

MagNet aims to:

- Build recognition of the benefits to Australia of magnetite mining and processing – in particular, the massive job opportunities provided from intensive value-adding processing at the mine site
- Promote Australian magnetite projects as a major new industry set to meet growing demand from important global markets
- Show that magnetite concentrates deliver a significant net global reduction in carbon emissions from high-quality steel production when compared to hematite iron ore
- Demonstrate the significant economic and regional development opportunities from magnetite projects

MagNet is working constructively to gain recognition by Australia's decision-makers that the emerging magnetite industry needs and deserves support to achieve its full potential and contribute meaningfully to Australia's growth and prosperity.

The Mining Tax, Carbon Tax and amended State Royalty Regime directly impact on the emerging sector's prospects. Securing affordable domestic gas and general power, transport and other infrastructure is also critical to the magnetite industry's success.

Representatives of the Magnetite Network

Bill Mackenzie Chairman, Magnetite Network
Managing Director, Asia Iron Australia Group

Megan Anwyl Executive Director, Magnetite Network
Managing Director, Anwyl Hardwired Corporate Strategy

Email megan@anwyl.com.au

Mobile +61 (0)417 949 900

Post Suite 8/44 Parliament Place, West Perth WA 6005

For more information, go to our website
www.magnetitenetwork.com.au

WA Magnetite Projects



Current members of the Magnetite Network:



Supporting members: Braemar Iron Alliance | Iron Ore Holdings Ltd

More Jobs. Less Carbon.



Magnetite FAQs



What is the difference between magnetite and hematite?

Hematite, or Direct Shipping Ore (DSO), has a different chemical make-up (Fe_2O_3) than Magnetite (Fe_3O_4). Magnetite contains less iron than hematite and therefore is of little value in its raw state. In order for magnetite to be used in steel production, it needs to be processed (beneficiated) in an extensive jobs and energy-intensive process. This requires the construction of very expensive processing infrastructure at or near the mine site.

Expert researchers, The Crucible Group, conclude that the production of a tonne of magnetite concentrate produces significantly more carbon emissions compared to DSO, which requires a very small amount of onshore processing. But, magnetite concentrate consumes much less energy than DSO in steel production.

Magnetite concentrate used for iron-making in steel production is higher in iron and purer than DSO. As a result, the net greenhouse gas emissions per tonne of magnetite concentrate used in steel production are about 108 kg less than those produced by a tonne of DSO fines.

Why does the emerging magnetite industry deserve assistance under the Carbon Tax?

The development of the magnetite industry will drive the creation of new long-term jobs all over Australia. Deloitte Access Economics estimates the development of the magnetite industry would deliver \$4.5 billion to Australia's GDP per year. By processing magnetite in Australia, the industry will deliver employment and revenue, while helping to reduce net global greenhouse gas emissions in steel production.

The magnetite industry would enjoy a competitive advantage if there were an established global carbon trading scheme. Conversely, in the absence of such an international mechanism, a carbon tax in Australia would penalise the emerging magnetite industry, despite its economic and net environmental benefits.

In the Federal Government's own words, the Carbon Pricing Scheme aims to "support jobs and competitiveness as Australia moves to a clean energy future". It is reasonable and equitable that the magnetite industry be classified for adequate assistance as an energy-intensive, trade exposed industry until any mandated international scheme rewards the benefits of magnetite concentrate. Since 2009, MagNet has strived to negotiate a fair level of compensation for emerging projects.

Why should magnetite be excluded from the Minerals Resource Rent Tax (MRRT)?

The Federal Government's stated objective of the MRRT is to tax the value of the resource at the point it is extracted from the ground. Magnetite ore is of very low iron content and therefore of little value in its raw state. Magnetite producers add value by heavily processing it into concentrate. The Federal Government has stated that it expects to recover little or no tax from magnetite miners under the MRRT because the unprocessed ore is of minimal value.

Imposing the MRRT on the emerging magnetite industry is not in the national interest. It will generate little or no tax revenue while discouraging the expansion of a new industry that is jobs-intensive and part of the global carbon solution for steel-making.

Benefits for All Australians: estimated economic benefits of selected MagNet member projects

Company	Mine Life (years)	Capex (A\$)	Employment (construction)	Employment (direct ongoing)	Annual Royalties (A\$)	Export Revenue (A\$)
Asia Iron Australia Ltd Extension Hill Project	+50	2.9b Phase 1	2000	500	50-150m	1.3b
Atlas Iron Ltd Balla Balla Project	+26	1.9b Phase 1 & 2	1650	530	95m	1.1b
Atlas Iron Ltd Ridley Project	+30	2.8b	1100	750	75m	1.25b
CITIC Pacific Mining Sino Iron Project	+25	5.2b (USD)	4000	800	125m	3.0b
Gindalbie Metals Ltd Karara Mining JV	+30	2.6b Phase 1	2000	500	75-100m	1-1.4b
Grange Resources Savage River Operation (Tasmania)	Operating since 1966	NA	NA	600	15m	400m
Grange Resources Southdown Project	+19	2.5b	2000	600	80m	1.6b
Crosslands Resources Jack Hills Expansion Project (Real A\$)	+39	3.9b	2000	1250	30-168m	2.0b
TOTAL	-	\$21.8 billion	14 750 jobs	5 530 jobs	\$545-808 million	\$11.65-12.05 billion

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