

**ASX Release**

20 April 2020

**Magnum Mining and
Exploration Limited**

ABN 70 003 170 376

ASX Code

MGU

Non-Executive Chairman

Howard Dawson

Chief Executive Officer

Grant Button

Non-Executive Director

Francesco Cannavo

Company Secretaries

Grant Button

Issued Shares

304,598,818

Listed Options

101,506,273

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Appointment of Terry McConnachie as a Consultant.

Operational update.

HIGHLIGHTS

- Veteran African based mining entrepreneur Terry McConnachie has been engaged by Magnum to provide consultancy services to assist in progressing the commercial development of the Gravelotte emerald project, located in South Africa

- Sorting test work is well advanced with selected leading manufacturers to finalise appropriate technology to be utilised in a commercial operation

- Further on-site costs savings implemented

Appointment of Mr Terry McConnachie

Mr Terry McConnachie has been engaged by Magnum Mining & Exploration Limited ("Magnum" or the "Company") to provide consulting services to further advance the commercial development of the Company's Gravelotte emerald project.

Gravelotte has now reached the pre-development stage and the Company is excited to secure the services of Terry, who has a proven track record of bringing mining operations into commercial production within Africa.

Terry will provide practical guidance to the CEO and board to advance the following key objectives:

- Assessing and defining the parameters and costs of achieving a commercial mining operation at Gravelotte.
- Assist with raising the investor profile of Magnum and raising the required development capital.
- Coordinate and supervise the construction and commissioning of the proposed commercial operation.
- Assist with the appointment of the key operational staff and consultants.
- Assist with the marketing of the emerald production.

Mr McConnachie has almost 45 years' experience in running mines, mining beneficiation and minerals processing companies.

Mr McConnachie was the founder and executive director of Merafe Resources, which listed on the JSE as SA Chrome and Alloys Limited and for the last 16 years Mr McConnachie was the CEO and Managing Director of AIM listed Sylvania Platinum limited.

Grant Button, CEO of Magnum Mining, commented

“Having worked with Terry for a decade as part of the executive team at Sylvania Platinum Limited, I am grateful to have Terry’s extensive expertise to assist Magnum in undertaking the next stage of development at Gravelotte. I believe this is an exciting appointment for the Company and am looking forward to working with Terry again.”

Assessment of sorting options for the recovery of emeralds

The Company has engaged with leading manufacturers of mining sorting solutions with a view to providing an effective, cost efficient sorting solution for the recovery of emeralds.

The brief has been to examine Gravelotte ROM and emeralds to determine which technology or combination of technologies will deliver the optimum sorting solution. In this regard, whilst the use of XRF technology during the trial mining programme was successful, recent advances in colour sorting technology for emeralds has indicated that this technology should also be re-assessed.

Ongoing trials have received positive results with fine tuning underway, and the manufacturers all have practical operational experience in the gemstone sorting industry.

This work will continue remotely at manufacturer’s sites in Europe and South Africa, but will be expedited once lockdowns in various parts of the world are wound back.

The finalisation of this test work will allow the Company to confirm both the costs and lead time for the delivery of the appropriate sorting technology.

Further Cost savings

Magnum undertook a number of significant cost reduction measures in December 2019 as a result of the completion of the Trial Mining and Processing operation at the Gravelotte emerald project.

In late March 2020, the South African Government instituted a country wide lockdown and this is currently scheduled to be in place until at least 1 May 2020.

In response to Government directives all South African staff returned to their homes for the duration of the lockdown. The Company has maintained adequate armed security on-site, but onsite operating costs have been reduced for the duration of the lockdown. The Company’s South African staff are currently taking accrued leave whilst the Company is assessing its eligibility for a Government job subsidy scheme being implemented in South Africa.

Corporately, the Board has forgone all payment or accrual of Directors Fees since June 2019 and this will continue for the foreseeable future. The Company’s CEO, Mr Grant Button, has waived all payment or accrual of consultancy fees since May 2019 and will continue to do so for the foreseeable future.



GRANT BUTTON
Chief Executive Officer/Joint Company Secretary

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