



ASX Announcement

30 April 2021

Third Quarter Activities Report Ending 31 March 2021

Highlights

- **Muster Dam tenement awarded to Magnetite Mines Limited**
- **Key PFS Infrastructure collaborators engaged**
- **Senior management title and role changes**
- **Accelerated PFS and development program progressed and on-track**
- **Marketing strategy ongoing**

RAZORBACK IRON PROJECT – PREFEASIBILITY STUDY

During the Quarter, Magnetite Mines Limited (ASX:MGT) (the Company) continued to advance the Razorback Iron Project Pre-Feasibility Study (PFS)^{1,2}. The PFS remains on schedule with its release planned for the Second Quarter of 2021². Key capital and operating cost estimates for the Project were received from MGT's various consultants, partners and suppliers engaged in completing studies, proposals and quotations for input into the PFS. These studies, which comprise the various PFS Chapters are now in the optimisation phase and are nearing completion with the objective being definition of a single go-forward case for the Razorback Iron Ore Project (Project). A progress summary of the each of these main PFS chapters is provided below:

Geology and Geometallurgy

The geology of the Razorback Iron Project underpins the PFS and forms the basis for the potential economic viability of the deposit. For this reason, careful consideration of the geological modelling using all available data has been undertaken during the PFS to-date. External reviews by experienced geologist Mr. Richard Harmsworth¹ in conjunction with independent expert geological modelling by McElroy Bryan Geological Services (MBGS)³ has resulted in an updated geological model which seeks to selectively exploit the strata bound mineralisation in the most efficient manner. This was completed by modelling the internal strata at higher resolutions than previous efforts using the existing geochemical and geophysical datasets.

Based on the recent geological modelling, an updated resource estimate is currently being evaluated based on updated assumptions and additional data derived from Davis Tube Recovery (DTR) analysis of existing historic core samples. The data which forms the basis for an updated

Resource Estimate, currently in progress, comes in the form of additional Davis Tube Recovery (DTR) analysis and geometallurgical studies completed by Hatch which have informed the potential economic viability of early stage mining operations in particular, near surface weathered or oxidised mineralisation.²

These DTR results are being used to supplement the existing dataset to derive appropriate DTR regression formulae for use in Mineral Resource Estimate generation and as used in previous Resource Estimates.⁴

The DTR results have informed geometallurgical studies undertaken by Hatch to test the performance of near surface mining and weathering zone samples, the latter of which is characterised as containing iron bearing martite (hematite after magnetite) mineralisation. These samples have been appraised with respect to critical early-stage (years 0-5) mining and processing viability. Results to date indicate that near surface 'weathering zone' mineralisation which is currently excluded from the mine plan may be amenable to processing and is the subject of optimised mine modelling to be completed in the coming Quarter.

Secondly, the amenability of ultrafine hematite which is co-mineralised with magnetite has also been appraised by Hatch with respect to processing. Given the requirement of ultrafine grinding and costs associated, hematite liberation is not contemplated as part of the PFS however remains a potential product given appropriate technological innovation which is currently being investigated by the Company through the use of Vertical Roller Mills (VRMs) which are maturing as a potential mine-scale grinding technology.

Mining

Building on the geological modelling completed to date, a mine schedule and haulage model have been developed. The mine planning is driven by the refinement of multiple pit shell models and seeks to optimising early years mass recovery and stripping ratios. Mine planning is being optimised and is being evaluated using detailed scheduling and mine planning using the Deswik software suite. While evaluation of the current plan continues, further mine schedule scenarios will be explored pending a refined geological block model. This updated model includes new modelling of mineralisation in the weathering zone.

The current mine plan has identified several advantages of the deposit to offset the low mass recovery of the ore body.

1. The outcropping mineralisation at Razorback Ridge will negate the need for prestrip at the commencement of mining.
2. As well as the characteristic mentioned above, mineralisation begins at shallow depths, leading to low strip ratios across the mine.
3. The rock mass across the mine is generally stable, leading to low risk mining and pit geometry that minimises strip ratio.
4. Ore hauls from top of pit to plant for the majority of ore mined are flat.
5. Waste hauls from the top of pit are either down hill or flat.
6. There is an opportunity to build some of the Tailing Storage Facility (TSF) directly with waste rock, saving on rehandle.
7. The mine methodology concept can separate large amounts of waste from ore to save on the cost of hauling this interstitial waste to the plant as well as the cost of processing it.

Contractor and owner operated mining scenarios are under evaluation following the procurement of indicative equipment and mining costs from established equipment suppliers and miners.

All work is currently being planned and evaluated in-house, with external consultants Precision Mining and Orelogy Pty Ltd providing mine scheduling services and peer review, respectively. The PFS inputs as generated towards modifying factors and mining economics will be assessed towards appropriate ore reserve classifications by Orelogy Pty Ltd.

Processing

Global magnetite experts Hatch were engaged to conduct an initial review of metallurgical, comminution and processing flowsheets.² The outcomes of the review formed the basis for a second stage of processing flow sheet development which was supplemented by the previously mentioned geometallurgical program which sought to characterise Razorback Iron Project ores with emphasis on early stage (years 0-5) mining activities. Based on the recent Scoping Study (2019) assumptions and test work, together with a new suite of multi-resolution QEMScan analysis, Hatch have completed an initial processing flowsheet and associated mass balance.⁵

The flow sheet as developed by Hatch represents a conventional flow-sheet consisting of (simplified) Crushing, High Pressure Grinding Rolls (HPGRs), Air Classification followed by magnetic separation and final floatation. The flow sheet is well suited to Braemar Iron Formation ores and exploit the Razorback Iron Formations favourable ore body characteristics such as relatively low work-index soft rocks and liberation characteristics including low impurity magnetite crystal structures that comminute along grain boundaries for clean liberation from gangue minerals to produce high grade, low impurity concentrates.⁶

The outcomes from flow sheet development form the basis of design for the proposed processing plant which has been engineered by Hatch to provide a AACE Class 4 capital estimate as appropriate for PFS-level studies. Further optimisation work is ongoing as the Company seeks to maximise value and obtain further efficiencies in capital intensity.

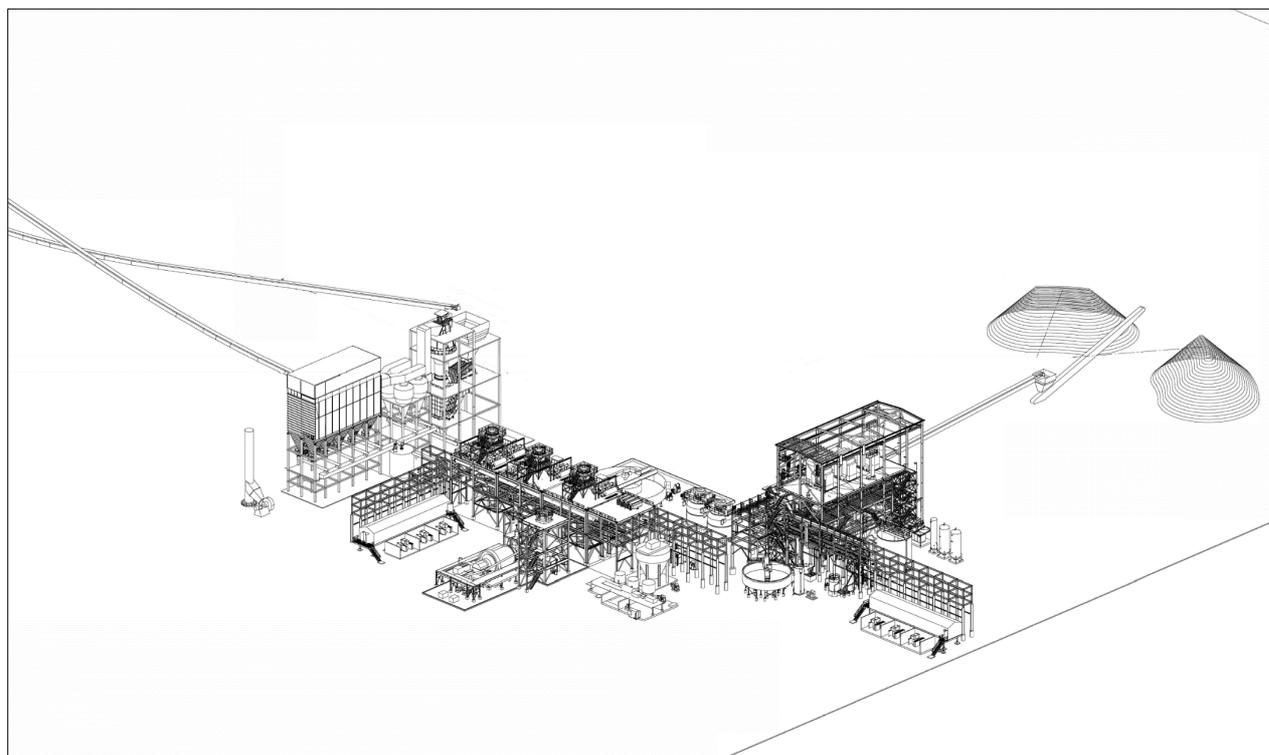


Figure 1. Preliminary and Conceptual Downstream (wet plant section) processing plant design layout prepared by Hatch

Tailings

Tailings storage facility (TSF) design has been initiated with design documentation received from Hatch's tailings division experts. The current TSF design is located adjacent to mining activities to minimise transport distance and has been designed to exploit local topographic features to minimise wall construction length, the design will conform to Australian National Committee on Large Dams (ANCOLD) regulatory guidelines in compliance with South Australian mining regulations. The TSF in conjunction with the processing plant will seek to maximise water recovery through tailings thickening and decant pond reclaim systems. TSF design optimisations and design alternatives are being tested further by external consultants Hatch and Pells Sullivan Meynink (PSM) tailings consultants.

Non-Process Infrastructure

Engineering consultants GHD have completed indicative capital and operating cost estimates for Non-Process Infrastructure. This infrastructure includes camp, mining support infrastructure such as workshops, storage and administration buildings, roads and vehicle parking. The scope of work also included power and water reticulation for the site. Initial design layouts have been prepared and cost optimisation work is ongoing.

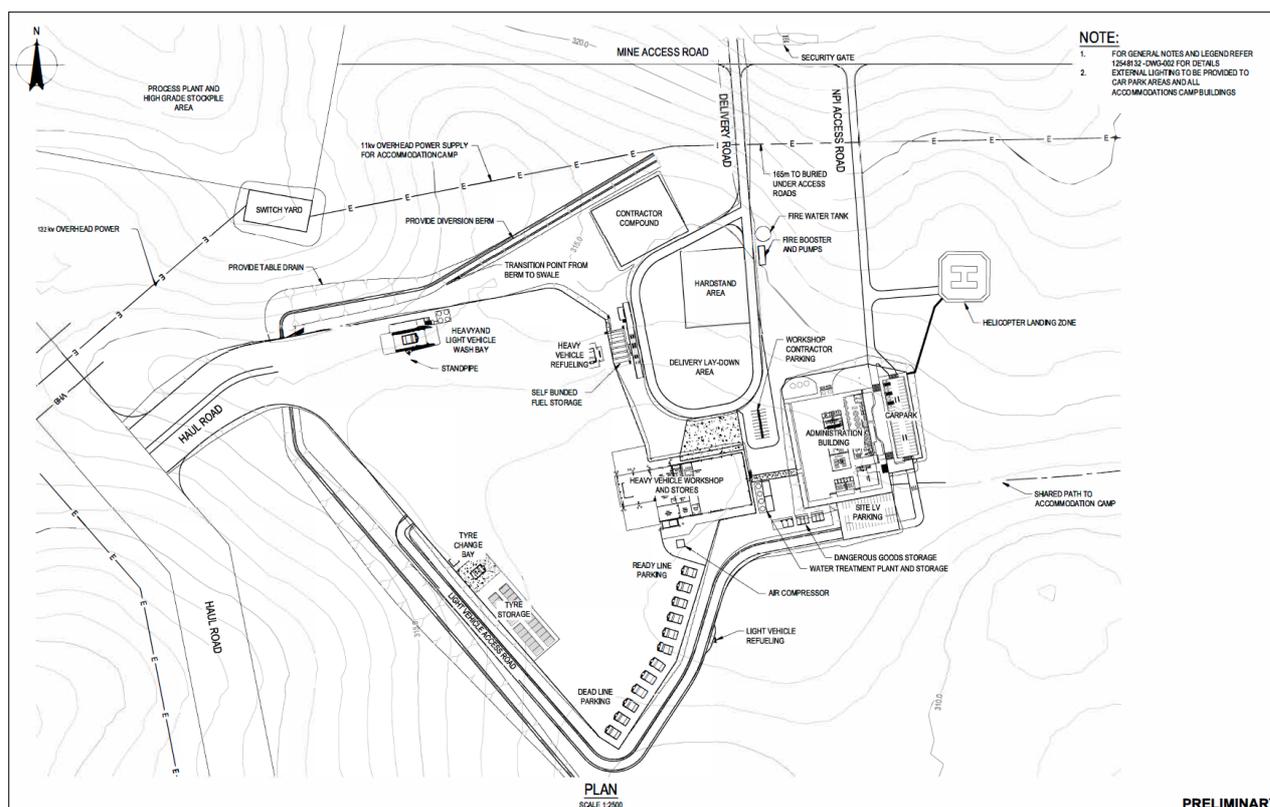


Figure 2. Preliminary layout of Non-Process Infrastructure at Razorback prepared by GHD

Power

Working with GHD as its technical adviser MGT commissioned ElectraNet, South Australia's principal transmission network service provider to prepare a Connections Options Report for the proposed high voltage transmission line for Project.⁷ After considering multiple alternatives the current preferred option includes a transmission line to be constructed from the Northwest Bend region to the Project. Electranet are now finalising the Indicative Pricing Estimate for this option.

Transport and Shipping

During the Quarter a number of studies were completed in relation to the magnetite concentrate logistics export chain.

Port: Several suitable port options available in South Australia have been investigated towards the export of Razorback Iron concentrates.

Above Rail: Several proposals and market based pricing has been obtained from various rail operators for the above rail transport of concentrates. Bottom dump discharge wagons and containerised export options are under review.

Below Rail: The Australian Rail Track Corporation (ARTC) has confirmed that currently the Adelaide to Broken Hill railway line that runs within approximately 40km of the Project has capacity for the proposed concentrate volumes.

Road: Bis Industries, the leading resource logistics company is finalising its study report into the road haulage and train loading component of the logistics chain.⁷ The current preferred option envisages the construction of a private haul road to the existing Broken Hill to Adelaide railway line in the vicinity of Yunta. High capacity multi trailer road trucks will deliver ore to a stockpile pad and adjacent rail siding to be constructed for the Project.

Ore Sorting

The review of the potential application of ore sorting technology to the Razorback High Grade Iron Ore Project is continuing. During the Quarter the company made its second contracted progress payment of \$221,000 to NextOre as part of the lead up to a bulk trial of the technology on the ground (which also ensures that exclusivity for the application of Magnetic Resonance (MR) Ore Sorting technology to magnetite in Australia remains in place).

We are working with NextOre to assess the expected results of the technology on our new geological interpretation and recently prepared detailed mining schedules. While the timing of the bulk trial meant that ore sorting was not part of the PFS engineering, the application of the selective mining approach to the highly stratified Razorback orebody has already had a significant impact on increasing the head grade on the early years of the Project. The Bulk Ore Sorting Trial is scheduled for Q4 of 2021 and the results will be incorporated in the DFS work.

Water

Water studies investigating potential groundwater availability from local ground water sources including fractured rock and palaeochannel aquifers have been completed^{8,9}. Conceptual borefield design and engineering is undergoing further refinement and optimisation for use in the PFS. A drill program with associated water pumping test work has been planned with regulatory permitting initiated. Pending permitting approvals and drill rig availability it is expected that groundwater drilling will commence by June 2021 to test and confirm both fractured rock palaeochannel aquifers available within the current Razorback Iron Project tenement holding.

Permitting and Environmental Studies

Permitting and Environmental studies have progressed in line with proposed Mining Lease prerequisites¹⁰. In addition, the Company has recently employed a highly experienced and capable individual to manage permitting and approvals in addition to serving as the Company's primary contact for stakeholder engagement. The position serves to demonstrate the Company's commitment to building effective relationships with key stakeholders such as Traditional Owners, local pastoralists and State Government. To that end initial consultation with local traditional

owners and stakeholders has begun towards work on the ground and in preparation for further studies. Initial consultation with the government regulations team has also begun with regards to timing and permitting options available to the Project.

Environmental, Social and Corporate Governance

The Company will include a dedicated chapter in the PFS documentation related to Environmental, Social and Corporate Governance (ESG) to assess the sustainability and social impacts of the Razorback Iron Project. The PFS seeks to systematically understand and minimise Project impacts related to communities, flora and fauna and through efficient water management.

The Company seeks to demonstrate its social and environmental license to operate and will identify and appraise the potential Razorback Iron mining activities with respect to environmental factors such as climate (carbon footprint) and the sustainability of resources such as power and water used to operate the mine.

In addition, social factors will be considered including traditional owner and local community participation and impacts. Early consultation with infrastructure providers suggests low carbon offtake opportunities are available from grid infrastructure sources including a large proportion of renewable (wind and solar) energy providers at offtake points.

The Company is committed to optimal carbon outcomes for the Razorback iron Project and is excited by the many opportunities and partner arrangements currently being investigated. We note there has been a lot of discussion about the iron ore and steel industry's environmental footprint and various ways in which the industry could progress to zero emissions ("Green Steel"). While our staged development plans mean we will not be a significant contributor to that footprint in the short to medium term, as a responsible enterprise we have started to give consideration to plans to manage our overall footprint, including Stage 1, 2 and 3 greenhouse gas emissions, leading to net zero emissions through time. At the mine site, we expect that our emissions footprint will be modest as most of the energy required for operations will be derived from sources with a high and increasing component of renewables, but we have work to do in the mining area. However, a large part of total emissions from the iron ore and steel industry arise from the downstream emissions from the use of iron ore in the blast furnace, which is the route that presently generates the majority of the world's steel. Our planned high grade product will already result in inherently lower emissions per tonne of steel due to blast furnace efficiencies even without further downstream technology advances. While it is early days, there appears to be two leading potential pathways to "green steel", either the use of hydrogen in the blast furnace or by direct reduction of iron ore with hydrogen. In both cases, the likely high cost of industrial hydrogen gas combined with technical process requirements will probably lead to an overwhelming preference for higher grade ores in future. Our large resources of ore that are inherently capable of producing some of the highest grade commercial iron ore products are likely to become more attractive through time. While we are currently focussed on bringing our staged development plans to fruition, we note that these plans have an inherently advantageous climate footprint. However, the Company intends to do more work around net zero pathways as we progress the Razorback Iron Project towards potential mine development.

MUSTER DAM IRON PROJECT

During the Quarter the company was awarded the Muster Dam tenement package by the South Australian Department for Energy and Mines following a competitive exploration tenement application process¹⁰. The tenement contains the 1.5 billion tonne, Muster Dam JORC 2004 Inferred Resource^{10,11}. The tenement is currently pending the approval and grant process and work

is expected to commence pending formal tenement grant, expected within the next Quarter. Pending data review, the Company intends to explore and develop the resource potential of the tenement.

The Muster Dam Iron Project is located within the Braemar Iron Formation, which hosts the Razorback Iron Project and is located approximately 110km north east of the Razorback Iron Project. The tenement includes the iron ore prospects referred to as Muster Dam, Surrender Dam, Duffields and Peaked Hill. The prospects are located roughly 40km from rail and road, 75km from the nearest high voltage powerline and 110km from the mining town of Broken Hill.

A Mineral Resource Estimate completed to JORC 2004 Inferred category standards was completed in November 2011 by the previous tenement holder. This resource was quoted as containing 1.5 billion tonnes at 15.2% Mass recovery. A copy of the original ASX release can be found at the following [link](#).

Table 1. Muster Dam resource estimate and concentrate results at 10% DTR cut-off¹¹

Muster Dam			Concentrate Grades					
JORC Category	Billion Tonnes	DTR % (Mass Recovery)	Fe %	Al ₂ O ₃ %	P ₂ O ₅	S %	SiO ₂ %	LOI %
Inferred	1.5	15.2	69.8	0.4	0.002	0.002	2.8	-3.3

¹¹ the resource estimates are reported for a 10% DTR magnetite cut-off grade constrained by the top of fresh rock to a depth of 360m below surface.

The Muster Dam Project represents an important exploration and development opportunity for the Company with a range of potential synergies with the Company's flagship Razorback High Grade Iron Project.

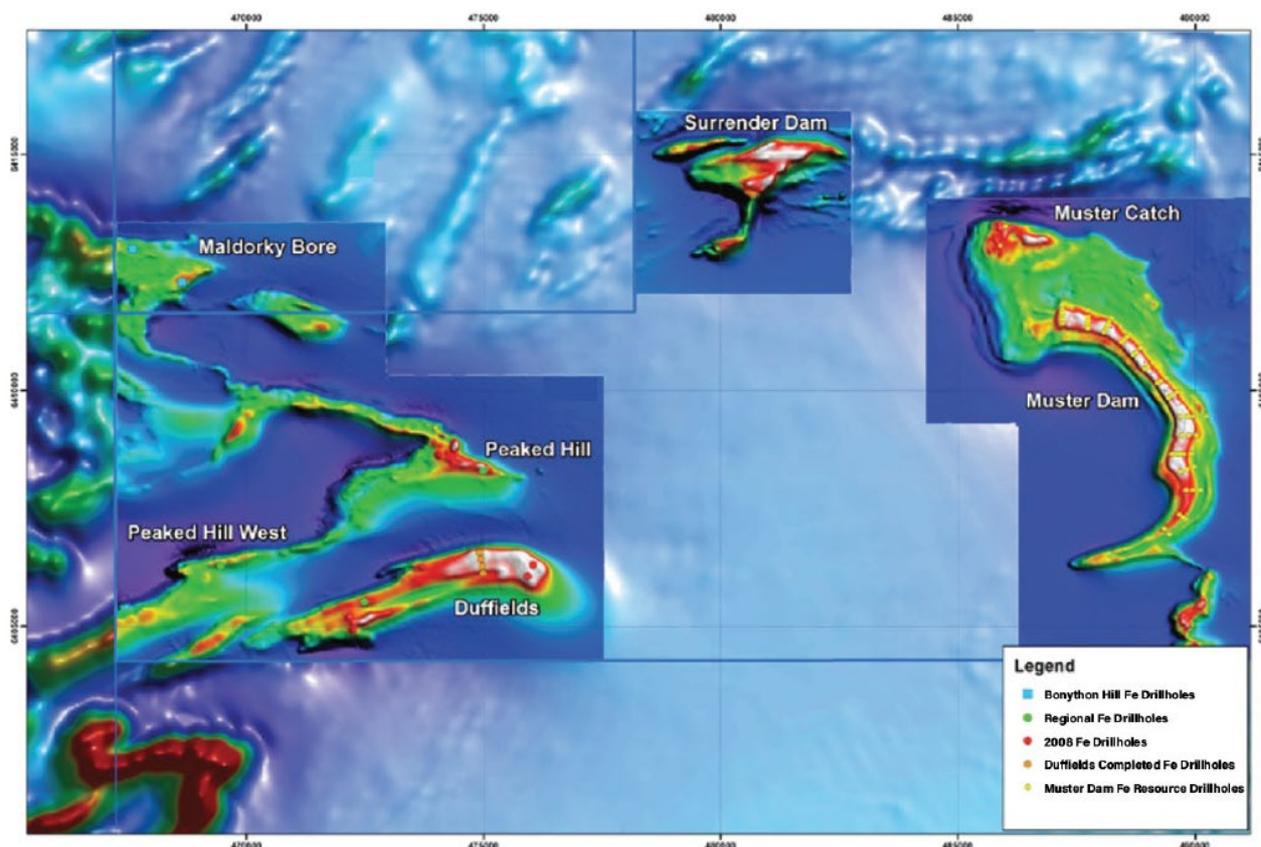


Figure 3. Airborne magnetic image for the Muster Dam area showing regional prospects and drill hole locations. As taken from 'Maiden JORC Resource for Mutooroo'.¹¹

CORPORATE

Management Title & Role Changes

During the Quarter with the progress of the Pre-Feasibility Study (PFS) for the Razorback Iron Ore Project, the Board considered that as the Company works towards development and operations, the greater scope of work together with an increasingly tight mining employment environment mean that greater clarity and certainty of senior management organisation will assist the Company in meeting its objectives, simplify stakeholder relationships and enhance shareholder value¹². Accordingly, the Company appointed Mr Peter Schubert the interim Chief Executive Officer (CEO) (in addition to his Executive Chairman role) and Mr Mark Eames was appointed the Technical Director.

Mr Schubert and Mr Eames have been instrumental in driving in the Company's growth and development strategy and have been pivotal in the renewed development options for the Company's Razorback Iron Ore Project, allowing for a substantial rerating of the Company's share price and increase in market capitalisation, with a fully funded PFS underway and a pathway and plan to move into production. The new roles deepen the commitment of these key executives to the Company and its shareholders, providing for continued consistency of leadership.

Mr Schubert's existing executive employment contract will be changed to reflect his additional role and responsibilities, as well as his contribution to the success of the Company. Mr Eames will enter into an ongoing part-time executive employment contract to reflect his modified role and responsibilities.

In arriving at the key contractual terms for the employment arrangements for Mr Schubert and Mr Eames, the Board carefully considered the Company's Remuneration Charter and Policy and reviewed comparable remuneration arrangements with similar companies in the industry to ensure that the arrangements are fair, competitive, and appropriate. To ensure alignment of incentives with shareholders and provide maximum transparency, the Company proposed an incentive framework with a regular annual consideration of short-term incentive options which will apply to Mr Schubert and Mr Eames as set out in the summary of material terms announced on 16 March 2021.

MINING EXPLORATION ACTIVITIES

Mining exploration activities during the Quarter related to:

- PFS related services and studies
- Geochemistry services – as related to Davis tube recovery and geometallurgical characterisation testwork
- Technical consultancy services – as related to PFS studies and peer review.
- General field work – As related to stakeholder engagement, sample preparation and storage

During the Quarter. Due largely to the availability of historical drill samples and datasets which are available for use in the current Pre-Feasibility Study, no drilling was required during the Quarter. Expenditure on the Project during the Quarter related primarily to Pre-Feasibility Studies which seek to assess options available for the economic delivery of ore concentrates from the Razorback Iron Project.

Mining Production and Development activities during the Quarter:

None of the Company's projects are at a production or development stage and consequently there were no activities during the Quarter relating to production or development.

Mr. Peter Schubert, Executive Chairman & CEO said:

“In this last Quarter, your company has made significant progress towards delivery of a robust high grade iron ore business. We are on budget and on track with our plans.

The PFS, currently well-advanced, aims to arrive at a single go-forward option that provides a sound and compelling business case across the range of iron ore pricing scenarios. Importantly, the PFS scope envisages a capital efficient, long-life mine producing an attractive high grade iron ore product.

The Magnetite Mines team, together with our globally recognized technical specialist consultants, has worked with meticulous, singular vision and commitment to deliver an optimal PFS outcome for shareholders. We look forward to sharing this in the balance of the first half of this year in line with our commitment to shareholders.

As I have commented previously, the Company continues to make every effort to market and pursue all relationship opportunities on behalf of shareholders that make good commercial sense. With that in mind It is worth noting that grade premiums are at near record levels of over US\$12 per percent of Fe above 62%. While we are designing our Project to compete through the cycle, we note that strong demand and a muted supply response support robust iron ore pricing and that the product we plan to produce is both valuable and in demand.

We thank shareholders for their continued support and encouragement and look forward to further updating the market as we continue to advance the Razorback High Grade Iron Ore Project.”

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

For further information contact:

Peter Schubert
Executive Chairman and CEO
+61 416 375 346



Figure 4. Razorback Iron Project – Razorback Ridge outcropping with distinctive dark iron ore banding at surface (looking south west)

ABOUT THE RAZORBACK IRON PROJECT

The Razorback Iron Project (Project) is a magnetite iron ore deposit capable of producing a high grade iron ore concentrate product for use in steel production. The Project is 100% owned and operated by the ASX listed Magnetite Mines Limited (ASX: MGT).

With a defined 2012 JORC resource of 3.9Bt Iron Ore^{4,14}, the Razorback Iron Project consists of two very large magnetite iron ore deposits, the Razorback and the Ironback Hill deposits hosted in the Braemar Iron Formation. It is located 240 NE of Adelaide, South Australia, near the regional town of Yunta in arid, low intensity pastoral country.

The large resource base is held within five 100% owned and operated tenements totalling 1,690 square kilometres. The Project is situated 45km from open-user rail, 100km from the power grid and 200km to existing deep water ports.⁵

Magnetite Mines has completed a scoping study into a low cost, staged development using existing infrastructure and simple magnetic processing to produce a high grade concentrate at competitive capital and operating cost. The Company has commenced planning a Pre-feasibility Study(PFS) in 2020 to progress the low cost development.^{1,2}

In parallel, the Company has exclusivity over a new technology developed by CSIRO in Australia for magnetic resonance ore sorting.¹³ This technology has the potential to substantially enhance the Project's competitiveness and efficiency and will be investigated as part of the PFS.^{1,2}

ABOUT MAGNETITE MINES LIMITED

Magnetite Mines Limited is a development stage mineral exploration company advancing the Razorback Iron Project located in the Braemar Iron Province of north-east South Australia.

Directors

Peter Schubert	Executive Chairman
Mark Eames	Non-Executive Director
Malcom Randall	Non-Executive Director

Reference List

1. ASX Announcement – 18/06/21 – Commencement of PFS and Appointment of Expert Advisors
2. ASX Announcement – 17/12/20 – Pre Feasibility Study Update
3. ASX Announcement – 19/08/21 – Selective Mining
4. ASX Announcement – 12/11/18 – Razorback Iron Project – JORC 2012 Resource Update
5. ASX Announcement – 07/11/19 – Positive Razorback Scoping Study Results
6. ASX Announcement – 13/09/16 – Metallurgical Update – Positive Results
7. ASX Announcement – 16/02/21 – Advancing Essential Infrastructure for the Razorback Project
8. ASX Announcement – 14/09/20 – Permitting and Environmental Studies Initiated
9. ASX Announcement – 27/11/20 - Presentation to 2020 AGM
10. ASX Announcement – 01/03/21 – Muster Dam Iron Project Tenements awarded to Magnetite Mines
11. ASX:MEP ASX Announcement – 24/11/11 – Maiden JORC Resource for Mutooroo
12. ASX Announcement – 16/03/21 – Title and Role Changes at Magnetite Mines
13. ASX Announcement – 07/10/20 – Ore Sorting Technology Agreement Update
14. ASX Announcement – 20/11/18 – Ironback Hill Deposit – JORC 2012 Resource Update

Appendix 5B

Mining exploration entity quarterly cash flow report

Name of entity

MAGNETITE MINES LIMITED

ABN

34 108 102 432

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(6)
(b) development	-	-
(c) production	-	-
(d) staff costs	(141)	(395)
(e) administration and corporate costs	(100)	(364)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	7
1.5 Interest and other costs of finance paid	-	(102)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – COVID-19 Cashflow boost	-	37
1.9 Net cash from / (used in) operating activities	(236)	(823)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(4)	(13)
(d) exploration & evaluation	(644)	(1,350)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	3
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(648)	(1,360)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,953
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	138	185
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(525)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(100)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	137	5,513
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,908	831
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(236)	(823)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(648)	(1,360)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	137	5,513

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,161	4,161

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	401	103
5.2	Call deposits	3,760	4,805
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,161	4,908

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

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(236)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(644)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(880)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,161
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,161
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.73
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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

Answer:

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

Compliance statement

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

Date: 30 April 2021

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

Notes

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

The following tenements held by Magnetite Mines Limited (and its controlled entities) as at 31 March 2021

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