

MAGNETITE

M I N E S

Razorback High Grade Iron Ore Project

Premium Iron Ore

July 2022



IMPORTANT NOTICE

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ADDITIONAL INFORMATION

This presentation should be read in conjunction with the Annual Report at 30 June 2021 together with any announcements made by MGT in accordance with its continuous disclosure obligations arising under the Corporations Act 2001. Any references to resources estimations should be read in conjunction with MGT's Mineral Resources statement for its Magnetite projects at 30 June 2021 and subsequent releases to the Australian Securities Exchange as referenced. MGT confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. All amounts within this presentation are stated in Australian Dollars consistent with the functional currency of MGT, unless otherwise stated. Tables contained within this presentation may contain immaterial rounding differences.

ACKNOWLEDGEMENT OF COUNTRY

Magnetite Mines, our shareholders and our stakeholders acknowledge the Ngadjuri People as the Traditional Owners of the lands on which the Razorback Iron Ore Project is located. We respect their continuing custodianship of this Country, and their spiritual and cultural beliefs and practices.

Market Cap

\$98.58M

(Share price \$0.026 09 June 2022)

Cash

\$20.14M

(09 June 2022)

Shares on Issue: 3,791M

Listed options MGTOE: 363.3M

Options: 153M*

SHARE PERFORMANCE AND REGISTER



OTHER SHAREHOLDERS: 68.5%

TOP 20: 26.4%

5% BOARD AND MANAGEMENT

CONSULTING PARTNERS



Non-process
Infrastructure



Environmental



Processing



Mining

* Various unlisted options – average \$0.03

Board & Management

Strong leadership team with experience in resources and company growth

BOARD OF DIRECTORS



Mark Eames

BA Metallurgy (Hons) MBA MAUSIMM
CHAIR OF THE BOARD

Mark has a successful track record in the global minerals industry in exploration, evaluation, development, acquisitions, operations, marketing and senior corporate management.

He is a qualified metallurgist with extensive experience in Australia and overseas and has held senior roles working with the iron ore businesses of Glencore, Rio Tinto and BHP.



Peter Schubert

NON-EXECUTIVE DIRECTOR

Peter has significant experience in identifying, growing and developing businesses with a focus on the resources sector, with over 30 years of direct experience in international and domestic markets.

He was the Executive Chairman of Magnetite Mines from Sep 2018 to May 2022 and Interim CEO from Mar 2021 to May 2022.



Malcolm Randall

Dip Applied Chem, FAICD
NON-EXECUTIVE DIRECTOR

Malcolm has more than 46 years' broad experience in corporate, management and marketing in the resources sector, including more than 25 years with the Rio Tinto group of companies.

His experience covers a diverse range of commodities including iron ore, potash brine, uranium, mineral sands and coal ark.



Jim McKerlie

BA Economics (Hons) Dip Fin Mgt
NON-EXECUTIVE DIRECTOR

Jim has had an extensive career as an international chief executive and as a public company director including Chairman of Drillsearch for 8 years and of Beach Energy. He has chaired four IPOs and has depth of experience in the technology and energy sectors. He is a Fellow of both the Australian Institute of Company Directors and the Institute of Chartered Accountants.



Paul White

Master of Business Administration
NON-EXECUTIVE DIRECTOR

Paul has a background of driving organisational performance and delivering superior outcomes in both corporate and board positions.

He was the CEO of ASX-listed Brisbane Broncos until March 2021, a position he held for a decade. Prior to this, Paul gained substantial executive experience with global mining companies including Anglo American and Xstrata



Simon Wandke

BA Psych Mkt (Comm) G Dip Corp Fin
NON-EXECUTIVE DIRECTOR

Simon has over 40 years' experience in the mining and minerals industry and is a highly-accomplished C-suite leader.

Most recently, Simon was Executive Vice President and Chief Executive Officer of ArcelorMittal Mining, the world's leading steel company with the fifth largest iron ore business globally.

MANAGEMENT TEAM



Stephen Weir

B.Eng Hons (Mech), Grad Dip. Appl. Fin. SIA
CHIEF EXECUTIVE OFFICER

Stephen has over 20 years experience providing corporate finance advice to clients in the mining and energy sectors, most recently as Managing Director at RFC Ambrion. Prior to that his career spans construction management of high-speed bulk material handling equipment, minerals and coal processing (John Holland), project management of technology introduction, Equipment and Industrial Services (Brambles) and Project Finance (Bankers Trust).



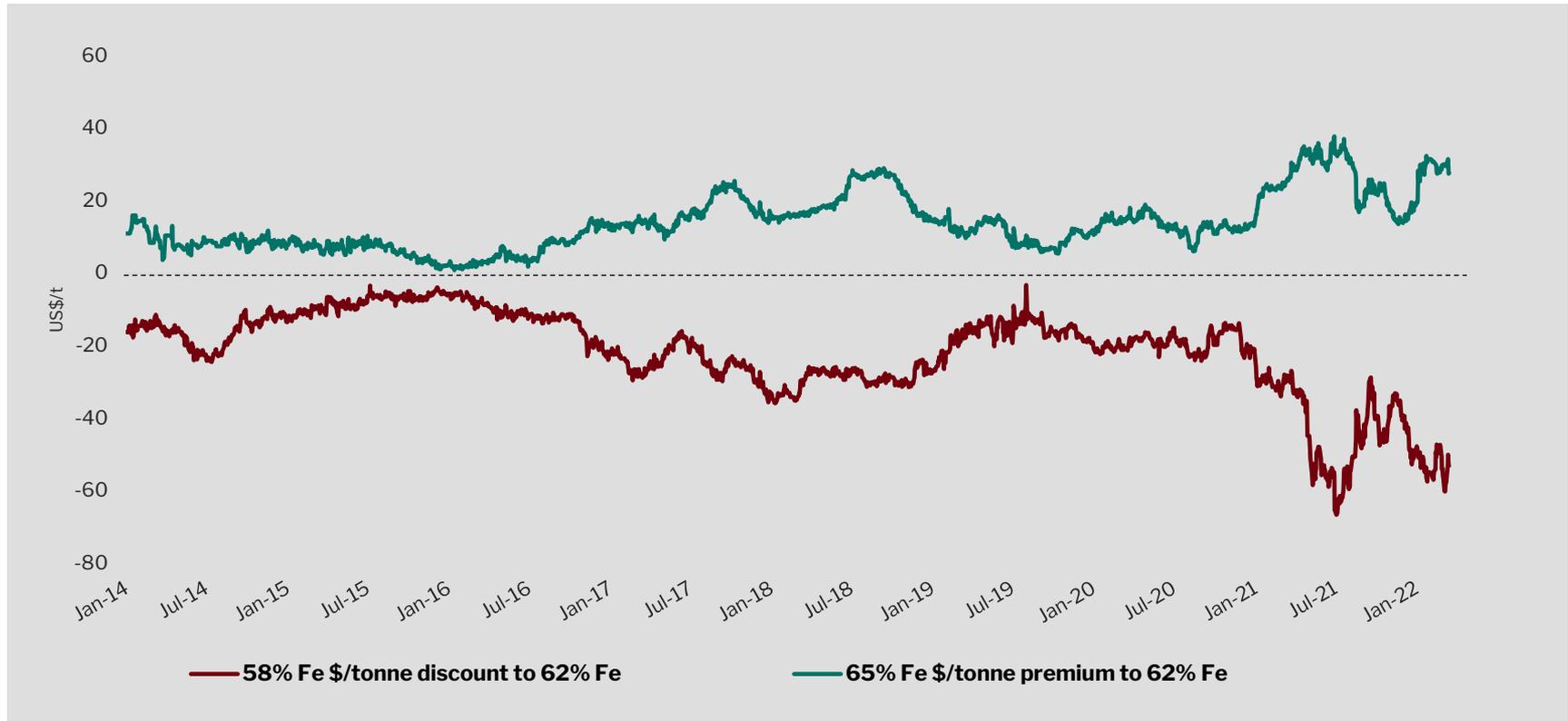
Trevor Thomas

MEarthSci (Hons) MAIG, MAUSIMM
STUDY DIRECTOR

Trevor is a long-term employee of Magnetite Mines with over 14 years experience as an exploration and resource development geologist. Over 12 years, he has been responsible for the project management of technical studies for the PFS and prior Scoping Studies and was responsible for the delivery of the Project's maiden Ore Reserve, Mineral Resource estimates and acquisition of the Muster Dam Iron Ore Project.

The High-Grade Price Premium

FASTMARKETS IRON ORE INDEX GRADE SPREADS (US\$/TONNE)



The Braemar and Razorback

Large Mineral Resource, Long Life

LARGE, ACCESSIBLE MINERAL RESOURCES

- Company Mineral Resources of 5.7Bt including Muster Dam^{1,2,3,4}
- 240km to Adelaide from Razorback

FAVOURABLE REGION

- South Australia is 10th most attractive mining region in the world (Fraser Institute 2021 Survey)
- Supportive and stable government
- Low intensity pastoral country

MAGNETITE ADVANTAGE

- Structural shift widening in the iron ore market between higher and lower grade products
- Soft ore amenable to crushing & grinding

Mineral Resource	Ore (Mt, Dry)	Mass Rec (eDTR %)	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %	Magnetite %
Razorback Iron Ore Project								

Indicated	1,500	15.6	18.5	47.9	8.0	0.18	5.4	15.0
Inferred	1,500	16.0	18.0	48.3	8.2	0.18	5.5	15.9
Total	3,000	15.8	18.2	48.1	8.1	0.18	5.5	15.5

Ironback Hill								
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Inferred	1,187		23.2	44.1	7.2	0.21	5.4	12.9
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Razorback Iron Ore Project Reserve	Ore (Mt)	Mass Recovery	Concentrate (Mt)
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Probable	472.7	14.5	68.5
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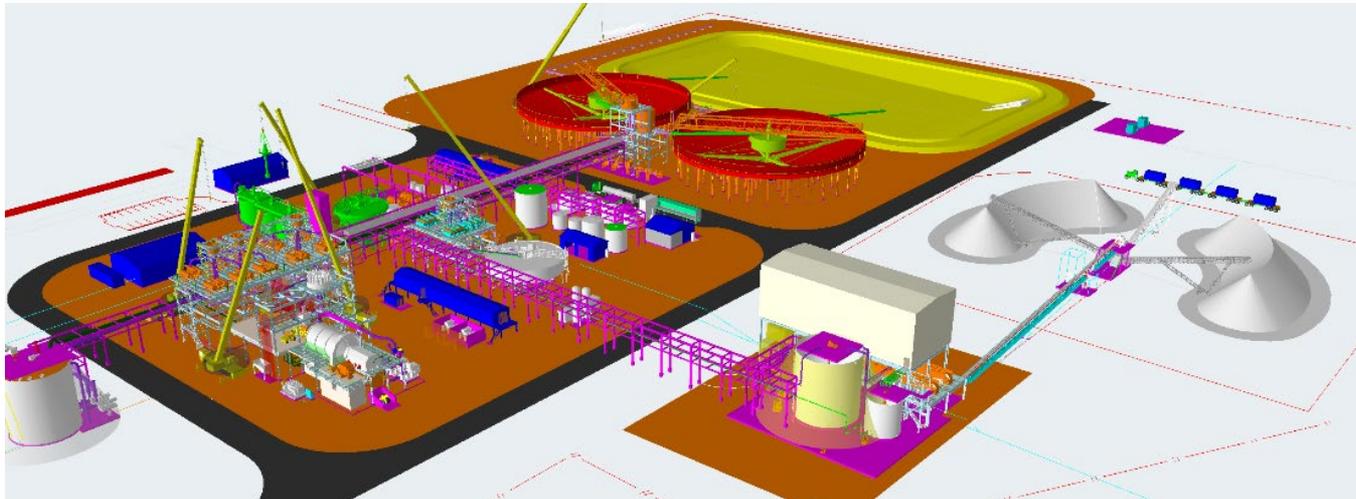
**In addition to Magnetite Mineral Resource and Reserves (JORC Code 2012), the Muster Dam Iron Project holds a historical (JORC 2004) Inferred Resource of 1.5 billion tonnes.*

Attractive, Staged Development Pathway

Expansion Potential

Single-Step Expansion

**Staged
Expansion**



Schematic design of wet-plant processing plant by Hatch, design subject to change.

Unlocking the Braemar

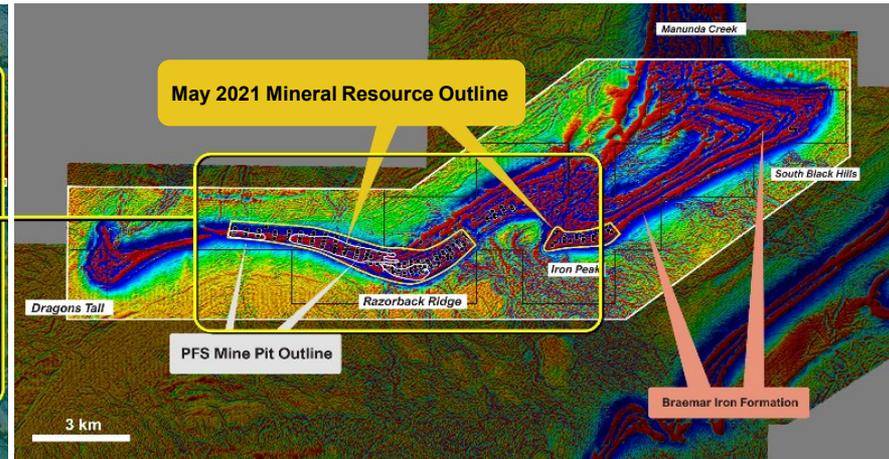
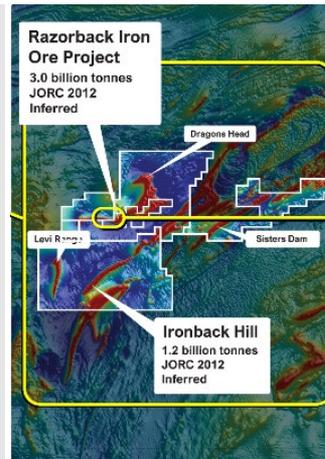
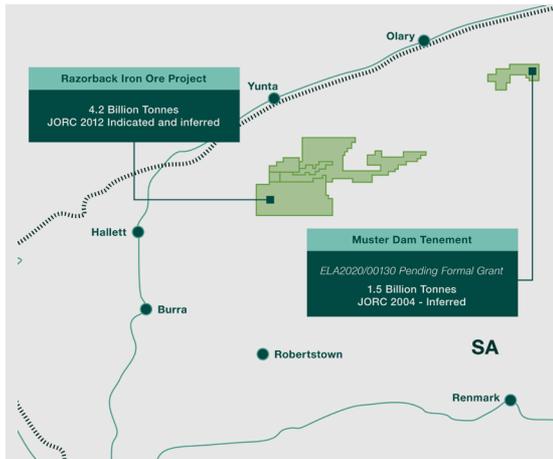
Large Mineral Resource, Long Life

STAGE 1 RELIES ON ONLY:

8% of mineral resource

4% of Braemar strike

0.3% of tenure area



Existing Infrastructure



Existing open access heavy freight network – 25t axle loads



Whyalla Port increasing throughput capacity

Existing rail access and trans-shipment operation into Capesize vessels



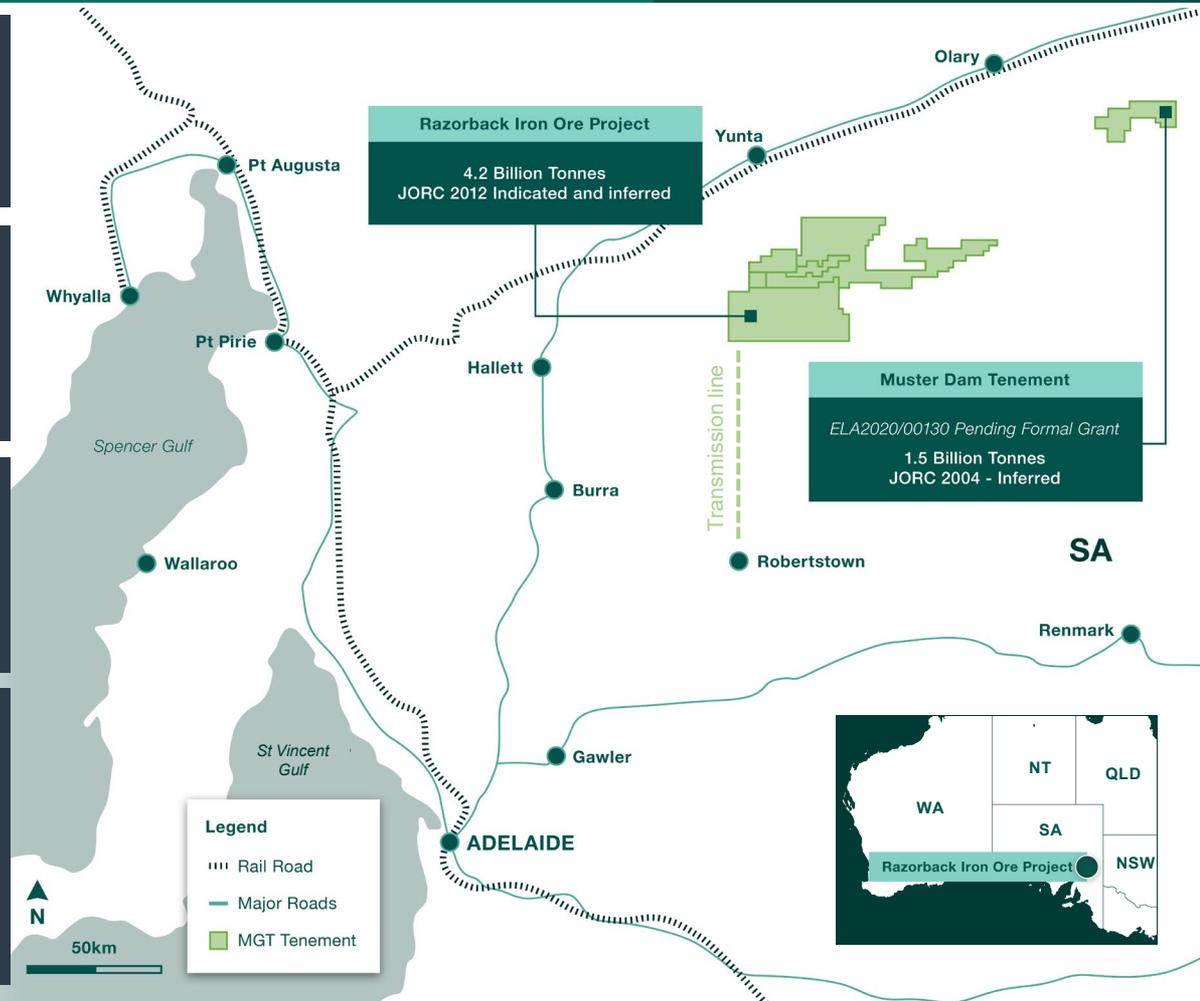
50km purpose built private all-weather haul road and rail siding



Power: ~40MVA to support each Stage

Stage 1: 132kV Transmission line connecting to grid near Robertstown

Stage 2-3 – 275kV transmission line to be added



Compelling Economics

Highlights

STAGED DEVELOPMENT PATHWAY

- DFS based on minimum upfront capital
- Expansion Study significantly increases projected IRR

HIGH-QUALITY & ROBUST ENGINEERING

- Disciplined & technical approach to resource development
- Best-in-class consultants (Hatch, GHD)

LARGE RESOURCE SUPPORTS LONG-TERM PRODUCTION

- Probable Ore Reserves account for 87% of expansion case production in the first 10 years
- Expansion cases based on run-of-mine ore of 1.4bn tonnes equivalent to just 32% of Razorback's 2021 JORC

ATTRACTIVE PATHWAY

- Scale leads to capital and operating economies
- NPV₈ of \$2.5B with overall returns of 27% post tax (incremental expansion IRR 33%)

1. The PFS Plant Optimised case is the basis for the DFS which represents Stage 1 of the Expansion Study case,
2. The average AUD:USD exchange rate in the three months to February 2022 was 0.7165
3. The 62% Fe iron ore price at which the NPV-8 of post-construction net cash flows equals zero, calculated at the commencement of the last stage of production

KEY OPERATIONAL AND FINANCIAL METRICS

	Unit	PFS Plant Optimised ¹	Staged Expansion	Single-Step Expansion
		Stage 1	Stage 1, 2, 3	Stage 1, 3
Model duration	Years	30	33	32
LOM ore	Mt	461	1,365	1,365
LOM concentrate	Mt	68	193	193
LOM strip ratio	t : t	0.10	0.13	0.13
LOM yield	%	14.7	14.4	14.4
Nominal plant feed at scale	Mtpa	15.5	46.5	46.5
Average annual product at scale	Mtpa	2.2	6.7	6.8
Development capital	A\$m	665	1,985	1,985
Average net cashflow	A\$m	127	459	491
Post-tax NPV ₈	A\$m	660	2,239	2,455
Post-tax IRR	%	19%	25%	27%
All-in breakeven ³	US\$/t	53	41	40

Building our ESG Platform

	MGT EARLY ACTION	ESG ASPIRATION
Environmental Sustainability	<ul style="list-style-type: none"> • Grid-connected power supply, high embedded renewable generation • Sustainable, non-competing use of water resources targeted 	<ul style="list-style-type: none"> • GHG accountability • Renewable power • Minimising scope 3 emissions • Water quality optionality • Early site closure planning
Social & Community Inclusion	<ul style="list-style-type: none"> • Early First Nations involvement • Inclusive approach • Local content in DFS program 	<ul style="list-style-type: none"> • Stakeholder & community consent • Local service & supply opportunities • Targeted employment
Accountable Governance	<ul style="list-style-type: none"> • MGT Compliance framework and Code of Conduct 	<ul style="list-style-type: none"> • ESG framework and reporting • Shared capacity building with First Nations • Supply chain verification
People & Culture	<ul style="list-style-type: none"> • Safety and wellbeing focus • Agile, responsive project planning 	<ul style="list-style-type: none"> • Diverse teams, modern mining culture • Individual capacity building



Investigating the presence of bat species (order: Chiroptera) within the mining area



Recording regional cultural heritage values with a Ngadjuri heritage team

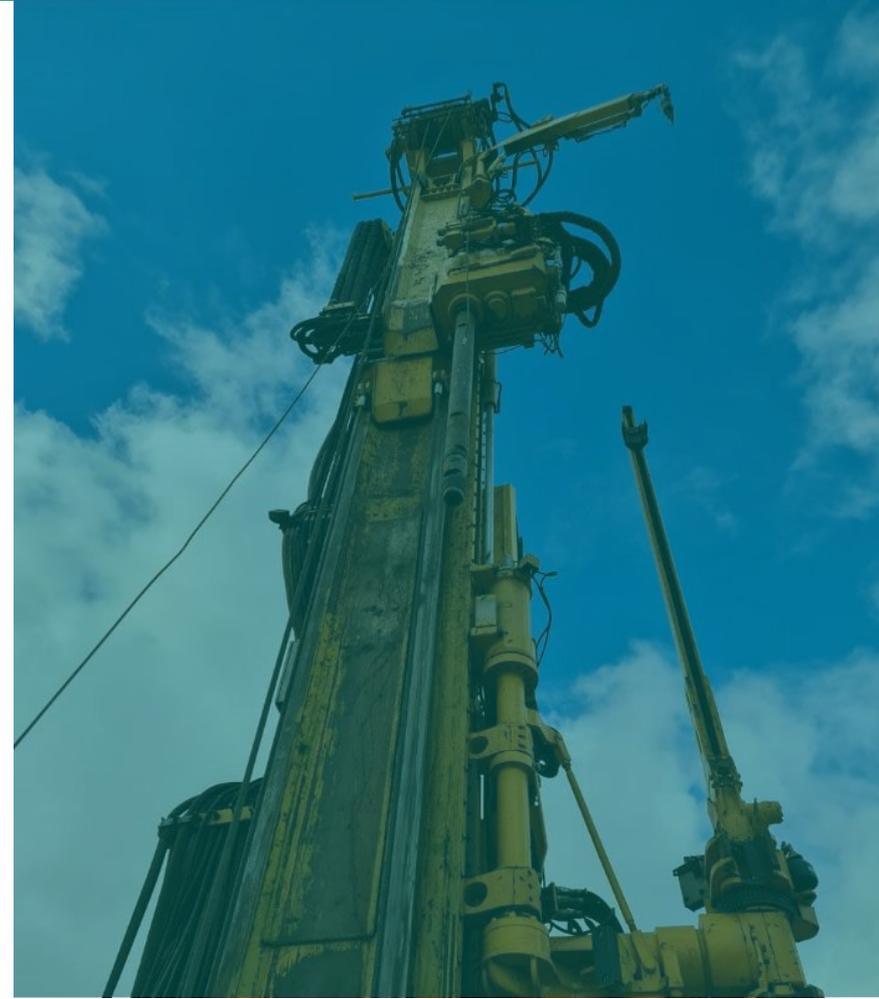


Higher-grade ores produce lower-emission steel

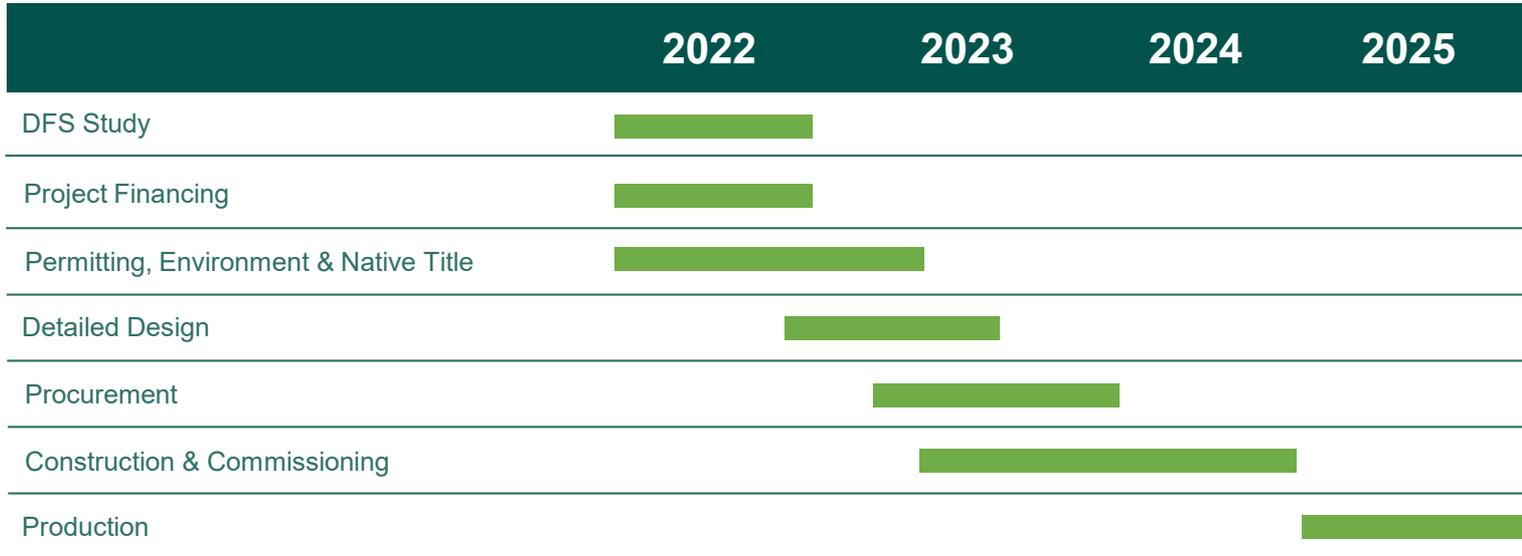
Delivering Razorback

Key Milestones Achieved

- ✓ **Pre-Feasibility Study (PFS)** delivered successfully July 2021 demonstrating financial and technical viability of Razorback project
- ✓ **Positive Expansion Study completed for the Razorback Iron Ore Project** demonstrating the business case for further, staged expansion scenarios at the Project
- ✓ **Significant progress achieved for the Definitive Feasibility Study** including the engagement of key consultants for mining (AMC) and tailings design as well as considerable progress in engineering and design of the proposed processing plant (Hatch)
- ✓ **Appointment of new Non-Executive Directors**, Mr. Jim McKerlie, Mr. Paul White and Mr Simon Wandke, strengthening the board's experience and expertise.
- ✓ Completion of **metallurgical** and **shallow infill drilling** at the Iron Peak Deposit
- ✓ Advancement of **permitting** and **approvals** baseline studies and **stakeholder engagement** towards statutory permitting requirements



Indicative Development Schedule*



*Schedule subject to review as part of DFS currently underway

Project Highlights



Substantial resource with expansion optionality



Low initial project capital



Access to infrastructure and renewable power

Market Advantage



Decarbonisation requires high-grade product



Tier 1 jurisdiction



Competitive iron ore breakeven price

Corporate



Building an ESG roadmap



Focus on unlocking full project value



Assessing strategic partnerships

References

1. ASX Announcement – 24/05/21 – Razorback Iron Project Mineral Resource Upgrade
 2. ASX Announcement – 20/11/18 – Ironback Hill Deposit – JORC 2012 Resource Update
 3. ASX Announcement – 01/03/21 – Muster Dam Iron Project Tenements awarded to Magnetite Mines
 4. ASX Announcement – 30/06/21 - Maiden Ore Reserve for the Razorback Iron Project
 5. ASX Announcement – 05//07/21 – Positive PFS Results for Razorback Iron Project
 6. ASX Announcement – 21/03/22 – Magnetite Mines Confirms Benefits of Expansion at Razorback
 7. Australia's emissions projections 2021, Australian Government Department of Industry, Science, Energy and Resources - Oct 2021
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Appendix

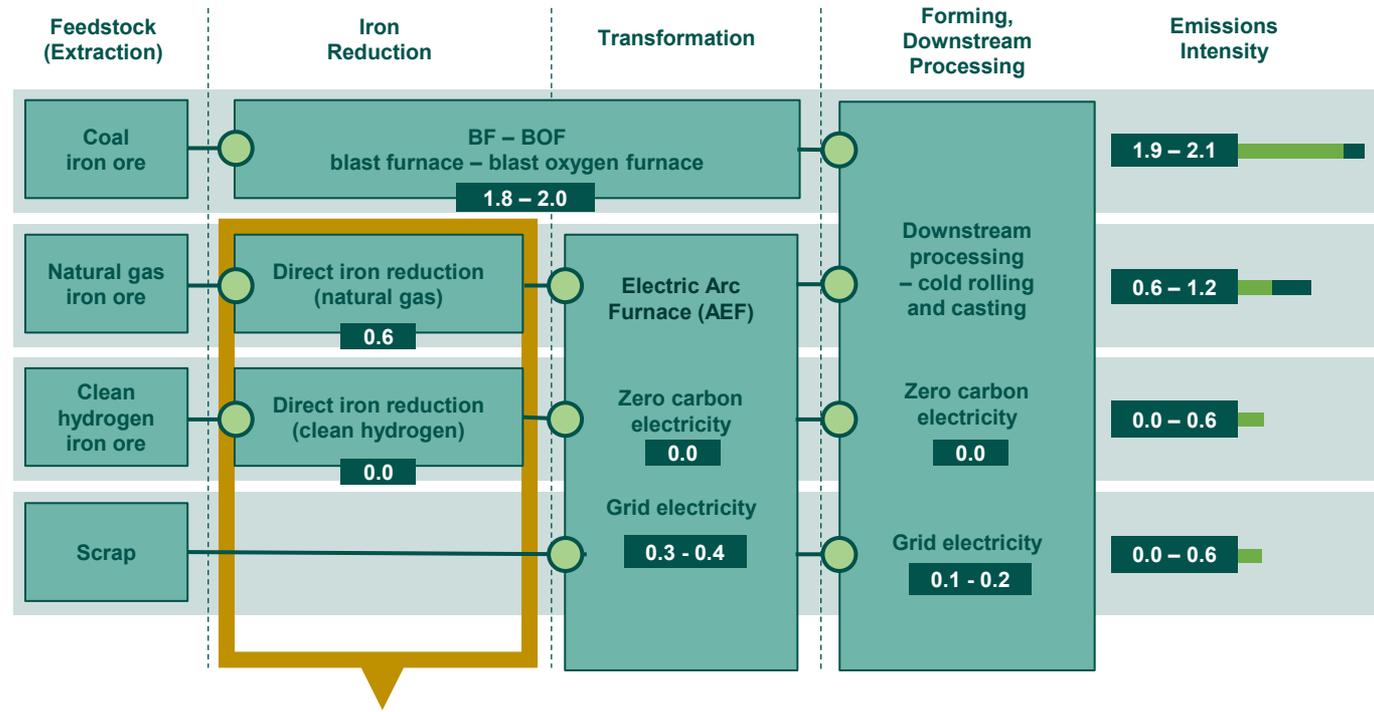
Decarbonisation of the Steel Industry

High grade iron ore is key for net zero

Magnetite is key for steel industry decarbonisation

- The global steel industry is responsible for ~7% of global carbon emissions
- High-grade iron ore allows mills to optimise the transformation process
- Demand for high-grade is likely to increase as steelmakers adapt to meet net zero goals

Schematic summary of possible steel manufacturing routes and associated emissions intensity (tnCO₂eq/tn steel)

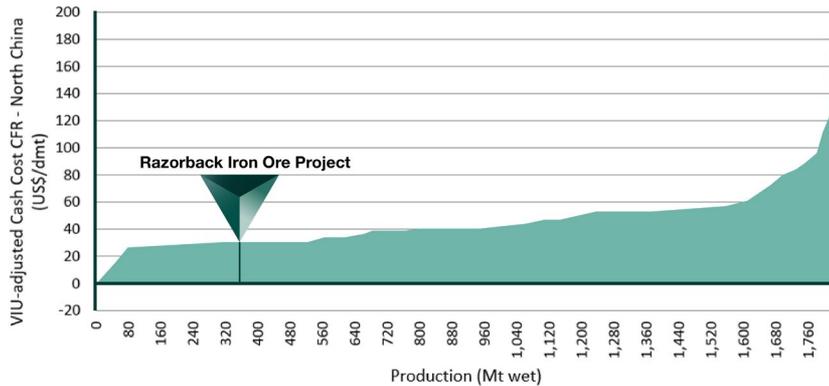


Direct Reduced Iron (DRI) requires high-grade, low-impurity iron ore feedstock.

First Quartile competitor on a value/margin basis

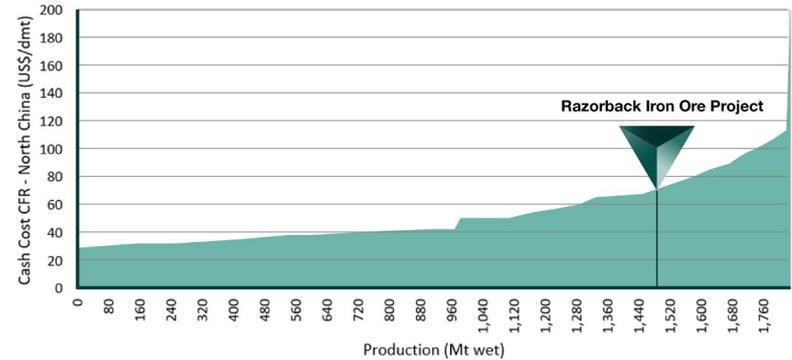
Competing on cost curve

**VIU-ADJUSTED TOTAL CASH COST CURVE
- CFR NORTH CHINA**



Source: Wood Mackenzie, Magnetite Mines

**TOTAL CASH COST CURVE
- CFR NORTH CHINA**

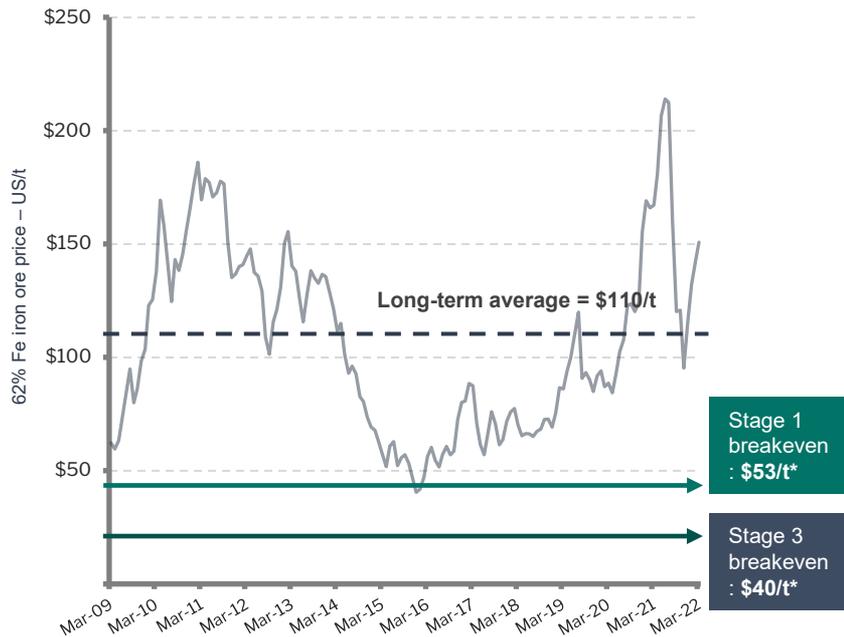


Source: Wood Mackenzie, Magnetite Mines

Wood MacKenzie's Value-In-Use (VIU) cost curve takes into account the premium or discount a product receives based on its grade and specification. Cash costs calculated in 2022 dollars.

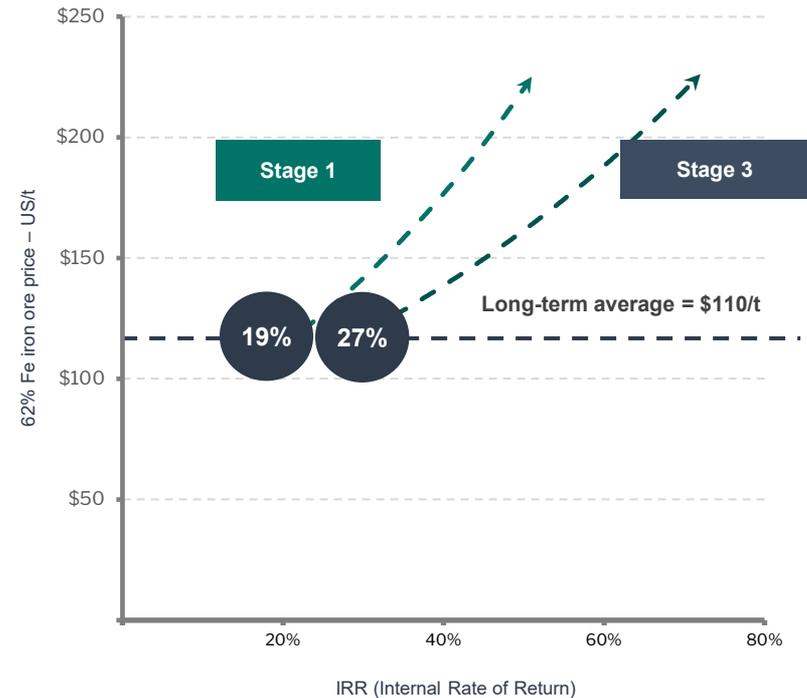
Significant Upside Potential

RAZORBACK IS ECONOMIC THROUGH THE CYCLE

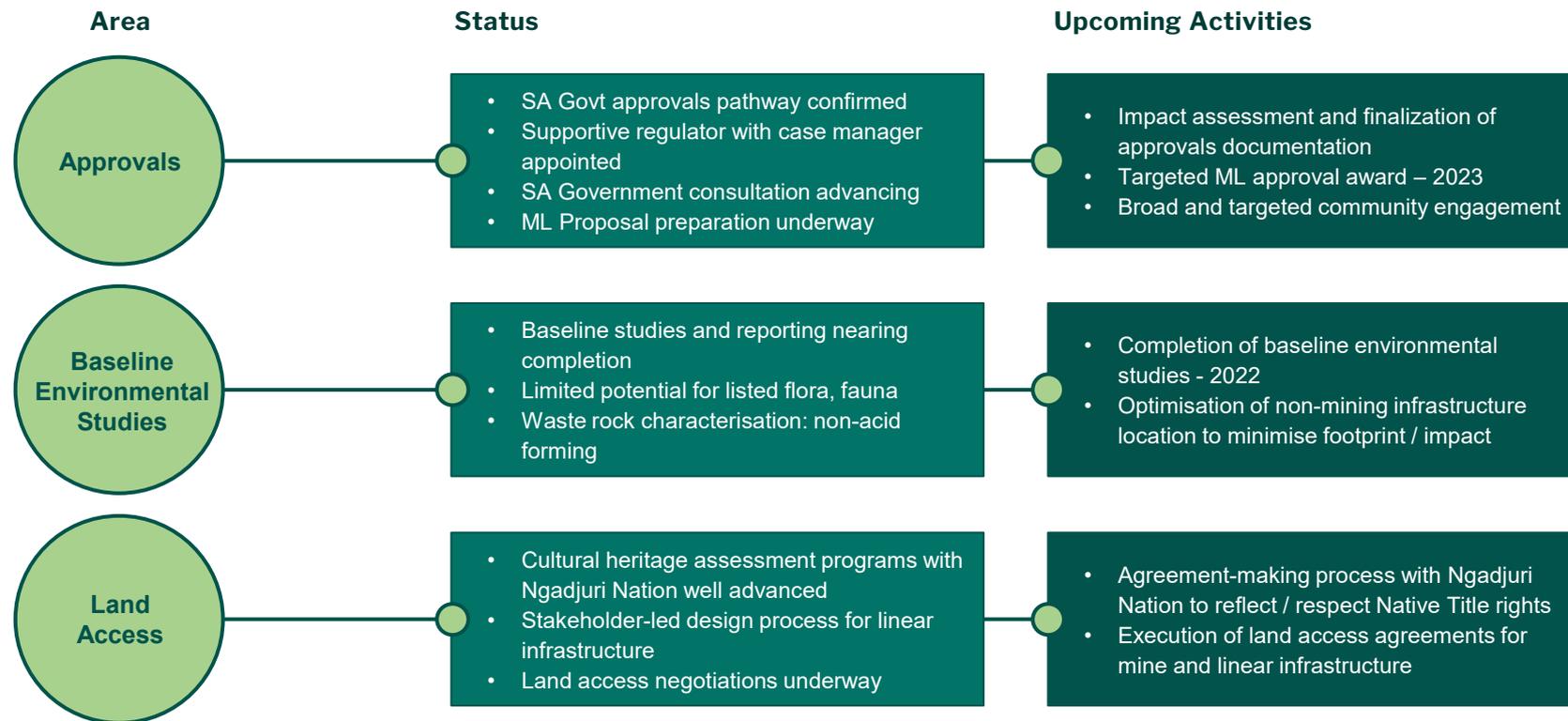


* All-in 62% Fe iron breakeven price is based on AUD:USD exchange rate of 0.71

SIGNIFICANT POTENTIAL UPSIDE TO IRR IN A RISING PRICE ENVIRONMENT



Stage 1 – PFS Plant Optimised
Stage 3 – Single-Step Expansion



Focus on ensuring social license

Built into project design, maximising benefits for stakeholders, minimising our environmental footprint.
 Building confidence through transparency and meaningful consultation.