

ASX ANNOUNCEMENT

27 MARCH 2023

MAGNETITE MINES JOINS LEADING RESEARCH INITIATIVE HILT CRC

**MAGNETITE MINES HAS BEEN ACCEPTED AS A PARTNER TO THE
HEAVY INDUSTRY LOW CARBON TRANSITION COOPERATIVE RESEARCH CENTRE**

Highlights:

- **Magnetite Mines accepted as Affiliate Partner to HILT CRC, commencing with immediate effect**
- **Company to work alongside industry peers and world-leading researchers to help solve iron ore and steel sector decarbonisation challenges**
- **Current HILT CRC research includes alternative iron ore beneficiation processes and regional hub development strategies**
- **Strategic opportunity to collaborate on research with potential value-creating outcomes for MGT's Razorback and Muster Dam Projects**

MGT CEO Tim Dobson commented:

"The imperative to 'decarbonise' heavy industry, including iron and steelmaking, is urgent and clearly needs collaboration across industry, government and academia. At MGT, we see our role is to help speed up the global transition to green steel by unlocking and developing our massive magnetite deposits in South Australia's Braemar region, and this is why we are partnering with the HILT CRC.

Like Magnetite Mines, HILT CRC is based in South Australia, a leader in renewable energy generation, with a government committed to green hydrogen and the development of future green iron production. We are excited to be working alongside Tier 1 & 2 iron ore producers, Australia's leading researchers and other partners aiming to accelerate our transition to a 'net-zero' future through cooperative and innovative research, at the same time realising further value for MGT's shareholders and stakeholders."

Magnetite Mines (ASX:MGT) is pleased to announce that it has been accepted as an Affiliate Partner of HILT CRC, a cooperative research centre co-funded by industry, research organisations and government, and focused on de-risking the transition of carbon-intensive heavy industries towards a 'net-zero' future. MGT received notification in mid-March that its application to join HILT CRC was approved by its Board following a successful referral of the application to its Core Partners.

As a Partner, MGT will have the benefit of access to leading research programs currently in progress, including the improvement of process technologies associated with magnetite concentrate production, a key enabler for 'green steel' (low carbon iron and steelmaking). The Company will also benefit from

contributing to the identification, scoping and delivery of future research programs across the remaining eight years of the current committed funding term.

While MGT's participation with HILT CRC is expected to result in new collaboration opportunities, the Company will also be working alongside existing industry partners and stakeholders, including:

- **Hatch** (Affiliate Partner) - MGT's lead technical/processing consulting partner since 2020
- **SA Department for Energy and Mining** (Key Partner) - principal regulator for MGT's exploration and mine development activities in South Australia
- **GFG Group via Liberty** (Core Partner) – parent company to SIMEC, counterparty to recent memorandum of understanding with MGT exploring mutually beneficial port services and other collaboration opportunities.

ABOUT HILT CRC

HILT CRC was established in June 2021 with the award of \$39m over ten years by the Australian Government (as part of the Round 22 CRC Program) and over \$175m in direct and in-kind contributions committed from founding partners¹.

HILT CRC's vision² is to create a prosperous heavy industry sector at the forefront of the global low-carbon transition, and to achieve this through collaborative efforts and innovation.

Of particular relevance to MGT, HILT CRC seeks to de-risk technology pathways for Australian companies to support continued competitiveness through the low-carbon transition – a critical element for Australia's resources sector.

Based in Adelaide's leading innovation and collaboration centre "Lot Fourteen", HILT CRC engages nationally and internationally in the delivery of its research program (Figure 1).

With the inaugural series of projects nearing completion, opportunities are already being identified for further investigation and research effort. As a new HILT CRC Partner, MGT will have the opportunity to collaborate on and guide the direction of these emerging projects.



Figure 1. HILT CRC research strategy

SHARED VALUE PROPOSITION FOR MGT PARTNERING WITH THE HILT CRC

MGT's motivation to join HILT CRC is centred within the Company's view that collaboration and innovation are vital to ensuring Australia's commanding position as an iron ore supplier to the world's iron & steelmaking industry is maintained.

The industry has entered a period of significant transformation as it switches to low carbon technologies that require high grade, low impurity iron ore as feed stock. In Australian terms, it is foreseen that regional iron ore customers will shift away from low-grade direct shipping ores (DSO), currently produced in massive volumes from WA's Pilbara region, and increasingly source high-grade iron ore such as magnetite concentrates. This shift has already commenced and is reflected in increasing price premiums being applied to high-grade iron ore products, and increasing discounts being applied to low-grade iron ores.

South Australia has abundant magnetite resources, including the 6.0 billion tonnes that MGT has accumulated in its 100%-owned tenements in the massive, undeveloped Braemar Iron Formation, including Ore Reserves of 1.6 billion tonnes³. Additionally, the South Australian government has committed to 100% renewable energy generation on grid by 2030, along with rapid development of a green hydrogen industry. These represent the key elements required to enable a 'green steel' supply chain.

While MGT already is taking advantage of South Australia's rapidly-expanding renewable energy generation profile with a 100% green energy target for supplied electricity for initial and expanded production cases^{4,5} (Scope 2 emissions), further effort is required to remove carbon from mining activities, transportation and integrated value/supply chains (both up and down) to ensure Scope 1 and Scope 3 emissions profiles meet relevant targets and aspirations. This effort is expected to be met through MGT's collaborative programs as a HILT CRC partner.

Through its participation, MGT will support HILT CRC's vision and project outcomes by utilising its:

- sophisticated understanding of the challenges and opportunities related to the unique and complex magnetite-bearing siltstones in South Australia's Braemar Iron Formation;
- accumulated technical abilities related to the large-scale development of mining and processing of Braemar-hosted magnetite ores; and
- understanding of the key ESG and sustainability issues associated with mining activities in a greenfield location, and the need for broad collaboration with stakeholders.

Magnetite Mines is proud to be partner of HILT CRC and looks forward to sharing the outcomes with shareholders and stakeholders as they emerge.

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

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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 <https://business.gov.au/grants-and-programs/cooperative-research-centres-crc-grants/crc-grants-selection-round-outcomes>

² https://hiltcrc.com.au/about/governance/#corporate_publications

³ ASX Release – Razorback Iron Project Ore Reserves Increase 340%, 20 March 2023

⁴ ASX Release – Renewable Grid Power for Razorback Project, 23 February 2023

⁵ ASX Release – Optimisation Transforms Razorback Iron Ore Project, 20 March 2023