

**ASX ANNOUNCEMENT****6 FEBRUARY 2023****MAGNETITE MINES AND GFG ALLIANCE SIGN PORT SERVICES MOU****HIGHLIGHTS**

- **Magnetite Mines and GFG Alliance company Whyalla Ports Pty Ltd have signed a non-binding agreement to investigate export services for the Razorback Iron Ore Project**
- **Receival, storage, materials handling, transshipment and ship loading of high-grade magnetite concentrates to be examined under terms of MoU**
- **Whyalla Port is an operating iron ore export port 200km from Razorback by rail with extensive materials handling facilities and storage sheds**
- **Export scenarios of 5 to 10Mtpa of magnetite concentrates are contemplated**

Magnetite Mines Limited (MGT:ASX) is pleased to announce that it has signed a non-binding Memorandum of Understanding (MoU) with Whyalla Ports Pty Ltd, a company that is part of the GFG Alliance and managed by SIMEC Mining, a business unit within the GFG Alliance responsible for the iron ore business in the South Middleback Ranges. The purpose of the MoU is to investigate the use of port handling and shipping facilities for the export of high-grade magnetite concentrates from the MGT's flagship Razorback Iron Ore Project (Project).

Whyalla Port, operated by Whyalla Ports Pty Ltd, is operating an integrated iron products export facility located on the northwestern coast of Spencer Gulf, adjacent to the city of Whyalla, South Australia, currently exporting in excess of 9Mtpa of iron ore products. The port is located 200 linear km from the Razorback site and has featured as the preferred port option for the Project since the 2021 Pre-Feasibility Study (PFS), offering a low capital option with established iron ore export facilities and connection to the Project site by rail.

**MGT CEO Tim Dobson said:**

*“Our agreement to work with SIMEC Mining to investigate export services as part of an overall review of export options represents an important step in the development of the Razorback Iron Ore Project. A key feature of the Project is its location in South Australia, with nearby rail infrastructure and the opportunity to access existing port capacity offering a low-risk, simplified development pathway. MGT and SIMEC Mining both share aspirations to contribute significantly to the urgent decarbonisation of the steel industry, taking advantage of South Australia's unique attributes with respect to renewable energy, large-scale magnetite resources and supportive stakeholders.”*

### Interim CEO of GFG Alliance's LPMA operations Theuns Victor said:

*"This MOU with MGT reflects the Port of Whyalla's proven capability to handle the bulk-commodity requirements of the state's magnetite and broader mining industries. In the past two years we have invested in an additional harbour crane to double the port's handling capacity and refurbished our rail tip pocket, which is a critical piece of infrastructure in the export of iron ore. This investment is part of an ongoing focus to increase third party cargo handled through the port and establish the site as a key hub to support our own, and the broader economy's, growth in the region."*

## THE WHYALLA PORT

In operation since 1903, the Whyalla Port is a long established and currently operating iron ore export port, shipping a combination of both magnetite and hematite ores, and pellets to Asian markets.

The port is connected to the open-access ARTC railway network, which in turn passes within 50km of the Razorback Project site. The anticipated Project includes a rail spur, balloon loop and train loading facility at site that would allow a direct rail connection between the Razorback process plant and the Whyalla Port, as shown in Figure 1.

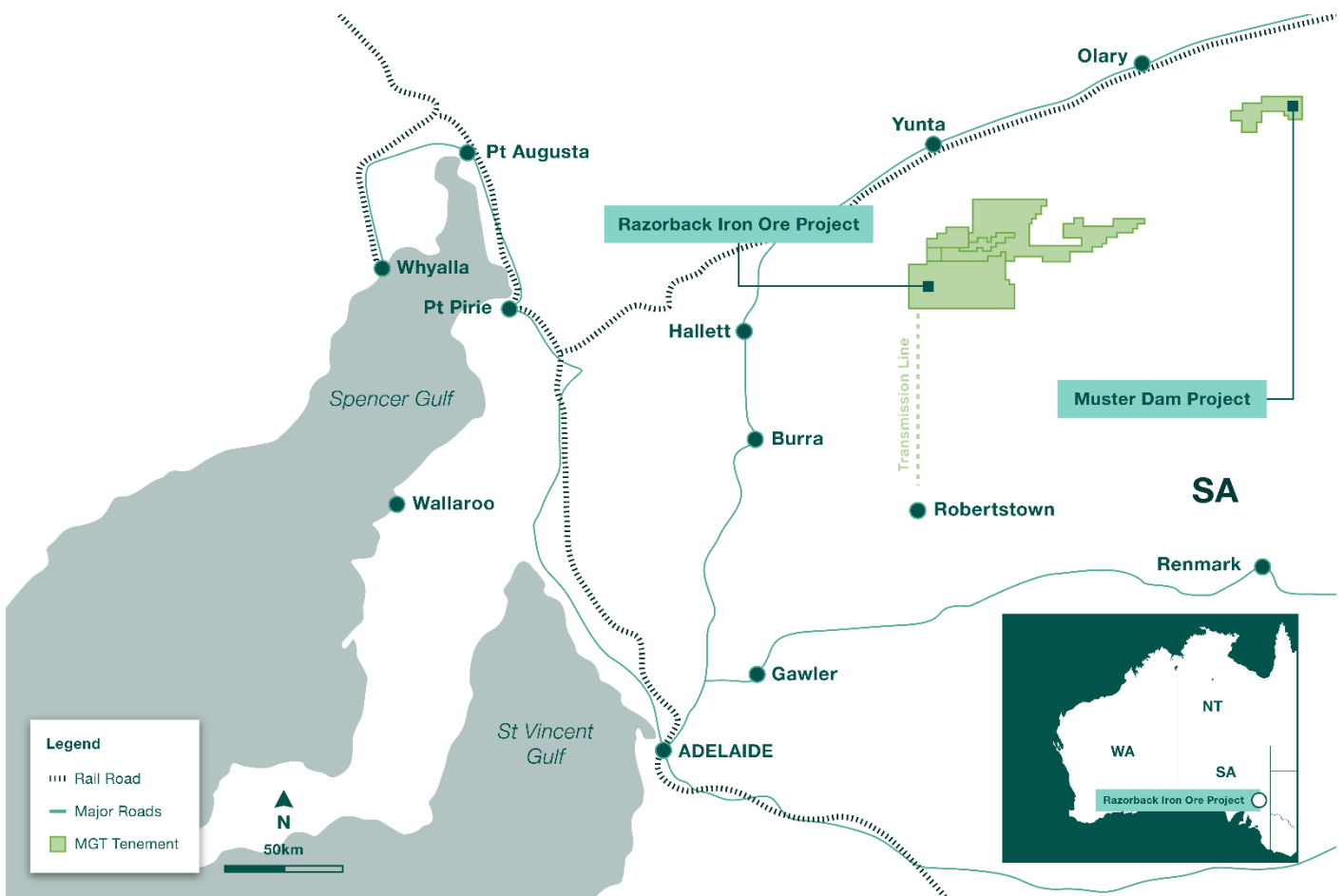


Figure 1. Whyalla Port Location and indicative transport pathway

Whyalla Port is currently the only port in South Australia with available capacity for material iron ore exports without the need for significant infrastructure development.

Facilities at the port include storage sheds capable of blending ores, materials handling infrastructure and, importantly, a link between the ARTC standard-gauge railway network and the Whyalla Port 'Inner Harbour'. A recently refurbished rail tip pocket equipped to accept bottom-discharge rail wagons and mirrors Company material handling requirements.



*Figure 2. Storage Shed at Whyalla Port Inner Harbour*

Since 2007, Whyalla Port has utilised transshipping to move iron ore from shore to ship. Commonly used in shallow water ports globally, transshipping enables iron ores to be transported from port to large-scale bulk carriers anchored in deeper waters.

At Whyalla, transshipment barges transport bulk iron ore and magnetite concentrates to anchorage facilities located offshore where they are loaded onto large Capesize vessels for cost effective transport to global seaborne markets.

The Whyalla Port has successfully exported up to 12 million tonnes of iron ore per year via the transshipment process.



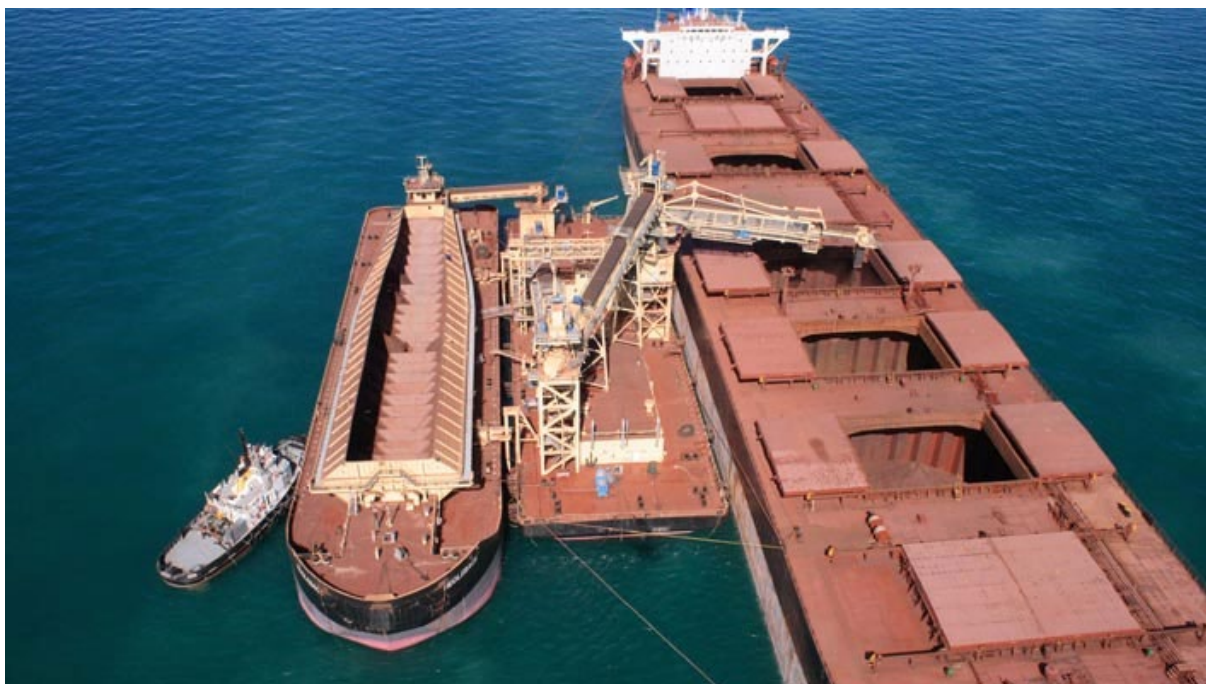


Figure 3. Transshipping offloading at anchorage into Capesize vessel in Spencer Gulf

## **MoU OBJECTIVES AND SIGNIFICANCE TO THE PROJECT**

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Securing infrastructure and export capacity for magnetite concentrate produced at the Razorback mine is fundamental to the development viability of the Project. The signing of this MoU establishes a framework for good faith negotiations between MGT and SIMEC Mining with the goal of executing a binding port services agreement, subject to certain conditions.

The MoU includes the following key terms:

- Purpose: Whyalla Ports Pty Ltd to provide port services to MGT including receipt (via rail) and storage of magnetite concentrates, materials handling, transshipment and ship loading via self-discharging barges at the Whyalla Port.
- Volume: 100% of initial production from Stage 1 of the Project, anticipated to be within the range 5 – 10Mtpa.
- Term: To be negotiated.
- Fee structure: To include both fixed and variable (per tonne) components.
- Cooperation: Separate to the port services agreement, the MoU also establishes a framework for discussion between the two parties regarding the potential for mutually beneficial cooperation with respect to magnetite processing.

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

For further information contact:

Gemma Brosnan  
General Manager - External Affairs  
+61 8 8427 0516