

## Appendix 3G

### Notification of issue, conversion or payment up of equity +securities

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

If you are an entity incorporated outside Australia and you are issuing a new class of +securities other than CDIs, you will need to obtain and provide an International Securities Identification Number (ISIN) for that class. Further information on the requirement for the notification of an ISIN is available from the Create Online Forms page. ASX is unable to create the new ISIN for non-Australian issuers.

\*Denotes minimum information required for first lodgement of this form, with exceptions provided in specific notes for certain questions. The balance of the information, where applicable, must be provided as soon as reasonably practicable by the entity.

#### Part 1 – Entity and announcement details

Question no	Question	Answer
1.1	*Name of entity <i>We (the entity here named) give notice of the issue, conversion or payment up of the following unquoted +securities.</i>	MAGNETITE MINES LIMITED
1.2	*Registration type and number <i>Please supply your ABN, ARSN, ARBN, ACN or another registration type and number (if you supply another registration type, please specify both the type of registration and the registration number).</i>	ABN 34 108 102 432
1.3	*ASX issuer code	MGT
1.4	*This announcement is <i>Tick whichever is applicable.</i>	<input checked="" type="checkbox"/> A new announcement <input type="checkbox"/> An update/amendment to a previous announcement <input type="checkbox"/> A cancellation of a previous announcement
1.4a	*Reason for update <i>Mandatory only if "Update" ticked in Q1.4 above. A reason must be provided for an update.</i>	Not applicable.
1.4b	*Date of previous announcement to this update <i>Mandatory only if "Update" ticked in Q1.4 above.</i>	Not applicable.
1.4c	*Reason for cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	Not applicable.
1.4d	*Date of previous announcement to this cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	Not applicable.
1.5	*Date of this announcement	19 March 2021.

Part 2 – Type of issue

Question No.	Question	Answer
2.1	<p>*The +securities the subject of this notification are:</p> <p><i>Select whichever item is applicable.</i></p> <p><i>If you wish to notify ASX of different types of issues of securities, please complete a separate Appendix 3G for each type of issue.</i></p>	<p><input type="checkbox"/> +securities issued as a result of options being exercised or other +convertible</p> <p><input type="checkbox"/> +securities being converted and that are not to be quoted on ASX</p> <p><input type="checkbox"/> partly paid +securities that have been fully paid up and that are not to be quoted on ASX</p> <p><input checked="" type="checkbox"/> +securities issued under an +employee incentive scheme that are not being immediately quoted on ASX</p> <p><input type="checkbox"/> other [please specify]</p> <p><i>If you have selected 'other' please provide the circumstances of the issue here:</i></p>
2.2a.1	<p>Please state the number and type of options that were exercised or other +convertible securities that were converted (including their ASX security code if available)?</p> <p><i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i></p>	Not applicable
2.2a.2	<p>And the date the options were exercised or other +convertible securities were converted:</p> <p><i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i></p> <p><i>Note: If this occurred over a range of dates, enter the date the last of the options was exercised or convertible securities was converted.</i></p>	Not applicable
2.2b.1	<p>Please state the number and type of partly paid +securities that were fully paid up (including their ASX +security code if available)?</p> <p><i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i></p>	Not applicable
2.2b.2	<p>And the date the +securities were fully paid up:</p> <p><i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i></p> <p><i>Note: If this occurred over a range of dates, enter the date the last of the securities was fully paid up.</i></p>	Not applicable

2.2c.1	<p>Please state the number and type of +securities (including their ASX security code) issued under an +employee incentive scheme that are not being immediately quoted on ASX</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	4,000,000									
2.2c.2	<p>*Please attach a document or provide details of a URL link for a document lodged with ASX detailing the terms of the +employee incentive scheme or a summary of the terms.</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	Find attached the Magnetite Mines Limited Option Incentive Plan approved by shareholders on 29 November 2019									
2.2c.3	<p>*Are any of these +securities being issued to +key management personnel (KMP) or an +associate</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	No									
2.2c.3.a	<p>*Provide details of the recipients and the number of +securities issued to each of them.</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX" and your response to Q2.2c.3 is "Yes". Repeat the detail in the table below for each KMP involved in the issue. If the securities are being issued to the KMP, repeat the name of the KMP or insert "Same" in "Name of registered holder". If the securities are being issued to an associate of a KMP, insert the name of the associate in "Name of registered holder".</i></p> <table border="1" data-bbox="338 1173 1364 1317"> <thead> <tr> <th data-bbox="338 1173 676 1223">Name of KMP</th> <th data-bbox="676 1173 1050 1223">Name of registered holder</th> <th data-bbox="1050 1173 1364 1223">Number of +securities</th> </tr> </thead> <tbody> <tr> <td data-bbox="338 1223 676 1272"></td> <td data-bbox="676 1223 1050 1272"></td> <td data-bbox="1050 1223 1364 1272"></td> </tr> <tr> <td data-bbox="338 1272 676 1317"></td> <td data-bbox="676 1272 1050 1317"></td> <td data-bbox="1050 1272 1364 1317"></td> </tr> </tbody> </table>		Name of KMP	Name of registered holder	Number of +securities						
Name of KMP	Name of registered holder	Number of +securities									
2.2d.1	<p>*The purpose(s) for which the entity is issuing the securities is:</p> <p><i>Answer this question if your response to Q2.1 is "Other".</i></p> <p><i>You may select one or more of the items in the list.</i></p>	<p><input type="checkbox"/> to raise additional working capital</p> <p><input type="checkbox"/> to fund the retirement of debt</p> <p><input type="checkbox"/> to pay for the acquisition of an asset [provide details below]</p> <p><input type="checkbox"/> to pay for services rendered [provide details below]</p> <p><input type="checkbox"/> other [provide details below]</p> <p><i>Additional details:</i></p>									
2.2d.2	<p>Please provide any further information needed to understand the circumstances in which you are notifying the issue of these +securities to ASX, including why the issue of the +securities has not been previously announced to the market in an Appendix 3B</p> <p><i>Answer this question if your response to Q2.1 is "Other".</i></p>	The grant of incentive options to eligible Employees in accordance with the Magnetite Mines Limited Option Incentive Plan approved by shareholders on 29 November 2019									

2.3	<p>*The +securities being issued are: <i>Tick whichever is applicable</i></p>	<p><input type="checkbox"/> Additional +securities in an existing unquoted class that is already recorded by ASX ("existing class")</p> <p><input checked="" type="checkbox"/> New +securities in an unquoted class that is not yet recorded by ASX ("new class")</p>
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### Part 3A – number and type of +securities being issued (existing class)

Answer the questions in this part if your response to Q2.3 is "existing class".

Question No.	Question	Answer
3A.1	*ASX +security code & description	Not applicable
3A.2	*Number of +securities being issued	Not applicable
3A.3a	*Will the +securities being issued rank equally in all respects from their issue date with the existing issued +securities in that class?	Not applicable
3A.3b	<p>*Is the actual date from which the +securities will rank equally (non-ranking end date) known?</p> <p><i>Answer this question if your response to Q3A.3a is "No".</i></p>	Not applicable
3A.3c	<p>*Provide the actual non-ranking end date</p> <p><i>Answer this question if your response to Q3A.3a is "No" and your response to Q3A.3b is "Yes".</i></p>	Not applicable
3A.3d	<p>*Provide the estimated non-ranking end period</p> <p><i>Answer this question if your response to Q3A.3a is "No" and your response to Q3A.3b is "No".</i></p>	Not applicable
3A.3e	<p>*Please state the extent to which the +securities do not rank equally:</p> <ul style="list-style-type: none"> <li>• in relation to the next dividend, distribution or interest payment; or</li> <li>• for any other reason</li> </ul> <p><i>Answer this question if your response to Q3A.3a is "No".</i></p> <p><i>For example, the securities may not rank at all, or on a pro rata basis for the next dividend, distribution or interest payment; or the securities may not rank at all or on a pro rata basis or be entitled to participate in some other event, such as an entitlement issue.</i></p>	Not applicable

### Part 3B – number and type of +securities being issued (new class)

Answer the questions in this part if your response to Q2.3 is "new class".

Question No.	Question	Answer
3B.1	*Security description	Unquoted options exercisable at \$0.047 each and expiring 17 March 2024

3B.2	<p><b>*Security type</b> <i>Select one item from the list</i> <i>Please select the most appropriate security type from the list. This will determine more detailed questions to be asked about the security later in this section. Select "ordinary fully or partly paid shares/units" for stapled securities or CDIs. For interest rate securities, please select the appropriate choice from either "Convertible debt securities" or "Non-convertible debt securities". Select "Other" for performance shares/units and performance options/rights or if the selections available in the list do not appropriately describe the security being issued.</i></p>	<p><input type="checkbox"/> Ordinary fully or partly paid shares/units <input checked="" type="checkbox"/> Options <input type="checkbox"/> +Convertible debt securities <input type="checkbox"/> Non-convertible +debt securities <input type="checkbox"/> Redeemable preference shares/units <input type="checkbox"/> Other</p>
3B.3	<p><b>ISIN code</b> <i>Answer this question if you are an entity incorporated outside Australia and you are issuing a new class of securities other than CDIs. See also the note at the top of this form.</i></p>	Not applicable.
3B.4	<p><b>*Number of +securities being issued</b></p>	4,000,000
3B.5a	<p><b>*Will all the +securities issued in this class rank equally in all respects from the issue date?</b></p>	No
3B.5b	<p><b>*Is the actual date from which the +securities will rank equally (non-ranking end date) known?</b> <i>Answer this question if your response to Q3B.5a is "No".</i></p>	No
3B.5c	<p><b>*Provide the actual non-ranking end date</b> <i>Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "Yes".</i></p>	Not applicable.
3B.5d	<p><b>*Provide the estimated non-ranking end period</b> <i>Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "No".</i></p>	On exercise of options
3B.5e	<p><b>*Please state the extent to which the +securities do not rank equally:</b></p> <ul style="list-style-type: none"> <li>• in relation to the next dividend, distribution or interest payment; or</li> <li>• for any other reason</li> </ul> <p><i>Answer this question if your response to Q3B.5a is "No".</i> <i>For example, the +securities may not rank at all, or on a pro rata basis for the next dividend, distribution or interest payment; or the +securities may not rank at all or on a pro rata basis or be entitled to participate in some other event, such as an entitlement issue.</i></p>	Shares issued on exercise of the options will rank equally with the Company's existing fully paid ordinary shares
3B.6	<p><b>Please attach a document or provide a URL link for a document lodged with ASX setting out the material terms of the +securities being issued</b> <i>You may cross reference a disclosure document, PDS, information memorandum, investor presentation or other announcement with this information provided it has been released to the ASX Market Announcements Platform.</i></p>	Find attached the terms and conditions of the options issued to eligible employees

3B.7	<p>*Have you received confirmation from ASX that the terms of the +securities are appropriate and equitable under listing rule 6.1?</p> <p><i>Answer this question only if you are an ASX Listing. (ASX Foreign Exempt Listings and ASX Debt Listings do not have to answer this question).</i></p> <p><i>If your response is "No" and the securities have any unusual terms, you should approach ASX as soon as possible for confirmation under listing rule 6.1 that the terms are appropriate and equitable.</i></p>	No
3B.8a	<p><b>Ordinary fully or partly paid shares/units details</b></p> <p><i>Answer the questions in this section if you selected this security type in your response to Question 3B.2.</i></p>	
	<p>*+Security currency</p> <p><i>This is the currency in which the face amount of an issue is denominated. It will also typically be the currency in which distributions are declared.</i></p>	Not applicable
	<p>*Will there be CDIs issued over the +securities?</p>	Not applicable
	<p>*CDI ratio</p> <p><i>Answer this question if you answered "Yes" to the previous question. This is the ratio at which CDIs can be transmuted into the underlying security (e.g. 4:1 means 4 CDIs represent 1 underlying security whereas 1:4 means 1 CDI represents 4 underlying securities).</i></p>	Not applicable
	<p>*Is it a partly paid class of +security?</p>	Not applicable
	<p>*Paid up amount: unpaid amount</p> <p><i>Answer this question if answered "Yes" to the previous question.</i></p> <p><i>The paid up amount represents the amount of application money and/or calls which have been paid on any security considered 'partly paid'</i></p> <p><i>The unpaid amount represents the unpaid or yet to be called amount on any security considered 'partly paid'.</i></p> <p><i>The amounts should be provided per the security currency (e.g. if the security currency is AUD, then the paid up and unpaid amount per security in AUD).</i></p>	Not applicable
	<p>*Is it a stapled +security?</p> <p><i>This is a security class that comprises a number of ordinary shares and/or ordinary units issued by separate entities that are stapled together for the purposes of trading.</i></p>	Not applicable
3B.8b	<p><b>Option details</b></p> <p><i>Answer the questions in this section if you selected this security type in your response to Question 3B.2.</i></p>	
	<p>*+Security currency</p> <p><i>This is the currency in which the exercise price is payable.</i></p>	AUD – Australian dollars
	<p>*Exercise price</p> <p><i>The price at which each option can be exercised and convert into the underlying security. If there is no exercise price please answer as \$0.00.</i></p> <p><i>The exercise price should be provided per the security currency (i.e. if the security currency is AUD, the exercise price should be expressed in AUD).</i></p>	\$0.047 per option
	<p>*Expiry date</p> <p><i>The date on which the options expire or terminate.</i></p>	17 March 2024

	<p>*Details of the number and type of +security (including its ASX +security code if the +security is quoted on or recorded by ASX) that will be issued if an option is exercised</p> <p><i>For example, if the option can be exercised to receive one fully paid ordinary share with ASX security code ABC, please insert "One fully paid ordinary share (ASX:ABC)".</i></p>	One fully paid ordinary share (ASX: MGT)
3B.8c	<p><b>Details of non-convertible +debt securities, +convertible debt securities, or redeemable preference shares/units</b></p> <p><i>Answer the questions in this section if you selected one of these security types in your response to Question 3B.2.</i></p> <p><i>Refer to Guidance Note 34 and the "Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities" for further information on certain terms used in this section</i></p>	
	<p>*Type of +security</p> <p><i>Select one item from the list</i></p>	<input type="checkbox"/> Simple corporate bond <input type="checkbox"/> Non-convertible note or bond <input type="checkbox"/> Convertible note or bond <input type="checkbox"/> Preference share/unit <input type="checkbox"/> Capital note <input type="checkbox"/> Hybrid security <input type="checkbox"/> Other
	<p>*+Security currency</p> <p><i>This is the currency in which the face value of the security is denominated. It will also typically be the currency in which interest or distributions are paid.</i></p>	
	<p>Face value</p> <p><i>This is the principal amount of each security.</i></p> <p><i>The face value should be provided per the security currency (i.e. if security currency is AUD, then the face value per security in AUD).</i></p>	
	<p>*Interest rate type</p> <p><i>Select one item from the list</i></p> <p><i>Select the appropriate interest rate type per the terms of the security. Definitions for each type are provided in the Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities</i></p>	<input type="checkbox"/> Fixed rate <input type="checkbox"/> Floating rate <input type="checkbox"/> Indexed rate <input type="checkbox"/> Variable rate <input type="checkbox"/> Zero coupon/no interest <input type="checkbox"/> Other
	<p>Frequency of coupon/interest payments per year</p> <p><i>Select one item from the list.</i></p>	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annual <input type="checkbox"/> Annual <input type="checkbox"/> No coupon/interest payments <input type="checkbox"/> Other
	<p>First interest payment date</p> <p><i>A response is not required if you have selected "No coupon/interest payments" in response to the question above on the frequency of coupon/interest payments</i></p>	
	<p>Interest rate per annum</p> <p><i>Answer this question if the interest rate type is fixed.</i></p>	% p.a.

	<p>*Is the interest rate per annum estimated at this time? <i>Answer this question if the interest rate type is fixed.</i></p>	Yes or No
	<p>If the interest rate per annum is estimated, then what is the date for this information to be announced to the market (if known) <i>Answer this question if the interest rate type is fixed and your response to the previous question is "Yes". Answer "Unknown" if the date is not known at this time.</i></p>	
	<p>*Does the interest rate include a reference rate, base rate or market rate (e.g. BBSW or CPI)? <i>Answer this question if the interest rate type is floating or indexed</i></p>	Yes or No
	<p>*What is the reference rate, base rate or market rate? <i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes".</i></p>	
	<p>*Does the interest rate include a margin above the reference rate, base rate or market rate? <i>Answer this question if the interest rate type is floating or indexed.</i></p>	Yes or No
	<p>*What is the margin above the reference rate, base rate or market rate (expressed as a percent per annum) <i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes".</i></p>	% p.a.
	<p>*Is the margin estimated at this time? <i>Answer this question if the interest rate type is floating or indexed.</i></p>	Yes or No
	<p>If the margin is estimated, then what is the date for this information to be announced to the market (if known) <i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes". Answer "Unknown" if the date is not known at this time.</i></p>	
	<p>*S128F of the Income Tax Assessment Act status applicable to the +security <i>Select one item from the list</i> <i>For financial products which are likely to give rise to a payment to which s128F of the Income Tax Assessment Act applies, ASX requests issuers to confirm the s128F status of the security:</i></p> <ul style="list-style-type: none"> <li>• "s128F exempt" means interest payments are not taxable to non-residents;</li> <li>• "Not s128F exempt" means interest payments are taxable to non-residents;</li> <li>• "s128F exemption status unknown" means the issuer is unable to advise the status;</li> <li>• "Not applicable" means s128F is not applicable to this security</li> </ul>	<input type="checkbox"/> s128F exempt <input type="checkbox"/> Not s128F exempt <input type="checkbox"/> s128F exemption status unknown <input type="checkbox"/> Not applicable

	*Is the +security perpetual (i.e. no maturity date)?	Yes or No
	*Maturity date <i>Answer this question if the security is not perpetual</i>	
	*Select other features applicable to the +security <i>Up to 4 features can be selected. Further information is available in the Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities.</i>	<input type="checkbox"/> Simple <input type="checkbox"/> Subordinated <input type="checkbox"/> Secured <input type="checkbox"/> Converting <input type="checkbox"/> Convertible <input type="checkbox"/> Transformable <input type="checkbox"/> Exchangeable <input type="checkbox"/> Cumulative <input type="checkbox"/> Non-Cumulative <input type="checkbox"/> Redeemable <input type="checkbox"/> Extendable <input type="checkbox"/> Reset <input type="checkbox"/> Step-Down <input type="checkbox"/> Step-Up <input type="checkbox"/> Stapled <input type="checkbox"/> None of the above
	*Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?	Yes or No
	*If yes, what is the first trigger date <i>Answer this question if your response to the previous question is "Yes".</i>	
	Details of the number and type of +security (including its ASX +security code if the +security is quoted on ASX) that will be issued if the securities to be quoted are converted, transformed or exchanged <i>Answer this question if the security features include "converting", "convertible", "transformable" or "exchangeable".</i> <i>For example, if the security can be converted into 1,000 fully paid ordinary shares with ASX security code ABC, please insert "1,000 fully paid ordinary share (ASX:ABC)".</i>	

## Part 4 – Issue details

Question No.	Question	Answer
4.1	*Have the +securities been issued yet?	Yes.
4.1a	*What was their date of issue? <i>Answer this question if your response to Q4.1 is "Yes".</i>	18 March 2021
4.1b	*What is their proposed date of issue? <i>Answer this question if your response to Q4.1 is "No".</i>	Not applicable.

4.2	<p>*Are the +securities being issued for a cash consideration? <i>If the securities are being issued for nil cash consideration, answer this question "No".</i></p>	No, the options were issued for no consideration
4.2a	<p>*In what currency is the cash consideration being paid <i>For example, if the consideration is being paid in Australian Dollars, state AUD. Answer this question if your response to Q4.2 is "Yes".</i></p>	Not applicable
4.2b	<p>*What is the issue price per +security <i>Answer this question if your response to Q4.2 is "Yes" and by reference to the issue currency provided in your response to Q4.2a. Note: you cannot enter a nil amount here. If the securities are being issued for nil cash consideration, answer Q4.2 as "No" and complete Q4.2c.</i></p>	Not applicable
4.2c	<p>Please describe the consideration being provided for the +securities <i>Answer this question if your response to Q4.2 is "No".</i></p>	The options were issued for no consideration

Part 5 – Unquoted +securities on issue

Following the issue of the +securities the subject of this application, the unquoted issued +securities of the entity will comprise:

*Note: the figures provided in the table in section 5.1 below are used to calculate part of the total market capitalisation of the entity published by ASX from time to time. Please make sure you include in the table each class of unquoted securities issued by the entity.*

*Restricted securities should be included in table 5.1.*

5.1	*ASX +security code and description	*Total number of +securities on issue
	Options expiring 26 April 2021 exercisable at \$0.02	3,000,000
	Options expiring 24 August 2021 exercisable at \$0.045	1,000,000
	Options expiring 7 September 2021 exercisable at \$0.025	3,000,000
	Options expiring 30 November 2021 exercisable at \$0.02	10,000,000
	Options expiring 5 December 2021 exercisable at \$0.10	5,000,000
	Options expiring 18 March 2022 exercisable at \$0.015	6,500,000
	Options expiring 5 June 2022 exercisable at \$0.04	3,000,000
	Options expiring 5 July 2022 exercisable at \$0.04	7,500,000
	Options expiring 30 November 2022 exercisable at \$0.05	10,000,000
	Options expiring 4 June 2023 exercisable at \$0.035	3,000,000
	Options expiring 11 August 2023 exercisable at \$0.015	7,000,000
	Options expiring 1 December 2024 exercisable at \$0.015	20,000,000
	Options expiring 15 December 2025 exercisable at \$0.02	30,000,000
	Options expiring 17 March 2024 exercisable at \$0.047	4,000,000

## Part 6 – Other Listing Rule requirements

The questions in this Part should only be answered if you are an ASX Listing (ASX Foreign Exempt Listings and ASX Debt Listings do not need to complete this Part) and:

- your response to Q2.1 is "+securities issued under an +employee incentive scheme that are not being immediately quoted on ASX"; or
- your response to Q2.1 is "Other"

Question No.	Question	Answer
6.1	<p>*Are the securities being issued under Listing Rule 7.2 exception 13<sup>1</sup> and therefore the issue does not need any security holder approval under Listing Rule 7.1?</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	Yes
6.2	<p>*Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No".</i></p>	Not applicable
6.2a	<p>*Date of meeting or proposed meeting to approve the issue under listing rule 7.1</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "Yes".</i></p>	Not applicable
6.2b	<p>*Are any of the +securities being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i></p>	Not applicable

### <sup>1</sup> Exception 13

An issue of securities under an employee incentive scheme if within 3 years before the issue date:

- (a) in the case of a scheme established before the entity was listed – a summary of the terms of the scheme and the maximum number of equity securities proposed to be issued under the scheme were set out in the prospectus, PDS or information memorandum lodged with ASX under rule 1.1 condition 3; or
- (b) the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as an exception to this rule. The notice of meeting must have included:
  - a summary of the terms of the scheme.
  - the number of securities issued under the scheme since the entity was listed or the date of the last approval under this rule;
  - the maximum number of +equity securities proposed to be issued under the scheme following the approval; and
  - a voting exclusion statement.

Exception 13 is only available if and to the extent that the number of +quity securities issued under the scheme does not exceed the maximum number set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

Exception 13 ceases to be available if there is a material change to the terms of the scheme from those set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

6.2b.1	<p>*How many +securities are being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2b is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure B to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1 to issue that number of securities.</i></p>	Not applicable
6.2c	<p>*Are any of the +securities being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i></p>	Not applicable
6.2c.1	<p>*How many +securities are being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?</p> <p><i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2c is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure C to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1A to issue that number of securities.</i></p>	Not applicable

Introduced 01/12/19



**MAGNETITE MINES**  
*Making Steel Stronger*

Option Incentive Plan

Magnetite Mines Limited ABN 34 108 102 432

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## 1 Definitions and Interpretation

### 1.1 Definitions

The following definitions apply unless the context requires otherwise.

**Applicable Law** means any one or more or all, as the context requires of:

- (a) the Corporations Act;
- (b) the Listing Rules;
- (c) the Constitution;
- (d) the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth);
- (e) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), and (d) above; and
- (f) any other legal requirement that applies to the Plan.

**Application** means a duly completed and executed application for the issue of Options made by an Eligible Employee in respect of an Offer, in the form approved by the Board from time to time.

**ASIC** means the Australian Securities and Investments Commission.

**Associated Bodies Corporate**, in relation to the Company, means:

- (a) a body corporate that is a Related Body Corporate of the Company; or
- (b) a body corporate that has voting power in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power of not less than 20%.

**ASX** means the Australian Securities Exchange.

**Bad Leaver** has the meaning given in Rule 10.1.

**Board** means the board of Directors of the Company.

**Business Day** means a day on which banks are open for general business in Adelaide, South Australia, excluding Saturdays or Sundays.

**Casual Employee** means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with a Group Company.

**Change of Control Event** occurs where:

- (a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and is, or is declared, unconditional; or
- (b) the Court orders a meeting of members (or a class of members) or creditors (or a class of creditors) under Part 5.1 of the Corporations Act in relation to a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or

- (d) any Group Company enters into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a Group Company) of the Group to a person, or a number of persons, none of which are Group Companies; or
- (e) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are Group Companies.

**Class Order** means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

**Company** means Magnetite Mines Limited ABN 34 108 102 432.

**Constitution** means the constitution of the Company.

**Contractor** means:

- (a) an individual with whom a Group Company has entered into a contract for the provision of services under which the individual performs work for a Group Company; or
- (b) a company with whom a Group Company has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for a Group Company,

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with a Group Company.

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended from time to time.

**Directors** means the directors of the Company.

**Eligible Employee** means an Employee whom the Board determines is to be issued Options under the Plan.

**Employee** means a person who is a:

- (a) full-time or part-time employee of a Group Company (including an executive director);
- (b) a non-executive director of a Group Company;
- (c) Contractor; or
- (d) Casual Employee.

**Exercise Notice** means a duly completed and executed notice of exercise of an Option in the form approved by the Board from time to time.

**Exercise Price** means the exercise price of an Option.

**Expiry Date** means:

- (a) the date specified in an Offer;
- (b) subject to paragraph (c), if no date specified in an Offer, the date of five years after the First Exercise Date; or
- (c) the date determined under Rule 11 (if any).

**Final Acceptance Date** means the final date that an Eligible Employee may accept an Offer.

**First Exercise Date** means:

- (a) the date specified in an Offer;
- (b) subject to paragraph (c), if no date specified in an Offer, the date of issue of the Option; or
- (c) the date determined under Rules 10.3 or 11 (if any).

**Good Leaver** has the meaning given in Rule 10.2.

**Group** means the Company and its Associated Bodies Corporate and Group Company means the Company or any of its Associated Bodies Corporate.

**Listing Rules** means the official listing rules of ASX as amended from time to time.

**Mental Illness** means, in relation to a Participant, the termination or cessation of a Relevant Person's employment with a Group Company as a result of mental illness, as determined by the Board.

**Nominated Party** means, in respect of an Eligible Employee:

- (a) an immediate family member of the Eligible Employee;
- (b) a company whose members comprise no persons other than the Eligible Employee or immediate family members of the Eligible Employee; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the Eligible Employee is a director of the trustee.

**Offer** means an offer made to an Eligible Employee to subscribe for one or more Options under the Plan.

**Offer Document** means an offer document that complies with the Class Order, includes or is accompanied by the information set out in Schedule 1, and is otherwise in the form approved by the Board from time to time.

**Option** means an option to subscribe for one Share upon and subject to the terms of these Rules and the terms of the Offer.

**Option Holding Statement** means the issuer sponsored holding statement issued by the Company's share registry to a Participant under Rule 6.2.

**Participant** means an Eligible Employee to whom Options have been issued under the Plan, or if Rule 4.4 applies, a Nominated Party of the Eligible Employee to whom Options have been issued under the Plan.

**Plan** means the Magnetite Mines Limited Option Incentive Plan established in accordance with these Rules.

**Related Body Corporate** has the same meaning as in section 50 of the Corporations Act.

**Redundancy** means, in relation to a Participant, the termination or cessation of a Relevant Person's employment or office with a Group Company as a result of redundancy, as determined by the Board.

**Relevant Person** means:

- (a) in respect of an Eligible Employee, that person; and
- (b) in respect of a Nominated Party of an Eligible Employee being a Nominated Party under Rule 4.4, that Eligible Employee.

**Rules** means the rules of the Plan set out in this document.

**Securities Trading Policy** means any Company securities trading policy, as amended from time to time.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** means a holder of Shares.

**Shareholder Approval** means any prior approvals that need to be obtained from Shareholders before an action is taken or determination made under these Rules.

**Security Interest** means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature (including the registration and/or perfection of that security interest under the *Personal Property Securities Act 2009* (Cth)).

**Special Circumstances** means with respect to a Participant:

- (a) Total and Permanent Disablement;
- (b) Mental Illness;
- (c) Redundancy; or
- (d) the death, or terminal illness, of the Relevant Person.

**Total and Permanent Disablement** means in relation to a Participant, the termination or cessation of a Relevant Person's employment with a Group Company as a result of total and permanent disablement, as determined by the Board.

**Unvested Option** means an Option that is not a Vested Option.

**Vested Option** means an Option in respect of which all the Vesting Conditions (if any) have been satisfied or waived.

**Vesting Condition** means the performance, vesting or other conditions (if any) as determined by the Board (in its absolute discretion) and set out in the Offer which are, subject to these Rules, required to be satisfied, reached or met before an Option vests and can be exercised.

**Vesting Period** means the period (if any) determined by the Board and specified in the Offer during which any Vesting Conditions (as applicable) are required to be satisfied (unless waived under these Rules) before the Options vest and can, between the First Exercise Date and the Expiry Date, be exercised.

## 1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (e) A reference to a rule is a reference to a rule of these Rules.
- (f) A monetary amount is in Australian dollars.
- (g) A reference to legislation or to a provision of legislation includes any modification or re-enactment of it, a legislative provision substituted for it and all regulations or statutory instruments issued under it.
- (h) All references to time are to time in Adelaide, Australia.
- (i) Mentioning anything after includes, including, for example or similar expressions does not limit what else might be included.
- (j) When the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.
- (k) In determining the time of day, where relevant to these Rules, the relevant time of day is:
  - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or

- (ii) for any other purpose under these Rules, the time of day in the place where the party required to perform an obligation is located.

### **1.3 Application of Subdivision 83A-C Tax Deferral Rules**

For the purposes of section 83A-105(6)(b)(ii) of the *Income Tax Assessment Act 1997* (Cth), subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to this Plan (subject to the requirements of the *Income Tax Assessment Act 1997* (Cth)).

---

## **2 Introduction**

### **2.1 Purpose**

The purpose of the Plan is to attract, retain and motivate Eligible Employees, promote and foster loyalty and support amongst Eligible Employees for the benefit of the Company, enhance the relationship between the Company and Eligible Employees for the long term mutual benefit of all parties and provide Eligible Employees with the opportunity to share in any future growth in value of the Company through the issue of Options.

### **2.2 Commencement**

The Plan will commence on a date determined by resolution of the Board.

### **2.3 Rules are binding**

The Company and each Participant are bound by these Rules.

---

## **3 Principal conditions**

### **3.1 Compliance with laws**

Notwithstanding the Rules or the terms of any Option, no Option may be offered, issued or exercised and no Share may be issued under the Plan:

- (a) if to do so:
  - (i) would contravene the Corporations Act, the Class Order (where the Class Order is being relied on), the Listing Rules or any other Applicable Law; or
  - (ii) would contravene the local laws or customs of an Eligible Employee's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical; or
- (b) to any person referred to in Listing Rule 10.14 (which includes a Director) without Shareholder Approval.

### **3.2 No prohibited financial assistance**

No person may, whether directly or indirectly, provide financial assistance that is prohibited by the Corporations Act to an Eligible Employee for the purposes of, or in connection with, the acquisition or exercise of Options under the Plan.

### **3.3 Plan limit**

- (a) Where an Offer is made in reliance on the Class Order, the Board must, at the time of making the Offer, have reasonable grounds to believe that the number of Shares that may be issued on exercise of the Options will not exceed 5% of the total number of Shares on issue when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3-year period under:

- (i) the Plan or any other employee incentive scheme or like scheme of the Company covered by the Class Order or an individual instrument made by ASIC in terms similar to the Class Order; or
- (ii) any employee incentive scheme or employee share scheme of the Company, where the offers were covered by ASIC Class Order 03/184 or an individual instrument made by ASIC in similar terms to that class order,

**(5% Limit).** For the avoidance of doubt, Offers that are not made in reliance on the Class Order or other ASIC relief are not included in the 5% Limit calculation, for example an Offer:

- (i) received outside of Australia;
  - (ii) that did not need disclosure to investors because of section 708 of the Corporations Act;
  - (iii) that did not require the giving of a product disclosure statement because of section 1012D of the Corporations Act; or
  - (iv) made under a disclosure document or product disclosure statement,
- (b) The 5% Limit shall be subject to adjustment or increase as may be permitted by Applicable Law.

### **3.4 Quotation**

Options will not be quoted on ASX. Application will be made to ASX for official quotation of the Shares issued pursuant to the exercise of Options if the Company's Shares are listed on ASX at that time.

### **3.5 No transfer**

- (a) Options issued under the Plan may not be assigned, transferred, novated, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless:
- (i) the prior consent of the Board is obtained, which consent may impose such terms and conditions as the Board sees fit in its sole and absolute discretion; or
  - (ii) such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.
- (b) Unless otherwise decided by the Board, where a Participant purports to transfer an Option other than in accordance with Rule 3.5(a), the Option immediately lapses.

### **3.6 Securities Trading Policy**

Participants must comply at all times with any Securities Trading Policy.

### **3.7 Prohibition against hedging**

- (a) A Participant must not enter into any scheme, arrangement or agreement (including options and derivative products) under which the Participant may alter the economic benefit to be derived from an Option that is not a Vested Option or has not been exercised, irrespective of future changes in the market price of Shares.
- (b) Where a Participant enters, or purports to enter, into any scheme, arrangement or agreement described in Rule 3.7(a), the Option will immediately lapse.

---

## **4 Offers**

### **4.1 Board may make offer**

- (a) Subject to these Rules, the Board may from time to time make an Offer to an Eligible Employee. The terms of the Offer are determined by the Board, in its sole and absolute discretion.
- (b) An Offer can be made to a person where the Offer is conditional on the person becoming an Eligible Employee.
- (c) Subject to Rule 4.4, an Offer is personal and can only be accepted by the Eligible Employee to whom the Offer is made.

### **4.2 No consideration**

No consideration is payable for the issue of an Option under this Plan.

### **4.3 Form of Offer**

An Offer must be made in an Offer Document.

### **4.4 Nominated Party**

- (a) Upon receipt of an Offer, an Eligible Employee may, by notice in writing to the Board, nominate a Nominated Party of that Eligible Employee in whose favour the Eligible Employee wishes the Options the subject of the Offer to be issued.
- (b) The Board may, in its sole and absolute discretion, decide not to permit the Options the subject of an Offer to be issued to a Nominated Party without giving any reason for that decision.
- (c) If the Board decides to permit the Options the subject of an Offer to be issued to a Nominated Party, the Eligible Employee will procure that the Nominated Party also agrees to be bound by the Rules.

---

## **5 Application for Options**

### **5.1 Acceptance of Offer**

- (a) Subject to Rule 5.1(b), an Eligible Employee may accept the Offer by giving to the Company an Application by the Final Acceptance Date. In the Application, the Eligible Employee may apply for the Options the subject of the Offer to be issued to the Eligible Employee or a Nominated Party (if approved by the Board in accordance with Rule 4.4).
- (b) An Eligible Employee may not accept an Offer, and an Application will not be accepted if, on the date the Application would otherwise be accepted:
  - (i) the Eligible Employee is not an Employee;
  - (ii) the Eligible Employee has given notice of his or her resignation as an Employee; or
  - (iii) the Eligible Employee has been given notice of termination of employment as an Employee.
- (c) The Board in its sole and absolute discretion can refuse to allow an Eligible Employee to participate in the Plan even though an Application is received from the Eligible Employee in accordance with Rule 5.1(a).

## **5.2 Partial acceptance of Offer**

An Eligible Employee may accept an Offer in whole or in part, in multiples of 100,000 Options, or such other multiple of Options as the Board may permit for the Eligible Employee.

## **5.3 Lapse of Offer**

An Offer that is not accepted in accordance with Rule 5.1 will lapse at 5.00pm Adelaide time on the Final Acceptance Date.

## **5.4 Withdrawal of Offer**

The Board reserves the right (subject to any Applicable Law) to withdraw an Offer made to an Eligible Employee, provided that the Offer has not yet been accepted in accordance with Rule 5.1.

---

# **6 Issue of Options**

## **6.1 Acceptance by Eligible Employee**

By accepting an Offer in accordance with Rule 5.1, the Eligible Employee and the Nominated Party (if applicable) will be taken to have:

- (a) agreed to become a Participant bound by these Rules;
- (b) irrevocably offered to acquire the Options (and the Shares upon exercise of the Options) the subject of the Offer on and subject to these Rules and the terms and conditions of the Offer.

## **6.2 Acceptance by Company**

Unless the terms of an Offer provide otherwise, the Company will be deemed to have accepted an Eligible Employee's Application upon the issue to the Eligible Employee (or Nominated Party, if applicable), of the Options the subject of the Application, and the notification to the Eligible Employee and Nominated Party (if applicable) of the issue of the Options (including via the issue of an Option Holding Statement). Nothing in any Offer or Application, or in these Rules, will be taken to confer on any Eligible Employee or Nominated Party (if applicable) any right or title to or interest in, any Options until they have been issued and notice is provided. The Company must arrange to give a Participant an Option Holding Statement.

## **6.3 Interest in Shares**

A Participant has no right or interest in a Share the subject of an Option held by the Participant unless and until the Option is exercised and the Share is issued. Nor does the holder of an Option have any rights to dividends, rights to vote or rights to the capital of the Company as a Shareholder as a result of holding an Option. Subject to the Corporations Act and the Constitution, a Participant will not, as a holder of an Option, have any right to attend to vote at meetings of Shareholders.

---

# **7 Exercise of Options**

## **7.1 Exercise**

Subject to Rules 3.1, 7.2 and 11, a Participant will be entitled to exercise an Option if any Vesting Conditions have been satisfied or waived and the Option is otherwise capable of exercise in accordance with the terms of the relevant Offer and the Rules.

Once an Option is capable of exercise in accordance with this Rule 7.1, it may be exercised at any time up until 5.00pm Adelaide time on the Expiry Date, subject to these Rules.

## **7.2 Adjustment to exercise terms**

- (a) The Board will have the power to make adjustments to or vary the terms of exercise of an Option, including reducing or waiving the Vesting Conditions attaching to Options in whole or in part at any time and in any particular case. Any proposed variation or adjustment will be subject to any requirements of the Corporations Act and/or the Listing Rules (including Shareholder Approval).
- (b) No adjustment or variation of the terms of exercise of an Option will be made without the consent of the Participant who holds the relevant Option if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Options), other than an adjustment or variation introduced primarily:
  - (i) for the purpose of complying with or conforming to present or future Applicable Law governing or regulating the maintenance or operation of the Plan or like plans;
  - (ii) to correct any manifest error or mistake; or
  - (iii) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body.

## **7.3 Manner of exercise**

Options can only be exercised by delivery to the Company (at a time when the Options may be exercised) of:

- (a) an Exercise Notice signed by the Participant; and
- (b) payment to the Company of an amount in cleared funds equal to the Exercise Price multiplied by the number of Options which are being exercised unless there is no exercise price payable in respect of the Options to be exercised.

The deliverables referred to in this Rule 7.3 must be received by the Company by 5.00pm Adelaide time on the Expiry Date.

## **7.4 One or more parcels**

Subject to Rule 7.1, Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than 100,000 or such other number that may be specified in an Offer.

## **7.5 Issue of Shares**

Subject to receipt of the deliverables specified in Rule 7.3, the Company will, subject to Rule 3.1 and the Listing Rules (if relevant):

- (a) within 15 Business Days of receipt of the deliverables referred to in Rule 7.3, issue to the Participant the Shares in respect of which the Options are exercised together, with any additional Shares an entitlement to which has arisen under Rule 9 in consequence of the exercise of the Options; and
- (b) if any Options held by the Participant have not lapsed and remain unexercised, arrange to deliver to the Participant a replacement Option Holding Statement reflecting the number of those Options which remain unexercised.

## **7.6 Agreement to become a member**

Upon issue of Shares under the Plan, a Participant agrees to become a member of the Company and to be bound by the Constitution.

## **7.7 Equal rank**

A Share issued on exercise of an Option will rank equally in all respects with Shares already on issue on the date of issue of the Shares, except for entitlements which had a record date before the date of issue of that Share.

---

## **8 Lapse of Options**

### **8.1 Timing of lapse**

Unless otherwise specified in the Vesting Conditions or determined otherwise by the Board an Option lapses on the earlier of:

- (a) the Board determining that any Vesting Condition applicable to the Option has not been satisfied, reached or met in accordance with its terms or is not capable of being satisfied, reached or met;
- (b) the day immediately following the Expiry Date; or
- (c) the Option lapsing in accordance with Rule 10, 11 or 12.

### **8.2 On lapsing**

Where a Participant's Options have lapsed under Rule 8.1:

- (a) all rights of a Participant under the Plan in respect of those Options are forfeited; and
  - (b) the Company will: notify the Participant that the Options have lapsed; cancel the Options; if only part of the Options covered by an Option Holding Statement have lapsed, arrange to issue an Option Holding Statement stating the remaining number of Options held by the Participant that have not lapsed; and not be liable for any damages or other amounts to the Participant in respect of the Options.
- 

## **9 New issues, reorganisations of capital and winding up**

### **9.1 Application**

This Rule 9 applies to Participants who hold Options that they have not yet exercised, and which have not lapsed.

### **9.2 New issues**

Participants who hold Options are not entitled to participate in any new issue of securities to existing holders of Shares unless they:

- (a) are entitled to exercise their Options under the Plan; and
- (b) exercise their Options and receive Shares before the record date for the determination of entitlements to the new issue of securities and participate as a holder of Shares.

In accordance with the Listing Rules, the Company will give Participants notice of any new issue of securities before the record date for determining entitlements to the new issue.

### **9.3 Pro rata issues**

If the Company makes a pro rata issue of Shares (except a bonus issue) to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the pro rata issue, the Exercise Price of the Option will be reduced according to the formula specified in the Listing Rules.

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#### **9.4 Bonus issues**

If the Company makes a bonus issue of Shares to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Participant would have received if the Participant had exercised the Option before the record date for the bonus issue. No adjustment will be made to the Exercise Price.

#### **9.5 Reorganisation of capital**

If there is a reorganisation of the issued capital of the Company (including a consolidation, subdivision, reduction or return) then the rights of a Participant (including the number of Options to which each Participant is entitled and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

#### **9.6 Winding Up**

If a resolution for a members' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to the Vesting Conditions, the Participants may, during the period referred to in the notice, exercise their Options.

#### **9.7 Fractions of Shares**

For the purposes of this Rule 9, if Options are exercised simultaneously, then the Participant may aggregate the number of Shares or fractions of Shares for which the Participant is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of a Participant.

#### **9.8 Calculations and adjustments**

Any calculations or adjustments which are required to be made under this Rule 9 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Participant.

#### **9.9 Notice of adjustments**

Whenever the number of Shares underlying an Option or the Exercise Price is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant and the ASX together with the calculations on which the adjustment is based.

#### **9.10 Adjustments cumulated**

Effect will be given to Rule 9 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.

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### **10 Cessation of employment**

#### **10.1 Bad Leaver**

If an Eligible Employee who is a Participant or has nominated a Nominated Party to receive Options under the Plan ceases to be an Employee due to:

- (a) resignation (other than due to a Special Circumstance);
- (b) dismissal for cause or poor performance; or

- (c) any other circumstances (other than due to a Special Circumstance) determined by the Board to constitute a Bad Leaver,

**(Bad Leaver)**

then, subject to compliance with the Listing Rules and the Corporations Act:

- (d) any Unvested Options held by the relevant Participant will immediately lapse in accordance with Rule 8; and
- (e) any Vested Options that have not been exercised will lapse in accordance with Rule 8 on the date the Relevant Person ceases to be an Employee.

## **10.2 Good Leaver**

If an Eligible Employee who is a Participant or has nominated a Nominated Party to receive Options under the Plan ceases to be an Employee due to a Special Circumstance or otherwise for reasons other than as a Bad Leaver (**Good Leaver**):

- (a) all Unvested Options held by the relevant Participant will lapse in accordance with Rule 8; and
- (b) Vested Options that have not been exercised will continue in force and remain exercisable until the Expiry Date.

## **10.3 Board discretion**

- (a) Notwithstanding Rules 10.1 or 10.2, the Board may, subject to compliance with the Listing Rules and the Corporations Act (which may require Shareholder Approval), determine to treat any Vested Options or Unvested Options held by the relevant Participant in circumstances where an Eligible Employee who is a Participant or has nominated a Nominated Party to receive Options under the Plan ceases to be an Employee, in any way (i.e. in a way other than in the manner set out in Rules 10.1 or 10.2), if the Board determines that the relevant circumstances warrant such treatment.
- (b) The Company must, within 14 days of the Board making a determination as to how to treat any Vested Options or Unvested Options in accordance with Rule 10.3(a):
  - (i) give notice to the Participant affected by the determination of the effect of the determination on the Options held by the Participant; and
  - (ii) arrange to issue a replacement Option Holding Statement for the Options to the extent that the details set out in the Option Holding Statement require amendment as a result of the determination.

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## **11 Change of Control**

### **11.1 Notice to Participants**

The Company shall give written notice of any proposed Change of Control Event to each Participant.

### **11.2 Change of Control Event**

If a Change of Control Event occurs, the Board may in its sole and absolute discretion, and subject to the Listing Rules determine how Unvested Options held by a Participant will be treated, including but not limited to:

- (a) determining that Unvested Options (or a portion of Unvested Options) will vest and become immediately exercisable, with such vesting deemed to have taken place immediately prior to the effective date of the Change of Control Event, regardless of whether or not the employment, engagement or office of the Participant is terminated or ceases in connection with the Change of Control Event; and/or

- (b) reducing or waiving any of the Vesting Conditions attaching to those Unvested Options in accordance with Rule 7.2.
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## **12 Misconduct and clawback**

### **12.1 Breach, fraud or misconduct**

If the Board determines that a Participant (or an Eligible Employee who has nominated a Nominated Party to receive Options under the Plan) at any time:

- (a) has been dismissed or removed from office for a reason which entitles a Group Company to dismiss the Participant (or Eligible Employee) without notice;
- (b) has been convicted on indictment of an offence against the Corporations Act in connection with the affairs of a Group Company;
- (c) has had a judgement entered against them in civil proceedings in respect of the contravention by the Participant (or Eligible Employee) of their duties at law, in equity or under statute in their capacity as an executive or Director of a Group Company;
- (d) has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of a Group Company (whether or not charged with an offence);
- (e) is in material breach of any of their duties or obligations to a Group Company; or
- (f) has done an act which brings a Group Company into disrepute,

the Board may determine that all Options held by the relevant Participant will lapse in accordance with Rule 8.

### **12.2 Clawback**

If the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which, as a result, means that the Vesting Conditions in respect of certain Vested Options were not, or should not have been determined to have been, satisfied, then the Participant will cease to be entitled to those Vested Options (**Affected Options**) and the Board may:

- (a) by written notice to the Participant cancel the relevant Affected Options for no consideration;
- (b) by written notice to the Participant require that the Participant pay to the Company the after tax value of the Affected Options which have been converted into Shares, with such payment to be made within 30 Business Days of receipt of such notice; or
- (c) adjust fixed remuneration, incentives or participation in this Plan of a relevant Participant in the current year or any future year to take account of the after tax value of the Affected Options.

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## **13 Cancellation of Options**

Notwithstanding any other provisions of these Rules, and subject to the Listing Rules, if a Participant and the Board agree in writing that some or all of the Options granted to that Participant may be cancelled on a specified date or on the occurrence of a particular event, then the Board may cancel those Options on the relevant date or on the occurrence of the particular event (as the case may be) for no consideration.

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## **14 Amendments of Rules**

Subject to and in accordance with the Listing Rules (including any waiver granted under such Listing Rules), the Board (without the necessity of obtaining the prior or subsequent consent of

Shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the Rules in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option granted before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected Participant(s) is obtained.

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## **15 Administration of Plan**

- (a) The Board may delegate any of its powers or discretions conferred on it by these Rules to a committee of the Board or to any one or more persons selected by it, including but not limited to the company secretary. Any delegation will be for such period and upon such terms and conditions as determined by the Board from time to time.
  - (b) Subject to the provisions of the Rules, the Board may make such regulations and establish such procedures for the administration and management of the Plan as they consider appropriate.
  - (c) The decision of the Board (or its delegates) as to the interpretation, effect or application of the Rules will be final. Every exercise of a discretion by the Board (or its delegates) will be final, conclusive and binding.
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## **16 Rights of Eligible Employees**

- (a) Neither participation in the Plan by a Group Company or any Eligible Employees or Option holders or anything contained in these Rules shall in any way prejudice or affect the right of a Group Company to dismiss any Eligible Employee or Option holder or to vary the terms of employment of any Eligible Employee or Option holder.
  - (b) Participation in the Plan, or the rights or benefits of an Eligible Employee or Option holder under the Rules, will not be relevant to or used as grounds for granting or increasing damages in any action brought by an Eligible Employee or Option holder against a Group Company whether in respect of any alleged wrongful dismissal or otherwise.
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## **17 Attorney**

Each Participant, in consideration of an Offer:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an **attorney**), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules;
  - (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
  - (c) releases each member of the Group and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule 17; and
  - (d) indemnifies and holds harmless each member of the Group and the attorney in respect of the exercise of the powers conferred by this Rule 17.
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## **18 ASIC relief**

Notwithstanding any other provisions of the Plan, every covenant or other provision set out in an exemption or modification granted from time to time by the ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.

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To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

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**19 Notices**

Any notice to Participants may be given in such manner as the Board determines.

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**20 Governing Law**

This Plan is governed by and shall be construed and take effect in accordance with the laws of South Australia.

## Schedule 1 – information requirements for Offer Document

An Offer Document must be presented in a clear, concise and effective manner and include or be accompanied by:

- 1 the name and address of the Eligible Employee to whom the Offer is made;
- 2 the date of the Offer;
- 3 the Final Acceptance Date;
- 4 the maximum number of Options which the Eligible Employee may apply for;
- 5 a statement that no consideration is payable for the issue of an Option;
- 6 details of the Vesting Conditions (if any) attaching to the Options the subject of the Offer;
- 7 the First Exercise Date of the Options the subject of the Offer;
- 8 the Expiry Date of the Options the subject of the Offer;
- 9 the Exercise Price (if any) or the manner of determining the Exercise Price (if any) of the Options the subject of the Offer;
- 10 the Vesting Period (if any) applicable to the Options the subject of the Offer;
- 11 a prominent statement on the front page to the effect that:
  - (a) any advice given by the Company in relation to Options offered under the Plan, and Shares issued upon exercise of the Options, does not take into account an Eligible Employee's objectives, financial situation and needs; and
  - (b) the Eligible Employee should consider obtaining their own financial product advice from a person who is licensed by ASIC to give such advice;
- 12 general information about the risks of acquiring and holding the Options (and underlying Shares) the subject of the Offer;
- 13 an explanation of how an Eligible Employee could, from time to time, ascertain the market price of the Shares underlying the Options;
- 14 any other specific terms and conditions applicable to the Offer;
- 15 a copy of the Rules; and
- 16 any other information that is required by Applicable Law or the Class Order.

**MAGNETITE MINES LIMITED**  
**TERMS AND CONDITIONS OF EMPLOYEE**  
**OPTIONS**

1. The Options are issued subject to the rules (**Rules**) of the Magnetite Mines Limited Option Incentive Plan (**Plan**).
2. No consideration is payable for the issue of an Option.
3. The Options will not be quoted on ASX.
4. Subject to the Rules, the Options expire at 5.00pm Adelaide, South Australia time on 17 March 2024 (**Expiry Date**). Subject to the Rules, the Options may be exercised at any time before the Expiry Date.
5. Subject to the Rules and these terms and conditions, each Option carries the right in favour of the Option holder to subscribe for one fully paid ordinary share issued in the capital of the Company (**Share**) upon payment of \$0.047 (**Exercise Price**).
6. The Option holder may only exercise Options in multiples of 100,000 Options unless the holder holds less than 100,000 Options, in which case all Options held must be exercised. Any exercise of only some Options shall not affect the rights of the holder to the balance of the Option held by the holder.
7. The Options are exercisable by delivery to the Company of:
  - a. a duly completed and executed option exercise notice in the form approved by the Board from time to time; and
  - b. payment to the Company of an amount in cleared funds equal to the Exercise Price multiplied by the number of Options being exercised.
8. The Company will issue and allot the resultant Shares within 5 Business Days of receipt of the deliverables referred to in condition 7 above. A Share issued upon exercise of an Option will rank equally in all respects with Shares already on issue on the date of issue of the Shares, except for entitlements which had a record date before the date of issue of that Share. The Company will apply for official quotation on ASX of a Share issued upon exercise of an Option.
9. The Options must not be assigned, transferred, novated, encumbered with a Security Interest in or over them or otherwise disposed of by a holder except in accordance with the Rules.
10. An Option holder has no right or interest in a Share the subject of an Option held by the holder unless and until the Option is exercised and the Share is issued. Nor does the holder of an Option have any rights to dividends, rights to vote or rights to the capital of the Company as a shareholder as a result of holding an Option. Subject to the Corporations Act and the Constitution, an Option holder will not, as a holder of an Option, have any right to attend to vote at meetings of shareholders.
11. Option holders are not entitled to participate in any new issue of securities to existing holders of Shares unless they are entitled to exercise their Options, and do exercise their Options and receive Shares before the record date for the determination of entitlements to the new issue of securities and participate as a holder of Shares.
12. If the Company makes a pro rata issue of Shares (except a bonus issue) to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the pro rata issue, the Exercise Price of the Option will be reduced according to the formula specified in the ASX Listing Rules.
13. If the Company makes a bonus issue of Shares to existing holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of an Option before the record date for determining entitlements to the bonus issue, then the number of underlying Shares over which the Option is exercisable will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue. No adjustment will be made to the Exercise Price.
14. If there is a reorganisation of the issued capital of the Company (including a consolidation, subdivision, reduction or return) then the rights of an Option holder (including the number of Options to which the Option holder is entitled and the Exercise Price) will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
15. The exercise of Options by an Option holder is subject at all times to the *Corporations Act 2001* (Cth).