



MAGNETITE MINES LIMITED

Making Steel **Stronger**

MAWSON IRON PROJECT

AGM – NOV 2017

MR GORDON TOLL – Executive Chairman



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The details contained in this report that pertain to ore and mineralisation are based upon information compiled by Mr Trevor Thomas, a full-time employee of Magnetite Mines Limited. Mr Thomas is a Member of the Australasian Institute of Geosciences (AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Thomas consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears. The Information for the Razorback Project was prepared and first disclosed under the JORC Code 2004. The information has not been updated since to comply with the JOPRC Code 2012 on the basis that the information has not materially changed since it was last reported. For the Olary Deposit, the details contained in this report that pertains to ore and mineralisation and the resource is based upon information complied by Mr Simon Tear (BSc(Hons), MAusIMM, PGEO, EurGeol, IOM3), consulting geologist for H&S Consultants Pty Ltd. Mr Tear is a member of Australian Institute of Mining and Metallurgy. The person has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC 2012 Code). Mr Tear gives consent to the inclusion in this report of the matters based upon their information in the form and context in which it appears.

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MAWSON IRON PROVINCE

WE ASPIRE TO:

- **HOLD THE LARGEST PORTFOLIO OF MAGNETITE RESOURCES IN THE WORLD**
- **BECOME THE LARGEST PRODUCER OF MAGNETITE CONCENTRATES IN THE WORLD**
- **PRODUCE THE BEST QUALITY MAGNETITE CONCENTRATES IN THE WORLD AND,**
- **HAVE THE LOWEST CFR COSTS FOR MAGNETITE CONCENTRATES DELIVERED TO GLOBAL STEELMAKERS**

**We are Fast Tracking Development of the Magnetite
Deposits of the Mawson Iron Ore Province of
South Australia**



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IRON ORE INSIGHTS

FLIGHT TO QUALITY IS ONLY JUST BEGINNING

IMPORTANT DRIVERS ARE:

PUBLIC HEALTH

ECONOMICS

PRODUCTIVITY & TECHNOLOGY

CONTINUED URBANISATION

CHINESE STEEL PRODUCTION WILL INCREASE – NOT DECREASE

**DEMAND FOR PREPROCESSED INPUTS LIKE HIGH GRADE
MAGNETITE CONCENTRATES AND HIGH GRADE PELLETS
WILL INCREASE**

STEEL PRODUCTION IN REST OF WORLD WILL ALSO INCREASE





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< MINING

Shake-out looms for WA iron ore as China clea

Stuart McKinnon

Wednesday, 8 November 2017 10:33AM



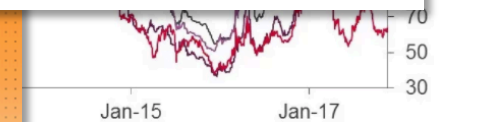
Iron Ore Rallies as Investors Assess Shifting Currents in China

By **Jasmine Ng**

6 November 2017, 16:47 GMT+10:30 *Updated on* 6 November 2017, 23:52 GMT+10:30

Not all ores are equal and some ores are more equal (apologies to George Orwell)

October 30, 2017



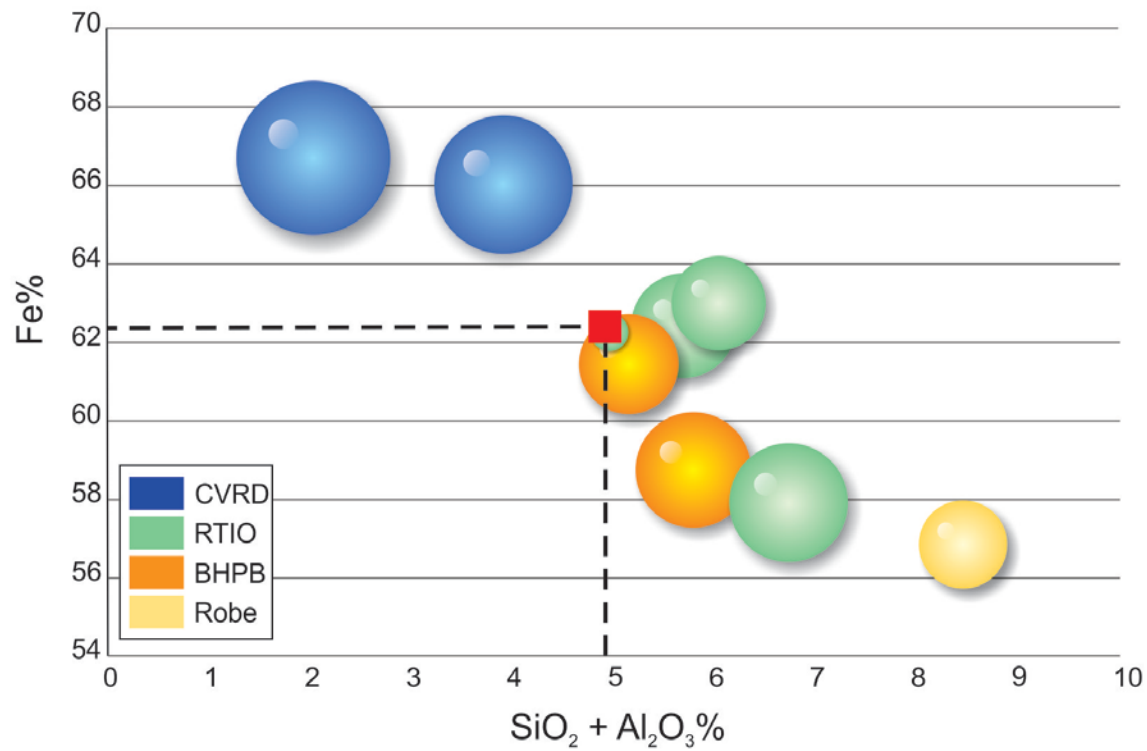
Iron ore rhs Source: Bloomberg, Westpac Strategy

India, the United States and supported the production

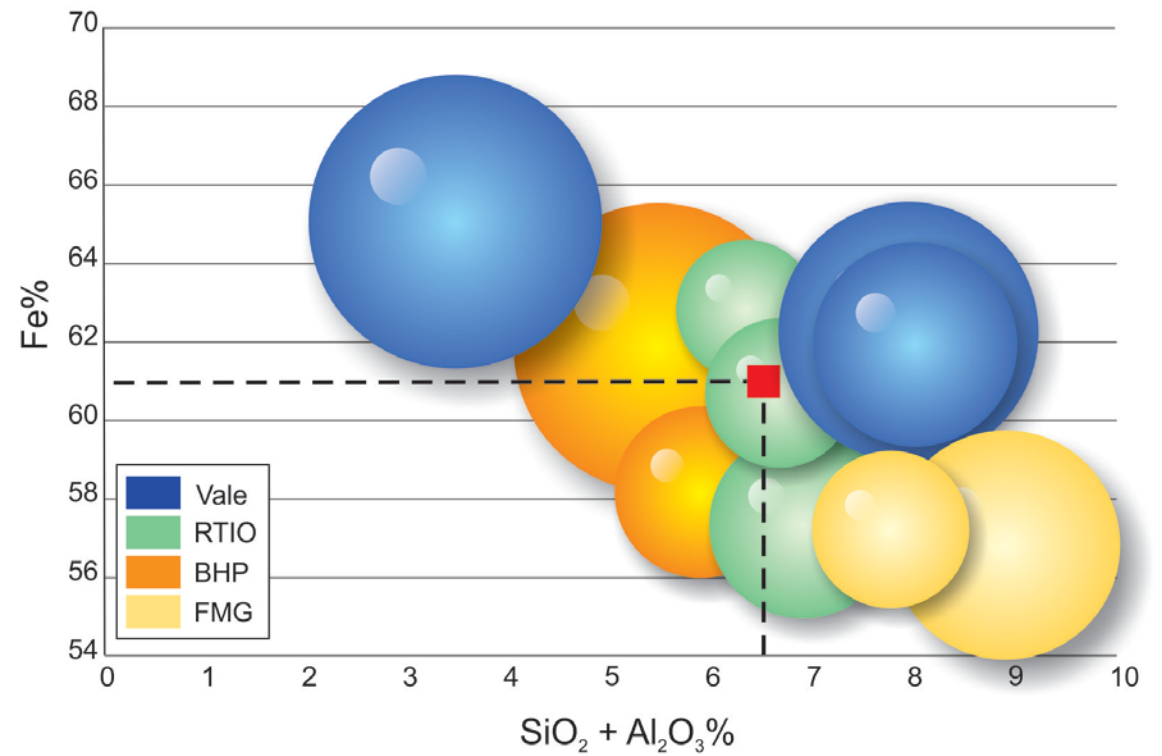


SHIFT TO QUALITY

2006 - Total 340 Mtpy



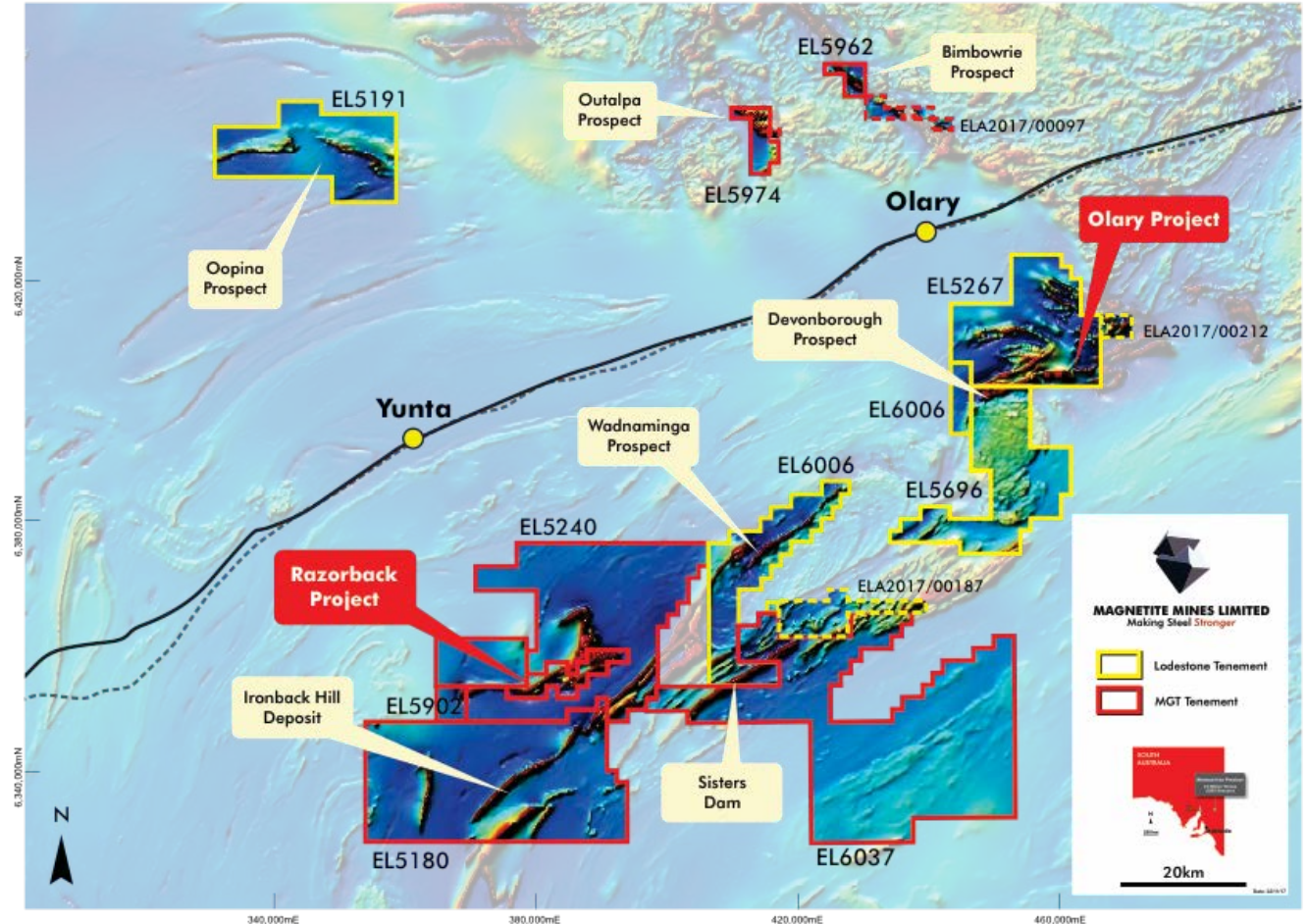
2016 - Total 985 Mtpy





MERGER – LODESTONE/MGT

- Framework Agreement Signed 07/04/17
- Basis for negotiation to purchase 100% of Lodestone and its subsidiaries
- Proposed sale includes **Olary Project** and **Infrastructure Solutions**
- Significant due diligence undertaken
- **Negotiations with Lodestone Equities Limited in final stages**





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MARKETING

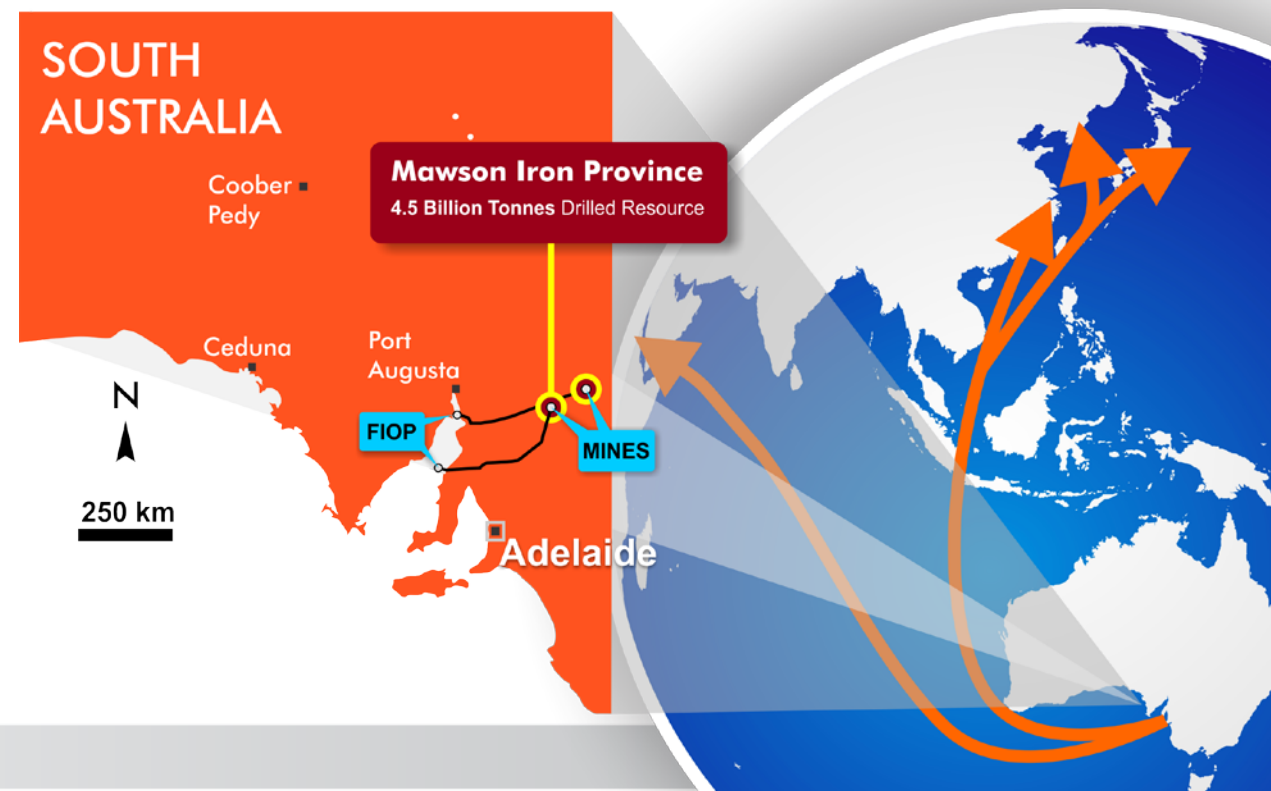
- Significant efforts in marketing via a segmented approach to attract highest premium for our high quality products
- Efforts in China/Japan focus on Blast Furnace Sinter Blends (68% Fe)
- Marketing in MENA countries focus on Direct Reduction markets (70% Fe)
- 2 MOU's and 6 LOI's signed in respect to possible financing and off take

INDICATIVE CONCENTRATE GRADES

Sample	Mass Rec	Rougher Rej %	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	S %
Razorback	16.4	56.5	68.9	3.31	0.40	0.007	nil
Olary	25	30.9	70	1.82	0.24	0.005	nil

° Market DR = 69.5 to 70% Fe

° Market BF = 68% Fe

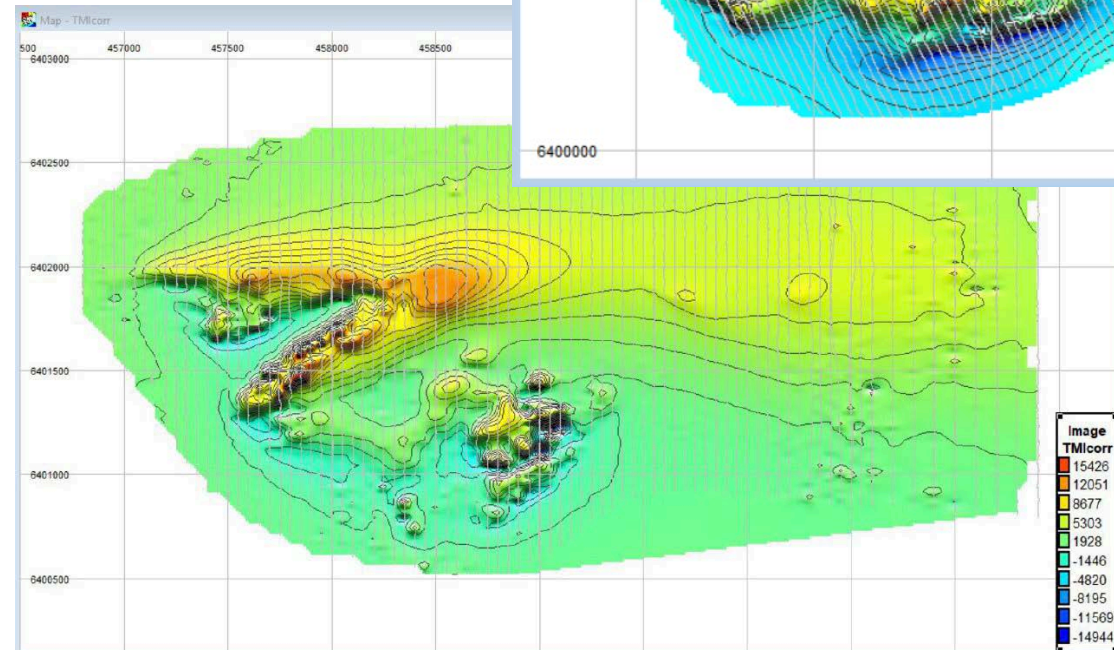




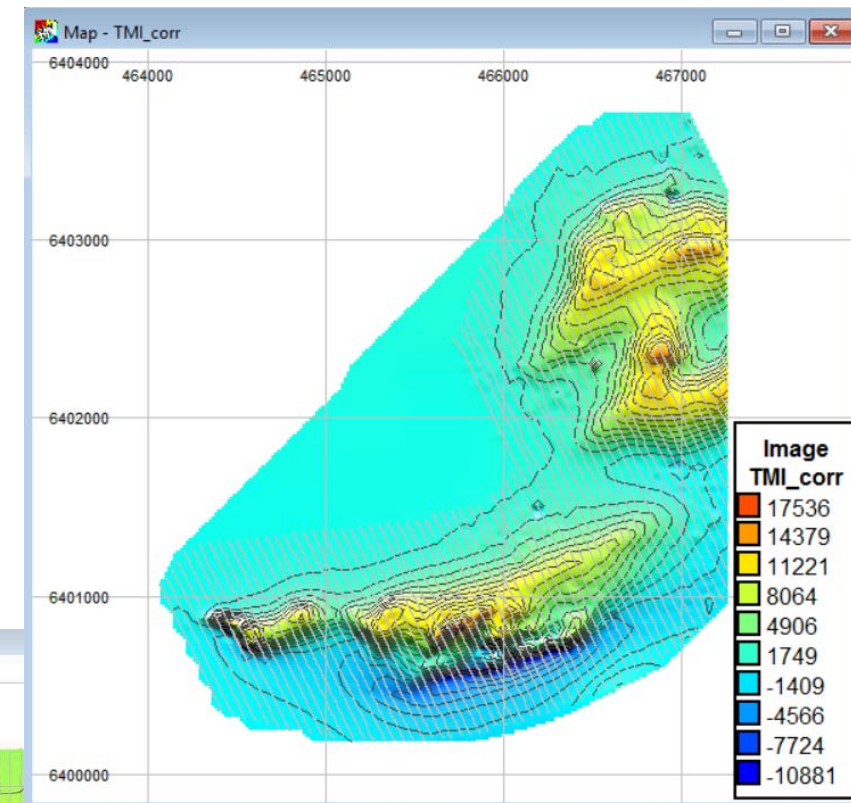
OLARY PROJECT

Lodestone

- JORC Inferred Resources – 0.5 Billion tonne
- High Grade Magnetite product - 70% Fe
- Near surface deposit – low initial pre-strip
- Excellent potential for resource upgrade
- Several untested high response magnetic anomalies adjacent to drilled resource



OB15



OB12 & 13

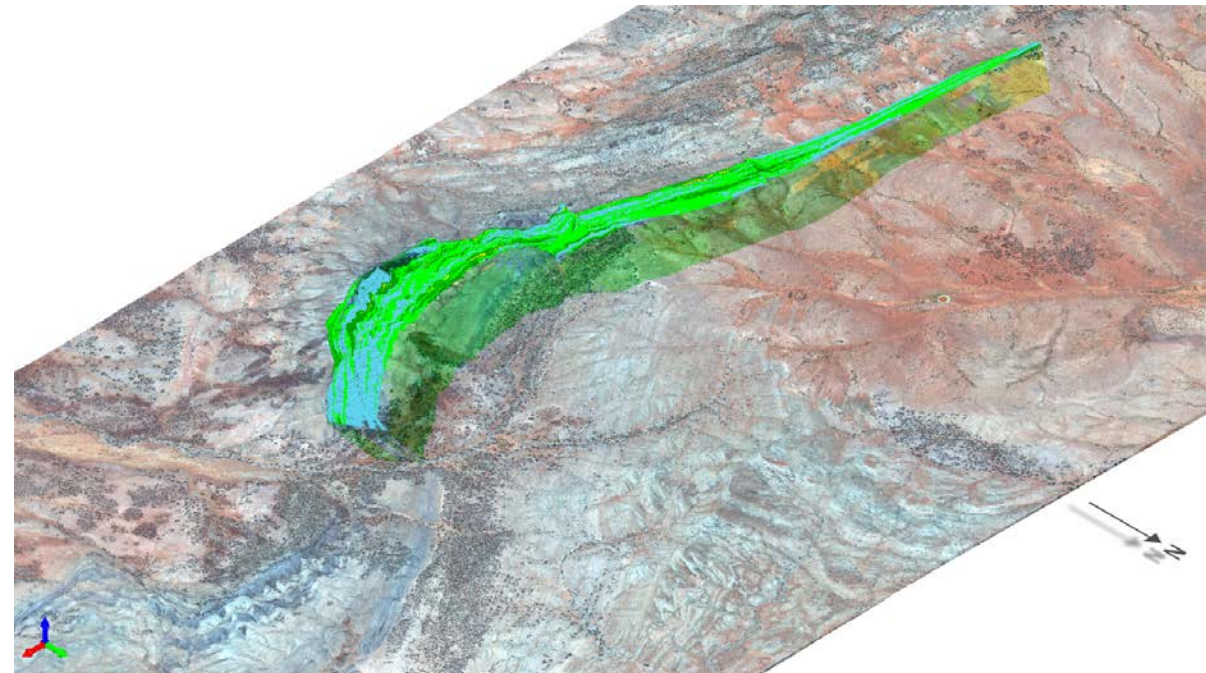


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RAZORBACK PROJECT

Magnetite Mines

- JORC Inferred Resources – 3.9 Billion tonne
- High Grade Magnetite product – 68.5% Fe
- Outcropping deposit - simple geology
- Excellent potential for resource upgrade
- Can be a real “Flag Ship” development
- Water and Power are the issues



Razorback Deposit superimposed on topography

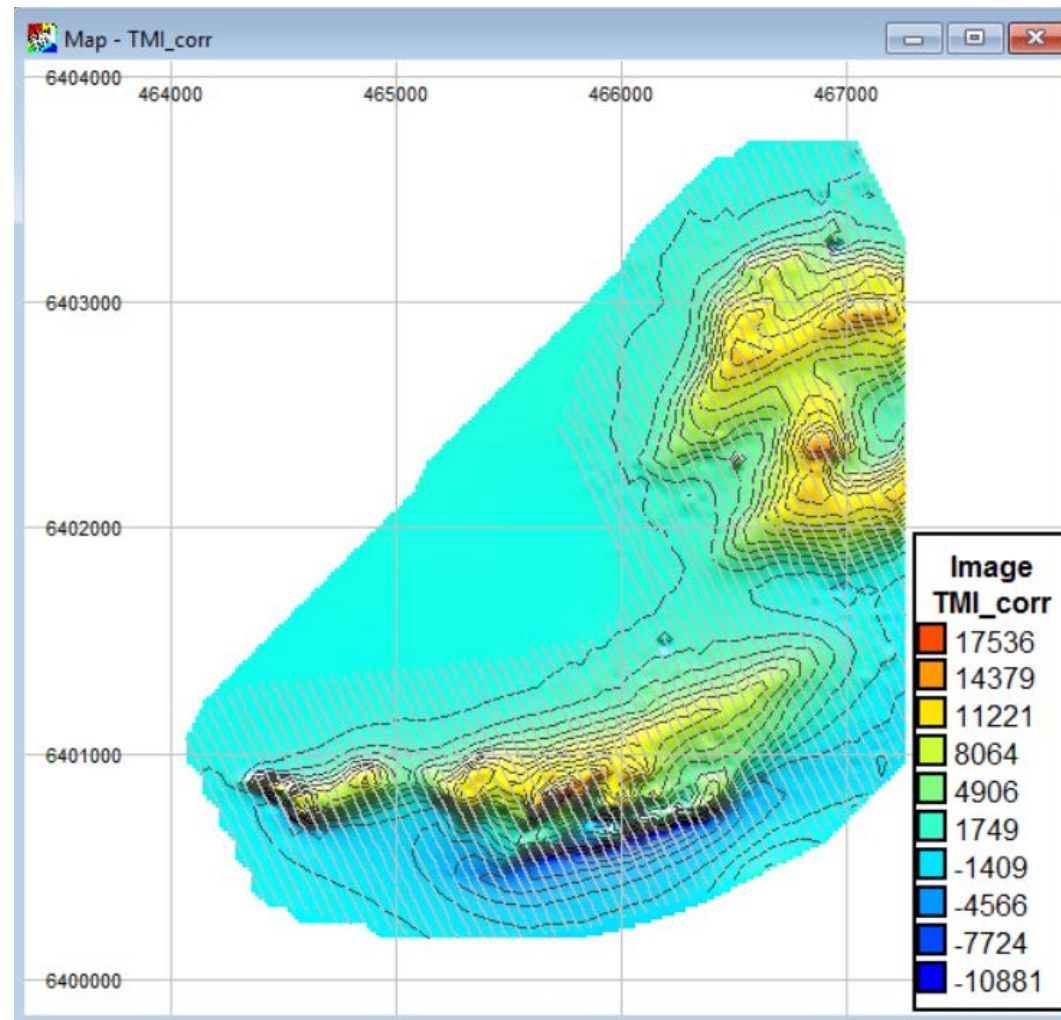


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GEOLOGY & HYDROLOGY

- Exploration expenditure
- Leading South Australian hydrology/hydrogeology consultancy engaged to further investigate water supplies
- Completed several high resolution ground magnetics surveys with 3D modelling over Lodestone's Olary Project
- Several new tenements prospective for iron mineralisation in SA acquired
- Ongoing geometallurgy, geophysics.

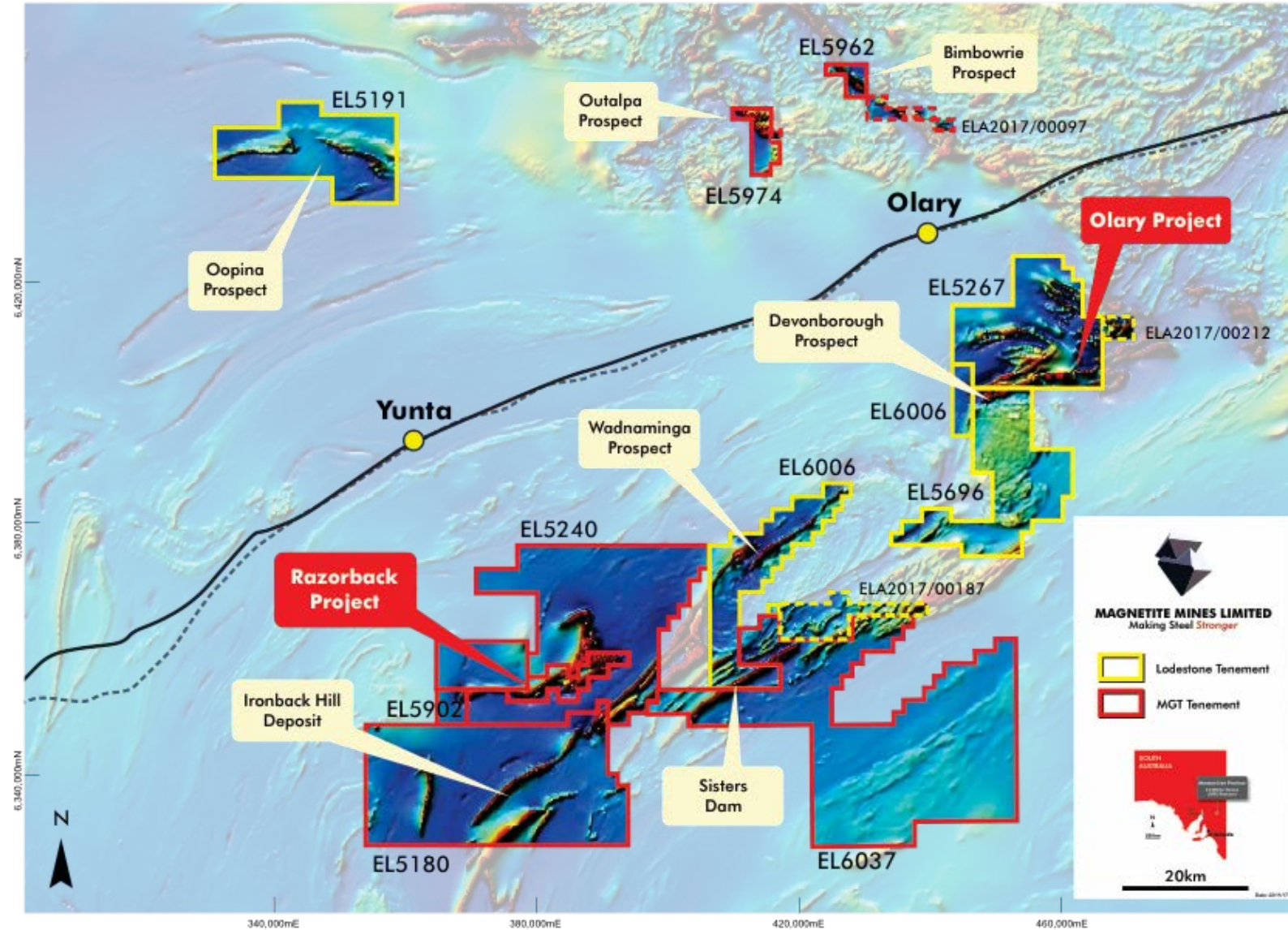


High-resolution ground magnetics at Lodestone's Olary Project



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