



Memorandum of Understanding

between

District Council of Peterborough

and

Magnetite Mines Limited

for

community participation in the
Razorback Iron Ore Project



MAGNETITE
M I N E S

1. INTRODUCTION

1.1 The Razorback Iron Ore Project is a magnetite iron ore deposit capable of producing a high-grade iron ore concentrate product for use in green steel production. With a defined 2012 JORC Resource of 4.5 billion tonnes of iron ore, the project envisages a minimum of 5 million tonnes of iron ore concentrate annually through the development of a new mine, processing plant and associated infrastructure.

1.1.1. The project is located approximately 85km east of Peterborough, South Australia and within the Unincorporated Area; however, sections of the haulage corridor exist with the District Council of Peterborough.

1.1.2. The Town of Peterborough forms the nearest principal population and service centre to the Razorback Iron Ore Project, and may serve as a gateway hub for the project during its initial development and long-term operational phases.

1.2 District Council of Peterborough

The District Council of Peterborough (DCP) is a proclaimed council pursuant to Chapter 2 of the *Local Government Act 1999* (SA).

1.3 Magnetite Mines Limited

Magnetite Mines Limited (MGT) is an Australian Public Company registered pursuant to the *Corporations Act 2001* (Cth) with ACN 108 102 432.

2. BACKGROUND

2.1 The mining sector in South Australia has a storied past and has been central to the economic viability and success of the State. Mining within the Peterborough region commenced as early as 1885, with the Teetupla goldfields producing 3,100kg of gold and attracting over 5,000 miners in the late 1880s. Peterborough was central to the Australian mining sector for almost a century as a key railway service centre along the Broken Hill-Port Pirie railway.

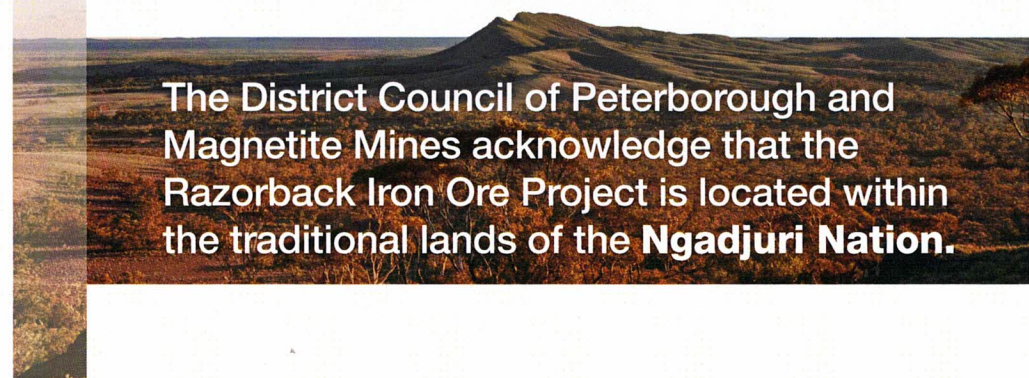
2.2 In a contemporary context, mining can provide critical economic development opportunities but it must work closely with communities, First Nations and other stakeholders to ensure it:

- understands expectations and aspirations of its stakeholder groups, and can align its actions and outcomes accordingly
- continues to build value for the operator, governments and stakeholders throughout the mining life cycle (economic)
- is transparent on its predicted and actual environmental performance (environment)
- collaborates and partners to minimise impacts and maximise benefits to local and regional stakeholders (social)
- acts honestly, with integrity and with high levels of accountability, reflective of its host communities (governance).

2.3 The *South Australian Mining Act 1971* provides the regulatory framework for the development of mining projects within the State. Prior to a mining lease being awarded, an operator must characterise the existing physical and social environments, consult with stakeholders and agree acceptable performance measures and outcomes.

2.4 Early engagement between DCP and MGT indicated a strong willingness to collaborate on the Razorback Iron Ore Project, reflecting local community interest in the Project, potential for interaction with project activities, and shared opportunities that may only be derived through a strong partnership model.

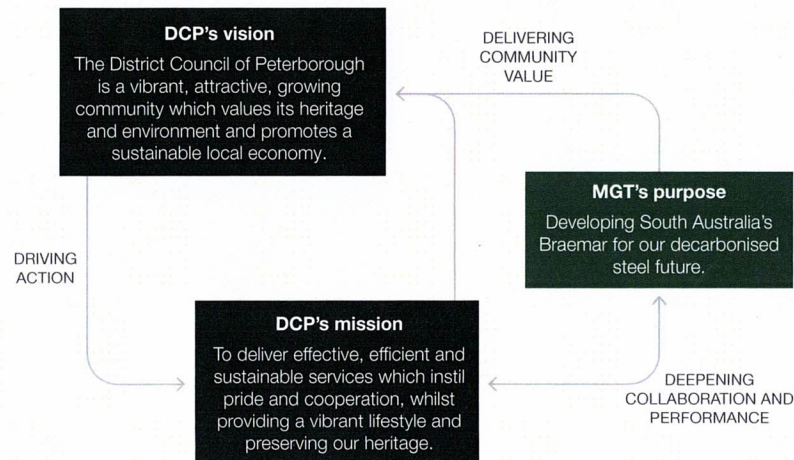
A Memorandum of Understanding (**Memorandum**) was identified as the preferred mechanism on which DCP and MGT can collaborate and support project development and to ensure community involvement in the project.



The District Council of Peterborough and Magnetite Mines acknowledge that the Razorback Iron Ore Project is located within the traditional lands of the Ngadjuri Nation.

3. PURPOSE OF THIS MEMORANDUM

- 3.1 This document records the intention of the parties to:
- 3.1.1. identify and collaborate on matters of shared interest as they may relate to the Razorback Iron Ore Project and the DCP, its residents, communities, other entities, the environment, local amenity and economic opportunity.
 - 3.1.2. establish appropriate processes for engagement between MGT and the DCP, its elected members, residents and other entities.
 - 3.1.3. identify and assess opportunities to develop and/or manage shared infrastructure and fund the same.
 - 3.1.4. provide a structure for DCP and MGT to consider stated, in-kind and other support for ancillary developments that may benefit the Razorback Iron Ore Project, its local workforce and its local stakeholders.
- 3.2 Through the successful implementation of this Memorandum the two parties can contribute to the success of the other:



4. STATEMENT OF INTENT

- 4.1 The parties acknowledge that this is an administrative arrangement between parties and is not intended to create legal relations or a legally binding agreement, except in relation to clauses 8 and 9.
- 4.1.1. This Memorandum does not negate or replace any of the current or future statutory obligations that either party has pursuant to statute, regulation, policy or other agreement and contract.
- 4.2 Each party will work cooperatively in the spirit of goodwill and shall take fair and reasonable action to ensure that they fulfill their obligations and undertakings as set out in Sections 5, 6 and 7 of this Memorandum.
- 4.2.1. If one party believes that the principles and undertakings of this Memorandum are not being fulfilled it will initiate discussions with the counterparty to seek resolution on the matter.
 - 4.2.2. If the parties are unable to reach satisfactory resolution of a dispute, the matters may be referred to a special meeting of the parties.

5. PRINCIPLES

- 5.1 The parties agree that the following principles will apply:
- 5.1.1. Effective communication is integral to the successful implementation of the Memorandum, and it is important to acknowledge and celebrate achievements arising from the implementation of the Memorandum.
 - 5.1.2. Local DCP communities, businesses and other stakeholders that are directly affected by or have an interest in the success of the Razorback Iron Ore Project should have the opportunity to be engaged and participate in the project, so as to maximise opportunities, reduce potential negative impacts and build trust.
 - 5.1.3. The DCP is a key representative body for local communities, businesses and other stakeholders.

5.1.4. MGT is committed to providing high-quality, fit-for-purpose opportunities for local DCP communities, businesses and other stakeholders to learn about the Razorback Iron Ore Project, provide input and advise on relevant operational performance outcomes.

5.1.5. DCP and MGT should collaborate on:

- consultation initiatives
- the development of networks and advocacy supporting the project
- optimising infrastructure outcomes where shared interest applies
- take strategic in-kind and other support actions to leverage opportunities arising from or are ancillary to the Razorback Iron Ore Project
- economic development and participation planning

5.1.6. Collaboration between DCP and MGT must be transparent, with parties acting with integrity throughout their undertakings as defined in clause 6 and clause 7.

6. GENERAL UNDERTAKING

6.1 The parties are committed to cooperate and collaborate in respect of the Principles set out in clause 5.

6.2 DCP agrees to:

- 6.2.1. Appoint a primary person of responsibility for the implementation of the Memorandum and provide the necessary resources for that person to engage with the counterparty.
- 6.2.2. Meet on a periodic basis with the counterparty to progress priority matters.
- 6.2.3. Provide information on local context and other matters, support to MGT to build its local stakeholder network and facilitate its engagement activities.

6.2.4. Develop strategies in collaboration with the counterparty to maximise opportunities for participation in the Razorback Iron Ore Project by and/or benefit for local communities, businesses and other stakeholders, including employment outcomes.

6.2.5. Promote potential opportunities that the Razorback Iron Ore Project may deliver to local communities, businesses and local stakeholders, and advocate for third-party support or participation (i.e. from State and Federal Government).

6.2.6. Identify opportunities to partner in the development, re-development and/or management of infrastructure with shared use (i.e. public roads) and seek alternative funding sources, where applicable.

6.3 MGT agrees to:

6.3.1. Appoint a primary person of responsibility for the implementation of the Memorandum and provide the necessary resources for that person to engage with the counterparty.

6.3.2. Meet on a periodic basis with the counterparty to progress priority matters, and to record and distribute minutes of these meetings.

6.3.3. Provide appropriate information to DCP, communities, businesses and stakeholders and receive feedback (consult) on relevant issues relating to the Razorback Iron Ore Project.

6.3.4. Offer in-community consultation sessions during the mine application process.

6.3.5. Develop strategies in collaboration with the counterparty to maximise opportunities for participation in the Razorback Iron Ore Project by and/or benefit for local communities, businesses and other stakeholders, including employment outcomes.

6.3.6. Investigate its role and, where applicable and appropriate to do so, provide stated or other support to initiatives advocated for by the counterparty that have direct relevance to and benefit the Razorback Iron Ore Project, its workforce or its stakeholders.

6.3.7. Identify opportunities to partner in the development, re-development and/or management of infrastructure with shared use (i.e. public roads).

7. FURTHER OPPORTUNITIES

- 7.1 Under this Memorandum, DCP and MGT may identify and collaborate on other matters and opportunities not listed here, or may include other parties in the planning or delivery of any undertakings subject to agreement.

8. CONFIDENTIALITY AND ASSOCIATED REQUIREMENTS

- 8.1 This Memorandum does not permit the use of copyright materials (including logos) and dissemination of confidential information (including the content of discussions between the parties in respect of matters addressed in this Memorandum) without prior written agreement. Nothing in this clause precludes MGT from complying with its continuous disclosure obligations under the ASX Listing Rules or the *Corporations Act 2001* (Cth).
- 8.2 Staff from either of the parties are not permitted to represent each other, and any statements to be made relating to this Memorandum or undertakings associated with this Memorandum require the approval of both parties.
- 8.3 Nothing in this clause 8 prevents the parties from releasing public announcements about this Memorandum, or the discussions, undertakings, agreements or other actions arising from this Memorandum, provided each is agreed to by the parties in writing before publication.
- 8.4 Conflicts of interest must be disclosed and managed appropriately.
- 8.5 This clause 8 and clause 9 are governed by the laws of South Australia.

9. CHANGES TO THIS MEMORANDUM


- 9.1 The Memorandum may be amended by mutual agreement in writing by the parties.
- 9.2 This Memorandum may be terminated by either party giving one (1) month's written notice to that effect.

10. TERM OF THE MEMORANDUM


- 10.1 This Memorandum will come into effect from the date of its execution and will remain in force for a period of three years.
- 10.2 The Memorandum can be extended by mutual agreement in writing by the parties.

EXECUTED AS A MEMORANDUM OF UNDERSTANDING

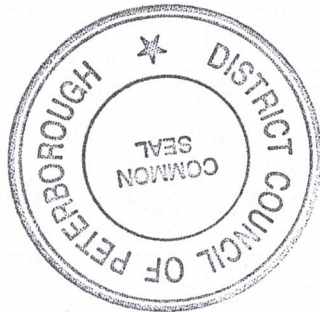
THE COMMON SEAL of the DISTRICT
COUNCIL OF PETERBOROUGH was
affixed to this Agreement with the authority
of and in the presence of:

Mayor 

Name IRENE RUTH WHITTLE

Chief Executive Officer 


Name STEPHEN JOHN RUFUS



EXECUTED for and on behalf of
MAGNETITE MINES LIMITED
by its duly authorised representative:

Authorised representative 

Name TIM DOBSON

Witness 

Name ALLAN KANE

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