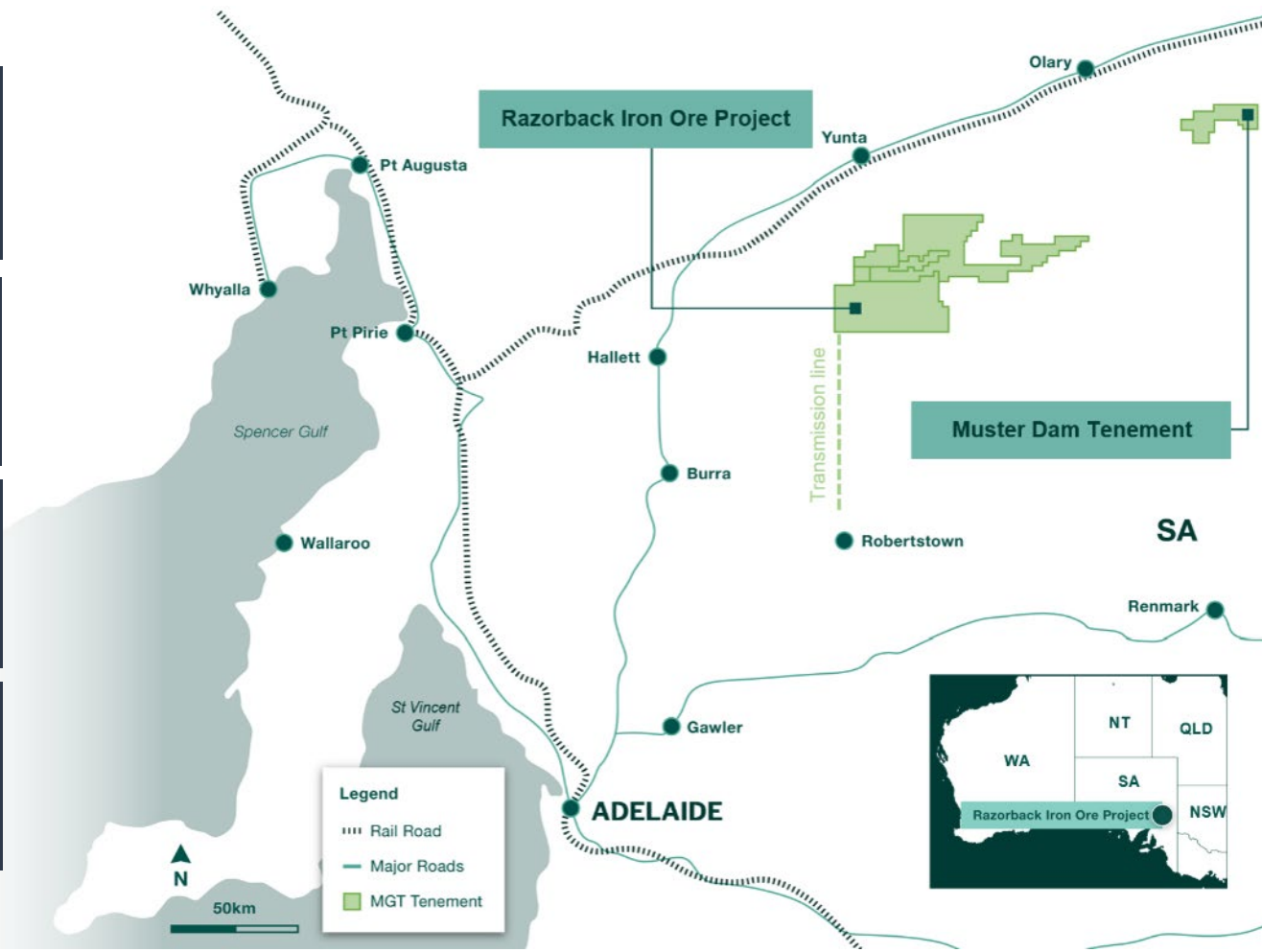
~315km



**Grid Power**

100% renewable by  
2030<sup>5</sup>

~125km

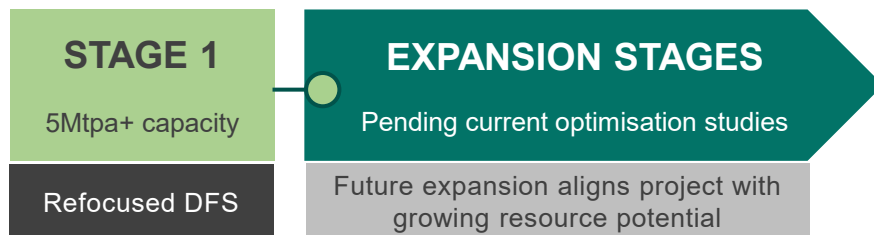




# Project Optimisation Studies underway

Results leading to DFS go-forward position

## Commitment to staged development pathway<sup>6</sup>



## Best-in-class consultants engaged throughout

**HATCH**

**AMC**  
consultants



**eco**  
**logical**  
AUSTRALIA  
A TETRA TECH COMPANY

## Optimisation studies commenced

## Providing basis for refocused 5Mtpa+ DFS

## Significant expansion benefits evident<sup>7</sup>

### Previous Study Outcomes:

	Unit	2021 PFS Plant Optimised <sup>a</sup>	2022 Expansion Study
Production capacity	Mtpa	3	3 → 7
Development capital	A\$m	665	1,985
Post-tax NPV-8	A\$m	660	→ 2,455
Post-tax IRR <sup>b</sup>	%	19%	→ 27%
All-in breakeven <sup>c</sup>	US\$/t	53	→ 40

- a) Expansion Study Stage 1 basis: PFS Plant Optimised case with 0.71 AUD:USD exchange rate
- b) 62% Fe iron ore price assumption of US\$110/t with quality adjustment premium of US\$25/t
- c) 62% Fe iron ore price equivalent break even price
- d) The Company confirms that all material assumptions underpinning the production targets and forecast financial information contained in the original 2022 Expansion Study announcement continue to apply and have not materially changed.

# Building on an established ESG platform

*Founded on renewable energy use and global decarbonisation contribution*



Recording regional cultural heritage values with a Ngadjuri heritage team



Grid-connected power supply, forecast to be 100% renewable by 2030



Premium-grade iron ore produces low emission steel

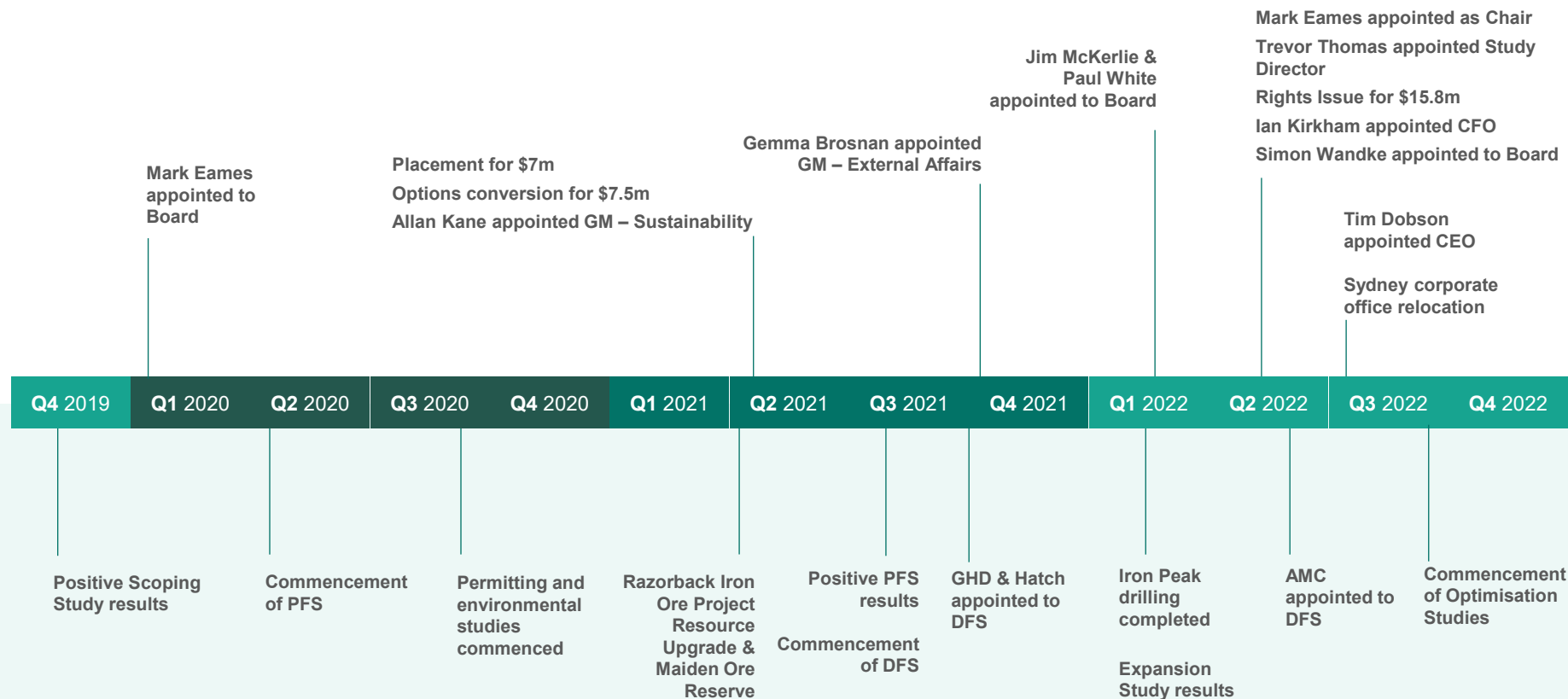


# Magnetite Mines is transforming

*Reflecting timing and acceleration of downstream industry needs*

Corporate

Development



# Work in focus to secure best possible project structure

*Three workstreams progressing in parallel*

1.

## TECHNICAL & REGULATORY DE-RISKING

Optimisation studies

Refocused DFS

Permitting & approvals

2.

## RESETTING CAPITAL STRUCTURE

3.

## FINANCING & STRATEGIC PARTNER PROCESS

# Premium Iron Ore

## For a decarbonising iron & steel sector

### Decarbonisation Tailwind

Premium iron ore needed now to enable low emission iron & steelmaking

### Outstanding Project Credentials

Tier 1 location  
4.2 billion tonne Resource  
Existing port & rail access

### Committed to Staged Development

Refocused DFS with  
Stage 1 capacity matched to market and risk profile

### Progressing to Development

Strengthened Board  
New management team  
Corporate presence

**ASX:MGT**



## References

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 – 30/06/21 - Maiden Ore Reserve for the Razorback Iron Project
4. ASX Announcement – 11/05/22 – Magnetite Mines Secures Muster Dam Tenement
5. Government of South Australia – Energy and Mining – Leading the green economy
6. ASX Announcement – 13/09/22: Magnetite Mines Transforming To Meet Growing High-Grade Market
7. ASX Announcement – 21/03/22 – Magnetite Mines Confirms Benefits of Expansion at Razorback
8. ASX Announcement – 05/07/21 – Positive PFS Results for Razorback Iron Project
9. ASX Announcement – 21/07/22 - Positive Interim Metallurgical Test Results
10. Wood Mackenzie, Magnetite Mines research

## Contact

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## Appendix

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# Mineral Resources and Reserves

Mineral Resource	Ore (Mt, Dry)	Mass Rec (eDTR %)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %	Magnetite %
<b>Razorback Iron Ore Project</b>								
Indicated	1,500	15.6	18.5	47.9	8.0	0.18	5.4	15.0
Inferred	1,500	16.0	18.0	48.3	8.2	0.18	5.5	15.9
Total	3,000	15.8	18.2	48.1	8.1	0.18	5.5	15.5
<b>Ironback Hill</b>								
Inferred	1,187		23.2	44.1	7.2	0.21	5.4	12.9

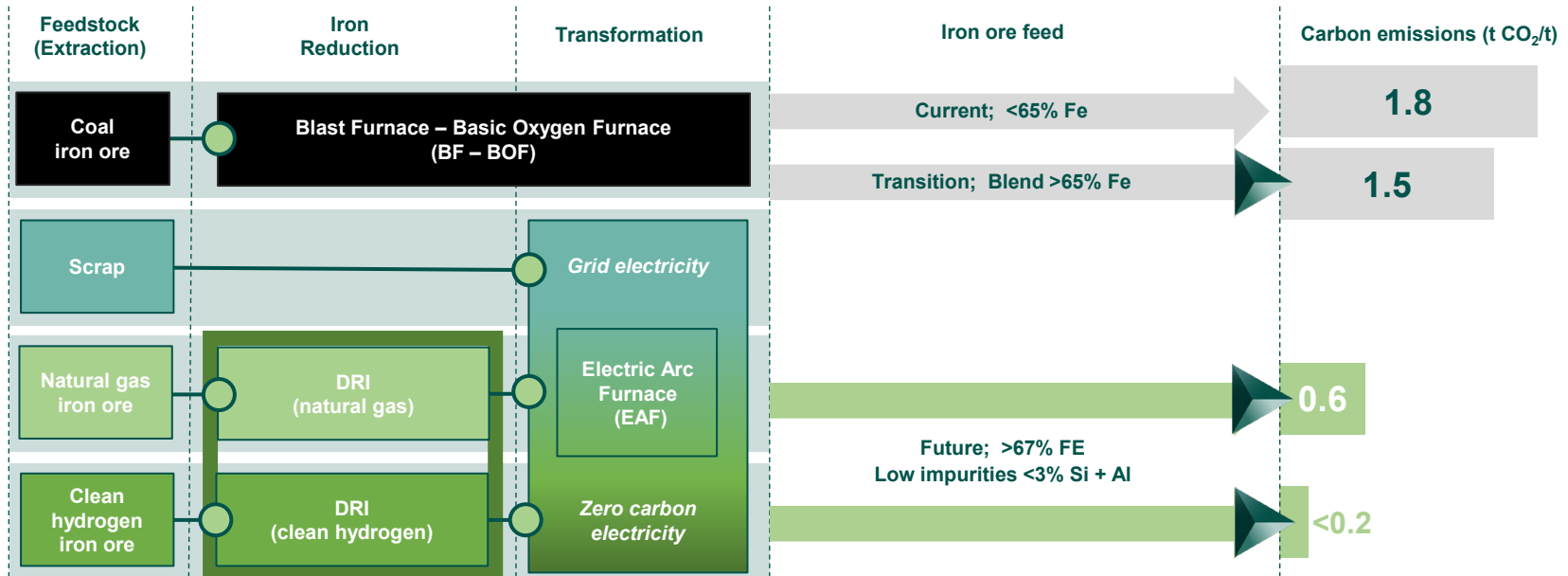
Ore Reserve Razorback Iron Ore Project	Ore (Mt)	Mass Recovery	Concentrate (Mt)
Probable	472.7	14.5	68.5

Muster Dam historic Mineral Resource Estimate not included in table.

# High-quality feed necessary to make the change

Low-emission iron & steelmaking requires high-grade, low-impurity iron ore

## Steel manufacturing technologies





# Corporate overview

## Market Cap

**\$64.5M**

(Share price \$0.017 26 Oct 2022)

## Cash

**\$12.65M**

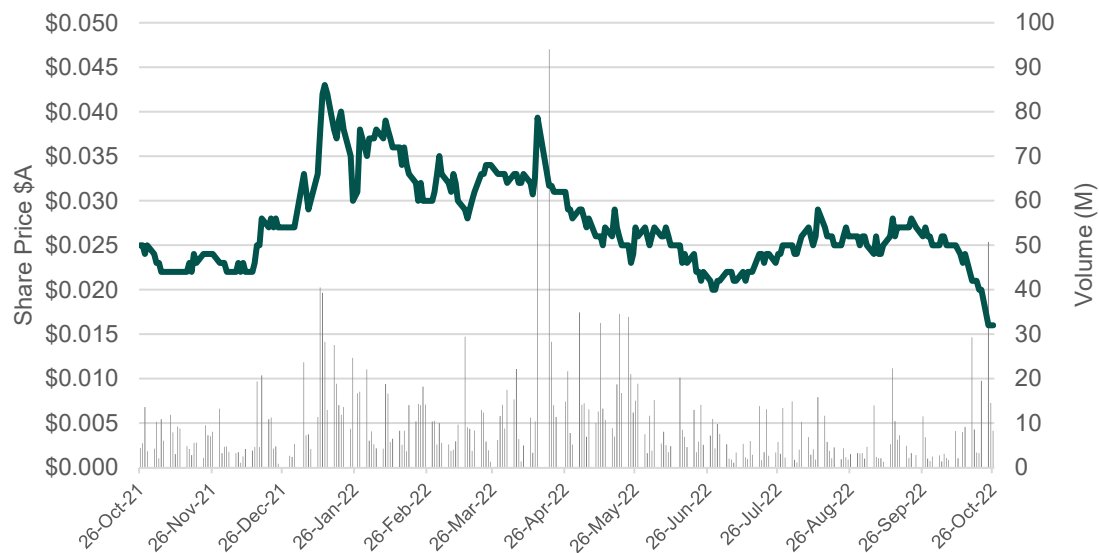
(30 Sep 2022)

**Shares on Issue: 3,791M**

**Listed options MGTOE: 363.3M**

**Options: 152.3M\***

## Share Performance and Register



**Other Shareholders: 68.5%**

**Top 20: 26.4%**

**5% Board and Management**

# Recently strengthened Board

*New governance team with deep corporate and resource credentials*

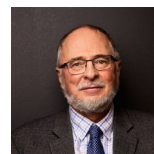
## Board of Directors



### **Mark Eames** Chair of the Board

BA Metallurgy (Hons) MBA MAUSIMM

- Global minerals industry experience
- Senior iron ore roles with Glencore, BHP, Rio Tinto
- Qualified metallurgist with international experience



### **Jim McKerlie** Non-executive Director

BA Economics (Hons) Dip Fin Mgt

- International CEO and public company director
- Chaired four IPOs, depth of experience in technology & energy sectors
- Former Chair of Drillsearch and Beach Energy



### **Peter Schubert** Non-executive Director

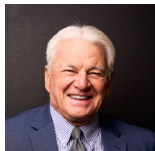
- Track record of developing resources sector businesses
- Magnetite Mines Executive Chairman Sep-18 to May-22
- Magnetite Mines Interim CEO Mar-21 to May-22



### **Paul White** Non-executive Director

Master of Business Administration

- Background of driving organisational performance
- Former CEO of ASX-listed Brisbane Broncos
- Executive experience with Anglo American and Xstrata



### **Malcom Randall** Non-executive Director

Dip Applied Chem, FAICD

- Corporate management and marketing resources executive
- Diverse commodities expertise, deep iron ore experience
- Over 25 years with the Rio Tinto group of companies



### **Simon Wandke** Non-executive Director

BA Psych Mkt (Comm) G Dip Corp Fin

- 40+ years mining and minerals industry experience
- Highly accomplished C-suite leader
- Former EVP and CEO of ArcelorMittal Mining

# New executive team

*Combining leadership with corporate and international resource project experience*

## Executive Team



### **Tim Dobson** Chief Executive Officer

B.AppSc Ext.Metallurgy, GAICD, MAusIMM

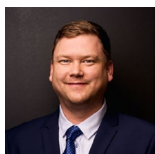
- 35 years extensive international mining experience
- Track record of developing, operating and transforming projects
- ASX CEO & international senior executive leadership roles



### **Ian Kirkham** Chief Financial Officer

B.Ec Economics & Accounting

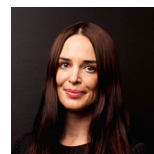
- Experienced resource company corporate executive
- Deep governance, risk and financial management experience
- CFO and Company Secretary roles at various ASX-listed companies



### **Trevor Thomas** Study Director

MEarthSci (Hons), MAIG, MAusIMM

- 14 years exploration & resource development geologist
- Lead for project management of all technical & feasibility studies
- Delivered Razorback Maiden Ore Reserve; acquired Muster Dam



### **Gemma Brosnan** GM – External Affairs

BA Journalism (Hons)

- Corporate communications and investor relations professional
- 17 years extensive international experience in the UK & Australia.
- Commenced career as journalist with London Evening Standard.



### **Allan Kane** GM – Sustainability

B.EnvMgmt (Hons), GradCertProjMgmt

- 14 years broad resources sector experience
- Lead for all aspects of sustainability and corporate ESG framework
- Previous roles with SA Department for Energy and Mining