



MGU Green Iron production focused strategy for development and growth

Magnum Mining and Resources (ASX:MGU) is pleased to provide this update to outline the key areas of MGU's objectives and strategy in 2021 and 2022, that will underpin and drive the Company's development and growth going forward.

Highlights:

- MGU's vision is to be a producer of green iron for domestic US and international customers.
- The key objective is to maximise value and returns for shareholders. This will require MGU to extract the highest value from the Nevada Iron asset by producing high value green iron products such as pellets, HBI and pig iron.
- Shipments of HBI and pig iron is our primary focus due to the premium price we can achieve for these products. Shipments of DSO will be done on an opportunistic basis to international markets when pricing is attractive.
- Anglo American shares in this vision and is a key part of MGU's strategy to achieve the financing, development and production of green iron.
- Much has been achieved to date, including the ongoing extensive testing of ore samples to define the ore processing plant, the signing of MOU's with port and rail service providers, the completion of mine plans and the development of a design for a facility that will produce a magnetite concentrate to be fed to a rotary kiln for the production of sustainably high margin and high value products of HBI and pig iron.
- Importantly, and in accordance with its ESG policy, MGU will produce a concentrate and pellet feed in a process that will limit CO2 emissions as well as saving water and power consumption. The rotary kiln will be designed to use carbon char produced from biomass, and to be suitable for hydrogen injection as an additional reductant in process of making green HBI and pig iron.
- The global steel industry is very focused on ways to reduce its carbon emissions and it is expected that the Nevada Iron plant will be a leader in facilitating low carbon (green steel) production.

Strategy and Objectives

As previously announced, Magnum's strategy is to become a US based producer of high quality and premium HBI and pig iron. These products attract a significant premium to the iron ore price and are more profitable than DSO. Our current Term Sheet with Anglo American also covers the financing of development and sale of these premium products. Given Magnum has over 230 million tonnes of resource and the current iron price levels, it has decided to fast track the much larger opportunity with HBI and pig iron rather than ship the minimum 500,000 tonnes of DSO as previously announced. Shipments of DSO will be done on an opportunistic basis to international markets when pricing is attractive though Magnum remains focussed on the most expedient development of value added and long term sustainable high margin green iron products.

Magnum Mining & Exploration Ltd

ABN: 70 003 170 376

Level 11, 52 Phillip Street, Sydney 2000 Tel: +61 8 6280 0245 Fax: +61 8 9381 2855

Email: info@mmel.com.au Web: www.mmel.com.au

Over the past five months Magnum has been working on developing its mine for HBI and pig iron in parallel to DSO. Magnum and its consultants have completed a mine design, undertaken extensive sampling for the design of the primary and secondary crushing and screening process, and investigated optimal tertiary grinding and magnetic separation. This has involved the shipment of over 7 different bulk samples to equipment manufacturers in the US, China and the UK.

In addition, Samuels are working on the up-dated Bankable Feasibility Study (BFS) to bring green HBI and pig iron to market in the United States. As previously announced MGU has engaged Savage Group Logistics to continue the work to date on the logistics chain from the mine site to the port, including trucking, rail transport and port handling.

The mine and plant design will be done in a manner to ensure that the already approved environmental permits and footprints will require minimal changes, thereby ensuring that previously forecast construction and completion dates can be met.

Commenting on MGU's development strategy, Chairman Don Carroll stated: "the extensive work completed to date, particularly the sample tests, and associated with plant designs, has enabled Magnum to continue to fast track the process to become a HBI and pig iron producer. As a team, we remain very excited by this opportunity to be an industry leader in the production of green iron".

For further information, please contact:

John Dinan, Company Secretary
Magnum Mining and Exploration Limited
Ph: +61 438 014 304

A handwritten signature in black ink, appearing to be 'JD', written in a cursive style.

John Dinan
Company Secretary

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