



ASX Release: 9 February 2021

Settlement of Buena Vista Acquisition

Magnum Mining & Exploration ("Magnum" or the "Company") is pleased to advise that settlement of the acquisition of the Buena Vista iron ore project has been completed.

Buena Vista, which is located approximately 160km east-north-east of Reno in the state of Nevada, United States is an advanced magnetite iron ore project where in excess of A\$34 million has been spent on the project over the past decade.

Historical studies and permitting for the long-term production of a magnetite concentrate with no deleterious impurities have already been completed. Magnum plans to shortly commence an updated feasibility study to reflect current cost structures and iron ore pricing.

Total acquisition price is up to \$7 million which is to be paid by a combination of cash and shares in Magnum with \$5.5 million of the cost linked to key project milestones.

The material terms of the acquisition are appended.

Under Clause (b) of the material terms 25,000,000 Magnum shares have been issued to the vendors today. Of this total, 16,666,666 are escrowed for a minimum period of 6 months.

This announcement is authorised for release to the market by the Board of Directors of Magnum Mining & Exploration Limited.

Magnum Mining and Exploration Ltd

A handwritten signature in black ink that reads "G. Button". The signature is written in a cursive style with a large, sweeping initial "G".

Grant Button
Company Secretary

Magnum Mining & Exploration Ltd

ABN: 70 003 170 376

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Material Terms of the Acquisition

- (a) \$25,000 payable to the Sellers and/or their nominees within 5 days of the Due Diligence Commencement Date; and
- (b) \$225,000 in cash and the issue of 25,000,000 shares in Magnum at a deemed issue price of \$0.03 per share to the Sellers and/or their nominees on completion of the due diligence and a decision by Magnum to proceed with the acquisition; and
- (c) On completion of a Definitive Feasibility Study, Magnum will issue to the Sellers and/or their nominees, shares in Magnum to the value of \$500,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum determined as the 15 trading days immediately prior to the completion date of the Definitive Feasibility Study and its announcement to ASX
- (d) On the receipt by Magnum of firm and unconditional offers for the total amount of finance required to develop Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares in Magnum to the value of \$1,500,000 with the issue price of the Magnum Shares equal to the 45 day VWAP of Magnum up to the date at which Magnum is in receipt of the unconditional offers for the total amount of finance required to develop Buena Vista; and
- (e) On the completion of the commissioning of the production facility at Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares in Magnum to the value of \$1,000,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum immediately up to the completion of the commissioning of production; and
- (f) On receipt by the Buyer of the first payment from the sale of concentrate from Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares and/or cash in Magnum (at the Sellers option) to the value of \$500,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum up to the date at which Magnum is in receipt of the first payment from the sale of concentrate from Buena Vista; and
- (g) On the delivery by Magnum of the three millionth tonne of concentrate from Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares and/or cash (at the Sellers option) in Magnum to the value of \$1,000,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum up to the date at which Magnum has delivered the three millionth tonne of concentrate from Buena Vista; and
- (h) On the delivery by Magnum of the five millionth tonne of concentrate from Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares and/or cash (at the Sellers option) in Magnum to the value of \$1,000,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum up to the date at which Magnum has delivered the five millionth tonne of concentrate from Buena Vista; and
- (i) Magnum will pay \$100,000 to the Sellers and/or their nominees on each six-month anniversary of the Completion Date to a cumulative total of \$500,000 in cash



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