



MAGNETITE MINES LIMITED
Making Steel Stronger

ASX Announcement

21 March 2016

Major Chinese Steel Mills to Test MGT Concentrate

Magnetite Mines Limited (ASX: MGT) (**Company**) is pleased to announce that four (4) tonne of ore (from drill cuttings) has been dispatched to Bureau Veritas Laboratories in Perth to further refine the flow sheet for the development of the Company's large magnetite resources in the Mawson Iron Province of South Australia.

Following the Company's Chairman's continuing negotiations in China, concentrates produced from this work will provide samples for testing by interested Chinese steel companies. To date, five (5) Chinese steel companies all with raw steel production of 15 million tonnes per annum each have requested samples for analysis and sinter pot testing in their own testing facilities.

The Company's Chairman, Gordon Toll said: *"All Steel Company managers to whom we have spoken find the chemical characteristics of our concentrates compelling. The iron grade above 68% Fe, the absence of sulphur and the very low levels of alumina, phosphorous, titania and vanadium in our magnetite means that it can be used in blending to off-set the low and continually declining quality of the products of other major ore suppliers. This is particularly so in relation to low Fe ores and high phosphorous ores. Our Concentrates can also substitute directly for Chinese domestic magnetite concentrates. Chinese domestic magnetite concentrate annual production has decreased by over 200 million tonne in recent years"*.

A 20 tonne test program will follow this 4 tonne program.

For further information contact:

Gordon Toll
Chairman and Chief Executive Officer
+61 8 8427 0516