
Corporate Governance Statement 2021

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 set out 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 4th edition of the Principles and Recommendations (**recommendations**) for the period 1 July 2020 to 30 June 2021 (**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, under the section marked "Corporate". The Company reviewed and updated its governance documents on 12 July 2021:

Charters

Board
Audit Committee
Nomination Committee
Remuneration Committee
Risk Committee

Policies and Procedures

Induction Program
Policy and Procedure for the Selection and (Re) Appointment of Directors
Process for Performance Evaluations
Procedure for the Selection, Appointment and Rotation of External Auditor
Shareholder Communication and Investor Relations Policy
Securities Trading Policy
Diversity Policy
Policy on Continuous Disclosure
Compliance Procedures
Code of Conduct
Whistleblower Policy
Anti-Bribery and Corruption Policy (adopted 12 July 2021)

The information in this statement is current at 27 October 2021. This statement was approved by a resolution of the Board on 27 October 2021.

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

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Approach to Corporate Governance (continued)

information in its possession relevant to a decision on whether or not to elect or re-elect a director. The checks which are 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 provided shareholders with all material information in relation to the re-election of Malcolm Randall and Mark Eames as directors at its 2020 Annual General Meeting.

Recommendation 1.3

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

During the Reporting Period, the Company did not have a written agreement with its Company Secretary and Chief Financial Officer, Frank DeMarte in his capacity as an executive of the Company.

Mr DeMarte re-joined the Company as its Company Secretary and Chief Financial Officer on 22 August 2013, and since that date the Company and Mr DeMarte had not entered into a written agreement. Entry into a written agreement was deferred until the Company secures the appropriate funding to progress and develop the Company's main iron ore project. However, an employment agreement was signed between the Company and Frank DeMarte on 15 July 2021 to reflect the material terms that were announced to the ASX on 31 July 2020.

During the Reporting Period, Peter Schubert was appointed as the interim Chief Executive Officer of the Company with effect from 1 January 2021. The material terms of Mr Schubert's agreement with the Company was announced to ASX on 16 March 2021 and an employment agreement reflecting these terms was signed by the Company and Mr Schubert on 12 August 2021.

During the Reporting Period, an employment agreement between the Company and Mark Eames as Technical Director effective 1 May 2021 had not and has not been finalised. However, the material terms of the agreement were announced to ASX on 16 March 2021.

The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is related party of the Chief Executive Officer or any of its directors has been disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

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's 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 on the Company's website. However, the the Board has not set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally. 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. The Company also has an Equal Employment Opportunity and Anti-Discrimination Policy. Further, due to the Company's current operations, size and small number of employees, the Board considers that it is 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

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Approach to Corporate Governance (continued)

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 2021 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 Executive Chairman and the Company Secretary and Chief Financial Officer:

	Proportion of women
Whole organisation	1 out of 12 (8%)
Senior executive positions	0 out of 2 (0%)
Board	0 out of 3 (0%)

Recommendation 1.6

The Chairman is responsible for evaluation of 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 Chairman) completes a questionnaire and the Chairman discusses the responses to the questionnaire with the Board on a round-table basis. The Chairman is reviewed on this basis by the rest of the Board.

During 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*. Since the resignation of the previous Chief Executive Officer on 2 September 2018, the chief executive function for the Company has been performed by the Board as a whole.

During the Reporting Period, the Company had three senior executives; the Executive Chairman, Mr Peter Schubert (appointed interim CEO effective 1 January 2021), a Technical Director, Mr Mark Eames (appointed 1 May 2021) and the Chief Financial Officer and Company Secretary (all of whom were also Board members during the Reporting Period). Mr DeMarte resigned as a board member on 31 July 2020 but continues as the Company's Chief Financial Officer and Company Secretary.

During the Reporting Period, an evaluation of the Executive Chairman, the Technical Director and the Chief Financial Officer and Company Secretary were undertaken in accordance with the Company's *Process for Performance Evaluations* that is, in conjunction with their reviews as members of the Board, for the reasons outlined above in relation to Recommendation 1.6.

An evaluation of the Chief Executive Officer (CEO) was not undertaken by the Board in accordance with the Company's *Process for Performance Evaluations* during the Reporting Period because the CEO had not been in the role for a minimum of 12 months.

Principle 2 – Structure the board to add value

Recommendation 2.1

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee.

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Approach to Corporate Governance (continued)

Committee. Although the Board has not established a separate Nomination Committee, it has adopted a *Nomination Committee Charter*, which describes the role, composition, functions and responsibilities of the full Board in its capacity as the Nomination Committee, and is disclosed on the Company's website.

When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. Separate meetings of the full Board in its capacity as the Nomination Committee are held, and minutes of those meetings are taken. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

During the Reporting Period, the full Board did not officially convene as the Nomination Committee however, nomination-related discussions occurred from time to time as required.

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.

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 Malcolm Randall and Mark Eames (but only until the commencement of his executive position with the Company on 1 May 2021).

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

Director	Date of Appointment	Length of service
Peter Schubert	17 December 2015	5 years 6 months
Frank DeMarte (resigned 31 July 2020)	23 February 2004	16 years 5 months
Malcolm Randall	4 October 2006	14 years 8 months
Mark Eames	11 March 2020	1 year 3 months

Recommendation 2.4

The Board had an equal number of independent and non-independent directors for the period 1 July 2020 to 31 July 2020. Following Mr DeMarte's resignation on 31 July 2020, the Board had a majority of directors who were independent. However, following the appointment of Mr Eames as Technical Director with effect from 1 May 2021, the Board no longer had a majority of independent directors but a sole independent director – Mr Randall.

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Approach to Corporate Governance (continued)

During the Reporting Period, the Board considered that its composition was appropriate for the Company's circumstances and includes 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 Chairman.

The Chairman is Mr Peter Schubert. Mr Schubert is not an independent Chairman as he is also the interim Chief Executive Officer and is also responsible for the Company's investor relations and capital development.

The Board believes that Mr Schubert is the most appropriate person for the position of Chairman notwithstanding that he was also an executive because of his experience and knowledge.

Recommendation 2.6

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

The full Board in its capacity as 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 fulfil their role on the Board and the Board committees effectively using a Board skills matrix. Where any gaps are identified, the full Board in its capacity as the Nomination Committee considers what training or development should be undertaken to fill those gaps. In particular, the full Board in its capacity as the Nomination Committee ensures that any director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements.

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 key 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 Executive Chairman.

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.

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Approach to Corporate Governance (continued)

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

During the Reporting Period, the Company did not have in place an *Anti-bribery and Corruption Policy*, however, on 12 July 2021, the Board 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 Executive Chairman.

Principle 4 – Safeguard integrity in corporate reporting

Recommendation 4.1

The Board has established an Audit Committee. During the Reporting Period, the members of the Audit Committee were Malcolm Randall (who is the Chair of the committee and is an independent non-executive director) and Frank DeMarte who was a non-independent executive director. Following Mr DeMarte's resignation from the Board on 31 July 2020, the members of the Audit Committee are now Malcolm Randall (who is the Chair of the committee and is an independent non-executive director) and Mark Eames who commenced as a non-executive director was then appointed an executive director on 1 May 2021.

During the Reporting Period, the Audit Committee was not structured in compliance with Recommendation 4.1. The Board is unable to establish an Audit Committee that meets the compositional requirements of Recommendation 4.1. The Board considered that a committee comprised of the Company's Technical Director and an independent director was the most appropriate structure for the Company's needs given their experience and qualifications.

The relevant qualifications and experience of each of the members of the Audit Committee are set out in the Director's Report commencing on page 18 of the Company's 2021 Annual Report.

The Company has also established a *Procedure for the Selection, Appointment and Rotation of its External Auditor*. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

Details of director attendance at Audit Committee meetings during the Reporting Period are set out in a table in the Directors' Report on page 30 of the Company's 2021 Annual Report.

The Board has adopted an *Audit Committee Charter* which describes the Audit Committee's role, composition, functions and responsibilities, and is disclosed on the Company's website.

Recommendation 4.2

Before the Board approved the Company financial statements for each of the quarters ending 30 September 2020, 31 December 2020, 31 March 2021 and 30 June 2021, the half year ended 31 December 2020 and the full-year ended 30 June 2021, it received from each director of the Company who together perform the chief executive function for the Company and the Chief Financial Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply

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Approach to Corporate Governance (continued)

with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

In addition to the Company's periodic corporate reports that are audited or reviewed by the Company's external auditor, the Company publishes periodic corporate reports that are not so audited or reviewed. The Company satisfies itself that these reports are materially accurate, 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 are 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. A summary of the Company's *Policy on Continuous Disclosure* and *Compliance Procedures* are disclosed on the Company's website.

Recommendation 5.2

The Board receives copies of all material market announcements both before, and promptly 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 information about itself and its governance to investors via its website at 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 in place a *Shareholder Communication and Investor Relations Policy* which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders.

Communication to 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 made available on the Company's website. In addition, all shareholders are encouraged to attend the

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Approach to Corporate Governance (continued)

Annual General Meeting and use the opportunity to ask questions during the meeting and after the Executive Chairman's presentation. The external auditor also attends the shareholders 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 not established a separate Risk Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performs the role of Risk Committee, and has responsibility for overseeing the Company's risk management framework.

Although the Board has not established a separate Risk Committee, it has adopted a *Risk Committee Charter*, which describes the full Board in its capacity as a Risk Committee's role, composition, functions and responsibilities. When the Board convenes as the Risk Committee it will carry out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are discussed at Board meetings when required. The Board will deal with any conflicts of interest that may occur when convening in the capacity of the Risk Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

Recommendation 7.2

The full Board in its capacity as the 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*.

Recommendation 7.4

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

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Approach to Corporate Governance (continued)

- 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 established a Remuneration Committee. During the Reporting Period, the members of the Remuneration Committee were Malcolm Randall (who is the Chair of the committee and is an independent non-executive director) and Frank DeMarte who was a non-independent executive director. Following Mr DeMarte's resignation from the Board on 31 July 2020, the members of the Remuneration Committee are now Malcolm Randall (who is the Chair of the committee and is an independent non-executive director) and Mark Eames who was a non-executive director, but as of 1 May 2021 is an executive director.

During the Reporting Period, the Remuneration Committee was not structured in compliance with Recommendation 8.1. The Board is unable to establish a Remuneration Committee that meets the compositional requirements of Recommendation 8.1. The Board considered that a committee comprised of the independent director and the Technical Director was the most appropriate structure for the Company's needs given their experience and qualifications.

Details of director attendance at meetings of the Remuneration Committee held during the Reporting Period are set out in a table in the Directors' Report on page 30 of the Company's 2021 Annual Report.

The Board has adopted a *Remuneration Committee Charter* which describes the role, composition, functions and responsibilities of the Remuneration Committee, 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 statement are contained in the "Remuneration Report" which forms part of the Directors' Report and commences at page 21 of the Company's 2021 Annual Report.

Recommendation 8.3

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

The Board is committed to adopting a system of internal controls, a risk management framework and corporate governance policies, standards and practices, which will aim to reflect market practice, expectations and regulations which are relevant to the Company and designed to support and promote the Company's values and culture.

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

MAGNETITE MINES LIMITED

ABN

34 108 102 432

Financial year ended:

30 June 2021

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <http://magnetitemines.com/corporate/>

The Corporate Governance Statement is accurate and up to date as at 27 October 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 27 October 2021

Name of authorised officer authorising lodgement: Frank DeMarte, Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 1 and we have disclosed a copy of our board charter on our website at: http://magnetitemines.com/corporate/	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 1 and 2 and we have disclosed a copy of our procedure for selecting and (re) appointment of directors on our website at: http://magnetitemines.com/corporate/	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 2.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 2.	

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>		<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on pages 2 and 3.</p> <p>MGT is not included in the S&P / ASX 300 Index.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 3. and we have disclosed the evaluation process referred to in paragraph (a) on our website at: http://magnetitemines.com/corporate/</p>	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on pages 3. and we have disclosed the evaluation process referred to in paragraph (a) on our website at: http://magnetitemines.com/corporate/	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on pages 3 and 4 and the information referred to in paragraphs (4) and (5) is set out in the Directors Report on page 30 of our 2021 Annual Report at http://magnetitemines.com/announcements/
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on pages 4.	
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 4.	
2.4	A majority of the board of a listed entity should be independent directors.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 4.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 5
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 5 and we have disclosed the induction program on our website at: http://magnetitemines.com/corporate/	
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 5 and we have disclosed our Company values on our websites at: http://magnetitemines.com/corporate/	
3.2	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. 	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 5 and we have disclosed our code of conduct on our websites at: http://magnetitemines.com/corporate/	
3.3	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. 	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 5 and we have disclosed our whistleblower policy at: http://magnetitemines.com/corporate/	
3.4	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. 		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 6 and we have disclosed our anti-bribery and corruption policy on our website at: http://magnetitemines.com/corporate/

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 6 and the information referred to in paragraphs (4) and (5) is set out in the Directors Report on pages 18 and 30 of our 2021 Annual Report at http://magnetitemines.com/announcements/</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive 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 on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 6.</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 7.</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 7 and we have disclosed our continuous disclosure policy on our website at: http://magnetitemines.com/corporate/	
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 7.	
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 7.	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 7. and we have disclosed information about us and our governance on our website at: http://magnetitemines.com/corporate/	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 7 and we have disclosed our investor relations policy on our website at: http://magnetitemines.com/corporate/	
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 7. and we have disclosed how we facilitate and encourage participation at meetings of security holders at: http://magnetitemines.com/corporate/	
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8.	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8.	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 8 and we have disclosed our risk management policy on our website at: http://magnetitemines.com/corporate/ The information referred to in paragraphs (4) and (5) is set out in the Directors Report on page 30 of our 2021 Annual Report at http://magnetitemines.com/announcements/
7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 8.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 8.
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8.	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 9 and the information referred to in paragraphs (4) and (5) is set out in the Directors Report on page 30 of our 2021 Annual Report at http://magnetitemines.com/announcements/</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 9 and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in the Directors Report on pages 21 to 29 at: http://magnetitemines.com/corporate/</p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement on page 9 and we have disclosed our Securities Trading policy on our website at: http://magnetitemines.com/corporate/</p>	

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ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.		<input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		<input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		<input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	Not applicable	
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	Not applicable	