



MAGNUM DSO PROGRESS UPDATE

Magnum Mining and Exploration Limited ("Magnum" or "Company") (ASX: MGU) is pleased to provide a progress update as it remains on track with Phase 1 of the Project to commence production of Direction Shipping Ore (DSO) 62%Fe and/or 65%Fe fines in December 2021.

KEY MILESTONES ACHIEVED:

✓ **Mining:**

Magnum has signed an agreement with SRK Consulting to provide mine planning, contractor selection and production of ore shipments. Magnum's Buena Vista has all the environmental permits required for the mine.

✓ **Ore Processing:**

Magnum has signed an agreement with GR Engineering Services Limited (ASX:GRG) subsidiary Hanlon Engineering & Associates, Inc. to develop a plant design and setup the crushing and dry magnetic separation of mined ore to ensure a minimum of 62%Fe for our DSO shipments. Kimball Equipment has been engaged to provide the crushing and screening equipment rental.

Magnum will have a test crush plant setup in early July, 2021.

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✓ **Port:**

Stockton Port: Magnum has signed an MOU with Port of Stockton. The port is serviced by Union Pacific Railway. Magnum and the Port of Stockton are now working towards a final commercial agreement.

Richmond Levin Terminal: Magnum is negotiating a commercial agreement with Richmond Levin Terminal. The Port is also serviced by Union Pacific Railway.

✓ **Shipping:**

Panamax Vessel ocean freight is achieved by 2 port loading at Stockton Port and Richmond Levin Terminal.

✓ **Rail:**

Magnum is negotiating an agreement for rail haulage between Magnum's Buena Vista mine, Port of Stockton and Richmond Levin Terminal.

Magnum Mining & Exploration Ltd

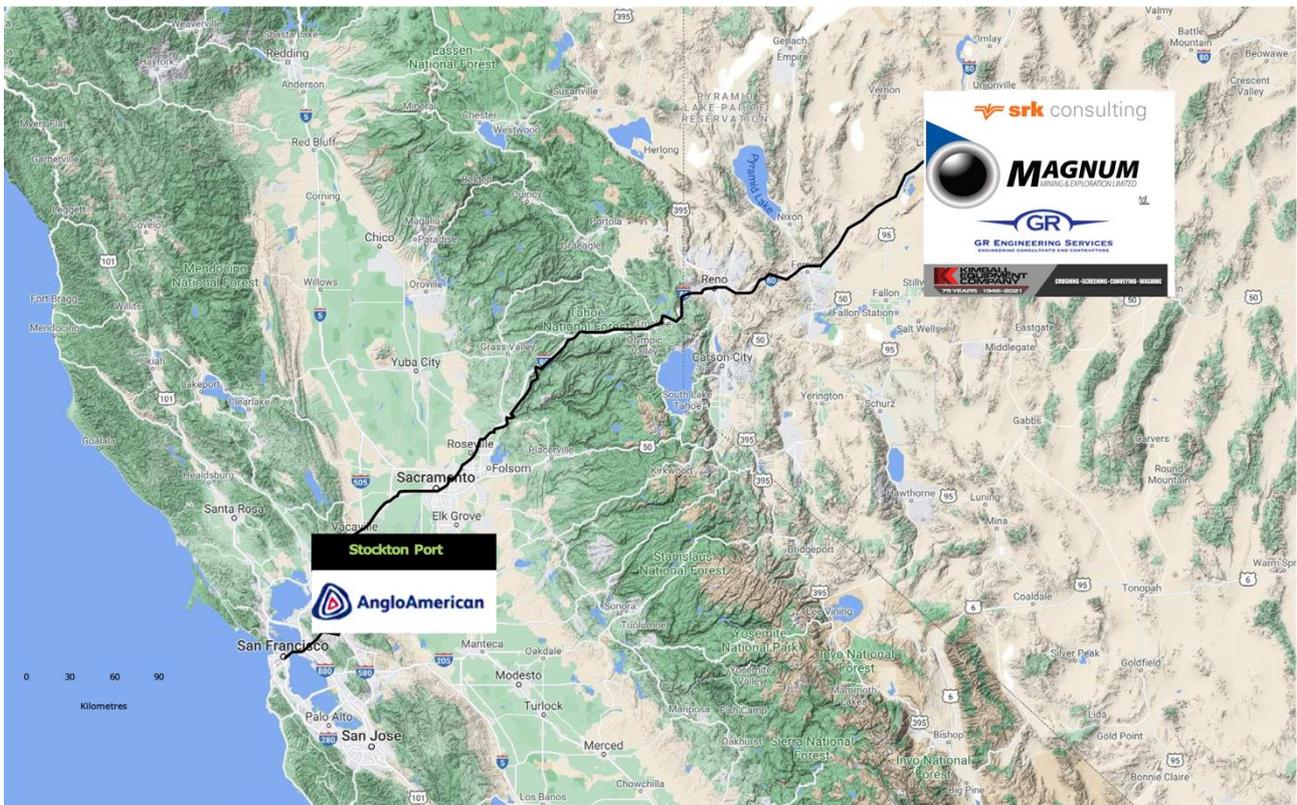
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✓ **Off Take and Sale of Ore:**

Magnum has signed a Mandate Letter with an Indicative Term Sheet with Anglo American. Anglo American is to pre finance USD 8 million for the Buena Vista Operation. Anglo American have exclusivity to ship up to 800,000 tonnes of DSO starting December 2021. A pre payment facility basis FOB price for iron ore at loading ports are agreed with no limit to such a facility.

Magnum will begin 62%Fe DSO in December 2021 with Panamax shipments. This will provide significant cash flow to the Company. Magnum and Anglo are working towards a binding agreement and expect to make an announcement before end of July.



John Dinan
Company Secretary
28 June 2021