

ASX ANNOUNCEMENT

27 APRIL 2023

THIRD QUARTER ACTIVITIES REPORT

ENDING 31 MARCH 2023

HIGHLIGHTS

- **New, larger-scale Razorback Iron Ore Project configuration defined to support emerging South Australian “green iron” industry:**
 - Full suite of Optimisation Studies completed on time in March
 - 5 Mtpa ‘DR-grade’ production scenario confirmed as Stage 1 of a planned staged development configuration
 - Razorback JORC Ore Reserves increased by 340% to 1.6 billion tonnes, confirming potential for continued expansion and long life
 - Metallurgical testwork confirms 68.5% iron, premium grade concentrates
 - Concentrate transport corridors defined with clear logistics pathways
 - Green energy grid power solution defined
 - Three water supply options identified
- **High-grade Iron Peak deposit confirmed as logical priority Project feed; able to produce premium-grade concentrates required for green iron production:**
 - Iron Peak Mineral Resource increased to 503 million tonnes
 - Mass recovery significantly increased to 19.4% (from 16.8%)
 - Production of DR-grade concentrates confirmed by metallurgical testwork
 - Iron Peak maiden Ore Reserve now under assessment
- **New collaboration agreements in place to support Razorback Project development:**
 - MoU signed with Whyalla Ports to investigate iron ore export services
 - MoU signed with Flinders Ports to investigate port services, including potential greenfield deepwater port development at Myponie Point
 - Membership commenced with leading research initiative HILT CRC
- **Magnetite Mines in strong cash position with \$7.09 million cash on hand**

Magnetite Mines Limited (ASX:MGT) is pleased to provide an update of its activities for the quarter ending 31 March 2023. This quarter has been punctuated by several high value work outcomes highlighted by the substantial increase in Razorback Iron Ore Project Ore Reserves to 1.6 billion tonnes and the significant improvement in the Project's Iron Peak deposit confirming higher-grade mineralisation and improved metallurgical response^{1,2}.

With a global Mineral Resource base in South Australia now exceeding 6.0 billion tonnes, the Company remains focused on the development of its flagship Razorback Iron Ore Project². As the global iron and steel industry decarbonisation transition gains momentum, the demand for high-grade iron ore products is increasing. South Australia is increasingly well-positioned to take a lead role in the transition with superior geopolitical stability, vast magnetite resources, on-grid renewable energy, and the development of a green hydrogen industry.

Project de-risking and the completion of optimisation studies were prioritised during the quarter following the Company's September 2022 strategic shift towards a larger-scale (5-10Mtpa) initial production case³. The completed suite of engineering and metallurgical studies confirmed the optimum Stage 1 configuration for the Project as 5Mtpa direct-reduction (DR) grade concentrate production, with an expansion to 10Mtpa at year 5 (Stage 2)³. The Company is now focused on establishing a maiden Ore Reserve for Iron Peak to underpin its place as priority feed for the new Project configuration¹.

Magnetite Mines also entered into several new collaboration agreements, including with Whyalla Ports⁴ and Flinders Ports⁵, to investigate initial and long-term port options for the bulk export of magnetite concentrates. The Company also became an affiliate member of the Heavy Industry Low-Carbon Technology Collaborative Research Centre (HILT CRC) to enable participation in cutting-edge technology development alongside industry peers, government and leading academic institutions⁶.

The Company continued its wide-ranging corporate transformation with the appointment of Mining Engineer and Mineral Economist Dr Carmen Letton to the Board, further strengthening the technical and corporate acumen of the Company⁷.

MGT remains in a strong cash position with \$7.09 million cash on hand at the end of the quarter.

GREEN STEEL TRANSITION

In line with global commitments to eliminate carbon emissions by 2050, the iron and steelmaking industry shift towards decarbonisation continues to gain momentum and investment, with the focus on transitioning to Direct Reduced Iron (DRI) technologies and the associated requirement to source high-grade feed sources such as high-grade magnetite concentrates.

The emerging importance of transportable “green iron”

The Company notes the emergence of “green iron” production and transport as a key element in the overall transition to Green Steel. Green iron is produced with a low emissions reduction process. Many green iron technologies in development use hydrogen produced with renewable energy to reduce iron ore (instead of coal or natural gas), adapting the well-established Direct Reduction (DRI) method.

The economics of green iron depend on availability of very high-grade iron ore concentrates, low-cost renewable energy for hydrogen production, and a supportive investment climate. Locations with these factor advantages are likely to develop into global green iron supply hubs as the world's steel industry transitions to sustainable Green Steel production. Future green iron production centres may also be co-

located with Electric Arc Furnaces (EAF), powered by renewable energy, to melt DRI and make Green Steel products.

South Australia and Western Australia are rapidly emerging as ideal candidates for the future production of green iron for regional export.

During the quarter, Japan's Renewable Energy Institute released its report *The Path to Green Steel: Pursuing Zero-Carbon Steelmaking in Japan*, which includes a study that supports the importation of DRI in the form of Hot Briquetted Iron (HBI) from Australia as a logical and economically optimised strategy to decarbonise Japan's steel industry, which currently imports both low-grade iron ore and coking coal to make iron and steel in blast furnaces⁸.

Similarly, Jeong-woo Choi, the CEO of South Korea's largest steelmaker POSCO, announced in December that POSCO intends to spend A\$60 billion in Australia across the green steel supply chain by 2040 in support of the country's decarbonising steel industry⁹.

Magnetite Mines is positioning its Razorback Project to meet the potential emergence of a major new green iron industry in South Australia supported by an enthusiastic government, 100% renewable energy on grid by 2030, and the rapid development of a green hydrogen industry.

OPTIMISATION TRANSFORMS 100% OWNED RAZORBACK IRON ORE PROJECT

On 20 March 2023, MGT announced the results of optimisation studies carried out for its Razorback Iron Ore Project³. Launched in September last year with a March 2023 completion target, the studies have investigated and identified the optimum development pathway for the Project, commencing with an initial capacity of 5Mtpa concentrate output.

Key outputs from this comprehensive program of work included:

1. Best-case Project configuration confirmed as a staged development commencing with Stage 1 capacity of 5Mtpa concentrate output, with expansion to 10Mtpa after 5 years³.
2. DFS-quality metallurgical studies completed, substantially de-risking process design, flowsheet; equipment selection – all based on well-proven, industry standard technologies¹⁰.
3. 100% of Stage 1 concentrate production to be DR-grade, pellet feed quality: 68.5% Fe with low major impurities (3.0% combined silica + alumina)^{3,10}. This feature establishes Razorback as a key contributor of the Green Steel supply chain.
4. Stage 1 to take advantage of existing product transport infrastructure with road transport planned to rail siding, and then rail to port. MoU with SIMEC firms Whyalla as logical Stage 1 port for Razorback concentrate export^{3,4}.
5. Renewable energy supplied from South Australia's electricity grid confirmed, with transmission and connection design well advanced in conjunction with SA's electricity transmission provider ElectraNet¹¹.
6. Three technically and economically viable Project water supply options costed. Preferred option is currently undergoing commercial-in-confidence negotiations³.

Razorback Iron Project Mineral Resource Estimate updated; Iron Peak significantly improved

An update of the Razorback Iron Project Mineral Resource Estimate was completed by Widenbar & Associates and announced on 9 February 2023². The updated Mineral Resource Estimate, which incorporates both the Razorback and Iron Peak deposits, is compliant with 2012 JORC Code and used an updated geological model interpretation that sought to improve mineralisation resolution using down

hole geophysics and high-resolution mass recovery determinations (through Davis Tube Recovery testwork). The Mineral Resource estimate was completed for a combination of Inferred and Indicated classifications.

The Iron Peak deposit was extensively upgraded during this update based on new drilling completed in 2022². Iron Peak's improved mass recovery (19.4%) aligned with improved metallurgical response and the production of premium-grade concentrates potentially suitable to produce DR pellets¹⁰. The Iron Peak deposit is a part of the wider Razorback Iron Ore Project and lies within 4km of the Razorback Ridge deposit. This work escalated Iron Peak to become the highest-quality deposit within MGT's portfolio².

Commencing operations with the highest-grade ore available is a well-proven strategy for de-risking economic performance during the critical first years of a new mine. Accordingly, Magnetite Mines is now prioritising the mining of Iron Peak for initial plant feed with the selected 5Mtpa Stage 1 and expanded 10Mtpa cases now potentially benefiting from Iron Peak ore exclusively for early-year production. Studies to that end are currently underway to realise the potential benefit at this upgraded deposit.

The updated Mineral Resource Estimate for the Razorback Iron Project (Razorback Ridge and Iron Peak deposits) is outlined in Table 2 below.

Table 1: Razorback Iron Project February 2023, Mineral Resource Estimate²

Classification	Million Tonnes (Mt, dry)	Mass Rec (eDTR%)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%	Magnetite%
Indicated	1,680	15.9	18.4	48.0	8.1	0.18	5.5	15.0
Inferred	1,570	16.1	17.7	48.6	8.2	0.18	5.5	15.5
TOTAL	3,250	16.0	18.1	48.3	8.1	0.18	5.5	15.3

All figures quoted at an 11% eDTR cut-off. Magnetite Mines Limited is not aware of any new information or data that materially affects the information included in the resource announcement dated February 2023 and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The 8% eDTR utilised in the Ore Reserve differs from the Current Mineral Resource estimate which quotes an 11% eDTR cut off and is based on up-to-date mining assumptions.

Ore Reserves increased by 340% to 1.6 billion tonnes (not including Iron Peak)

The decision to increase the production scale of Razorback to a minimum 5Mtpa and updated Mineral Resource Estimate enabled an update of the Razorback Project Ore Reserves to be determined by AMC Consultants using JORC 2012 guidelines¹. The Ore Reserves have been determined after consideration of all relevant geological, mining, metallurgical, social, environmental, statutory and financial aspects of the Project. The Ore Reserves have been reported at 'Probable' classification as per the 2012 JORC code and guidelines.

The updated Probable Ore Reserves have been calculated using mineralisation at Indicated classification and are a sub-set of the Mineral Resource Estimate. With a mass recovery of 14.2%, these Ore Reserves would sustain operations at 5 million tonnes per year of production for approximately 45 years.

Of note, the updated Probable Ore Reserves do not include the high-grade Iron Peak deposit, which is expected to provide a further uplift in Project Ore Reserves in the near future.

Table 2. Razorback Iron Project, Ore Reserves Estimate at March 2023¹

Probable Ore Reserves*	Tonnes Mt	eDTR %	Fe %	Mag %
Weathered	131	12.5	18.4	10.9
Primary	1,484	14.3	17.5	13.8
TOTAL	1,615	14.2	17.6	13.6

*Ore Reserves are a subset of Mineral Resources and are quoted at an 8% eDTR (Mass Recovery) cut-off grade

Current work streams

MGT is now completing mining studies on the recently upgraded, high-grade Iron Peak Resource to support Ore Reserve calculation and enable completion of financial modelling for the new Project configuration with results expected in the near future.

The Company has also commenced a value engineering (VE) program to reduce capital and operating costs for the new Project configuration prior to DFS-level engineering. Other priorities include securing the preferred water supply option, producing concentrate samples for customer assessment, completing geotechnical field work to support DFS-level engineering, and advancing negotiations with infrastructure partners.

Magnetite Mines is creating an extraordinary opportunity to capitalise on the fast-growing momentum towards Green Steel, with the focus of regional steelmakers now increasingly on supply from tier 1 jurisdictions with renewable energy grids and emerging green hydrogen production such as South Australia.

BUILDING A FOUNDATION FOR SUSTAINABILITY LEADERSHIP

Magnetite Mines understands its accountabilities as stewards of a nationally significant iron ore Mineral Resource that is now aligned with unprecedented and urgent steel industry decarbonisation commitments. Accordingly, the Company is developing a formal Sustainability Framework that will underpin all aspects of the company's decision making and support identification of value-creating opportunities, partnerships and performance.

As part of its objective to maintain a leading role in sustainability, Magnetite Mines has signalled its intention to adopt the Initiative for Responsible Mining Assurance (IRMA) Standard as the Project progresses, with piloting of the "IRMA-Ready" program, a logical first step.

Importantly, IRMA has formed a strategic partnership with the ResponsibleSteel™ International Standard, which is designed to support the responsible sourcing and production of steel. ResponsibleSteel™ has been adopted by leading steelmaking companies worldwide and mandates them to ensuring their entire supply chain, including iron ore suppliers, are compliant with aligned international standards such as IRMA.

Decarbonisation: Enabling the Green Steel transformation imperative

Steelmaking currently produces 8% of global CO₂ emissions, and steel consumption continues to grow annually in concert with the growing global economy. To meet the Paris Agreement 2°C scenario, a 90% decrease in carbon emissions from steelmaking is required by 2050.

As part of the optimisation studies, Magnetite Mines commissioned independent industry expert Dazmin Consulting to assess the decarbonisation impacts that will be realised through the supply of Razorback 68.5% iron concentrates as feedstock for Green Steel (low carbon steelmaking).

Key findings of this assessment include:

- In today's market, MGT's planned 68.5% Fe concentrate will be the best quality Australian iron ore product available and will reduce Blast Furnace (BF) scope 3 emissions by 14% compared to using 62% Fe iron ore.
- For natural-gas fed Direct Reduction – Electric Arc Furnace (DRI-EAF) facilities, the emissions saving will be 31% compared to using 62% Fe iron ore.

The Company is assessing the ESG-related benefits of the Razorback Iron Ore Project. Definition of the Project's Scope 1,2 and 3 carbon profile is ongoing and subject to change pending market and technical assessments of the Project's indicative products.

Stakeholder engagement and land access

Magnetite Mines has continued its strong advocacy for the Project through its strategic stakeholder engagement program. Throughout the quarter, the Company has formally presented to a suite of Commonwealth, South Australian (SA) and Local government representatives, including elected officials and Ministers, to build awareness and support for the Razorback Project and identify partnering opportunities.

In its systematic approach to stakeholder engagement, Magnetite Mines has:

- liaised frequently with the SA Department for Energy and Mining and championed for initiatives to support the State's emerging magnetite sector.
- collaborated with other businesses to identify future partnership opportunities, including Aboriginal-controlled enterprises that can drive material project and community-focused outcomes.
- embedded itself as a key contributor to the SA Chamber of Mines and Energy and maintained advocacy of the Braemar region.

Further progress was made in a number of land access agreements to support the Razorback Project, including reaching agreement on terms for providing direct land access to the ARTC-controlled Crystal Brook-Broken Hill railway at Hillgrange siding, which was ultimately signed in April 2023.

On-grid 100% renewable energy by 2030

The Project's location proximate to the Bunday Substation and validated grid connection plan provides the opportunity for MGT to leverage South Australia's low-carbon energy profile while enjoying high-reliability supply performance on a balanced intra-state electricity grid¹¹.

The Company is now in discussions with several leading renewable energy supply suppliers and consultants active in South Australia to support its targeted 100% green power supply for Razorback – a proposal that will effectively deliver a 'net zero' Scope 2 emissions profile for on-site fixed plant and infrastructure.

Tailings Dam Optimisation

The optimisation study programme included the appraisal of alternative tailings storage facilities with an emphasis on water recovery, with thickened tailings via a central discharge spigot system selected as the go-forward case. This configuration results in improved water recovery in comparison to

conventional wet tailings dams. The central discharge thickened (CTD) tailings solution also results in less material required for initial starter wall construction, reducing capital costs.

Native Title and cultural heritage

The Ngadjuri Nation Aboriginal Corporation is a key project partner and significant effort has been focused on building and elevating the shared relationship. Connections across multiple levels, including with MGT Board, Executive and other employees, have been centre to recent engagement. A series of workshops and meetings were held during the quarter to advance a foundational partnering agreement that will provide the platform for the formal Native Title negotiations to follow.

HILT CRC leading research initiative

On 27 March 2023, MGT was accepted as an Affiliate Partner of HILT CRC, a cooperative research centre co-funded by industry, research organisations and government, and focused on de-risking the transition of carbon-intensive heavy industries towards a 'net-zero' future⁶. MGT received notification in mid-March that its application to join HILT CRC was approved by its Board following a successful referral of the application to its Core Partners.

As a Partner, MGT will have the benefit of access to leading research programs currently in progress, including the improvement of process technologies associated with magnetite concentrate production, a key enabler for Green Steel (low carbon steelmaking). The Company will also benefit from contributing to the identification, scoping and delivery of future research programs across the remaining eight years of the current committed funding term.

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

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

HILT CRC was established in June 2021 with the award of \$39m over ten years by the Australian Government (as part of the Round 22 CRC Program) and over \$175m in direct and in-kind contributions committed from founding partners. HILT CRC's vision is to create a prosperous heavy industry sector at the forefront of the global low carbon transition, and to achieve this through collaborative efforts and innovation¹².

GLOBAL MINERAL RESOURCES & ORE RESERVES

Table 3. Magnetite Mines Global Mineral Resources & Ore Reserves

Razorback Iron Ore Project (Razorback and Iron Peak Combined) ^{a,2}								
Classification	Tonnes (Mt)	Mass Rec (eDTR%)	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %	Magnetite %
INDICATED	1,675	15.95	18.36	48.02	8.06	0.18	5.46	15
INFERRED	1,570	16.09	17.74	48.6	8.23	0.18	5.53	15.6
TOTAL	3,245	16.02	18.06	48.3	8.15	0.18	5.49	15.3

Results presented at 11% eDTR cut-off

Ironback Hill ^{*b,13}								
Classification	Tonnes (Mt)	Mass Rec (eDTR%)	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %	Magnetite %
INFERRED	1,187	-	23.2	44.4	7.2	0.21	5.4	12.9

Results presented with no cut-off

Muster Dam Iron Project ^{*c,14}								
Classification	Tonnes (Mt)	Mass Rec (DTR%)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%	Magnetite %
INFERRED	1,550	15.2	18.7	49.6	8.8	0.2	2.8	-

Results presented with 10% Mass Recovery cut-off

Combined Mineral Resource Estimate								
Classification	Tonnes (Mt)	Mass Rec (eDTR%)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%	Magnetite %
INFERRED & INDICATED	5,982	-	19.4	48.1	8.2	0.2	4.8	-

Results presented as weighted averages of items A, B and C

Probable Ore Reserves [*]				
Mineralisation Type	Tonnes Mt	eDTR %	Fe %	Mag %
Weathered	131	12.5	18.4	10.9
Primary	1,484	14.3	17.5	13.8
TOTAL	1,615	14.2	17.6	13.6

Ore Reserves are a sub-set of Razorback Iron Ore Project Indicated Mineral Resource Estimate

^{*}The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements below, and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements. Tonnages and grades presented above are estimates of in-situ rock characteristics.

CORPORATE

Cash position

The Company held \$7.09 million in cash and cash equivalents at quarter end. Quarterly operations, exploration and evaluation cash flows reduced from \$3.1 million in the December quarter to \$2.5 million in the March quarter due primarily to the completion of cost-intensive optimisation studies during the quarter.

Exploration & evaluation expenditure

Exploration and evaluation expenditure during the quarter totalled \$1.5 million, comprising costs incurred in relation to the completion of Project optimisation studies inclusive of the following activities:

- Study preparation and planning, including engagement of key consultants
- Geological fieldwork, stakeholder engagement, sample preparation and storage
- Drilling assay and metallurgical testwork and associated overheads at the Iron Peak deposit
- Metallurgical testwork and consultancy and processing peer review

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

Mine production and development expenditure

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

Project Financing

The Company continues to advance discussions with a wide range of potential strategic partners, including iron ore producers, steel producers, trading houses, project financiers and institutional investors.

The high level of investor and industry interest in the Project supports the Company's view that the current and forecast increase in demand for high-grade iron ore products for the decarbonising iron and steelmaking industry is sufficiently strong to outweigh near-term macroeconomic volatility.

Unmarketable Parcel Facility

The "opt-out" unmarketable parcel sale facility for shareholders who held less than 787 shares (\$500 value) closed on 9 February 2023¹⁵. A total of 322 shareholders topped up their holdings, and a further 329 chose to opt out of the sale facility. 1,134,052 ordinary shares were purchased under the facility from 3,779 shareholders. The sale process is continuing in line with market liquidity opportunity and participating shareholders will be notified once complete. Proceeds from the completed sale process will be dispatched to participating shareholders immediately thereafter.

The total number of Company shareholders has reduced from approximately 10,600 to approximately 6,500. This reduction will reduce administrative costs associated with producing and distributing shareholder communications, as well as registry fees related to maintaining small holdings on the register.

Appointment of Dr Carmen Letton, Non-executive Director

During the quarter, the Board appointed mining engineer and mineral economist Dr Carmen Letton as a Non-executive Director (NED) on 25 January 2023⁷.

Investor Relations

During the quarter, the Company participated in the following investor and industry events:

- Ord Minnett East Coast Mining Conference, Sydney (March 22-23, 2023)¹⁶
- SACOME Annual Dinner (March 29, 2023)

Tenement holdings

The following tenements held by Magnetite Mines Limited (and its controlled entities) as at 31 March 2023:

Tenement/ Project Name	Tenement Number	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during the Quarter	Disposed of during the Quarter	Joint Venture Partner/Farm -In Party
SOUTH AUSTRALIA						
PUALCO	EL6126	100%	100%	-	-	-
RED DRAGON	EL6127	100%	100%	-	-	-
RAZORBACK RIDGE	EL6353	100%	100%	-	-	-
DRAGON'S TAIL	EL5902	100%	100%	-	-	-
SISTER'S DAM	EL6037	100%	100%	-	-	-
BRAEMAR	EL6788	100%	100%	-	-	-
LIPSON	EL6745	100%	100%	-	-	-
MANUNDA NORTH	EL6878	100%	100%	-	-	-
MUSTER DAM SOUTH	EL6746	100%	100%	-	-	-

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

For further information contact:

Gemma Brosnan
General Manager - External Affairs
+61 8 8427 0516

ABOUT MAGNETITE MINES

Magnetite Mines Ltd is an ASX-listed iron ore company focused on the development of magnetite iron ore resources in the highly prospective Braemar iron region of South Australia. The Company has a 100% owned Mineral Resource of 6 billion tonnes of iron ore and is developing the Razorback Iron Ore Project, located 240km from Adelaide, to meet accelerating market demand for premium iron ore products created by iron & steel sector decarbonisation, with the potential to produce high-value Direct Reduction (DR) grade concentrates. Razorback is set to become a very long-life iron ore project with expansion optionality in a tier 1 jurisdiction that will produce a superior iron ore product sought by steelmakers globally. For more information visit magnetitemines.com.

DISCLOSURE

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

References

1. ASX Announcement - 22/03/2023 - Razorback Iron Project Ore Reserves Increase 340% - UPDATE
2. ASX Announcement - 09/02/2023 - Iron Peak Mineral Resource Significantly Improved
3. ASX Announcement - 20/03/2023 - Optimisation Transforms Razorback Iron Ore Project
4. ASX Announcement - 06/02/2023 - MGT and GFG Alliance Sign Port Services MOU
5. ASX Announcement - 15/03/2023 - Magnetite Mines Signs MoU With Flinders Ports
6. ASX Announcement - 27/03/2023 - Magnetite Mines Joins Leading Research Initiative HILT CRC
7. ASX Announcement - 25/01/2023 - Dr Carmen Letton Appointed As Non-Executive Director
8. URL: Renewable Energy Institute (Japan): [The Pathway to Green Steel](#)
9. URL: POSCO - [POSCO Group CEO, Jeong-woo Choi, Meets the Prime Minister of Australia](#)
10. ASX Announcement - 28/02/2023 - Metallurgy Confirms Flowsheet and DR Pellet Feed Potential
11. ASX Announcement - 23/02/2023 - Renewable Grid Power For Razorback Project
12. URL: HILT CRC: [About, Partners, People and Governance](#)
13. ASX Announcement - 20/11/2018 - Ironback Hill Deposit - JORC 2012 Resource Update
14. ASX Announcement - 03/11/2022 - Muster Dam Mineral Resource Estimate
15. ASX Announcement - 21/12/2023 - Unmarketable Parcel Sale Facility
16. ASX Announcement - 22/03/2023 - Ord Minnett East Coast Mining Conference Presentation

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

MAGNETITE MINES LIMITED

ABN

34 108 102 432

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(506)	(1,858)
	(e) administration and corporate costs*	(556)	(1,396)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	29	165
1.5	Interest and other costs of finance paid	-	(99)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (fuel tax credit, royalty income)	121	168
1.9	Net cash from / (used in) operating activities	(912)	(3,020)
* Lease liabilities payment of \$134,464 for the period ending 31/12/2022 was reallocated from section 1.2 (e) to 3.9.			

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(6)	(20)
	(d) exploration & evaluation	(1,524)	(8,899)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	1	4
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security bond)	-	-
2.6	Net cash from / (used in) investing activities	(1,529)	(8,915)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	(37)
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(86)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payment of lease liabilities)*	(65)	(199)
3.10	Net cash from / (used in) financing activities	(65)	(322)

* Lease liabilities payment of \$134,464 for the period ending 31/12/2022 was reallocated from section 1.2 (e) to 3.9.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,596	19,347
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(912)	(3,020)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,529)	(8,915)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(65)	(322)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,090	7,090

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	34	477
5.2	Call deposits	7,056	9,119
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,090	9,596

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(912)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,524)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,436)
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,090
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	7,090
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.91
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:		

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 April 2023

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

Notes

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