ASX ANNOUNCEMENT

26 JULY 2023

FOURTH QUARTER ACTIVITIES REPORT

ENDING 30 JUNE 2023

HIGHLIGHTS

- **Maiden Iron Peak Ore Reserve of 362Mt declared, increasing Razorback Project total Ore Reserve to 2 billion tonnes.**
- **Razorback Project economics improved with 5Mtpa initial development capacity prioritising high-grade Iron Peak ore in production schedule:**
  - **20% mass recovery high grade plant feed over first ten years of operations**
  - **Competitive US$46 – $55 per tonne 'value-in-use' operating cost (62% Fe equivalent)**
  - **91-year mine life producing 5Mtpa of premium-grade concentrate**
- **Significant de-risking of Razorback Project rail haulage solution**
  - **Land Access Agreement signed for Hillgrange rail siding location supporting Stage 1 development and expansion**
  - **Rail network owner ARTC confirms no obstacles to rail siding and spur line infrastructure development at Hillgrange**
  - **Up to 10Mtpa of open-access rail capacity identified**
  - **Cost-effective bulk haulage proposal received from 'above rail' services provider Aurizon**
  - **Baseline environmental data collection progressing**
- **Launch of *foresight* sustainability platform as foundation for environmentally and socially responsible project delivery and sustainable operations**
- **Landmark Memorandum of Understanding (MoU) signed with the District Council of Peterborough to support community social and economic impacts**
- **Appointment of experienced mining executive Mr Simon Smith as CFO**
- **Magnetite Mines in strong cash position with $5.1 million cash on hand**

Magnetite Mines Limited (ASX:MGT) is pleased to provide an update of its activities for the quarter ending 30 June 2023, during which several significant announcements were made:

9 June 2023: Maiden Probable Ore Reserve (JORC 2012) of 362 million tonnes declared for the Iron Peak deposit, one of several deposits comprising the Razorback Iron Ore Project[1]. Iron Peak represents the highest-quality deposit in the Company's portfolio based on mass recovery and metallurgical response, consistently demonstrating the capacity to produce DR-grade concentrates and ultra-high-grade 70% Fe concentrates from select bulk samples[2]. The Razorback Iron Ore Project Probable Ore Reserve position has increased from zero to 2 billion tonnes in a little over two years[1,3].

9 June 2023: Economic analysis demonstrated the positive impact on project economics of prioritising Iron Peak in the mining schedule, which increased mass recovery and lowered mining and processing costs[4]. In the first ten years of operations, mass recovery averages 20%. The Project's base case operating cost was estimated at around US$50 per tonne on a 'value-in-use' basis, which adjusts a project's operating cost by its expected high-grade premium to produce an 62% Fe equivalent cost. In the last ten years, the 62% Fe index has not fallen below US$50 on a real-dollar basis, demonstrating the robust and cycle-proof nature of the Project's economics.

27 June 2023: The Company launched its bespoke sustainability platform, ***foresight***, the culmination of a months-long, company-wide initiative[5]. ***foresight*** will play a pivotal role in driving ESG-related actions through the lifecycle of the Project – from study and design to project development and operations. The Company recognises that robust ESG performance represents an opportunity to pursue meaningful social and environmental objectives which will underwrite long-term financial performance.

5 May 2023: The Company's close relationship with the District Council of Peterborough was formalised in a landmark Memorandum of Understanding (MoU) announced in a Joint Media Release on 5 May[6]. The Council has committed to understanding and directly supporting the Project's development needs, and to lobbying the South Australian Government for financial and non-financial incentives directed towards the Peterborough community, its infrastructure, and its businesses as a means to facilitate the Project's success.

18 April 2023: The Company has made considerable progress in support of its rail haulage solution for the transport of concentrate from Hillgrange to select Spencer Gulf ports[7]. The negotiation of an exclusive, binding land access agreement with a private landowner provides the Company with direct access to the proposed rail siding location at Hillgrange and approximately 5km of frontage to the rail corridor. The Australian Rail Track Corporation (ARTC) has confirmed that there are currently no impediments to the Company's planned development of an exclusive-use rail siding and spur line, and is undertaking a rail capacity modelling exercise to confirm its initial assessment of existing capacity to transport up to 10Mtpa of concentrate. Additionally, rail freight operator, Aurizon, has provided the Company with cost-effective rail haulage proposals for both Whyalla and Port Pirie export options.

5 July 2023: Subsequent to the quarter end, the Company appointed Mr Simon Smith as the Chief Financial Officer and Company Secretary, replacing Mr Ian Kirkham, who resigned in April[8]. Simon will commence at Magnetite Mines in September and brings to the role a wealth of fundraising knowledge and experience.

MAIDEN IRON PEAK ORE RESERVE ESTIMATE

In June, the Company announced a maiden Probable Ore Reserve estimate for the Iron Peak deposit of 362 million, which was underpinned by the 2022 Iron Peak drilling program and recent metallurgical testwork results[1,2]. The estimate was prepared by AMC Consultants and considered all relevant geological, mining, metallurgical, social, environmental, statutory and financial aspects of the Razorback Project.

The Ore Reserve estimate was derived from an open pit optimisation of the February 2023 block model incorporating Mineral Resources from both the Razorback and Iron Peak deposits[15]. The inclusion of Iron Peak in the reserves model extended the mine life and improved the economic and technical outcomes of the Project due to the higher grade nature of the Iron Peak mineralisation and improved metallurgical response[4]. The Project's total Probable Ore Reserves now stand at 2 billion tonnes, achieved in a timeframe of less than two years. With a life-of-mine mass recovery of 14.6%, current Ore Reserves support production of 5 million tonnes of high-grade iron ore concentrate over 91 years[1,3].

The estimate was based on an 8% cut-off grade, which was significantly above the estimated economic break-even cut off grade of 3.21% (eDTR). At this cut off grade, and assuming minimum mining widths of 70 to 100 metres, dilution and ore loss were 3.3% and 2.0% for the Razorback deposit and 7.0% and 6.3% for the Iron Peak deposit.

The capital and operating cost assumptions supporting the Ore Reserve estimate were calculated to a PFS level of accuracy; capital costs were a combination of AACE Class 3, 4 and 5 level estimates with a targeted accuracy of ±25%[4].

The Razorback Project's updated Probable Ore Reserves, which includes the Iron Peak deposit, are as follows:

Table 1. Razorback Iron Ore Project Ore Reserves estimate at June 2023[1]

Probable Ore Reserves*	Tonnes Mt	eDTR %	Fe %	Mag %
Weathered	149	12.9	17.9	10.7
Primary	1,828	14.8	17.5	13.9
TOTAL	**1,977**	**14.6**	**17.5**	**13.7**

** Ore Reserves are a subset of Mineral Resources and are quoted at an 8% eDTR (Mass Recovery) cut-off grade. Magnetite Mines Limited is not aware of any new information or data that materially affects the information included in the Ore Reserve announcement dated 9 June 2023 and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply.*

Ore Reserves are a subset of Mineral Resources, which are currently 3.2 billion tonnes for the Razorback Project[1,3]. There is significant upside to the Mineral Resources estimate from unexplored mineralisation within the tenement holdings. Within the wider Razorback tenement package, currently only ~30km of the available 110km of prospective Braemar Iron Formation strike has been explored. In addition, geological modelling supports the availability of mineralisation both at depth and along strike locally at the Iron Peak and Razorback deposits. The study team is currently considering further drilling and investigations targeting this upside.

The rapid growth in Ore Reserves at Razorback coincides with the Company's transformation to become a vital supplier to the decarbonising iron & steelmaking industries that are now seeking sources of premium-grade iron ore capable of reducing blast furnace emissions and which are necessary for the transition to low-emission electric arc furnace (EAF) steelmaking[9].

PROJECT ECONOMICS STRENGTHENED BY IRON PEAK

New Project economic analysis was produced, focused on a minimum 5Mtpa production capacity and leveraging the new Iron Peak Ore Reserve estimate and outcomes of the recently completed Optimisation Studies[4,10]. The inclusion and prioritisation of Iron Peak ore in the mine schedule had a profoundly positive impact on overall project economics, particularly in the first ten years of operations.

Financial modelling was deliberately conservative, incorporating adequate contingencies and recent inflationary cost pressures, while also reflecting emerging price premiums for high-grade iron ore products.

Two production scenarios were modelled:

- **Base Case**: fixed output 5Mtpa operation with no expansion
- **Expansion Option**: staged expansion from 5Mtpa to 10Mtpa after five years

Key economic and technical outcomes were as follows:

Table 2. Key Project metrics

Physical Metrics	Unit	Base Case	Expansion Option
Concentrate production rate	dry Mtpa	5	10
Life of mine	Years	91	39
Mining rate (first 10 years)	Mtpa	57	91
LOM ore mined	Mt	2,268	2,268
LOM strip ratio	t:t	0.35	0.35
Nominal plant feed at scale	Mtpa	25	67
First 10 years yield (mass recovery)	%	19.8%	18.7%
LOM yield (mass recovery)	%	14.6%	14.6%
LOM concentrate produced	Mt	331	331
Financial Metrics	**Unit**	**Base Case**	**Expansion Option**
Value-in-use price premium [a]	US$/t	41	41
Value-in-use operating cost (62% Fe eq.) [b]	US$/t	46 – 55	39 – 48
Pre-production capital [c]	US$B	1.0 – 1.3	2.3 – 2.8

a. *Value-in-use price premium is the forecast 2027 quality adjustment premium over and above the 62% iron ore index reference price as calculated by Wood Mackenzie for Razorback Project concentrate specification.*

b. *Value-in-use operating cost (62% Fe eq.) represents the total operating cost per tonne of concentrate produced for the first ten years of operations at scale, inclusive of freight, royalties, lease costs and sustaining capital, with the value-in-use price premium (see a. above) subtracted, enabling direct comparison with the benchmark 62% iron ore index reference price.*

c. *Pre-production capital represents the capital expenditure required to achieve production. For the Expansion Option, pre-production capital is the combined total for both initial and expanded production stages.*

Cost estimates used in the analysis were based on conventional estimation work undertaken by consultants including Hatch and GHD, and incorporated updated information from suppliers to capture the impact of recent inflationary pressures. All capital cost estimates met the requirements of AACE Class 4 and 5, with more than 90% completed to an AACE Class 4 level of accuracy or obtained through direct vendor quotations. A contingency of 20% was also applied to all major capital costs.

By prioritising Iron Peak in the mining schedule, early year cash flows, capital costs, and operating costs have significantly improved, resulting in a breakeven cost profile that remains competitive throughout the commodity price cycle.

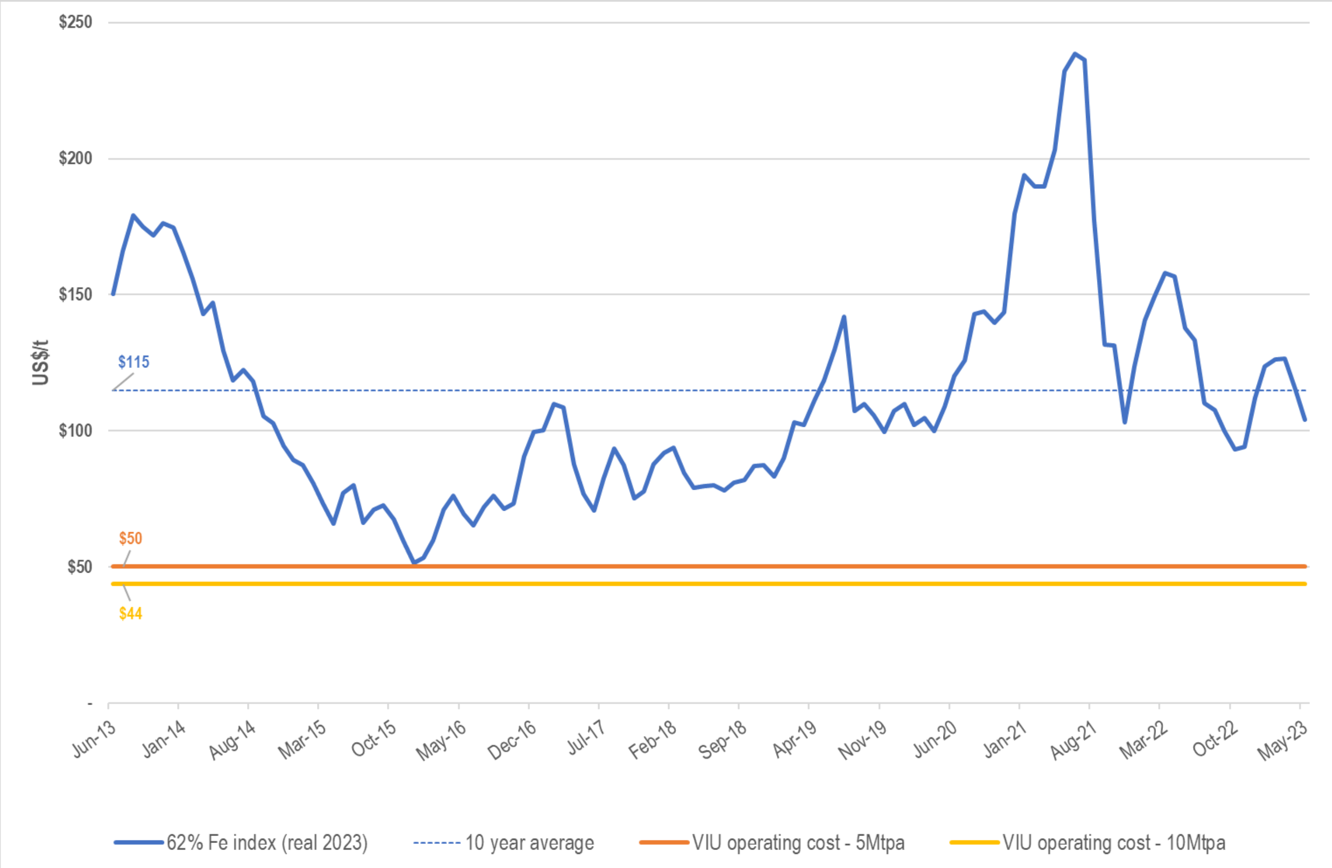

Figure 2. Value-In-Use operating cost relative to ten year iron ore price trend (62% Fe, CFR China)

Key operational assumptions of the economic analysis included:

- Mine schedules based on 2.3 billion tonnes of Mineral Resources with >85% from the Indicated Resources category
- Well-established open pit mining methods incorporating drill and blast, truck and shovel operations, with ore production from surface.
- Optimised process plant configuration utilising well-proven technologies, including the choice of integrated HPGR / ball mill primary grinding circuit supported by recent metallurgical test work
- Initial process plant capacity of 25Mtpa increasing to 67Mtpa in the Expansion Option
- Transport of concentrates to Whyalla port for export using existing, Commonwealth-controlled, open-access rail infrastructure with truck haulage to Hillgrange rail siding (Base Case) and installation of a rail spur line to site with balloon loop (Expansion Option)

The results of the economic analysis were highly encouraging with each production scenario producing positive returns across a range of macroeconomic assumptions. A value engineering program has been commenced that is targeting reductions in Project capital and operating costs, as well as opportunities to optimise mine scheduling, to further enhance project economics.

SUSTAINABILITY

Launch of *foresight*

The Company's Board and management understand the need for a transparent and resilient approach to sustainable production from the Project, and the value of this aspect to the Project's future customers and downstream supply chain.

In late June, the Company launched ***foresight***, a sustainability platform driving ESG-related actions through the project study, design, delivery and operational stages[5]. As the existing iron ore sector seeks to transition to a new future centred on sustainable practices, Magnetite Mines intends to emerge as an important producer of premium-grade iron ore to meet the demand of the decarbonising steel industry, with a collaborative and focused sustainability culture embedded from the outset.

By bringing focus to Magnetite Mines' leading ESG profile, the Company can design and showcase a sustainable mining future with the objective of becoming an iron ore supplier of choice. Project delivery will demonstrate pathways to net zero carbon operations, nature-positive outcomes, actions that support the building of resilient, inclusive communities and adaptive governance. The Company's adoption of, and alignment with, global standards, such as the Initiative for Responsible Mining Assurance (IRMA), will demonstrate its credibility as a responsible operator and increase its global profile.

foresight is intended to become a key identifier and differentiator for Magnetite Mines, and an essential component of the Company's strategy for engaging with project partners, financiers, regulators and other stakeholders.

Environmental approvals

MGT continued the diligent yet fast-tracked preparation of its Mining Lease Proposal (MLP), being the primary development application process for the Razorback Project under the SA Mining Act 1971.

During the period, MGT engaged its existing service partner Eco Logical Australia to finalise all remaining works packages to achieve submission of its MLP. These work packages principally cover impact assessment programming, consultation and MLP preparation activities.

The Company also commenced procurement of technical specialists to lead individual impact assessment studies. With significant constraints on the availability of specialists across Australia, MGT has acted early to secure support from leading aquatic ecology specialist Lateral Environmental and will be finalising procurement of all other technical specialists over the coming month.

Additional groundwater and surface water sampling was completed in June 2023 as MGT extended and enhanced its baseline characterisation program. Closure planning was also progressed with support from Eco Logical Australia.

Stakeholder engagement and land access

Magnetite Mines is strongly focused on building positive relationships with its key Project stakeholders and communities.

In May, MGT signed a Memorandum of Understanding (MOU) with the District Council of Peterborough in support of the Razorback Iron Ore Project[6]. The MOU is unique in nature and establishes a strong, collaborative commitment to the responsible and sustainable development of the Razorback Project and its interactions with local communities.

Figure 2. Hon. Geoff Brock MP, Mayor Ruth Whittle OAM, and CEO Tim Dobson attending the MoU signing ceremony

The terms of the MOU enable broad level strategic support for the Razorback Project with the objective of bringing together the District Council of Peterborough, Magnetite Mines and key stakeholders to:

- collaborate on matters of shared local interest, including to maximise significant social, environmental, employment and other economic opportunities
- support engagement between Magnetite Mines and the District Council of Peterborough, and with local residents, businesses and other entities
- identify opportunities to develop, fund or manage shared infrastructure
- provide a structure to consider support for ancillary developments that may benefit the Razorback Project, its local workforce and its local stakeholders.

Following the signing of the Memorandum of Understanding with the District Council of Peterborough, a Community Information Day was held at the Peterborough Town Hall with a high level of positive interest from the community. Approximately 150 people attended and discussed the project with Company representatives, Council officials and Member for Stuart the Hon Geoff Brock MP.

In the Joint Media Release accompanying the ASX Release, District of Peterborough Council Mayor Ruth Whittle OAM commented:

> *"The District Council of Peterborough welcomes the opportunity to enter into a Memorandum of Understanding with Magnetite Mines that will provide the basis for both parties to work collaboratively on achieving the social and economic outcomes for the long-term benefit of the Community.*
>
> *"The Council will be working closely with Magnetite Mines to understand the infrastructure upgrade needs, development requirements for businesses and residential growth opportunities to support the mine development during the initial construction phase and into full operations.*

"With the Premier making a firm commitment at the recent Economic Summit to work closely with local councils to achieve economic outcomes, Council will be lobbying the Government for financial and non-financial incentives directed towards the development of the community, its infrastructure and businesses as a means to fully meet the needs and demands of the mine operations."

Native Title and cultural heritage

MGT maintained its commitment to building a strong foundational relationship with the Ngadjuri Nation Aboriginal Corporation (NNAC). A series of workshops engaging both MGT board and management representatives along NNAC board members were completed during the quarter and a draft Partnering Agreement is now ready for final comment and approval.

A second joint site visit to the Razorback Project site took place in May 2023 following an inaugural trip in September 2022.

Other stakeholder engagement activities

Other key engagement activities in the quarter included:

- Project updates with five SA Government agencies to confirm project scope ahead of a fast-tracked approvals preparation program
- Continuing negotiations with various landholders in support of achieving project development access
- Discussions with proponents of major regional developments to manage overlapping infrastructure interests

Progress on rail haulage solution

During the quarter, Magnetite Mines secured land access for rail-side infrastructure development at Hillgrange, South Australia, 55km from the planned Razorback Project plant site[7]. The negotiation of an exclusive, binding land access agreement with a private landowner provides MGT direct access to the existing Hillgrange rail siding, with approximately 5km of frontage to the rail corridor.

Australian Rail Track Corporation (ARTC), as the rail network owner, has advised Magnetite Mines that there are no known impediments for the Company's proposed development of an exclusive-use rail siding and spur line infrastructure at the Hillgrange location. Preliminary internal assessments indicate that there is currently open-access rail capacity to support MGT's proposed expansion case production rate of 10Mtpa from Hillgrange to selected Spencer Gulf ports, and that further capacity is possible with additional passing loops. ARTC is currently modelling rail capacities to confirm this assessment.

The Company has also engaged with Aurizon, Australia's largest rail freight operator, to provide support for 'above rail' services (trains, including locomotives and iron ore wagons). Aurizon is assessing and providing cost estimates for rail haulage services from the Hillgrange siding to port options at Whyalla and Port Pirie, each of which are subject to Memoranda of Understanding recently signed by MGT. Work completed to date has confirmed the viability of rail haulage for the base-case Project configuration and proposed 10Mtpa expansion case, and associated cost estimates are in line with expectations.

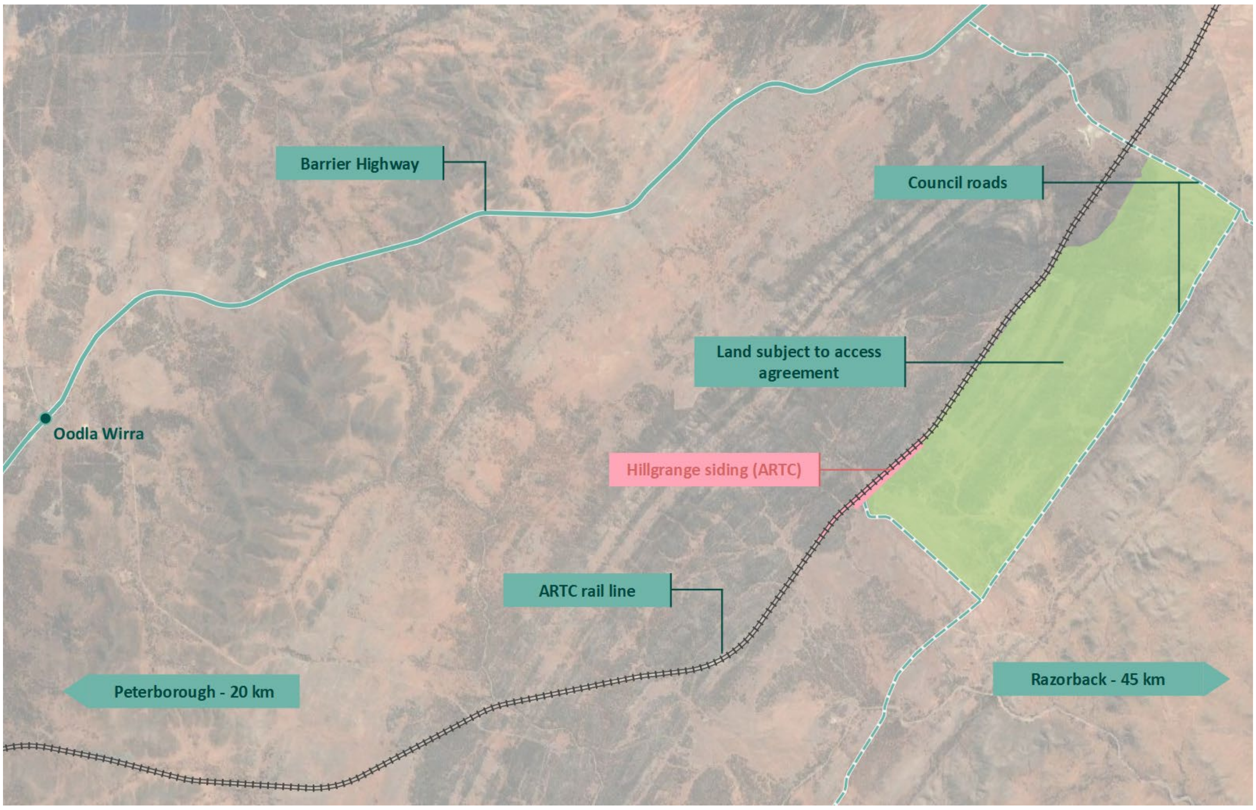

Figure 3. Location of ARTC's Hillgrange siding and land parcels subject to land access agreement

CORPORATE

Strong cash position

The Company maintained a strong cash position of $5.1 million in cash and cash equivalents at quarter end. Quarterly operations, exploration and evaluation cash flows reduced from $2.5 million in the March quarter to $1.9 million in the June quarter.

Exploration & evaluation expenditure

Exploration and evaluation expenditure during the quarter totalled $1.05 million. In addition to general study-related overheads covering staff salaries and site visits, expenditure related to the following activities:

- General exploration expenditure as related tenement administration
- Engagement of AMC to prepare an Ore Reserve estimate for the Iron Peak deposit
- Environmental field programs including ecology impact assessment and groundwater studies
- Permitting and approvals related consultation
- Negotiation of a partnering agreement with the Ngadjuri Nation (native title claimant group)
- Cultural heritage clearances

No exploration drilling activities occurred during the quarter. Rehabilitation for previous drilling activities and statutory reporting proceeded in line with SA Department of Mines & Energy requirements.

Mine production and development expenditure

None of the Company's projects are at a production or development stage and consequently, there was no expenditure incurred during the quarter relating to production or development.

Iron & steel decarbonisation: advantageous shift to 'green iron' import focus

The Company has observed a material shift in the trajectory of the global iron & steelmaking decarbonisation transition over the past 12 months, particularly in the key regional steel producing countries of Japan, South Korea and China, with major players now seeking future sources of direct reduced iron (DRI) in the form of hot briquetted iron (HBI) for importation and use in domestic steelmaking as laid out below[9].

Whilst novel technologies are being investigated to reduce the carbon emission footprint of existing blast furnace & basic oxygen furnace (BF-BOF) fleets, these avenues may well have decades long gestation periods and are now seen by steel producers as unlikely to meet their carbon reduction commitments from 2030. Accordingly, steelmakers are increasingly committing to proven commercialised technologies based around the use of new electric arc furnaces (EAFs) that can be powered by renewable energy.

Feed sources for EAFs include scrap iron & steel, and direct reduced iron (DRI) products. We expect that the transition to true 'green steel' (steel produced with a very low carbon footprint) will see existing DRI technologies, which currently rely on natural gas for iron ore reduction, transition to green hydrogen (hydrogen produced with renewable energy) for reduction over time. DRI produced with green hydrogen is termed 'green iron' (H2-DRI).

The domestic production of green hydrogen is energy intensive and requires abundant renewable energy. Accordingly, regional steelmakers are now seeking locations suitable for the future production of HBI, which is an easily transportable form of DRI, from regions that have high-grade iron ore reserves, natural gas, large-scale renewable energy sources and geopolitical stability. In this scenario, importing HBI is a proxy for importing the reducing agent (green hydrogen), which is produced and used for iron ore reduction side-by-side in the source country.

South Australia to take advantage

For these reasons, South Australia is rapidly emerging as a strong candidate for the future production of green iron for regional export with the following features:

- Geographically close to southeast Asian steel producers
- Stable, mining friendly jurisdiction with a track record of long-term mining partnerships
- Enthusiastic and supportive government
- World-leading transition to 100% renewable energy on grid by 2030
- Committed development of a green hydrogen industry to attract green iron production
- Most importantly, SA has vast reserves of magnetite-based iron ore capable of being upgraded to DR-grade, that is required to support the long-term investment in HBI production and export facilities.

Given the scale and nature of what would be the emergence of an entire new industry for the state supported by international investment, the Company observes that international collaboration and partnerships will need to be forged across both the private and public sectors.

Accordingly, during the period Magnetite Mines focussed heavily on discussions and briefings with various departments of the South Australian government including Dept of Energy & Mining, Dept of

Infrastructure & Transport, Dept of Trade & Investment, Dept of Treasury & Finance and the Dept of Environment & Water. The Company has also briefed appropriate Ministers, shadow Ministers and affected state and federal MPs to ensure alignment of vision and to set the foundation for a cohesive approach to international collaboration.

Aligning with potential strategic partners

Based on the shift in macro-level trajectory described above, the Company has also advanced discussions with potential strategic partners with a particular focus on regional steelmakers and trading houses, along with potential project financiers and institutional investors that are aligned with the green iron / green steel transition and associated ESG focus.

During the quarter, the Company hosted several site visits to the Razorback Project site for interested parties under NDA as part of the partnership due diligence process. The Company is accommodating an increased level of interest and engagement from major regional steelmakers as focus intensifies on securing green iron supply to meet decarbonisation commitments as laid out above.

Completion of on-market unmarketable parcel share buy-back

The unmarketable parcel sale facility announced on 21 December 2022 for shareholders holding less than 787 shares ($500 value) concluded on 25 May 2023[11]. The total number of ordinary shares bought back under the Facility was 1,132,308 comprising 3,776 shareholders.

This reduced the total number of MGT shareholders from 10,272 to 6,496, decreasing administration costs, including printing, mailing and share registry expenses. The facility provided relevant shareholders the ability to sell their shares without incurring brokerage or handling costs that could otherwise make a sale of their small share parcels uneconomic.

The shares acquired under the facility were sold on-market by Ord Minnett, realising an average weighted price of $0.577 per share for a total sum of A$653,334. Payment of the proceeds were dispatched to relevant shareholders on 7 June 2023[9].

Expiry of quoted options (MGTOE)

7,266,204 quoted options (MGTOE) exercisable at $2.50 expired on 20 May 2023. The options were issued as free attaching options to shareholders who participated in the 2022 Rights Issue[12].

Conversion of performance rights

On 30 June 2023, 125,000 sign-on performance rights vested and were converted into fully paid ordinary shares. These performance rights were granted to CEO Mr. Tim Dobson as part of his sign-on arrangement, as announced on 23 August 2023[13].

Change of registered address

On 2 June 2023, the Company changed its registered office and principal place of business to Suite 3.03, Level 3, 30 Currie Street, Adelaide, SA 5000[14].

CFO and Company Secretary changes

On 5 July 2023 the Company announced the appointment of Mr Simon Smith as Chief Financial Officer (CFO) commencing in September 2023, replacing Mr Ian Kirkham who resigned as CFO and Company Secretary during the quarter[8].

Simon has worked at both ASX and TSX listed companies and has successfully led the execution of capital raisings totalling over A$500 million, encompassing both debt and equity financing, as well as initial public offerings (IPOs). Simon is a member of the Australian Institute of Chartered Accountants and was most recently the CFO of Energy Action Limited. Prior to that, he was CFO and Company Secretary of ASX-listed Heron Resources Limited, overseeing the $340 million project financing and commercial development of the Woodlawn zinc-copper mine in NSW through to full scale operations.

Ms Inthu Siva was appointed Interim Company Secretary. Ms Siva has been employed by the Company since 2010, currently holding the role of Financial Controller, and is a CPA and an affiliated member of the Governance Institute of Australia.

Tenement holdings

The following tenements were held by Magnetite Mines Limited (and its controlled entities) as of 30 June 2023:

Tenement/ Project Name	Tenement Number	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during the Quarter	Disposed of during the Quarter	Joint Venture Partner/Farm -In Party
SOUTH AUSTRALIA						
PUALCO	EL 6126	100%	100%	-	-	-
RED DRAGON	EL 6127	100%	100%	-	-	-
RAZORBACK RIDGE	EL 6353	100%	100%	-	-	-
DRAGON'S TAIL	EL 5902	100%	100%	-	-	-
SISTER'S DAM	EL 6037	100%	100%	-	-	-
BRAEMAR	EL 6788	100%	100%	-	-	-
LIPSON	EL 6745	100%	100%	-	-	-
MANUNDA NORTH	EL 6878	100%	100%	-	-	-
MUSTER DAM	EL 6746	100%	100%	-	-	-
MUTOOROO RIDGE	EL 6877	100%	100%	-	-	-

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

For further information contact:

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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.

DISCLOSURE

Where the Company references previously disclosed exploration results, Mineral Resource and Ore Reserve estimates and ASX announcements made previously, it confirms that the relevant JORC Table 1 disclosures are included with them and that it is not aware of any new information or data that materially affects the information included in those ASX announcements and in the case of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

References

1. ASX Announcement - 09/06/2023 - Iron Peak Deposit Maiden Ore Reserve
2. ASX Announcement - 28/02/2023 - Metallurgy Confirms Flowsheet and DR Pellet Feed Potential
3. ASX Announcement - 22/03/2023 - Razorback Iron Project Ore Reserves Increase 340% - UPDATE
4. ASX Announcement - 09/06/2023 - Iron Peak Strengthens Razorback Project Economics
5. ASX Announcement - 27/06/2023 - Magnetite Mines Launches Foresight Sustainability Platform
6. ASX Announcement - 05/05/2023 - Landmark Community MOU Signed for Razorback Project
7. ASX Announcement - 18/04/2023 - Razorback Iron Ore Project Rail Access Unlocked
8. ASX Announcement - 05/07/2023 - Appointment of Chief Financial Officer
9. URL: Renewable Energy Institute (Japan): The Pathway to Green Steel
10. ASX Announcement - 20/03/2023 - Optimisation Transforms Razorback Iron Ore Project
11. ASX Announcement - 25/05/2023 - Completion of On-Market Unmarketable Parcel Share Buy-Back
12. ASX Announcement - 22/05/2023 - Expiry of Quoted Options (MGTOE)
13. ASX Announcement - 30/06/2023 -Application for quotation of securities - MGT
14. ASX Announcement - 02/06/2023 - Change of Registered Office Address
15. ASX Announcement – 09/02/2023 – Iron Peak Mineral Resource Significantly Improved

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity	
MAGNETITE MINES LIMITED	
ABN	**Quarter ended ("current quarter")**
34 108 102 432	30 June 2023

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(467)	(2,325)
	(e) administration and corporate costs	(452)	(1,848)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	44	209
1.5	Interest and other costs of finance paid	-	(99)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (fuel tax credit, royalty income)	50	218
1.9	**Net cash from / (used in) operating activities**	**(825)**	**(3,845)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(11)	(31)
	(d) exploration & evaluation	(1,050)	(9,949)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	1	5
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security bond)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,060)**	**(9,975)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	(37)
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(87)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payment of lease liabilities)	(69)	(268)
3.10	**Net cash from / (used in) financing activities**	**(70)**	**(392)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	7,090	19,347
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(825)	(3,845)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,060)	(9,975)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(70)	(392)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**5,135**	**5,135**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	2,010	34
5.2	Call deposits	3,125	7,056
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,135**	**7,090**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(825)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,060)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,885)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,135
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	5,135
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.72

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer:
	Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 26 July 2023

Authorised by: This report has been authorised for release to the market by the board.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.