

MAGNETITE MINES SECURES MUSTER DAM TENEMENT

Highlights

- **Magnetite Mines has been formally granted the Muster Dam tenement (EL6746) by the South Australian Department for Energy and Mines**
- **Muster Dam is hosted in the same Braemar Iron Formation as the Company's flagship Razorback Iron Ore Project leading to potential processing flow sheet and infrastructure synergies¹**
- **The Company plans to assess and develop any iron ore opportunities available at the tenement in parallel with the Razorback Iron Ore Project**
- **Muster Dam offers a new growth and development opportunity for Magnetite Mines and is a natural complement to the large Razorback Iron Ore Project**

MUSTER DAM PROJECT

Further to the ASX announcements dated 1 March 2021 and 9 November 2021, Magnetite Mines Limited (ASX:MGT) ("Magnetite Mines" or the "Company") confirms that it has been formally granted the Muster Dam tenement (EL 6746) by the South Australian Mines Department for Energy and Mines. The formal grant of the Muster Dam tenement represents an important exploration and development opportunity for the Company, which will be assessed in parallel with the Company's current Razorback Iron Ore Project's Definitive Feasibility Study.

Proposed Work Program

The Company's intentions for the Muster Dam tenement remain as stated in its earlier ASX announcements,^{1,2} being to:

1. review all available exploration and technical material concerning the tenement package to confirm its resource potential and to develop targets for further exploration and evaluation;
2. prepare an updated JORC 2012 compliant statement in respect of the Muster Dam tenement; and
3. develop a staged exploration program that seeks to refine the existing data, followed by target definition and drill testing for resource definition and development.

Based on recent successful testwork programs at the Company's Razorback Iron Ore Project, the use of quantitative XRD and QEMScan analytical techniques towards mineralogical and textural analysis will be undertaken to determine liberation characteristics of the Muster Dam tenement and develop a processing flow sheet like that now in development for the Razorback Iron Ore Project.³ This data will serve as the basis for flow sheet development and detail the amenability of the Muster Dam tenement to produce high grade magnetite concentrates.

If initial data assessments prove positive, the Company intends to commence stakeholder engagement, including with traditional owners with a view to enter into exploration access agreements (Native Title Mining Agreements – NTMA), and permitting for on-ground work program access. On-the-ground geophysical surveys (ground magnetics surveys) and drill testing of the deposits will be undertaken with two objectives namely exploration of under-explored prospects and resource definition. Pending the results of the work program an initial scoping study into the economics of mine extraction is expected to follow.

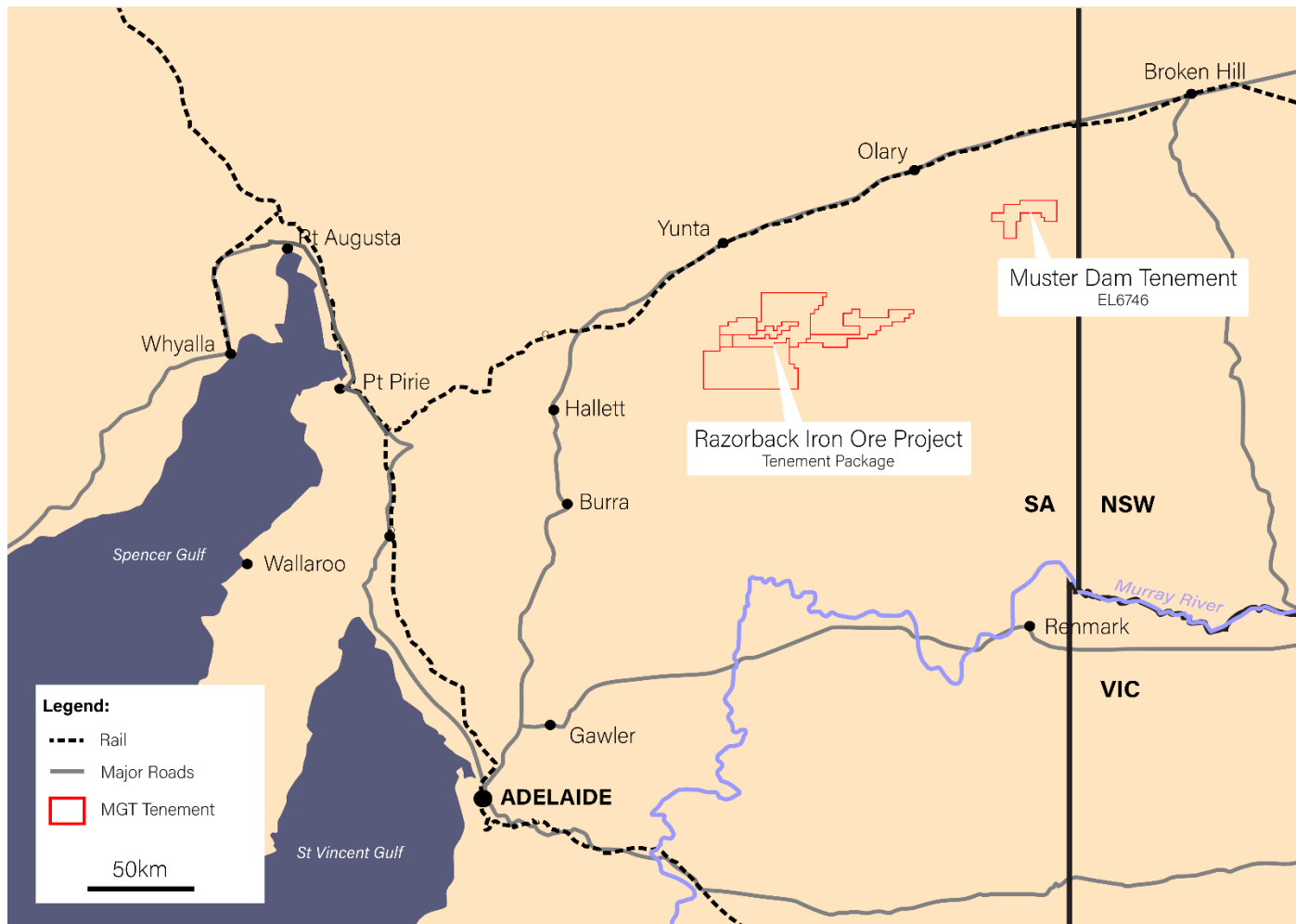


Figure 1. Regional schematic map indicating Muster Dam and Razorback Iron Project Locations

This release has been approved by the Board

References – MGT ASX Releases

1. 01/03/21 - Muster Dam Iron Project Tenements awarded to Magnetite Mines
2. 09/11/21 - Magnetite Mines Gains Access to Muster Dam Data
3. 05/07/21 – Positive PFS Results for the Razorback Iron Ore Project