

**ASX ANNOUNCEMENT****18 APRIL 2023****RAZORBACK IRON ORE PROJECT RAIL ACCESS UNLOCKED****LAND ACCESS AGREEMENT SIGNED ENABLING ACCESS TO RAIL-SIDE CONCENTRATE TRANSFER LOCATION, SUPPORTING STAGE 1 DEVELOPMENT AND EXPANSION CASE****Highlights:**

- **First land access agreement signed for Hillgrange rail-side infrastructure location**
- **ARTC confirms no impediment for proposed siding connection**
- **Aurizon proposes cost-effective concentrate transport solutions to local ports**
- **Baseline environmental assessments commenced for concentrate haulage corridor**

**MGT CEO Tim Dobson commented:**

*“The availability of open access rail within 55km of Razorback is a valuable feature of the Project. The planned infrastructure at the existing Hillgrange rail siding will be Razorback’s connection to global markets, enabling access to the national rail network for the delivery of our high-grade iron ore products to customers.*”

*“Our relationships and agreements with local landowners and pastoralists are key to a successful outcome for the Project and in this case, we are encouraged by the outcome achieved. A mutually beneficial and flexible land access agreement has been negotiated with the landowner at Hillgrange that will underpin a positive, long-term relationship for years to come.”*

**Magnetite Mines Limited (ASX:MGT)** is pleased to announce that it has secured land access for rail-side infrastructure development at Hillgrange, South Australia, 55km from the planned Razorback Iron Ore Project (“Razorback Project” or “the Project”) plant site. 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.

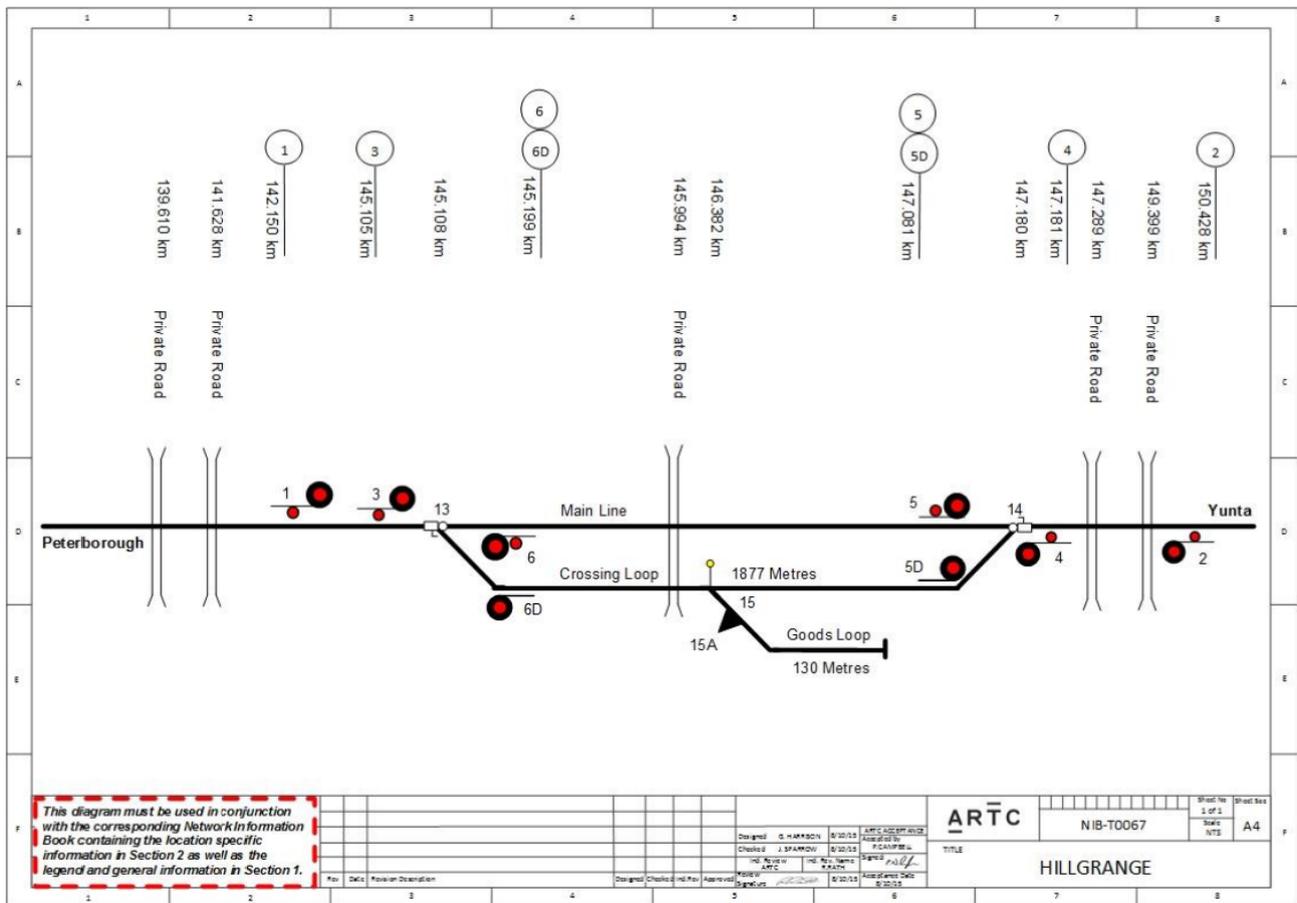
Australian Rail Track Corporation (ARTC), as the rail network owner, has advised Magnetite Mines that there are no known impediments for the Company’s proposed development of an exclusive-use rail siding and spur line infrastructure at the Hillgrange location. Preliminary internal assessments indicate 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<sup>1</sup>. 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<sup>2,3</sup>. Work completed to date confirms the viability of rail haulage for the base-case Project configuration and proposed 10Mtpa expansion case.

**PROPOSED CONNECTION AT HILLGRANGE RAIL SIDING**

The Hillgrange siding is one of 13 existing crossing loops on the ARTC-controlled, 371km Crystal Brook-Broken Hill standard gauge railway line (main line) and is located between the Peterborough and Yunta sidings. At around 1.9km in length, the Hillgrange crossing loop runs parallel to the main line on its southern side, and is supported by automatic signalling (see Figure 1). In addition to the crossing loop, a separate 130m long goods loop is also available to support connection of new rail infrastructure, such as that planned for the Project.



**Figure 1. ARTC network information – existing Hillgrange Crossing Loop schematic<sup>4</sup>**

ARTC has confirmed that, in relation to its wholly owned infrastructure, there are no known impediments to MGT developing a rail connection for the Razorback Project at or near the Hillgrange siding in South Australia.

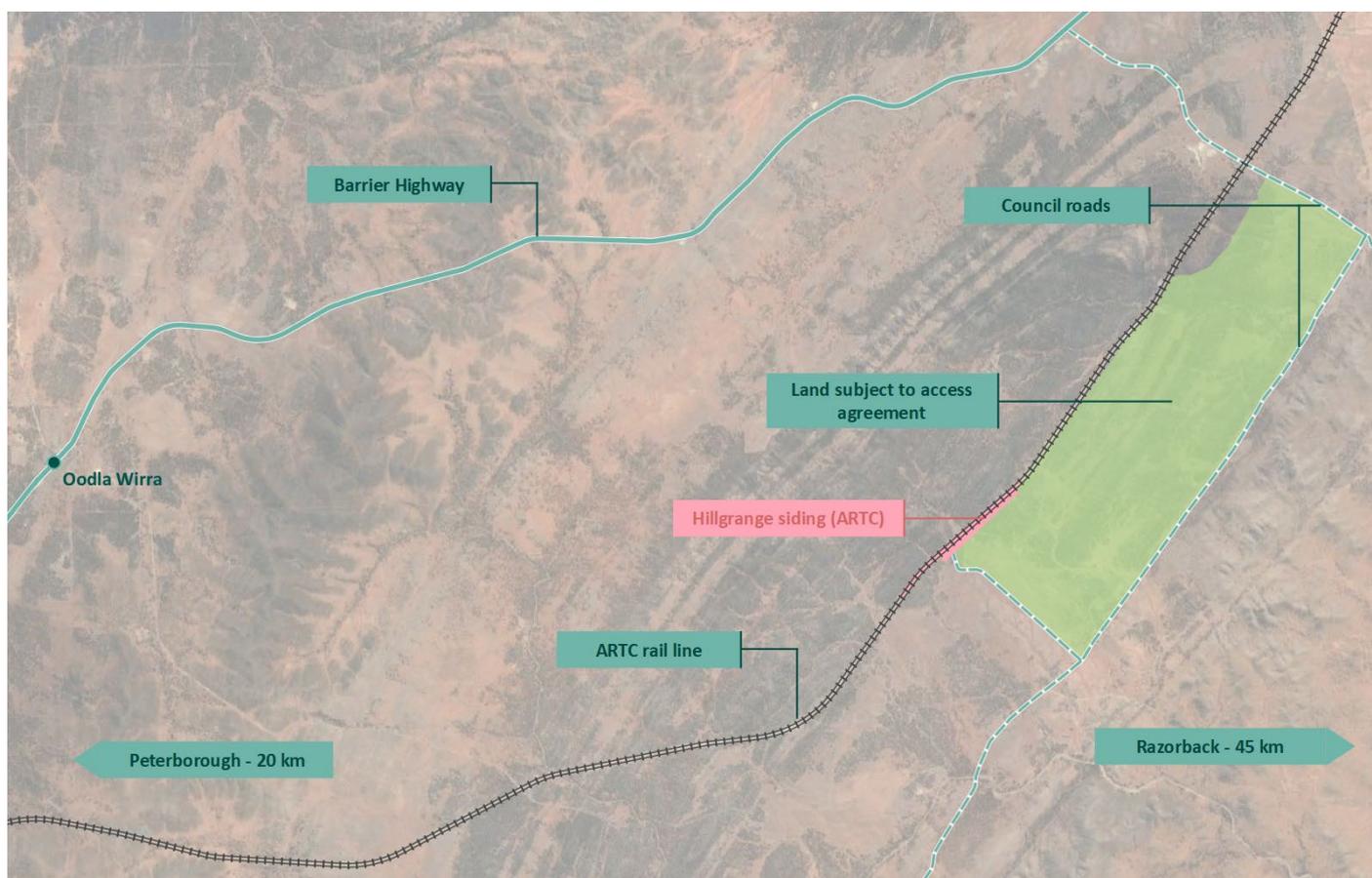
While access is provided on a first-come, first-served basis, ARTC are undertaking a rail capacity modelling exercise to assess existing capacity available to support 10 Mtpa of magnetite concentrate transport for the relevant sections of rail. Additional capacity could be provided through the

construction of further crossing loops. Next steps include studies to confirm specific rail line pathing, engineering specifications and environmental impacts as precursory activities to a rail connection agreement between MGT and ARTC.

MGT has completed modelling of concentrate loading parameters and DFS-level engineering for an exclusive-use rail siding at Hillgrange, with ARTC confirming the viability of connection via the existing goods loop. Utilising this existing infrastructure will provide a low capital cost connectivity solution.

## EXCLUSIVE LAND ACCESS AGREEMENT

With the significant support and cooperation of the landowner, MGT has secured exclusive development rights to privately held land immediately adjoining the ARTC rail corridor and Hillgrange siding. The access agreement applies to a tract of land approximately 1,400 hectares in size with almost 5km of frontage to the ARTC rail line (see Figure 2), including the majority of the Hillgrange passing and goods loops.



**Figure 2. Location of ARTC's Hillgrange siding and land parcels subject to land access agreement**

The land access agreement provides a range of access and development rights to MGT including the flexibility to modify and optimise the planned rail connection configuration at the Hillgrange siding. Principal development rights covered by the agreement include the construction of a rail siding and intermodal loading infrastructure, and an integrated infrastructure corridor for potential future rail haulage (proposed for a 10Mtpa expansion case configuration), access road, and other utility through the land eastwards towards the Razorback mine and process plant site.

The agreement also supports other potential project development outcomes on the land including allocations of land for:

- construction staging, laydown, accommodation, and other temporary uses
- potential realignment of a public road and the development of road and rail intersections
- the extraction of groundwater for construction and operational applications
- the connection of power supply to the rail siding.



**Figure 3. Aerial panoramic photograph of land subject to access agreement (in green), adjoining Hillgrange siding**

The land is readily accessible via existing public roads, with the sealed Barrier Highway located 8.75km away. Given this proximity to the Barrier Highway, and its position at the start of the project's site access road, the land provides a logical location for the establishment of a construction staging and laydown area, and this right has been implicitly built into the land access agreement.

## **ABOVE-RAIL LOGISTICS OPTIONS TO PORT**

Aurizon is an ASX-listed company that specialises in integrated freight and logistics solutions. With a national footprint, it is Australia's largest rail freight operator and provides bulk rail haulage across a range of commodities in South Australia. Aurizon operates and manages key logistics yards, including at Whyalla, Port Pirie, Port Augusta and Port Adelaide.

MGT has engaged with Aurizon to assess the feasibility and cost of various bulk haulage options of the company's high-grade concentrate from Hillgrange siding to ports located on the Upper Spencer Gulf. Aurizon has provided MGT with rail haulage proposals for Whyalla and Port Pirie export options, together with associated cost estimates. These proposals are based on initial rail movement modelling and conceptual unloading arrangements required at each receiving port facility.

## RAIL CONNECTION PERMITTING AND APPROVALS

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The collection of baseline environmental and other data for the Hillgrange rail connection site and selected surrounding areas has progressed to support integration into the primary Project approvals program under the *Mining Act 1971 (SA)*. Key field studies completed to date include flora and fauna surveys, groundwater sampling, noise logging and geotechnical conditions.

Further desktop reviews, including soil, surface water and air quality considerations, have been completed for the corresponding areas. To date, no matters of specific concern have been identified.

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**This announcement has been authorised for release to the market by the Board of Magnetite Mines Ltd.**

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## ABOUT MAGNETITE MINES

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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](https://magnetitemines.com).

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### References

<sup>1</sup> ASX Announcement – 20 March 2023 – Optimisation Transforms Razorback Iron Ore Project

<sup>2</sup> ASX Announcement – 6 Feb 2023 – MGT and GFG Alliance Sign Port Services MOU

<sup>3</sup> ASX Announcement – 15 Mar 2023 – Magnetite Mines Signs MoU With Flinders Ports

<sup>4</sup> [https://www.artc.com.au/uploads/OGW-30-03\\_Book.pdf](https://www.artc.com.au/uploads/OGW-30-03_Book.pdf)