

## ASX ANNOUNCEMENT

23 October 2023

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### NOTICE OF ANNUAL GENERAL MEETING 2023

**Magnetite Mines Limited (ASX:MGT) (Company)** wishes to advise that the following documents will be distributed to shareholders on Monday, 23 October 2023, in relation to the 2023 Annual General Meeting to be held on Thursday, 23 November 2023, at 10.00 am (ACDT) in the David Spence Room, Adelaide Town Hall, 128 King William Street, Adelaide:

- Shareholder Notice and Access Letter;
- Notice of Annual General Meeting (including the Explanatory Memorandum);
- Proxy Form; and
- 2023 Annual Report (if requested).

The Shareholder Notice and Access Letter, Notice of Annual General Meeting and 2023 Annual Report will be available on the Company's website at [www.magnetitemines.com](http://www.magnetitemines.com).

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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

[gemma.brosnan@magnetitemines.com](mailto:gemma.brosnan@magnetitemines.com)

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## NOTICE OF ANNUAL GENERAL MEETING – SHAREHOLDER NOTICE AND ACCESS

Dear Shareholder

I would like to take this first opportunity to communicate with you since being appointed Chair of your Company to urge you to attend this year's AGM where we will provide an update on the progress that has been made since the last AGM, primarily with respect to the Razorback Project. The milestones that have been achieved since the last AGM are significant and we continue to make strides towards submitting our Mining Lease Proposal to the South Australian Government in the coming months. This will be a major step on our path to completing a Definitive Feasibility Study and reaching a Final Investment Decision for the Project.

At last year's AGM we received a 'first strike' against the FY22 Remuneration Report in an environment of shareholder discontent. The Board responded by consulting with a significant number of shareholders and stakeholders to better understand the reasons for the strike. The Board has carefully considered the feedback received throughout the year and has taken a number of actions to address key concerns regarding the company's operational and performance matters. Some of these actions are summarised below and further actions are set out in the letter of the Chair of the Nomination and Remuneration Committee that accompanies the FY23 Remuneration Report in the Annual Report and the explanatory notes to Resolution 1 at the AGM - 'Non-binding Resolution to adopt Remuneration Report'.

The Company commenced a corporate transformation in January 2022 and has undertaken dramatic changes including board renewal, appointment of a highly experienced CEO, appointment of an experienced CFO, rotation of auditors to EY, and upgrades to internal systems particularly in relation to people. It is because of this that the Board believes that the company is in a strong position to attract and negotiate with strategic partners and grow the opportunity Razorback presents.

Against that background, I am pleased to inform you that this year's Annual General Meeting (**Meeting**) of Shareholders of Magnetite Mines Limited (ABN 34 108 102 432) (**Company**) will be held in the David Spence Room, Adelaide Town Hall, 128 King William Street, Adelaide on Thursday, 23 November 2023, at 10.00 am (ACDT) and simultaneously as a virtual meeting for the purpose of transacting the business set out in the accompanying Notice of Annual General Meeting.

In accordance with the provisions of the Corporations Act 2001 (Cth), the Company will not be sending hard copies of the Notice of Annual General Meeting to Shareholders (**Notice of Meeting**) unless a Shareholder has requested to receive documents from the Company in physical form. The Notice of Annual General Meeting can be viewed and downloaded from this website link: <https://magnetitemines.com/asx>.

A copy of your personalised proxy form is enclosed for your convenience. If you would like to vote by proxy in lieu of attending the Meeting in person (or by participating virtually via the meeting platform), please ensure that your proxy form is completed and lodged before 10.00am (ACDT) on Tuesday, 21 November 2023 in accordance with the instructions on that form.

The Company advises that having regard to the significant number of Shareholders not located in South Australia, in addition to a physical meeting, the Company has made arrangements for

Shareholders eligible to attend and vote at the Meeting to remotely participate in the Meeting via the electronic Computershare Meeting Platform.

To participate in the virtual Meeting, you can log in by entering the following URL <https://meetnow.global/M7Z2XUY> on your computer, tablet or smartphone. Online registration will open 30 minutes before the meeting commences.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact Computershare prior to the meeting to obtain their login details, as detailed in paragraph (b) below.

To participate in the Meeting online, please follow the instructions below:

- (a) Click on 'Join Meeting Now'.
- (b) Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 one hour prior to the Meeting to obtain their login details.
- (c) Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder, select the country of your registered holding from the drop-down list.
- (d) Accept the Terms and Conditions and 'Click Continue'.

Shareholders who elect to attend the Meeting via the electronic Computershare Meeting Platform will be able to view proceedings, submit text questions and vote at the appropriate times while the Meeting is in progress. All resolutions will be conducted by poll.

Shareholders can also submit questions in advance of the Meeting by emailing the questions to the Company Secretary at [info@magnetitemines.com](mailto:info@magnetitemines.com) by no later than 10.00am (ACDT) on Tuesday, 21 November 2023.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform at [www2.asx.com.au/markets/company/mgt](http://www2.asx.com.au/markets/company/mgt) and on the Company's website at <https://magnetitemines.com> prior to the commencement of the Meeting.

We encourage you to read the Company's 2023 Annual Report prior to the Meeting, which can be located on the Company's website at [https://magnetitemines.com/annual\\_reports/](https://magnetitemines.com/annual_reports/).

The Notice of Annual General Meeting and accompanying explanatory memorandum should be read in its entirety. If any Shareholder is in doubt as to how to vote, that Shareholder should seek advice from an accountant, solicitor or other professional adviser prior to voting.

Further information in relation to the Meeting is contained in the Notice of Annual General Meeting. If you have any difficulties obtaining a copy of the Notice of Annual General Meeting, please contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (overseas).

Yours sincerely,



Jim McKerlie

Chair

Magnetite Mines Limited

23 October 2023



M I N E S

ABN 34 108 102 432

# NOTICE OF ANNUAL GENERAL MEETING

**Date of Meeting**

Thursday, 23 November 2023

**Time of Meeting**

10.00 am (ACDT)

**Place of Meeting**

David Spence Room, Adelaide Town Hall and simultaneously as a virtual meeting.

**A Proxy Form is enclosed**

Please read this Notice of Annual General Meeting, together with the accompanying Explanatory Memorandum, carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Magnetite Mines Limited ABN 34 108 102 432 will be held in the David Spence Room, Adelaide Town Hall, 128 King William Street, Adelaide, SA 5000, on Thursday, 23 November 2023, at 10.00 am (ACDT) and simultaneously as a virtual meeting for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

### Computershare webinar facility registration:

Shareholders and their proxyholders, corporate representatives and attorneys can register, view and participate in the meeting at <https://meetnow.global/M7Z2XUY>. Please refer to the Meeting ID and Shareholder ID on your personalised Proxy Form online. Registration will open 1 hour before the meeting.

## AGENDA

### Financial Reports

To receive and consider the financial report of the Company and its controlled entities for the year ended 30 June 2023, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

**Note:** there is no requirement for shareholders to approve these reports.

### Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

*"That the Remuneration Report for the year ended 30 June 2023 as set out in the 2023 Annual Report be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties (collectively, a **Restricted Voter**).

Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even

though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

For the purpose of these voting exclusions, **Closely Related Party** is defined in the Corporations Act and includes a spouse, dependant, and certain other close family members, as well as any companies controlled by a member of the Key Management Personnel.

## Resolution 2 – Election of Dr. Carmen Letton as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, Dr. Carmen Letton, having been appointed as a director of the Company on 25 January 2023, and who retires at the Annual General Meeting in accordance with clause 7.1(e) of the Constitution and, being eligible for re-election, is re-elected as a director of the Company."*

## Resolution 3 – Approval to issue Performance Rights and Options to Chief Executive Officer, Tim Dobson

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, in accordance with the terms of the Chief Executive Officer's employment contract, the Company is authorised to issue for nil consideration to Tim Dobson, the Chief Executive Officer of the Company, or his nominee(s):*

- 942,211 Performance Rights, representing \$375,000 worth of Performance Rights as a short term incentive; and
- \$250,000 worth of Options as a long term incentive,

*on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) Tim Dobson;
- (b) any other person who will obtain a material benefit as a result of the issue of the proposed securities to Tim Dobson (except a benefit solely by reason of being a Shareholder); or
- (c) an Associate of those persons described in (a) and (b).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties (collectively, a **Restricted Voter**) who is appointed as a proxy will not vote on the Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even

*though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.*

*Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.*

*If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.*

*For the purpose of these voting exclusions, **Closely Related Party** is defined in the Corporations Act and includes a spouse, dependant, and certain other close family members, as well as any companies controlled by a member of the Key Management Personnel.*

## **Resolution 4 – Approval of Additional 10% Placement Capacity**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purpose of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of further equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

Resolutions 1 to 4 are **SUPPORTED** by the Directors and the Chairman of the Meeting intends to vote all undirected proxies in favour of these Resolutions.

## **Contingent Business**

### **Resolution 5 – Board Spill Meeting Resolution**

If required, to consider, and if thought fit, pass the following resolution as an ordinary resolution of the Company:

*"That, subject to and conditional on at least 25% of the votes validly cast on Resolution 1 being cast against the adoption of the Remuneration Report for the financial year ended 30 June 2023:*

- 1. an extraordinary general meeting of the Company (the **Spill Meeting**) be held within 90 days of the passing of this resolution;*
- 2. all of the Non-Executive Directors in office when the Board resolution to make the Directors' Report for the financial year ended 30 June 2023 was passed and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- 3. resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of securityholders at the Spill Meeting."*

**Note:** Resolution 5 is subject to the result of Resolution 1. Resolution 5 will only be put to the AGM if at least 25% of the votes validly cast on Resolution 1 are against Resolution 1. If you do not want a Spill Meeting to take place, you should vote 'Against' Resolution 5. If you want a Spill Meeting to take place, you should vote 'For' Resolution 5.

**Voting exclusion statement:** *The Company will disregard any votes cast on Resolution 5 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:*

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and*
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties (collectively, a **Restricted Voter**).*

*Further, a Restricted Voter who is appointed as a proxy will not vote on the Resolution unless:*

- (a) the appointment specifies the way the proxy is to vote on the Resolution; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of the Resolution.

Shareholders may also choose to direct the Chair to vote against the Resolution or to abstain from voting.

If any of the persons named above purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and those persons may be liable for breaching the voting restrictions that apply to them under the Corporations Act.

For the purpose of these voting exclusions, **Closely Related Party** is defined in the Corporations Act and includes a spouse, dependant, and certain other close family members, as well as any companies controlled by a member of the Key Management Personnel.

Resolution 5 is **NOT SUPPORTED** by the Directors and the Chairman of the Meeting intends to vote all undirected proxies against this Resolution if it is put to the Meeting.

## **OTHER BUSINESS**

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**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

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Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**



**Inthu Siva**  
Company Secretary

Dated: 23 October 2023



## How to vote

Shareholders can vote by either:

- attending the Meeting in person or online via the Computershare online meeting facility and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

### Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Written proof of the representative's appointment (including any authority under which it is signed) must be lodged with, or presented to the Company before the Meeting.

### Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed on how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.

However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1 and 3, and Resolution 5 (if required) in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction on how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction on how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by **10.00am (ACDT) on Tuesday, 21 November 2023**. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - **Online:** [www.investorvote.com.au](http://www.investorvote.com.au)
  - **By mobile:** Scan the QR Code on your proxy form and follow the prompts.
  - **By mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne Victoria 3001  
Australia

- **By facsimile**  
 (within Australia) 1800 783 447  
 (outside Australia) +61 3 9473 2555
- **Custodian voting:** For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.
- For all enquiries call:  
 (within Australia) 1300 850 505  
 (outside Australia) +61 3 9415 4000
- The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations

Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, email or by facsimile, and by **10.00am (ACDT) on Tuesday, 21 November 2023**. If facsimile transmission is used, the Power of Attorney must be certified.

#### **Shareholders who are entitled to vote**

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at **7.00pm (AEDT) on Tuesday, 21 November 2023**.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to this Explanatory Memorandum.

### Financial Reports

The first item of business in the Notice deals with the presentation of the consolidated annual financial report of the Company and its controlled entities for the financial year ended 30 June 2023, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor by the Company in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

### Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2023 Annual Report be adopted (**Remuneration Report**).

The Remuneration Report includes information regarding:

- (a) the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation; and
- (b) the structure of Key Management Personnel (KMP) remuneration arrangements, and details on how the Company seeks to align senior executive remuneration with the interests of all stakeholders, including customers, the community and shareholders.

A letter from the Chair of the Nomination and Remuneration Committee accompanying the Remuneration Report includes information on the actions taken in response to the 'first strike' received on the Remuneration Report at the 2022 AGM.

The letter from the Chair of the Nomination and Remuneration Committee and the Remuneration Report is set out in the Company's 2023 Annual Report, a copy of which is available on the Company's website <https://magnetitemines.com/announcements/>.

At last year's AGM, Shareholders signalled concerns with our remuneration practices and decision making, with 35.41% of the votes cast against the resolution to adopt the 2022 Remuneration Report, resulting in a 'first strike'.

As a result of the 'first strike' received at last year's AGM, we engaged widely with shareholders and other key stakeholders to truly understand the concerns with our remuneration framework. We are most appreciative of the feedback received, which was instrumental in guiding a thorough review of our remuneration structure and ensuring we improved the levels of disclosure and transparency in this regard.

In January 2023 the Company implemented best practice people management software and is using this to provide performance management and incentive remuneration assessments.

The Company also undertook thorough benchmarking against an appropriate group of peer companies. Furthermore, based on our commitment to responsible remuneration practices, we have:

- not issued the directors' share options that were tabled at the 2022 Annual General Meeting, including for those that were approved.
- committed to no increase in director's fees for FY24.
- reviewed and enhanced our reward philosophy and framework to ensure that it:
  - is based on market good practice,
  - is market competitive,
  - supports our business strategy,
  - is aligned to the shareholder experience and
  - allows the Company to recognise, reward and retain high performing staff and executives in a highly competitive employment environment.
- enhanced disclosure and transparency to ensure our shareholders are appropriately informed on remuneration structure and outcomes.

We believe these actions demonstrate our commitment to addressing the feedback from, and the concerns raised, by Shareholders and our commitment to upholding strong governance practices.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. Under the 'two strikes' rule, if at least 25% of votes validly cast on Resolution 1 are voted against adoption of the 2023 Remuneration Report, the Company will receive a 'second strike' and Shareholders will be required to vote on Resolution 5 with respect to whether to convene a Spill Meeting or not.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

### **Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 1. The Chairman of the Meeting intends to vote all undirected proxies in favour of this Resolution.

### **Resolution 2 – Retirement and re-election of Dr Carmen Letton**

Pursuant to Clause 7.1(d) of the Company's Constitution, on 25 January 2023 the Directors appointed Dr Carmen Letton to be a Director of the Company as an addition to the existing Directors.

Under clause 7.1(e) of the Company's Constitution a director who is appointed as an additional Director must retire from office at the next annual general meeting following his or her appointment.

Accordingly, Dr Letton retires from office at the AGM in accordance with clause 7.1(e) of the Constitution and, being eligible, offers herself for re-election as a Director of the Company. Background information on Dr Letton is set out below.

### **Dr Carmen Letton**

Dr Letton is a mining engineer and mineral economist with over 35 years' global mining experience, holding senior leadership positions in operations, engineering, asset and business development and corporate strategy. She has particular technical expertise in open pit and underground mines across

multiple commodities and the many stages of asset development. Most recently, Dr Letton was Head of Resource Development and Life of Asset Planning (Asset Strategy Development) at Anglo American, having previously worked at BHP Billiton, Rio Tinto, Newmont, and Newcrest. Dr Letton was selected as one of the “100 Global Inspirational Women in Mining” in 2016 and 2018 by Women in Mining UK. Dr Letton has a PhD in Mineral Economics from the University of Queensland and a Bachelor of Engineering (Hon) (Mining) from the West Australian School of Mines.

### **Mark Eames**

In addition, in accordance with clause 7.1(f) of the Constitution, Mark Eames retires from office by rotation at this year's AGM. After four years of service to the Company, Mr Eames has advised that he has made the decision to not stand for re-election as a Director of the Company at the AGM. As a result, Mr Eames will retire as a Director at the conclusion of the AGM. The Board wishes to put on record its sincere thanks to Mr Eames for his valuable contribution to the Board's activities during his tenure.

### **Board recommendation**

The Board (with Dr Letton abstaining) support the appointment of Dr Letton as a director of the Company and recommends that Shareholders vote in favour of Resolution 2. The Chairman of the Meeting intends to vote all undirected proxies in favour of this Resolution.

### **Resolution 3 – Approval to issue Performance Rights and Options to Chief Executive Officer, Tim Dobson**

#### **Background**

In accordance with the Chief Executive Officer, Tim Dobson's, employment contract, and as detailed in the 2023 Annual Report, Mr Dobson's current remuneration consists of:

- (a) a base salary of A\$500,000 (excluding superannuation) per annum;
- (b) an annual short-term incentive (**STI**) with a maximum value of 75% of base salary, including a proportion that is based on Board set 'stretch targets', to be granted as Performance Rights and subject to Board discretion; and
- (c) an annual long-term incentive (**LTI**) with a value of 50% of base salary, to be granted as “Premium-Priced Options” with a vesting period of 3 years and an expiry period of 6 years, also subject to Board discretion.

Shareholder approval is being sought for the grant and issue to Mr Dobson of Performance Rights and Options for FY24 in accordance with the terms in Annexure A.

The Nomination and Remuneration Committee has employed considerable time and resources to systematically define a remuneration structure that is available to all executives and staff and it believes that appropriately designed equity-based remuneration is an important component of that structure. Such equity-based 'at risk' remuneration is a key element in attracting and retaining talented senior executives and in ensuring the interests of those executives are aligned with those of Shareholders in creating long-term shareholder value.

### **Information Requirements**

#### **Listing Rule 10.11**

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company, as a listed company, must not issue equity securities to persons in a position of influence without Shareholder approval.

A person in a position of influence for the purposes of Listing Rule 10.11 includes:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue of agreement, a substantial (30%+) holder in the Company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;

- (d) an Associate of a person referred to in (a) to (c) above; and
- (e) a person whose relationship with the Company or a person referred to in (a) to (d) above is such that, in the ASX's opinion, the issue or agreement should be approved by Shareholders.

As Mr Dobson is not a director of the Company, and otherwise does not fall within the other categories within Listing Rule 10.11, Shareholder approval under Listing Rule 10.11 or 10.14 is not technically required. However, for the abundance of caution and as an example of the Company's improved transparency on remuneration outlined in connection with Resolution 1, and to cater for the possibility that Mr Dobson may become a Director in the future, the Board intends to seek the approval of Shareholders before the equity securities in the form of Performance Rights and Options are issued to Mr Dobson. Resolution 3 seeks such approval.

The number of short term incentive Performance Rights to be granted and issued to Mr Dobson is calculated based on the VWAP of the Shares over the 14 Trading Days immediately prior to 1 July 2023. This results in Mr Dobson being granted 942,211 Performance Rights for FY24, a proportion of which will be subject to 'stretch targets' at the discretion of the Board.

The number of long term incentive Options to be granted and issued to Mr Dobson is to be calculated based on the Monte Carlo simulation as outlined below. Mr Dobson will receive Options for FY24 with a total value of \$250,000. Each Option will have an exercise price which is a 60% premium to the relevant VWAP of Shares used under the Monte Carlo simulation.

If Resolution 3 is approved, then the Company will issue the Performance Rights and Options to Mr Dobson and that issue will not use up any of the Company's placement capacity under Listing Rule 7.1. If Resolution 3 is not approved, despite a commitment to Mr Dobson, the Company will not be able to proceed with the issue of the Performance Rights and Options, and the Company will need to consider other methods of remunerating Mr Dobson, which is likely to involve additional cash consideration which does not necessarily align with the rationale behind the equity-component of Mr Dobson's remuneration, nor does it benefit the Company's desire to preserve its cash reserves to advance its operational business plan.

### Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided in relation to the issue of Performance Rights and Options to Mr Dobson:

- (a) the Performance Rights and Options will be issued to Mr Dobson or his nominee(s);
- (b) Mr Dobson is being treated as a related party under Listing Rule 10.11.1 as there is a possibility that he will become a Director of the Company;
- (c) under Resolution 3 Mr Dobson will receive 942,211 Performance Rights;
- (d) under Resolution 3 Mr Dobson will receive the number of Options determined by dividing \$250,000 by the value of the Options, as determined using the Monte Carlo simulation, further details for which are in Annexure A. The table below sets out the examples of the range of Options that may be issued to Mr Dobson depending on the VWAP of the Shares measured over the 14 Trading Days up to but excluding the date of issue:

|                                | Example 1 | Example 2<br>(being actual share price as at 11 October 2023) | Example 3 |
|--------------------------------|-----------|---|-----------|
| VWAP                           | \$0.2000  | \$0.3029  | \$0.4000  |
| Exercise Price (VWAP x 160%)   | \$0.3200  | \$0.4846  | \$0.6400  |
| Option value*                  | \$0.1390  | \$0.2322  | \$0.2858  |
| Number of Options to be issued | 1,797,989 | 1,076,886   | 874,628   |

\* Option value determined by the Board having taken appropriate independent third party valuation advice and using the Monte Carlo simulation based on the parameters and assumptions set out above and in Annexure A.

- (e) the material terms of the Performance Rights and the Options are set out in Annexure A;
- (f) the Performance Rights and the Options will be issued on a date which will be no later than 1 month after the date of the Meeting unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (g) the Performance Rights and the Options are part of Mr Dobson's short term incentive and long term incentive remuneration and will be issued for nil consideration;
- (h) the Performance Rights and the Options have been selected since the form of remuneration aligns with share price growth which benefits all Shareholders and it is a cost-effective and efficient means to remunerate Mr Dobson as opposed to alternative forms of incentive, such as payment of cash compensation, and the Company wishes to retain its cash reserves to advance its operational business plan;
- (h) details of Mr Dobson's current annual remuneration package are set out below:

| Base Salary          | Base Salary<br>(excl.<br>superannuation) | STI Performance<br>Rights | LTI Options |
|----------------------|--|---------------------------|-------------|
| Target Remuneration  | \$500,000                                | \$250,000                 | \$250,000   |
| Stretch Remuneration | -  | \$125,000                 | -           |

- (i) a voting exclusion statement applies to Resolution 3 as set out in the Notice.

### Board recommendation

The Board recommends Shareholders vote in favour of Resolution 3. The Chairman of the Meeting intends to vote all undirected proxies in favour of this Resolution.

### Resolution 4 – Approval of Additional 10% Placement Capacity

#### Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**Listing Rule 7.1A Mandate**).

An 'eligible entity' means an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes as it is not included in the S&P/ASX 300 Index and as at 11 October 2023 has a current market capitalisation of approximately \$23.0 million, being below the maximum \$300 million threshold required for ASX Listing Rule 7.1A.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A.

If this Resolution is passed and subject to compliance with the Listing Rules, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A during the period which is up to 12 months after the date of the Meeting, without any further Shareholder approval, which would be beneficial to the Company as it seeks further capital to continue its operational business plan.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities provided for in Listing Rule 7.1A and the Company will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1. This could limit the Company's future operational ambitions.

## The number of Equity Securities which may be issued pursuant to the Listing Rule 7.1A Mandate

As at the date of this Notice, the Company has 76,765,049 Shares on issue. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Listing Rule 7.1A Mandate is a moving calculation and will be based on the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

$$(A \times D) - E$$

where:

- A** is the number of Shares on issue 12 months immediately preceding the date of issue or agreement (**Relevant Period**):
- (a) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exceptions 9, 16 or 17;
  - (b) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
    - (i) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
    - (ii) the issue of, or agreement to issue, the convertible securities was approved or taken under the Listing Rules to have been approved, under Listing Rules 7.1 or 7.4;
  - (c) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
    - (i) the agreement was entered into before the commencement of the Relevant Period; or
    - (ii) the agreement or issue was approved, or taken under these rules to have been approved, under Listing Rules 7.1 or 7.4;
  - (d) plus the number of fully paid Shares issued in the Relevant Period with approval of holders of Shares under Listing Rules 7.1 and 7.4;
  - (e) plus the number of partly paid Shares that become fully paid in the Relevant Period;
  - (f) less the number of fully paid Shares cancelled in the Relevant Period.

*Note that 'A' has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement to issue has not been subsequently approved by Shareholders under Listing Rule 7.4.

## Specific information required by Listing Rule 7.3A

The following information in relation to the approval under Listing Rule 7.1A is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) If the Resolution is passed, the Listing Rule 7.1A Mandate will be valid during the period from the date of the Annual General Meeting and will expire on the earlier of:
  - (i) the date that is 12 months after the date of the Annual General Meeting;
  - (ii) the time and date of the Company's next Annual General Meeting; and
  - (iii) the time and date on which the Company receives approval by Shareholders for a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities to be issued will be in an existing class of quoted securities and will be issued for cash consideration at an issue price per Equity Security of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or



- (ii) if the Equity Securities are not issued within ten Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) Under Listing Rule 7.1A, the Company may only issue equity securities under the 10% placement capacity for cash consideration. The purpose of any issue would be set out to Shareholders at the time of such an issue. However, in general terms, the Company could issue Equity Securities under the 10% Placement Capacity to raise cash for exploration activities, as cash consideration for the acquisition of new assets (should suitable assets be found), administration costs and general working capital. The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A and 3.10.3 upon issue of any Equity Securities.
- (d) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the Listing Rule 7.1A Mandate, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date the Listing Rule 7.1A Mandate was approved; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities.

The table below demonstrates the potential dilution of existing Shareholders in three differing scenarios.

| Variable 'A' (refer above for calculation)                      |               | Dilution   |   |  |
|---|---------------|--|---|--|
|   |               | \$0.15<br><br>Issue Price at half the current market price | \$0.30<br><br>Issue Price at 11 Oct 2023 market price | \$0.60<br><br>Issue Price at double the current market price |
| Current Variable 'A'<br><br>76,765,049 Shares                   | Shares issued | 7,676,505  | 7,676,505   | 7,676,505  |
|   | Funds raised  | \$1,151,476  | \$2,302,952   | \$4,605,903  |
|   | Dilution      | 10%  | 10%   | 10%  |
| 50% increase in current Variable 'A'<br><br>115,147,574 Shares  | Shares issued | 11,514,757   | 11,514,757  | 11,514,757   |
|   | Funds raised  | \$1,727,214  | \$3,454,427   | \$6,908,854  |
|   | Dilution      | 10%  | 10%   | 10%  |
| 100% increase in current variable 'A'<br><br>153,530,098 Shares | Shares issued | 15,353,010   | 15,353,010  | 15,353,010   |
|   | Funds raised  | \$2,302,952  | \$4,605,903   | \$9,211,806  |
|   | Dilution      | 10%  | 10%   | 10%  |

**Note:** This table assumes:

- No Options on issue are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Listing Rule 7.1A Mandate consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Listing Rule 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 or ratified under Listing Rule 7.4.
  - This table does not set out any dilution pursuant to ratification under Listing Rule 7.4.
  - The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - Market price has been rounded to the nearest \$0.01 for convenience.
- (e) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
- (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlement offer, or a placement and an entitlements offer;
  - (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of the proposed issue of Equity Securities;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).
- The persons to whom Shares will be issued under the Listing Rule 7.1A Mandate have not been determined as at the date of this Notice but will not include related parties (or their Associates) of the Company.
- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 23 November 2022. During the 12 month period preceding the date of the Meeting, the Company has not issued Equity Securities under Listing Rule 7.1A.

### Board recommendation

The Board recommends Shareholders vote in favour of Resolution 4. The Chairman of the Meeting intends to vote all undirected proxies in favour of this Resolution.

## CONTINGENT BUSINESS

### Resolution 5 – Board Spill Meeting Resolution

As set out above, this Resolution 5 (**Spill Resolution**) is required to be included in the Notice of Meeting under sections 249L(2) and 250V(1) of the Corporations Act because more than 25% of votes validly cast on the adoption of the 2022 Remuneration Report were cast against it at the 2022 AGM.

Resolution 5 is a contingent item of business and is subject to the result of Resolution 1. This Resolution will only be put to the AGM if at least 25% of the votes validly cast on the Resolution to adopt the 2023 Remuneration Report (Resolution 1) are cast against the adoption of the 2023 Remuneration Report. If less than 25% of the votes cast on Resolution 1 are voted against adopting the 2023 Remuneration Report at the 2023 AGM, then there will be no 'second strike' and Resolution 5 will not be put to the Meeting and any votes cast on the Spill Resolution prior to the withdrawal of the Spill Resolution will be treated as invalid.

If the Company is required to put the Spill Resolution, the Spill Resolution will only be passed if an ordinary majority (more than 50%) of the votes validly cast on the Spill Resolution are voted in favour of it.

### **Effect of Spill Resolution if passed**

If the Spill Resolution is put to the AGM and passed, a special meeting of Shareholders known as a “Spill Meeting” must be held within 90 days after the Spill Resolution is passed. If a Spill Meeting is required, the date of the meeting will be notified to Shareholders in due course.

If the Spill Meeting is held, pursuant to section 250V(1)(b) of the Corporations Act, the following non-executive Directors would cease to hold office immediately before the end of the Spill Meeting unless they are re-elected at the Spill Meeting:

1. Peter Schubert
2. Paul White
3. Simon Wandke
4. Dr Carmen Letton
5. Jim McKerlie

Even if Dr Letton is re-elected at the 2023 AGM she will need to be re-elected at the Spill Meeting in order to remain in office. Mark Eames will cease to hold office as a Director at the conclusion of the AGM, which is before the Spill Meeting, if required, is held.

Resolutions to appoint individuals to the offices that would be vacated immediately before the end of the Spill Meeting would be put to the vote at the Spill Meeting.

The Spill Meeting, if required, will be subject to a separate notice in accordance with the Constitution of the Company and the Corporations Act.

### **Board recommendation**

The Board recommends Shareholders vote **against** Resolution 5. The Chairman of the Meeting intends to vote all undirected proxies **against** this Resolution.

## GLOSSARY

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Annual Report** means the annual report of the Company for the year ended 30 June 2023.

**Associate** has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company's auditor from time to time (if any).

**Auditor's Report** means the report of the Auditor contained in the Annual Report for the year ended 30 June 2023.

**ACDT** means Australian central daylight saving time.

**AEDT** means Australian eastern daylight saving time.

**Board** means the Directors.

**Chair** or **Chairman** means the individual elected to chair any meeting of the Company from time to time.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means Magnetite Mines Limited ABN 34 108 102 432.

**Constitution** means the Company's constitution, as amended from time to time.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**FY24** means the financial year of the Company and its controlled entities ending on 30 June 2024.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Listing Rule 7.1A Mandate** has the meaning set out on page 13.

**Listing Rules** means the ASX Listing Rules.

**LTI** means long term incentive.

**Meeting** means the Annual General Meeting convened by the Notice.

**Notice** means this Notice of Annual General Meeting.

**Option** means an option to acquire a Share, including the Options proposed to be granted and issued under Resolution 3.

**Performance Right** means a right exercisable over a Share that is subject to certain performance conditions, including the short term incentive performance rights to be granted and issued under Resolution 3.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Body Corporate** has the meaning given to that term in the Corporations Act.

**Relevant Period** has the meaning set out on page 13.

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 30 June 2023.

**Resolution** means a resolution contained in the Notice.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning set out on page 4.

**Spill Resolution** has the meaning set out on page 15.

**STI** means short term incentive.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means the volume weighted average price of trading of the Shares on ASX.

## Annexure A – Chief Executive Officer Performance Rights and Options

### Key Terms and Conditions of short term incentive Performance Rights

#### General Conditions

1. Each Performance Right will be issued for nil consideration.
2. Once vested, each Performance Right entitles the holder to subscribe for, and be allotted, one fully paid ordinary share in the Company.
3. Each Performance Right is exercisable following its vesting, by completing a notice in writing (**Exercise Notice**) stating the intention of the holder to exercise all or a specified number of vested Performance Rights held by the holder. The Exercise Notice must be received by the Company within 30 days of the Performance Rights vesting (**Expiry Date**). A Performance Right not exercised before the Expiry Date will lapse.
4. Subject to the Company being able to comply with all applicable laws, shares to be issued on exercise of a Performance Right will be allotted and issued not more than 14 days after the receipt of a properly executed Exercise Notice.
5. The Performance Rights are personal to the recipient and not assignable or transferable and will not be quoted on the ASX.
6. All shares issued upon exercise of the Performance Rights will rank pari passu in all respects with the Company's then issued fully paid ordinary shares. The Company will apply for official quotation by ASX of all shares issued upon exercise of the Performance Rights.
7. There are no participating rights or entitlements inherent in the Performance Right and the holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Performance Rights unless the Performance Rights are first exercised in accordance with these terms and conditions. If required by the ASX Listing Rules, the holder will be notified of the proposed issue in accordance with the ASX Listing Rules.
8. In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the rights of the holder will be varied to the extent necessary to comply with, and as required by, the ASX Listing Rules at the time of the reorganisation.
9. If there is a bonus issue to the Company's shareholders prior to the Expiry Date, the rights of the holder will be varied to the extent necessary to comply with, and as required by, the ASX Listing Rules at the time of the bonus issue.

#### Vesting Conditions - 'STI' Performance Rights

The 'STI' Performance Rights, set out below, have been determined as a percentage of the base salary and relate to the Performance Period 1 July 2023 to 30 June 2024. They are based on the Chief Executive Officer, Tim Dobson, achieving set 'Target' and 'Stretch' KPIs over that period. In particular, the number of 'STI' Performance Rights to be issued have been determined based on the following:

| KPI          | Percentage of Base Salary | Value of 'STI' Performance Rights | Number of 'STI' Performance Rights |
|--------------|---------------------------|-----------------------------------|------------------------------------|
| Target       | 50%                       | \$250,000                         | 628,141                            |
| Stretch*     | 25%                       | \$125,000                         | 314,070                            |
| <b>TOTAL</b> | <b>-</b>                  | <b>\$375,000</b>                  | <b>942,211</b>                     |

\*'Stretch' remuneration refers to the opportunity to achieve between 100% and 150% of 'Target' remuneration and will only apply where outstanding performance has been achieved.

The total number of 'STI' Performance Rights to be issued to Tim Dobson has been determined by dividing the value of the 'STI' Performance Rights to be awarded to Mr Dobson by the VWAP of the Shares over the 14 Trading Days up to, but excluding, 1 July 2023, being \$0.3980.

The Board has determined the Target and Stretch KPIs in consultation, and agreement, with Mr Dobson. Those Target and Stretch KPIs are aligned to the Company's strategic pillars and performance parameters as follows:

| <b>Business Scorecard KPI</b> | <b>Weighting</b> | <b>Measure</b>   |
|-------------------------------|------------------|--|
| Financial Discipline          | 20%              | <ul style="list-style-type: none"> <li>• Capital management</li> <li>• Cost control</li> <li>• Financial and performance measurement</li> </ul>  |
| Project Development           | 20%              | <ul style="list-style-type: none"> <li>• Progress project to towards completion of DFS and FID</li> <li>• Progress project approvals</li> <li>• Progress Native Title agreements</li> <li>• Progress land access agreements</li> </ul> |
| Organisational Development    | 20%              | <ul style="list-style-type: none"> <li>• Establish project owners team and corporate support team</li> <li>• Implement personnel development plan</li> </ul>   |
| ESG Leadership                | 20%              | <ul style="list-style-type: none"> <li>• Implement “foresight” sustainability framework</li> <li>• Prepare for ESG reporting</li> </ul>  |
| Partnership & Collaboration   | 20%              | <ul style="list-style-type: none"> <li>• Secure strategic partner(s) for project development</li> </ul>  |

The Target and Stretch KPIs for the Performance Rights will be measured over the period of 1 July 2023 to 30 June 2024 (**Performance Period**).

Following the end of the Performance Period, the Board will assess the extent to which the set KPIs have been met and the portion of the Performance Rights that will vest. Any Performance Rights that have not vested will automatically lapse.

The Board has the discretion to determine that the CEO STI Performance Rights vest prior to the end of the Performance Period and the discretion to modify the business scorecard outcome based on factors that are not specifically contemplated in the Business Scorecard, including shareholder and other stakeholders experience of the Company.

### **Key Terms and Conditions of long term incentive Options**

The Options have the following terms and conditions:

1. Each Option will be issued for nil consideration.
2. Each Option has an exercise price equal to a premium of 60% to the VWAP of the Shares measured over the 14 Trading Days up to, but excluding, the date of issue.
3. The Options are subject to the satisfaction of the following vesting conditions before 7.00pm (AEDT) on the date that is three years from the date of issue:
  - (a) the volume weighted average price of the shares of the Company, over any 14-day period, exceeding the exercise price for the Options; and
  - (b) the holder being an employee of the Company or a related body corporate at that time.
4. Each Option that vests entitles the holder to subscribe for, and to be allotted, one fully paid ordinary share in the Company, subject to payment of the exercise price of the Option.
5. The vested Options are exercisable at any time on or prior to 7.00pm (AEDT) on the date that is six years from the date of issue (**Expiry Date**) by completing a notice in writing (**Exercise Notice**) stating the intention of the holder to exercise all or a specified number of the vested Options held by the holder and delivering it to the Company accompanied by an Option certificate and a cheque made payable to the Company or electronic funds transfer for the exercise price for the Options being exercised. The Exercise Notice must be received by the Company before the Expiry Date. An Option not vested or exercised before the Expiry Date will lapse. An exercise of only some Options shall not affect the rights of the holder to the balance of the Options held by the holder.
6. Subject to the Company being able to comply with all applicable laws, shares to be issued on exercise of an Option will be allotted and issued not more than 14 days after the receipt of a properly executed Exercise Notice, and the exercise price for the Options being exercised.

7. The Options are personal to the recipient and not assignable or transferable and will not be quoted on the ASX.
8. All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options.
9. There are no participating rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options unless the Options are first exercised in accordance with these terms and conditions. If required by the ASX Listing Rules, the holder will be notified of the proposed issue in accordance with the ASX Listing Rules.
10. In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the rights of the holder will be varied to the extent necessary to comply with, and as required by, the ASX Listing Rules at the time of the reorganisation.
11. If there is a bonus issue to the Company's shareholders prior to the Expiry Date, the rights of the holder will be varied to the extent necessary to comply with, and as required by, the ASX Listing Rules at the time of the bonus issue.

### Valuation of the Options and the Monte Carlo simulation

A range of values for the Options has been determined using the Monte Carlo simulation, and based on the following key assumptions:

|  | Example 1 | Example 2<br>(being the actual<br>closing share price<br>on 11 October<br>2023) | Example 3 |
|--|-----------|---|-----------|
| Share price at assumed grant date            | \$0.2000  | \$0.3029  | \$0.4000  |
| Valuation date                               | 11-Oct-23 | 11-Oct-23   | 11-Oct-23 |
| Assumed hurdle (14-day VWAP x 160%)          | \$0.4846  | \$0.4846  | \$0.6400  |
| Commencement of performance / vesting period | 11-Oct-23 | 11-Oct-23   | 11-Oct-23 |
| Performance measurement / vesting date       | 11-Oct-26 | 11-Oct-26   | 11-Oct-26 |
| Expiry date                                  | 11-Oct-29 | 11-Oct-29   | 11-Oct-29 |
| Life of instruments (Options) in years       | 6 years   | 6 years   | 6 years   |
| Volatility                                   | 100%      | 100%  | 100%      |
| Risk-free rate                               | 3.874%    | 3.874%  | 3.874%    |
| Dividend yield                               | Nil       | Nil   | Nil       |
| Valuation per instrument Option)             | \$0.1390  | \$0.2322  | \$0.2858  |
| Total valuation                              | \$250,000 | \$250,000   | \$250,000 |
| Number of instruments (Options)              | 1,797,989 | 1,076,886   | 874,628   |

Shareholders should note that the value of the Options may go up and down following their grant, depending on the valuation methodology used, and the movements in the value of the underlying Shares.

The Board believes, having taken appropriate independent third party expert valuation advice on the matter, that the valuation, and the use of the Monte Carlo simulation, is appropriate in the circumstances. The Board does not propose to use any other valuation model in determining the number of Options to be granted to Mr Dobson under Resolution 3.

MGTRM

MR RETURN SAMPLE  
123 SAMPLE STREET  
SAMPLE SUBURB  
SAMPLETOWN VIC 3030

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (ACDT) on Tuesday, 21 November 2023.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



IND

# Proxy Form

Please mark ☒ to indicate your directions

Step 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Magnetite Mines Limited hereby appoint

☐ the Chairman of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Magnetite Mines Limited to be held in the David Spence Room, Adelaide Town Hall, 128 King William Street, Adelaide, SA 5000, and simultaneously as a virtual meeting on Thursday, 23 November 2023 at 10:00am (ACDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Resolution 5 where the Chairman of the Meeting intends to vote undirected proxies against this item. Resolution 5 is contingent on shareholders voting against Resolution 1. If shareholders approve Resolution 1, Resolution 5 will not be proposed.**

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3 and 5 by marking the appropriate box in step 2.

Step 2

Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

|  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 Non-Binding Resolution to adopt Remuneration Report                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Election of Dr. Carmen Letton as a Director   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 Approval to issue Performance Rights and Options to Chief Executive Officer, Tim Dobson | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 Approval of Additional 10% Placement Capacity   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Contingent Business

**PLEASE NOTE:** Resolution 5 will only be considered at the Meeting if the condition described in the Notice of Annual General Meeting is satisfied.

The Board recommends you vote against Resolution 5:

Resolution 5 Board Spill Meeting Resolution (If required)

☐

☐

☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Resolution 5 where the Chairman of the Meeting intends to vote undirected proxies against this item. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3

Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically