

## Corporate Governance Statement 2023

### Approach to Corporate Governance

Magnetite Mines Limited ABN 34 108 102 432 (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the recommendations in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition (**Principles and Recommendations**).

This Corporate Governance Statement discloses the extent to which the Company followed the recommendations set out in the 4<sup>th</sup> edition of the Principles and Recommendations (**recommendations**) for the period 1 July 2022 to 30 June 2023 (**Reporting Period**). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at [www.magnetitemines.com](http://www.magnetitemines.com), under the section marked "Corporate Governance". The Company reviewed and updated its governance documents on 25 September 2023:

#### Charters

Board  
Audit and Risk Committee  
Nomination and Remuneration Committee

#### Policies and Procedures

Anti-Bribery and Corruption Policy  
Code of Conduct  
Continuous Disclosure Compliance Procedures  
Equal Employment Opportunity and Anti-Discrimination, Harassment and Bullying Policy  
Grievance Handling Policy  
Induction Program  
Policy on Continuous Disclosure  
Policy and Procedure for the Selection and (Re) Appointment of Directors  
Process for Performance Evaluations  
Risk Management Policy  
Securities Trading Policy  
Shareholder Communication and Investor Relations Policy  
Social Functions Policy  
Whistleblower Policy

The information in this statement is current as at 25 September 2023. This statement was approved by a resolution of the Board on 25 September 2023.

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### Approach to Corporate Governance (continued)

#### Principle 1 – Lay solid foundations for management and oversight

##### Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented this in its *Board Charter*, which is disclosed on the Company's website.

##### Recommendation 1.2

The Company undertakes appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. The checks undertaken and the information provided to shareholders are set out in the Company's *Policy and Procedure for the Selection and (Re)Appointment of Directors*, which is disclosed on the Company's website.

The Company will provide the shareholders with all material information concerning the selection and re-appointment of Directors in its Notice of Meeting for the Annual General Meeting.

##### Recommendation 1.3

The Company has a written agreement with each director and senior executive setting out the terms of their appointment.

The material terms of any employment, service or consultancy agreement between the Company and its Chief Executive Officer have been disclosed in accordance with ASX Listing Rule 3.16.

##### Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the Company's *Board Charter*. The Company Secretary's role is also outlined in the employment agreement between the Company Secretary and the Company.

##### Recommendation 1.5

The Company has established a *Diversity Policy*, which is disclosed under the Equal Employment Opportunity and Anti-Discrimination, Harassment and Bullying Policy on the Company's website. However, the Board has not generally set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce. However, the Company actively manages diversity by recognising and utilising the contribution of diverse skills and talent from its directors, officers and employees.

The Board considers that the Company has in place arrangements to encourage diversity in employment. Further, due to the Company's current operations, size and a small number of employees, the Board considers it difficult to set meaningful, measurable objectives for achieving gender diversity. However, every effort is made to find the most suitable qualified person for any role within the Company, irrespective of age, sex, religion or any other personal characteristic or attribute, in accordance with the Company's policy. The Board will review its position and may develop measurable objectives when the Company's operations increase.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including casuals) as at 30 June 2023 are set out in the following table. "Senior executive" for these purposes means those persons who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance, and for the Reporting Period comprised the Chief Executive Officer and Chief Financial Officer:

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### Approach to Corporate Governance (continued)

	Proportion of women
Whole organisation	4 out of 17 (24%)
Senior executive positions	0 out of 1 (0%)
Board	1 out of 6 (17%)

#### Recommendation 1.6

The Chair is responsible for evaluating the Board and, when deemed appropriate, Board committees and individual directors in accordance with the process disclosed in the Company's *Process for Performance Evaluations*.

Each of the directors (including the Chair) completes a questionnaire, and the Chair discusses the responses to the questionnaire with the Board on a round-table basis. The Chair is reviewed on this basis by the rest of the Board.

In respect of the Reporting Period, an evaluation of the Board, its committees, and individual directors took place in accordance with the process disclosed in the Company's *Process for Performance Evaluations*.

#### Recommendation 1.7

The Chief Executive Officer is responsible for evaluating the performance of senior executives in accordance with the process disclosed in the Company's *Process for Performance Evaluations*.

In respect of the Reporting Period, an evaluation of the Chief Executive Officer (CEO) took place in accordance with the process disclosed in the Company's *Process for Performance Evaluations*.

## Principle 2 – Structure, the board, to add value

#### Recommendation 2.1

The role of the Nomination and Remuneration Committee is to make appropriate recommendations to the Board on nomination-related matters, including recruiting new directors and senior executives, succession planning, induction and continuing professional development and Board evaluation.

On 23 September 2022, the *Nomination Committee Charter* and the *Remuneration Committee Charter* were merged into the *Nomination and Remuneration Committee Charter*, a copy of which is disclosed on the Company's website.

#### Recommendation 2.2

The mix of skills and diversity for which the Board is looking to achieve in membership of the Board is represented by the composition of its current Board. The Board members have a high level of experience and expertise in the resources sector. The Board comprises directors who possess the following skills, qualifications and experience:

- resource industry knowledge;
- extensive corporate and public company experience;
- strategic planning experience;
- technical skills and qualifications;
- experience in management and marketing in the resources sector;
- leadership
- geological experience; and
- risk management experience.

The Board considers that this mix of skills is appropriate for the Company's current circumstances. As the Company's circumstances change, it will continue to re-assess its composition as appropriate.

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### Approach to Corporate Governance (continued)

#### Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations. During the Reporting Period, the independent directors were Carmen Letton, Jim McKerlie, Paul White, and Simon Wandke.

The length of service of each director is set out in the table below:

Director	Date of Appointment	Length of service
Carmen Letton	25 January 2023	5 months
Jim McKerlie	12 January 2022	1 year 6 months
Mark Eames	11 March 2020	3 years 3 months
Paul White	12 January 2022	1 year 6 months
Peter Schubert	17 December 2015	7 years 6 months
Simon Wandke	6 June 2022	1 year 1 month

#### Recommendation 2.4

The Board consisted of a majority of independent directors during the year.

During the Reporting Period, the Board considered that its composition was appropriate for the Company's circumstances and included an appropriate mix of skills and expertise relevant to the Company.

#### Recommendation 2.5

During the Reporting Period, the Company did not have an independent Chair.

Mark Eames, has held an executive position with the Company until 14 May 2022.

During the reporting period, the Board believed that Mark Eames was the most appropriate person for the position of Chair, notwithstanding that he was a part-time executive for approximately one year, because of his successful track record in the global minerals industry in exploration, evaluation, development, acquisitions, operations and marketing. On 25 September 2023, Mr Eames stood down as Chair of the Board.

#### Recommendation 2.6

The Company has an induction program that it uses when new directors join the Board, and new senior executives are appointed. The program's goal is to assist new directors in participating fully and actively in Board decision-making at the earliest opportunity and to assist senior executives in participating fully and actively in management decision-making at the earliest opportunity. The Company's *Induction Program* is disclosed on the Company's website.

The Nomination Committee regularly reviews whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to effectively fulfill their role on the Board and the Board committees using a Board skills matrix. Where gaps are identified, the Nomination and Remuneration Committee considers what training or development should be undertaken to fill those gaps and ensures that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfill his or her responsibilities concerning the Company's financial statements.

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### Approach to Corporate Governance (continued)

#### Principle 3 – Act ethically and responsibly.

##### Recommendation 3.1

The Board has articulated, adopted and disclosed its values which are the foundation for how the Company achieves its strategic goals. The Company's values are supported by the *Code of Conduct* and other fundamental governance principles and policies. The Company's values are disclosed on the Company's website.

##### Recommendation 3.2

The Company has established a *Code of Conduct* for its directors, senior executives and employees, a copy of which is disclosed on the Company's website. The Board is informed of any material incidents reported under the Code of Conduct via the Chair.

##### Recommendation 3.3

As set out in the Company's *Code of Conduct*, directors, officers, employees, consultants and contractors of the Company are expected to not only act in compliance with legal obligations but also act ethically and responsibly, which involves acting with honesty, integrity and in a manner that is consistent with the reasonable expectations of investors and the broader community. The Company recognises the need to have robust procedures in place to ensure people can report instances of suspected unethical, illegal, fraudulent or undesirable conduct by the Company or its officers, employees or agents and to ensure that anyone who does report such behaviour can do so without fear of reprisal, discrimination, intimidation or victimisation.

Accordingly, the Company has adopted a *Whistleblower Policy* to encourage the persons to whom the policy applies to raise any concerns or report instances of any potential breach of law, any violations (or suspected violations) of the Company's Code of Conduct or any other legal or ethical concern without the fear of detriment. The Company's *Whistleblower Policy* is disclosed on the Company's website.

##### Recommendation 3.4

The Board has adopted an *Anti-bribery and Corruption Policy*, which sets out the Company's policy and approach to bribery and corruption. This policy is also disclosed on the Company's website. The Board is informed of any material incidents reported under the Anti-bribery and Corruption Policy via the Company Secretary.

#### Principle 4 – Safeguard integrity in corporate reporting

##### Recommendation 4.1

The Board has an Audit and Risk Committee consisting of a majority of independent directors.

The relevant qualifications and experience of each of the members of the Audit and Risk Committee are set out in the Director's Report in the Company's Annual Report. Details of director attendance at Audit and Risk Committee meetings during the Reporting Period are set out in a table in the Director's Report in the Company's Annual Report.

On 23 September 2022, the Audit Committee Charter and the Risk Committee Charter were merged into the Audit and Risk Committee Charter, a copy of which is disclosed on the Company's website.

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### Approach to Corporate Governance (continued)

#### Recommendation 4.2

Before the Board approves the Company's financial statements for a financial period, it receives from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed based on a sound system of risk management and internal control which is operating effectively.

#### Recommendation 4.3

For the Company's unaudited periodic corporate reports, the Company satisfies itself that these reports are materially accurate and balanced and provide investors with appropriate information to make informed investment decisions by implementing the appropriate procedures, communication processes and internal controls.

This process is intended to ensure that all applicable laws, regulations and company policies have been complied with, the preparation of the corporate reports is undertaken by qualified personnel, and the appropriate approvals are obtained before a report is released to the market.

### Principle 5 – Make timely and balanced disclosure.

#### Recommendation 5.1

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. The Company's website discloses a summary of the Company's Policy on Continuous Disclosure and Compliance Procedures.

#### Recommendation 5.2

The Board receives copies of all material market announcements before and after they have been made.

#### Recommendation 5.3

Before the Company gives any new and substantive investor or analyst presentations, it releases a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

### Principle 6 – Respect the rights of security holders

#### Recommendation 6.1

The Company provides investors with information about itself and its governance via its website at [www.magnetitemines.com](http://www.magnetitemines.com).

#### Recommendation 6.2

The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's *Shareholder Communication and Investor Relations Policy*.

#### Recommendation 6.3

The Company has a Shareholder Communication and Investor Relations Policy outlining the policies and processes it has in place to facilitate and encourage participation at shareholders' meetings.

Communication with shareholders is facilitated by the production of the annual report, quarterly reports, public announcements, and ASX releases immediately after their disclosure to the ASX, which are all

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made available on the Company's website. In addition, all shareholders are encouraged to attend the Annual General Meeting and use the opportunity to ask questions during the meeting and after the Chair's presentation. The external auditor also attends the shareholder's meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

#### Recommendation 6.4

During the Reporting Period, all substantive resolutions at a meeting of the Company's security holders were decided by a poll rather than by a show of hands.

#### Recommendation 6.5

Shareholders are given the option to receive communications from and send communications to the Company and its share registry electronically using an online service provided by the Company's share registry. When a new shareholder appears on the Company's share register, the Company's share registry sends the new shareholder an introductory letter encouraging them to provide their shareholder information online, including their preferences in the way the shareholder would like to receive communications from the Company.

### Principle 7 – Recognise and manage risk

#### Recommendation 7.1

The Board has an Audit and Risk Committee with a majority of independent directors.

The relevant qualifications and experience of each of the members of the Audit and Risk Committee are set out in the Director's Report in the Company's Annual Report. Details of director attendance at Audit and Risk Committee meetings during the Reporting Period are set out in a table in the Director's Report in the Company's Annual Report.

On 23 September 2022, the Audit Committee Charter and the Risk Committee Charter were merged into the Audit and Risk Committee Charter, a copy of which is disclosed on the Company's website.

#### Recommendation 7.2

The Audit and Risk Committee reviews the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The Board carried out these reviews during the Reporting Period.

#### Recommendation 7.3

The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's *Risk Management Policy*.



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### Approach to Corporate Governance (continued)

#### Recommendation 7.4

As the Company is not in production and nor does it have any significant operations, the Company has not identified any material exposure to any environmental and/or social sustainability risks. However, the Company does have material exposure to the following economic risks:

- Market
- Financial
- Strategic
- Human capital
- Legal and compliance
- Operational
- Workplace, health and safety
- Economic

### Principle 8 – Remunerate fairly and responsibly

#### Recommendation 8.1

The Board has a Nomination and Remuneration Committee, which consists of a majority of independent directors.

The relevant qualifications and experience of each member of the Nomination and Remuneration Committee are set out in the Director's Report in the Company's Annual Report. Details of director attendance at Nomination and Remuneration Committee meetings during the Reporting Period are set out in a table in the Director's Report in the Company's Annual Report.

On 23 September 2022, the Nomination Committee Charter and the Remuneration Committee Charter were merged into the Nomination and Remuneration Committee Charter, a copy of which is disclosed on the Company's website.

#### Recommendation 8.2

Details of remuneration, including the Company's policy on remuneration and "*clawback policy*" regarding the lapsing of performance-based remuneration in the event of fraudulent serious misconduct and the clawback of the performance-based remuneration in the event of a material misstatement in the Company's financial statements, are contained in the "Remuneration Report" which forms part of the Director's Report in the Company's Annual Report.

#### Recommendation 8.3

The Company's *Securities Trading Policy* outlines the Company's policy prohibiting entry into transactions or arrangements that operate to limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.