



MAGNETITE MINES

High Grade Iron Ore Concentrate

Razorback High Grade Iron Ore

Premium Iron Ore

September 2021



Disclaimer



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ADDITIONAL INFORMATION

This presentation should be read in conjunction with the Annual Report at 30 June 2020 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 2020 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.

Company Strategy

Opening up the Braemar in stages

- Favourable business setting with growing iron ore demand, premiums for high grade products and limited new supply

- Large Razorback resource with world class infrastructure and favourable mining jurisdiction

- Low capital, long life development is fundable with high returns⁵

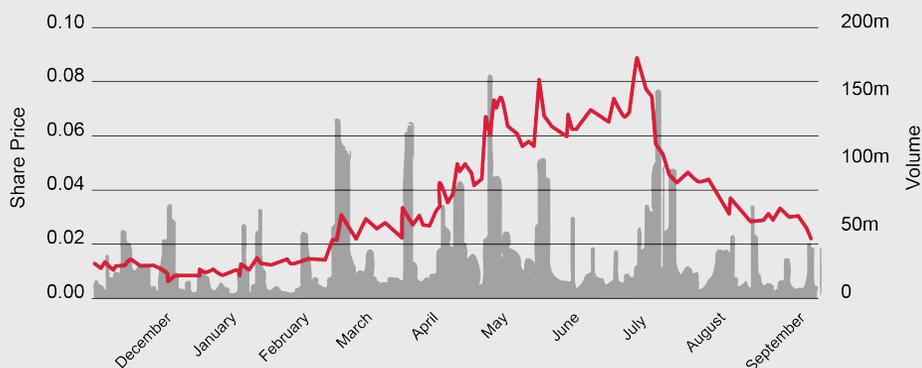
- Experienced team systematically assembling the building blocks for a sustainable and attractive business

SOUTH AUSTRALIA

Corporate Overview

CAPITAL STRUCTURE

SHARES	3,145M
UNLISTED OPTIONS	97.5 M (various – avg. \$0.03)
LISTED OPTIONS	296 M (\$0.05, 29/10/2021)
SHARE PRICE (21 SEP 2021)	A\$0.022
MARKET CAP (21 SEP 2021)	A\$69M
CASH (21 SEP 2021)	~\$15.3M



OTHER SHAREHOLDERS

TOP 20

BOARD AND MANAGEMENT

Peter Schubert EXECUTIVE CHAIRMAN & CEO

Peter was appointed Executive Chairman of Magnetite Mines on 3 Sep 2018. Peter has a track record of identifying, growing and developing businesses with a focus on the resources sector, with over 30 years of direct experience in international and domestic markets.

Stephen Weir

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

Most recently Stephen was Managing Director at RFC Ambrian where he provided corporate finance advice over a twenty year period to clients in the mining and energy sectors. 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).

Mark Eames

BA Metallurgy (Hons) MBA MAUSIMM
TECHNICAL DIRECTOR

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.



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Trevor Thomas

MEarthSci (Hons) MAIG, MAUSIMM
GENERAL MANAGER (GEOLOGY)

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.

Malcolm Randall

NON-EXECUTIVE DIRECTOR

Mr Malcolm Randall (Dip Applied Chem, FAICD) has more than 46 years' of extensive experience in corporate, management and marketing in the resources sector, including more than 25 years with the Rio Tinto group of companies. His experience has covered a diverse range of commodities including iron ore, potash brine, uranium, mineral sands and coal.



GHD
NON-PROCESS
INFRASTRUCTURE



Ecological Australia
ENVIRONMENTAL
CONSULTANT



Hatch
PROCESSING



Richard Harmsworth
GEOLOGY

Premium Grade is a Major Advantage

The Iron Ore Market



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CRU:

“Steelmakers need to adopt best practices that prioritise decarbonisation with existing assets. Some of these best practices include installation of energy efficient technology, optimisation of the blast furnace (BF) burden (e.g. with high-grade ore)”

<https://www.crugroup.com/knowledge-and-insights/insights/2021/decarbonisation-challenges-in-the-steelmaking-industry>

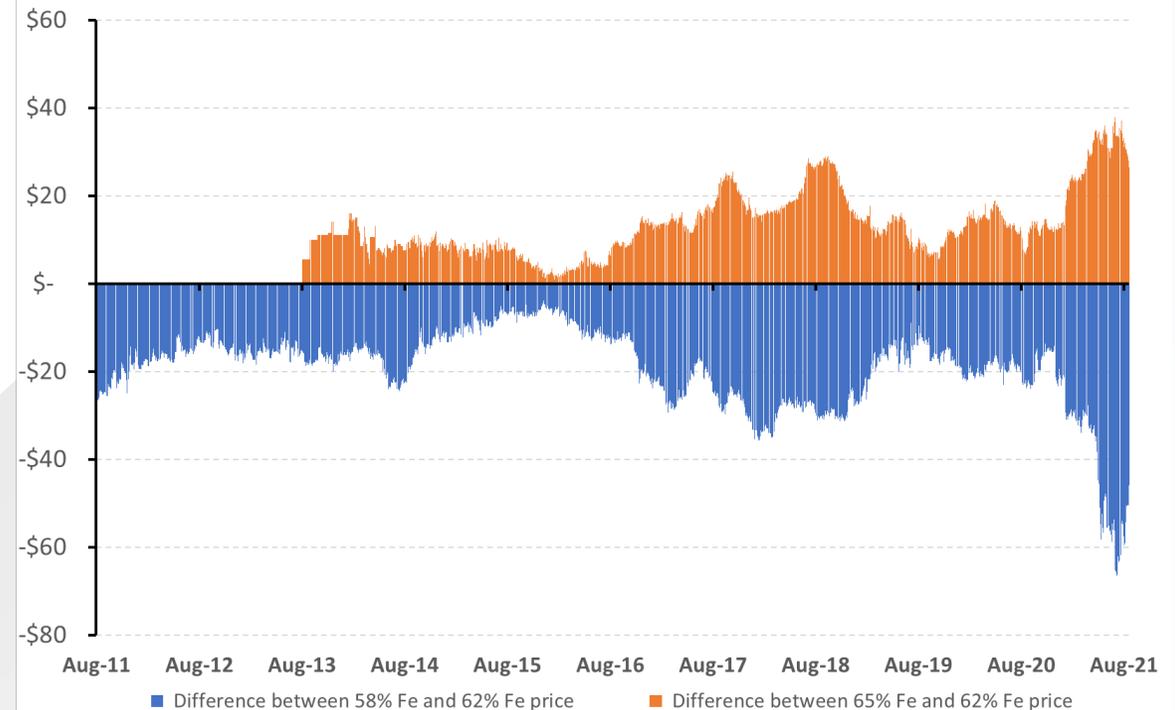


PETER HANNAH FASTMARKETS/METAL BULLETIN:

“To succeed in decarbonizing the global steelmaking industry there needs to be a greater recognition of how much the iron ore supply base needs to change. Vast volumes of existing production will need to be replaced by higher-grade supply, first to meaningfully reduce CO₂ emissions from the prevailing BF/BOF technology, and later to meet the demands of a DRI sector at least an order of magnitude larger than it is today”

<https://www.fastmarkets.com/article/3974510/iron-ores-critical-role-in-decarbonizing-steelmaking>

Iron Ore Premiums and Discounts



Favourable Location

LARGE, ACCESSIBLE MINERAL RESOURCES

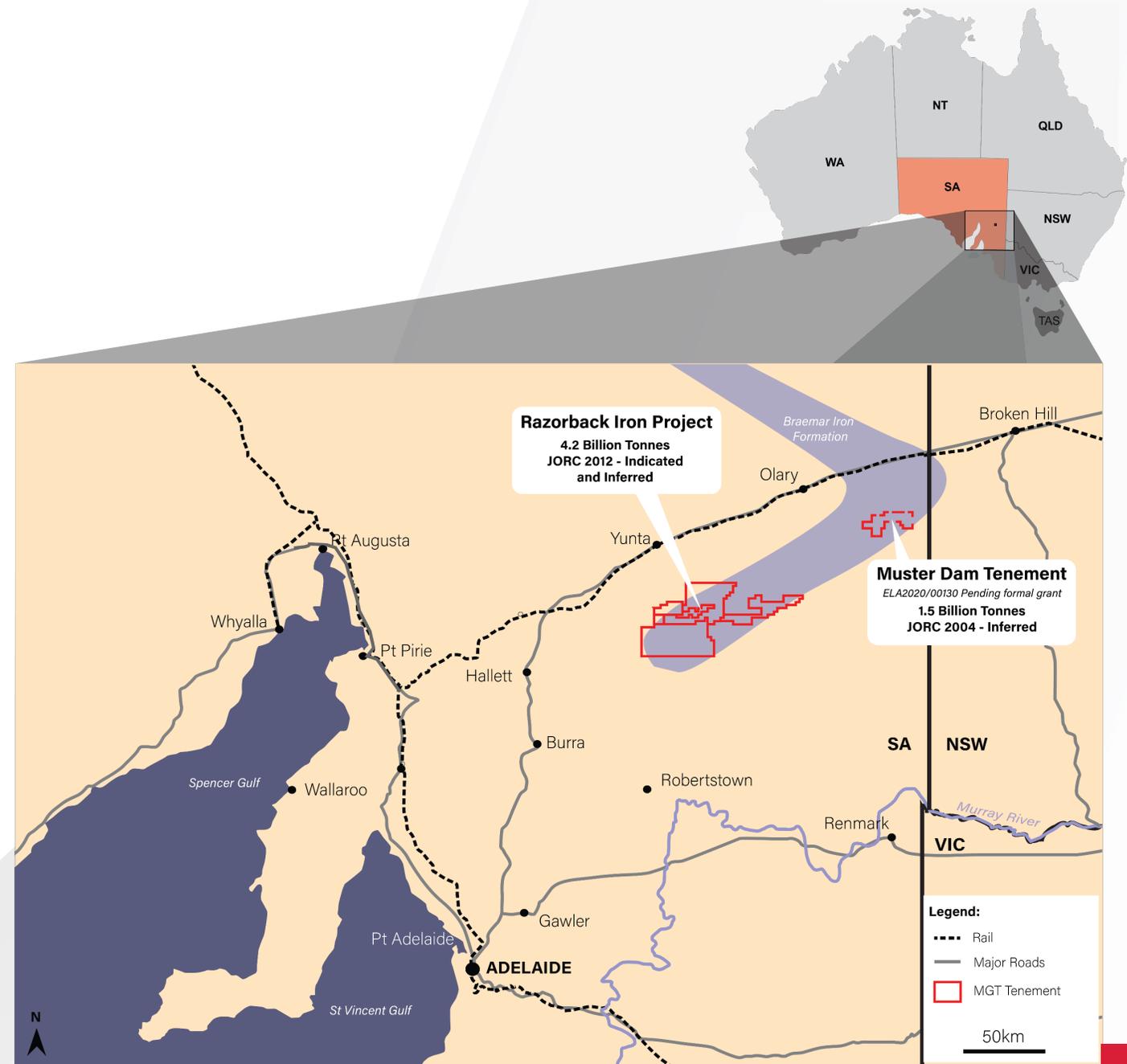
- Company Mineral Resources of 5.7Bt including Muster Dam^{1,2,3*}
- 240km to Adelaide from Razorback

ESTABLISHED INFRASTRUCTURE NEARBY

- Heavy freight open access rail
- High voltage powerlines connected to main Australian grid

FAVOURABLE REGION

- Supportive and stable government
- Low intensity pastoral country



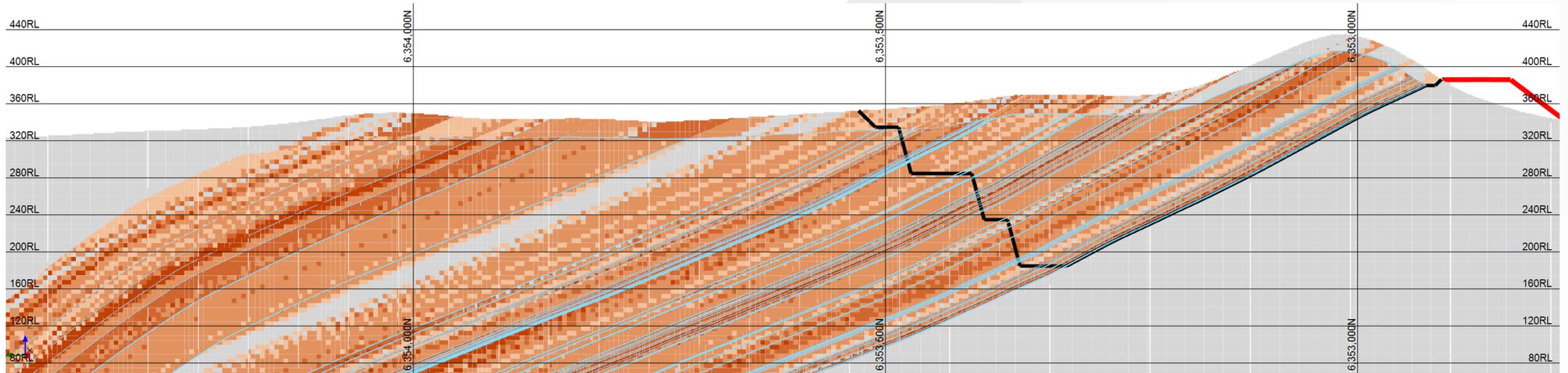
*The quoted total Mineral Resource estimate of 5.7 billion tonnes is inclusive of the Razorback Mineral Resource (3 billion tonnes at JORC 2012 Indicated and Inferred)¹, Ironback Hill Mineral Resource (1.2 billion tonnes at JORC 2012 Inferred)² and Muster Dam Iron Projects (1.5 billion tonnes at JORC 2004 Inferred)³. The exploration licence application (ELA2020/00133) for the Muster Dam Iron Project tenement was awarded to the Company by the SA Government on 24 February 2021 and is currently undergoing standard exploration licence grant processes prior to official exploration licence grant to the Company³. ⁴Probable Ore Reserves are a subset of ore classified at Indicated and included within the Razorback Iron Ore Project Mineral Resource estimate⁴

Simple Mining with Head Grade Upside



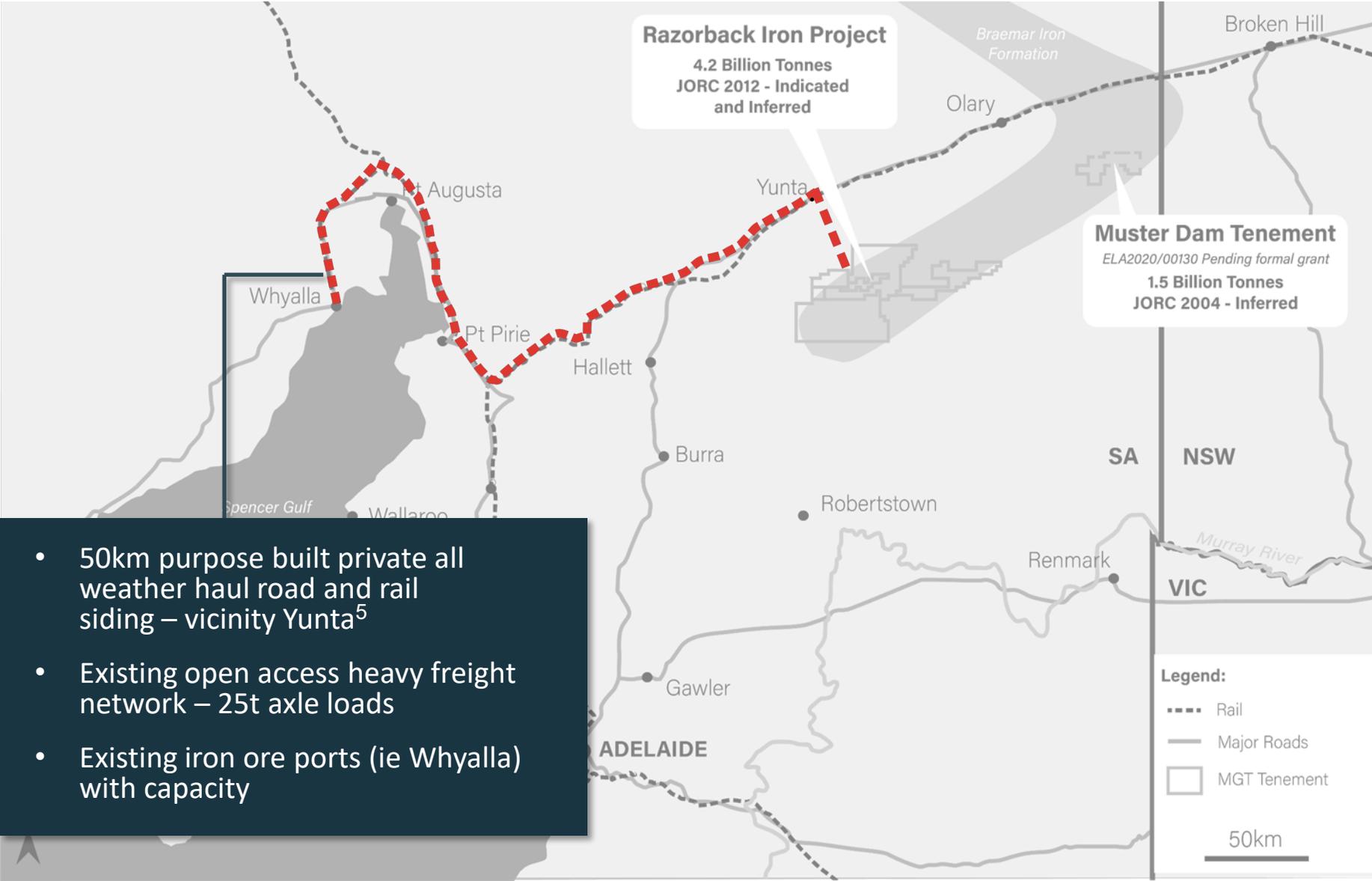
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- Ore mined from surface – minimal pre-strip⁵
- Ore haul for initial box cut all downhill, flat waste dumps
- Low PFS strip ratio of 0.16:1
- Grade uplift potential from selective mining and/or ore sorting
 - Lateral stratigraphic continuity
 - New geophysics regressions under investigation plus high resolution sampling and analysis



Existing Transport Infrastructure

Minimal Capital

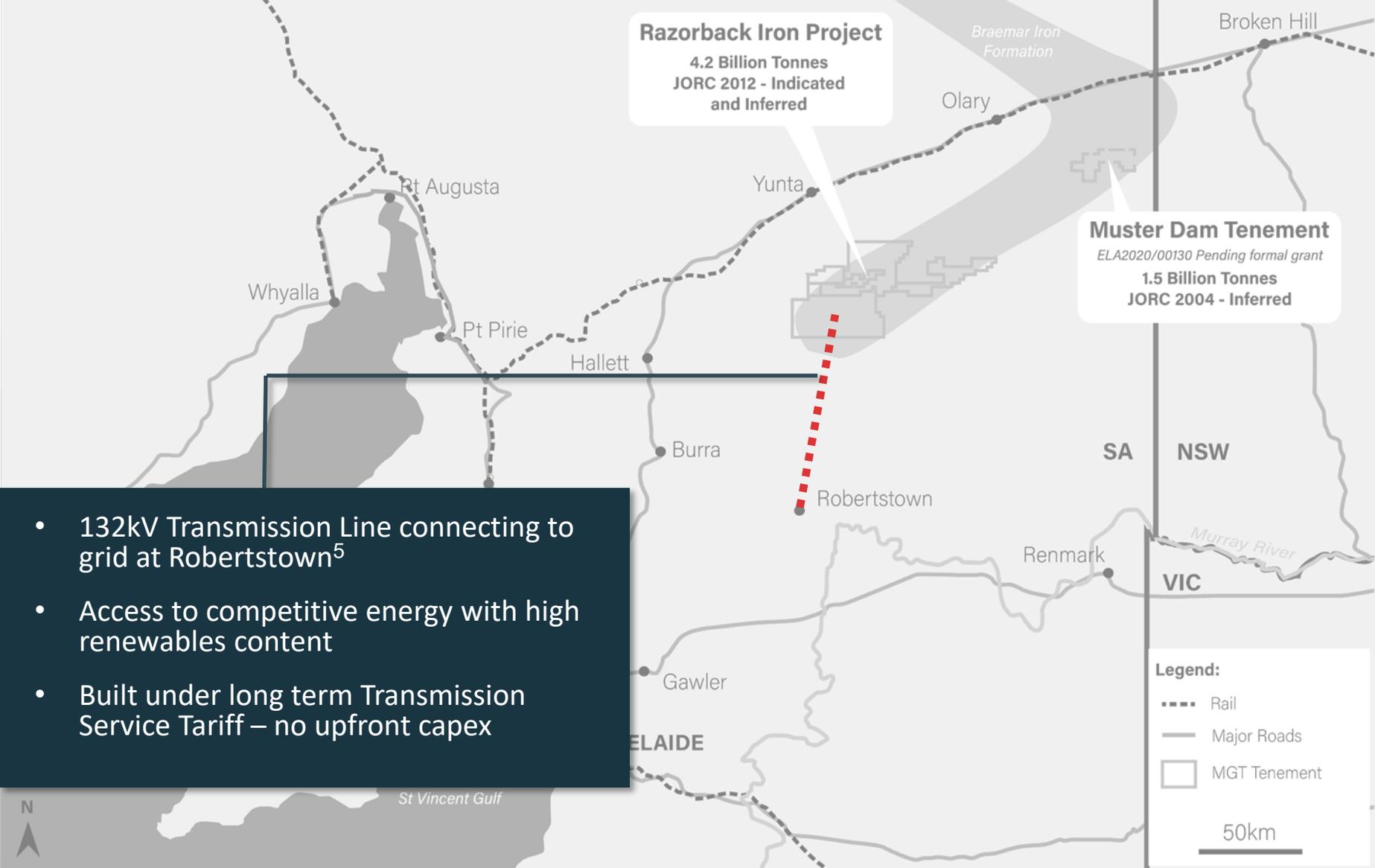


- 50km purpose built private all weather haul road and rail siding – vicinity Yunta⁵
- Existing open access heavy freight network – 25t axle loads
- Existing iron ore ports (ie Whyalla) with capacity

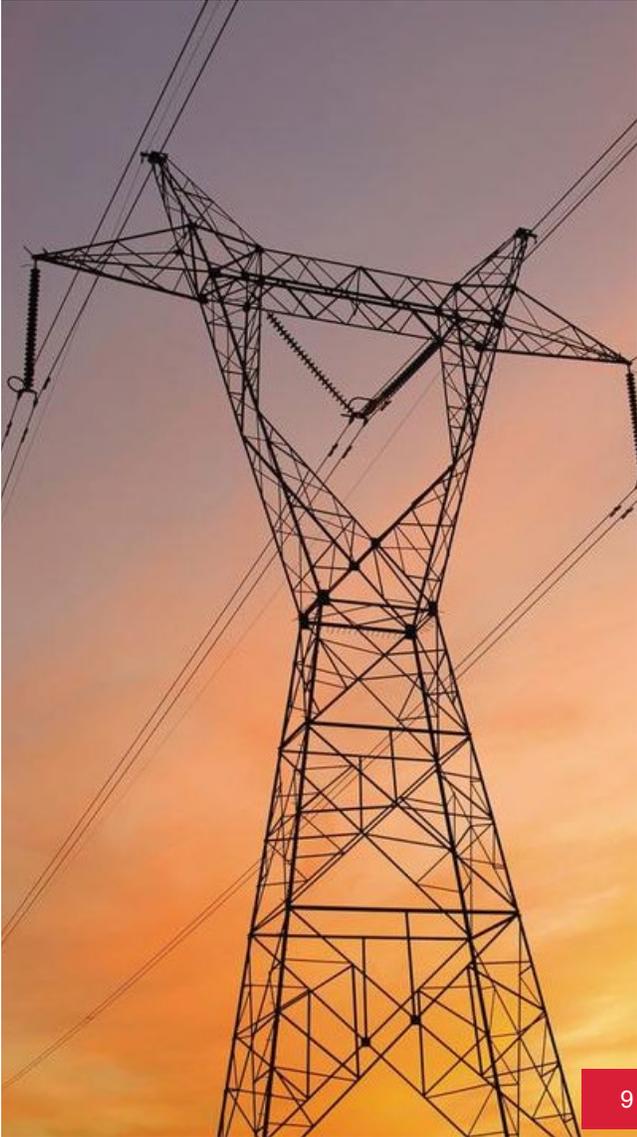


Existing Power Infrastructure

Minimal Capital



- 132kV Transmission Line connecting to grid at Robertstown⁵
- Access to competitive energy with high renewables content
- Built under long term Transmission Service Tariff – no upfront capex



Successful Razorback PFS

Focused on Development



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Razorback PFS confirmed long life initial development leveraging resource scale, low stripping ratio, available infrastructure, low-cost sustainable power and leading product quality ⁵

Scope optimised on 10 year average historical prices delivering practical scale, capital efficiency, attractive returns, high quality product and potential low emissions footprint

Selected go forward case based on 3Mt capacity of premium iron ore concentrate at 68% Fe

Key Financial and Production Metrics	Unit	Head Grade Improvement Case*	
Iron ore price (62% Fe)	US\$/t	110	150
LOM Ore mined (100% reserves)	Mt	472.7	472.7
LOM Concentrate produced	Mt	63.2	63.2
Strip ratio	t:t	0.16	0.16
Mining rate	Mtpa	25	25
Operation life	Years	23	23
Plant feed	Mtpa	15.5	15.5
LOM yield	%	18.2%	18.2%
Average product	Mtpa	2.7	2.7
Class of plant estimate	AACE	5	5
Capital estimate	A\$m	675	675
Average net cashflow (post tax)	A\$m	144.1	240.5
Post tax NPV	A\$m	700	1,576
Post tax IRR	%	20%	33%
All in breakeven 62% price	US\$/t	54	54
Payback	Years	4.6	2.3
Average net cashflow (post tax)	A\$m	144	241

*. Headgrade Improvement Case results are preliminary – to be confirmed in Definitive Feasibility Study

Unlocking the Braemar Large Resource, Long Life



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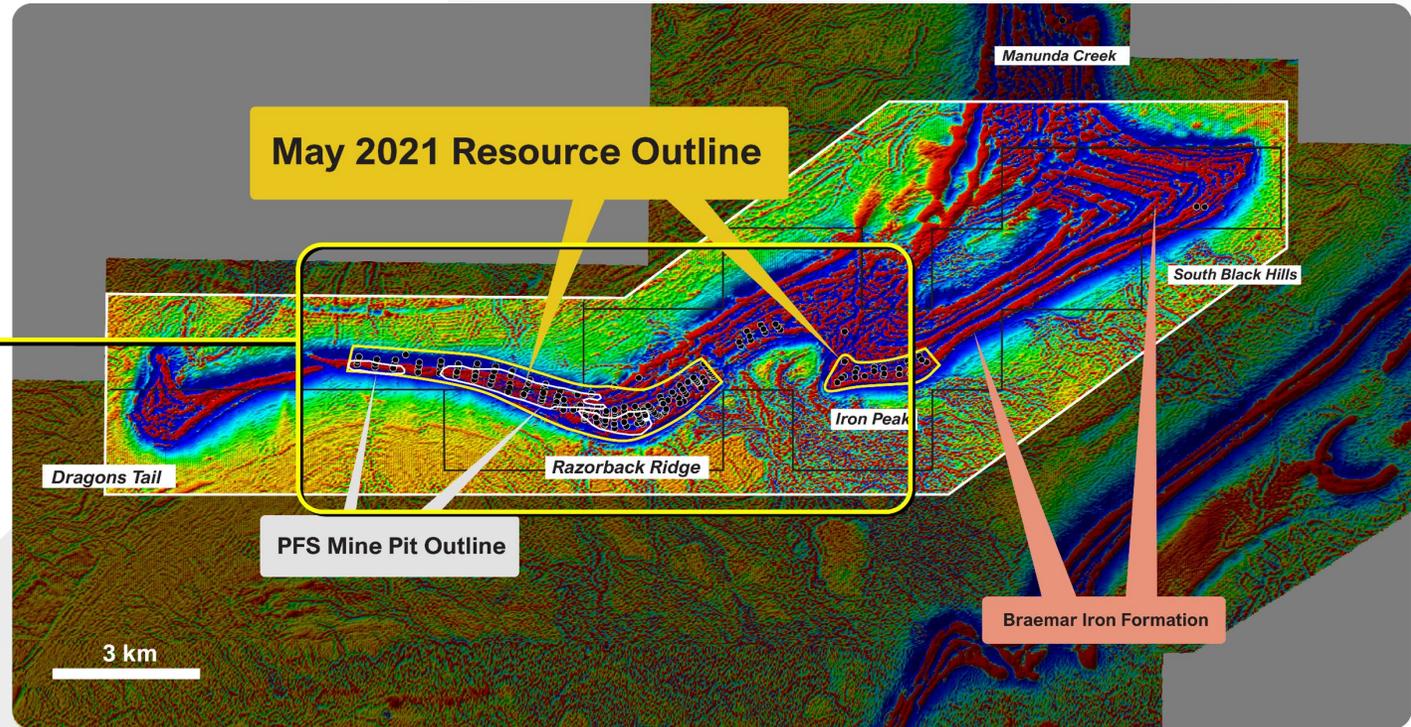
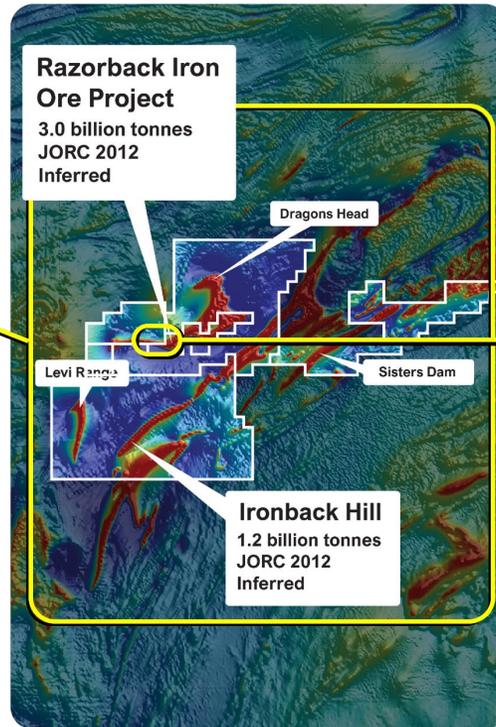
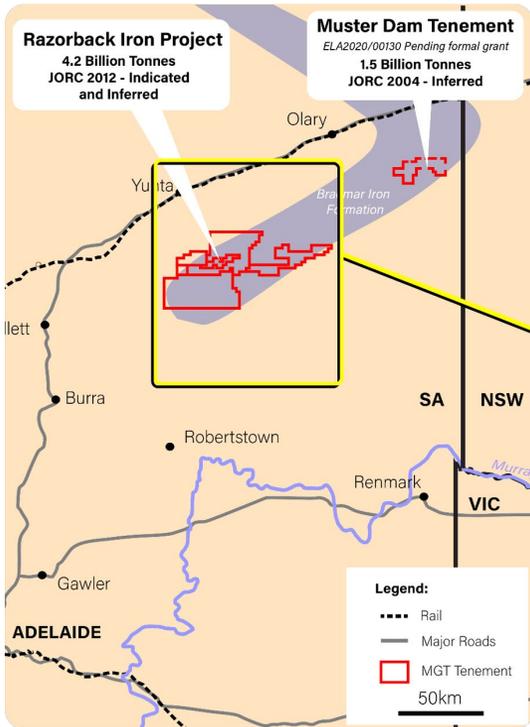
PFS RELIES ON ONLY

8%
of resource

4%
of Braemar
strike

0.3%
of tenure
area

	AREA (KM ²)	STRIKE (KM)	TONNES (MT)
TENURE ^{1,2,3}	1700	13	5700
RAZORBACK REGION ^{1,2}	1500	20	4200
RAZORBACK RESOURCE ¹	20	12	3000
PFS RESERVE ⁴	5	5	473

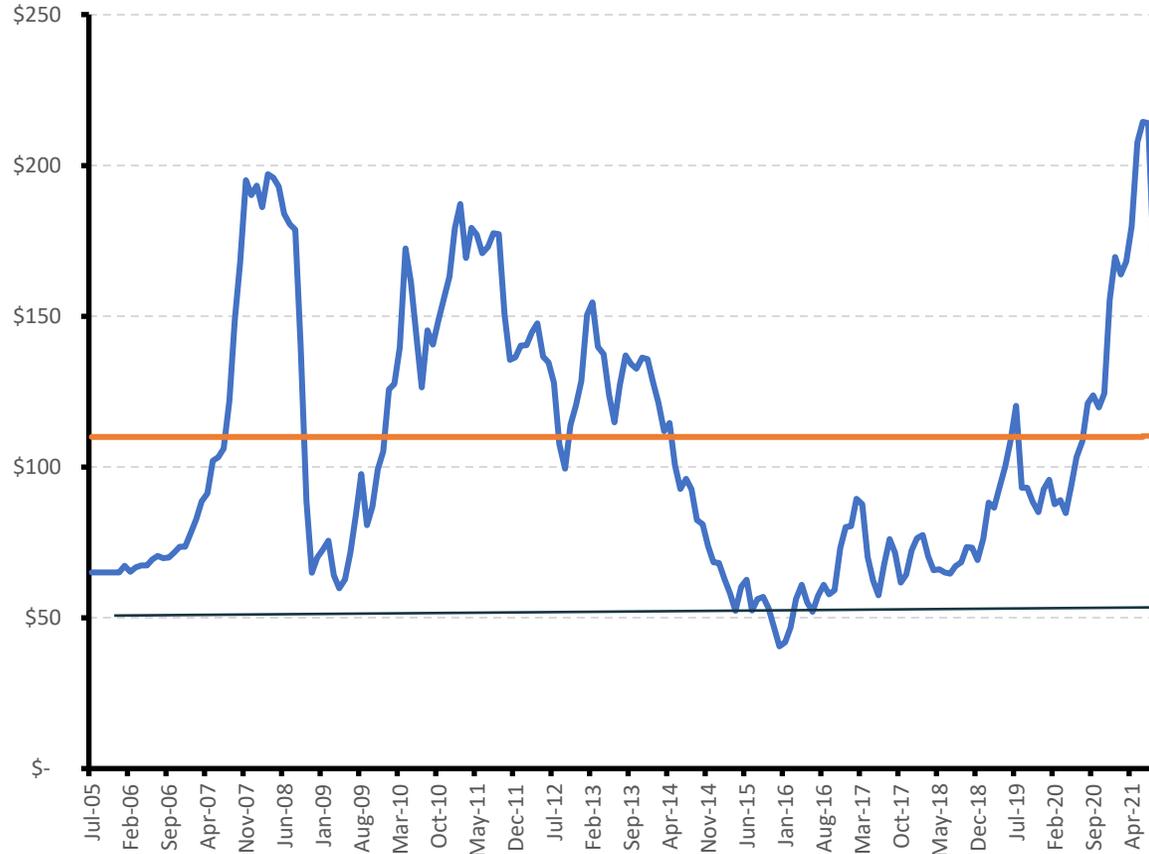


Robust Economics

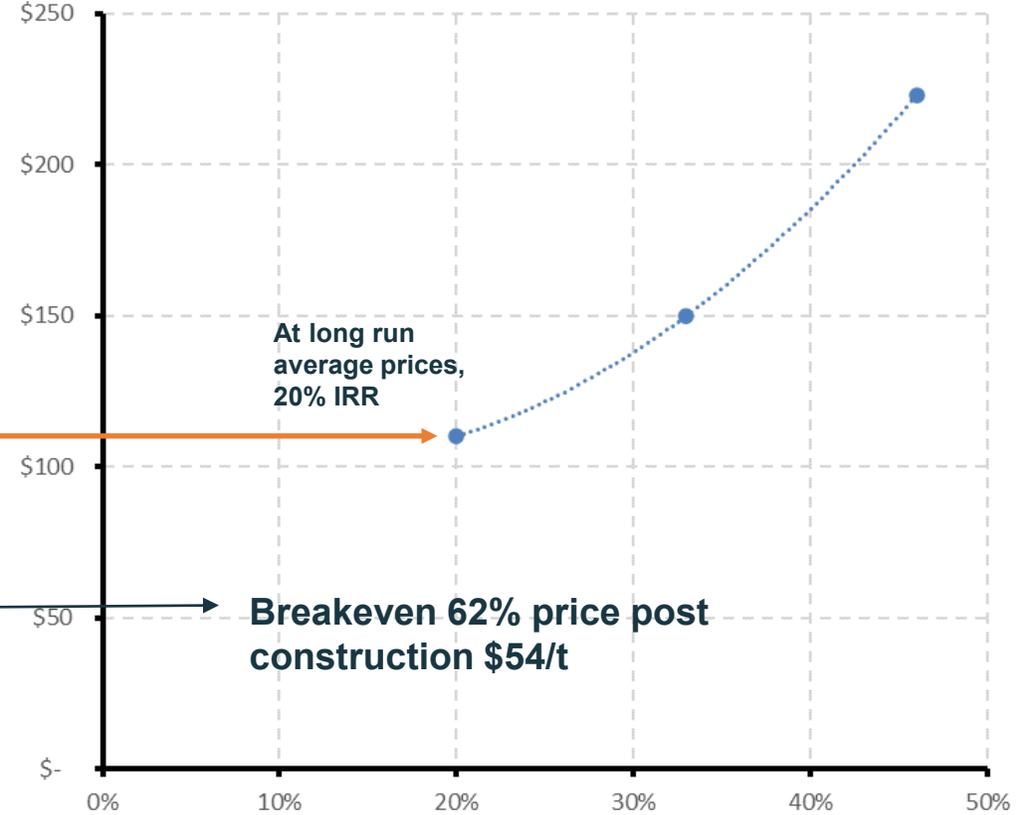


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Iron Ore prices, 62%, CFR



Price versus Razerback PFS IRR



Financing

Attractive Risk Profile for Lenders



Building strong ESG platform



Environmental Sustainability

- GHG accountability
- Maximising renewable component for Scope 1 and 2 emissions
- Minimising scope 3 emissions
- Water quality optionality
- Early site closure planning

- Sustainable power
- Sustainable co-use water supply under investigation



Social & Community Inclusion

- Free, prior and informed consent model – informed stakeholders and communities
- Local opportunities – service, supply
- Targeted employment

- Early First Nations involvement
- Inclusive approach



Accountable Governance

- Planned ESG framework and reporting system
- Shared capacity building for agreement-making with First Nations
- Supply chain verification

- MGT Compliance framework and Code of Conduct



People & Culture

- Teamwork
- Individual capacity building

- Safety and wellbeing focus
- Open culture

Opportunities

Early Action

Advancing Project Approvals and Access

Area	Status	Upcoming Activities
Approvals	SA Government approvals pathway confirmed, with supportive regulator (low jurisdictional risk). SA Government consultation underway	Preparation of approvals documentation Targeted approval award – 2023 Broad and targeted community engagement
Baseline Environmental Studies	Baseline environmental studies well progressed Limited potential for listed flora, fauna Characterisation of waste rock, tailings non-acid forming	Completion of baseline environmental studies - 2021/22 Optimisation of non-mining infrastructure location to minimise footprint / impact
Land Access	Early cultural heritage assessment programs commissioned with Ngadjuri Nation	Commencement of agreement-making process with Ngadjuri Nation to reflect / respect Native Title rights. Land access negotiations with landowners and lessees

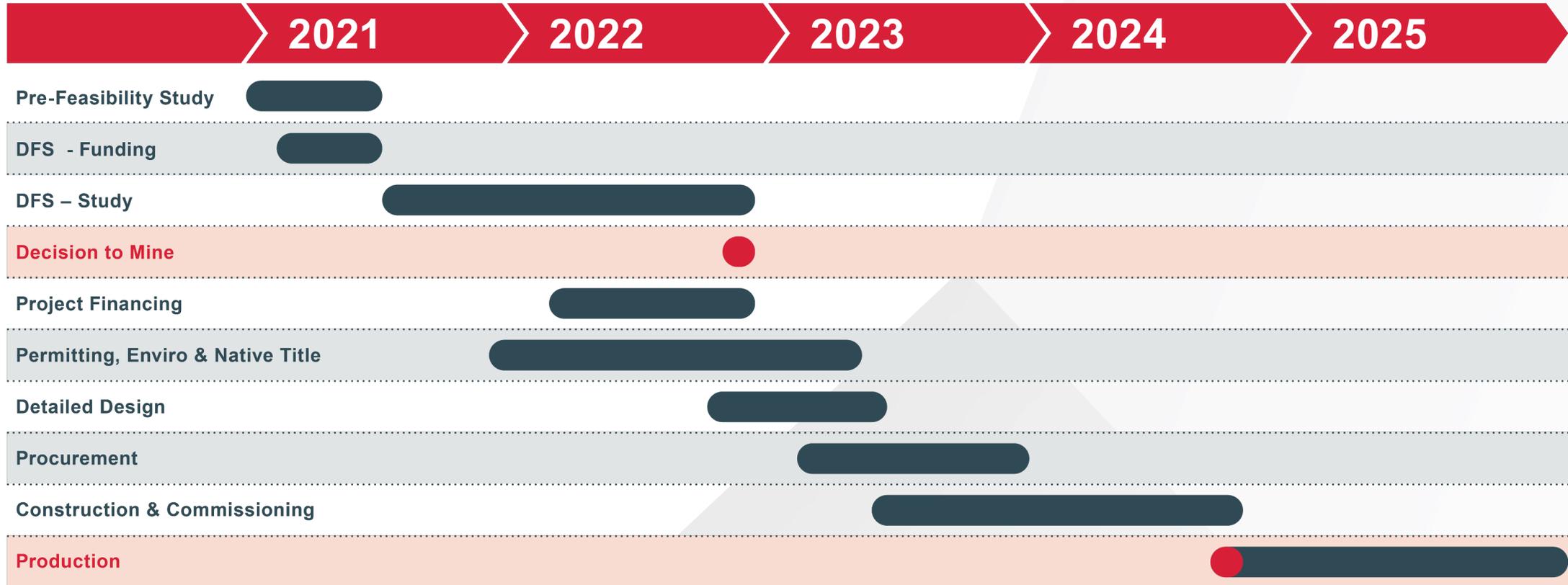
FOCUS ON ENSURING SOCIAL LICENSE

- Built into project design, government relations and community engagement
- Building confidence through open information and stakeholder consultation

Indicative Development Schedule ¹



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1. Schedule subject to review as part of DFS currently underway

Next Steps

Delivering Premium Iron Ore to high demand markets



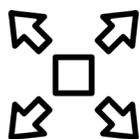
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Delivering Premium Iron Ore to high demand markets



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Long Life with Optionality

Large 5.7Bt resources with expansion potential^{1,2,3}



Low Initial Project Capital

Staged Razorback development with ESG advantages

- Mining/Strip – minimal stripping
- Power – East coast grid power
- Infrastructure – existing rail and port access
- Low emissions – renewable power and low emissions product



High Grade Product

68% Fe product⁵

- Higher than any of the routinely quoted iron ore indices



Delivering

First ore on ship planned for late 2024

- Jurisdiction – supportive government
- Team – extensive iron ore and project experience



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References



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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 – 13/09/16 - Metallurgical Update – Positive Results



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Mineral Resources & Ore Reserves



- May Razorback resource upgrade⁵ (JORC 2012) delivered 50% of total resource in the Indicated category

JORC Resources Classification	Million Tonnes (dry)	Mass Re (eDTR%)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%	Magnetite %
Indicated	1,494	15.6	18.5	47.9	8.0	0.18	5.4	15.0
Inferred	1,503	16.0	18.0	48.3	8.2	0.18	5.5	15.9
Total	2,998	15.8	18.2	48.1	8.1	0.18	5.5	15.5

Note: All figures quoted at an 11% eDTR cut-off category

- July 2021 Maiden Reserve of 473Mt⁶ with all mining based 100% on Reserves

JORC Reserves Classification	Million Tonnes (dry)	Mass Recovery	Tonnes concentrate (dry)
Probable	472.7	14.5	68.5

Note: Reserves are a subset of resources

- Further 2.7Bt resource at Ironback Hill and Muster Dam (in addition to Razorback resources)
 - The Ironback Hill prospect hosts a JORC (2012) Mineral Resource estimate of 1.2 billion tonnes at 23.2% Fe with no minimum Fe cut-off⁷
 - Muster Dam hosts a JORC (2004) Mineral Resource estimate of 1.5 billion tonnes