



APPOINTMENT OF ADVISOR FOR MALAYSIAN BIOCHAR

HIGHLIGHTS

- **Magnum has appointed Australian based Cadmon Advisory Pty Ltd**
 - **Cadmon is tasked with locating partners for the development of biochar production in Malaysia**
 - **The appointment is on a renewable six-month engagement basis**
-

Magnum Mining & Exploration (ASX: **MGU**, “**Magnum**” or “the **Company**”) is pleased to advise the appointment of Cadmon Advisory Pty Ltd of Melbourne, Victoria to assist the Company in locating and engaging a suitable partner for the development of biochar production facilities in Malaysia.

In addition, Cadmon will

- provide introductions to potential investments and strategic investors;
- assist the Company with its strategy for engaging with existing and prospective institutional shareholders; and
- offer access to Cadmon’s established key investor relationships in Australia and Asia.

Magnum is pursuing the development of its Buena Vista Iron Project with the aim of producing approximately 1 million tonnes per year of high grade magnetite concentrate. A pig iron production facility using Magnum’s concentrate with bio-char in Saudi Arabia is also being investigated (see the ASX release “*Magnum Advances Green Pig Iron Opportunity*” dated November 1 ,2023).

The initial focus for Cadmon will be to engage with Malaysian suppliers of waste biomass that can be sustainably converted into bio-char.

Cadmon have been engaged for an initial period of six months. Any renewal is at the discretion of Magnum. They will be remunerated with a simple monthly retainer and the allocation of 2.5M fully paid Magnum shares at a nominal price. In addition, a schedule of milestone payments in shares and options is in place on the successful completion of:

- A biomass supply agreement with Malaysian plantations/or downstream supplier/palm oil refineries by Magnum
- A bankable feasibility study by Magnum conducted in conjunction with a Malaysian JV partner for a biochar production facility

- The first production or prepayment received for biochar by the Company in Malaysia
- An MOU by Magnum with a suitable JV partner for the development of a pig iron production facility in Malaysia
- A bankable feasibility study for a Malaysian pig iron production facility by Magnum conducted in conjunction with a suitable JV partner, and
- The first shipment or prepayment received for pig iron by the Company in Malaysia.

Shares are to be issued and subscribed for by Cadmon or its nominee at nominal value of \$0.0001/share, while options issued will have an expiry no less than 2 years from the date of issue, and an exercise price that is 1.5 times(x) the 5-day VWAP prior to issue.

| <i>Tranche</i> | <i>Criteria / Milestone</i> | <i>Number of Performance Shares</i> | <i>Number of Performance Options</i> | <i>Expiry Date</i> |
|----------------|---|-------------------------------------|--------------------------------------|--------------------------------------|
| 1 | Execution of a biomass supply agreement with Malaysian plantations/or downstream supplier/palm oil refineries by Magnum | 1.25m | 1.25m | 6 months from the commencement date |
| 2 | Completion of a bankable feasibility study by Magnum conducted in conjunction with a Malaysian JV partner for a biochar production facility | 1.25m | 1.25m | 12 months from the commencement date |
| 3 | The first production or prepayment received for biochar by the Company in Malaysia | 2.50m | 2.50m | 24 months from the commencement date |
| 4 | Execution of an MoU by Magnum with a suitable JV partner for the development of a pig iron production facility in Malaysia | 1.25m | 1.25m | 9 months from the commencement date |
| 5 | Completion of a bankable feasibility study for a Malaysian pig iron production facility by Magnum conducted in conjunction with a suitable JV partner | 1.25m | 1.25m | 18 months from the commencement date |
| 6 | The first shipment or prepayment received for pig iron by the Company in Malaysia | 5.00m | 5.00m | 36 months from the commencement date |

The Company acknowledges that in certain scenarios, Cadmon may be entitled to an additional fee, to be determined by mutual agreement with Magnum.

About Cadmon

Cadmon provide strategic advisory, capital markets and business development services to their clients, as one of the few institutional grade corporate advisors specialising in concept and frontier technology companies on the ASX. They invest in startups and business ventures that endeavour to solve global problems through innovation. Cadmon incubate and launch their own start-up initiatives across an array of industries in collaboration with world class researchers. Through their extensive advisory and broking network Cadmon have access to over 600+ investment opportunities a year. Cadmon seek out early stage companies whose team, product and business model shape a better future.

BY ORDER OF THE BOARD

Luke Martino

Company Secretary

Email: info@mmel.com.au

Phone: +61 403 635 555

Evan Smith

Investor Relations

evan.smith@advisir.com.au

Phone: +61 431 176 607