

The Buena Vista Magnetite Project

Near term long life magnetite development opportunity

Its real and its significant.....

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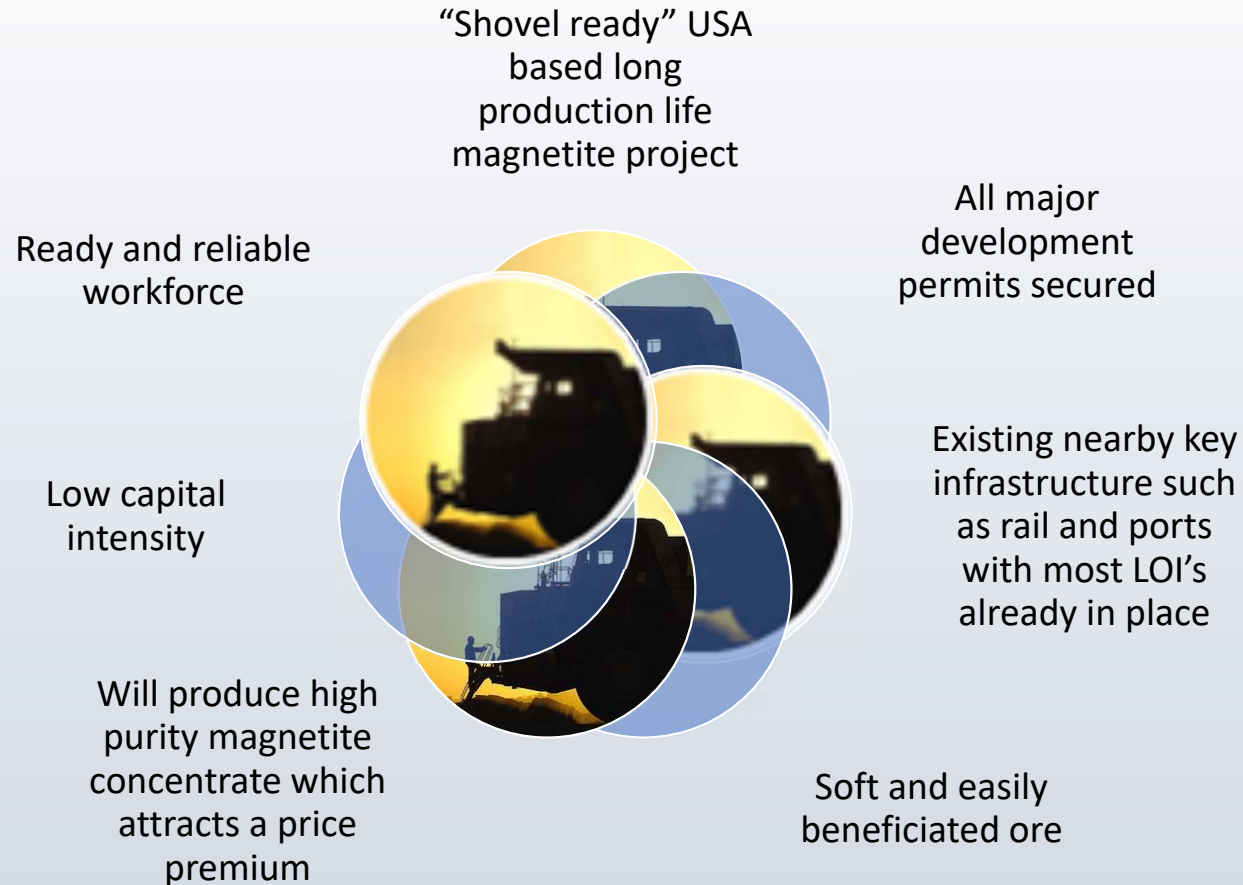
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Why Buena Vista is such a great Project?



Magnetite is the iron ore of the future



Steelmakers are seeking efficiencies to better manage, reduce and control emissions released during the steel making process.



The use of magnetite in the place of hematite and goethite/limonite can reduce the steel making emissions intensity by as much as 30% during the overall steel making process.



High grade magnetite concentrates such as Buena Vista contain very low levels of impurities such as silica, phosphorus, alumina and Sulphur. This means that during the steel making process less energy is required for blast furnaces to "slag off" the impurities thereby reducing unwanted emissions and waste products.



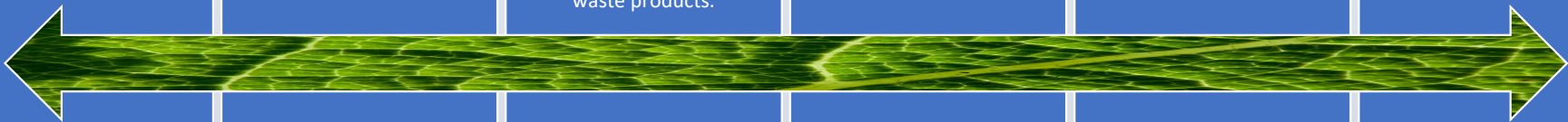
Magnetite concentrate produces more steel for each tonne used. This creates the added benefit of reducing steel making costs through lower energy requirements and raw material inputs (such as coking coal)



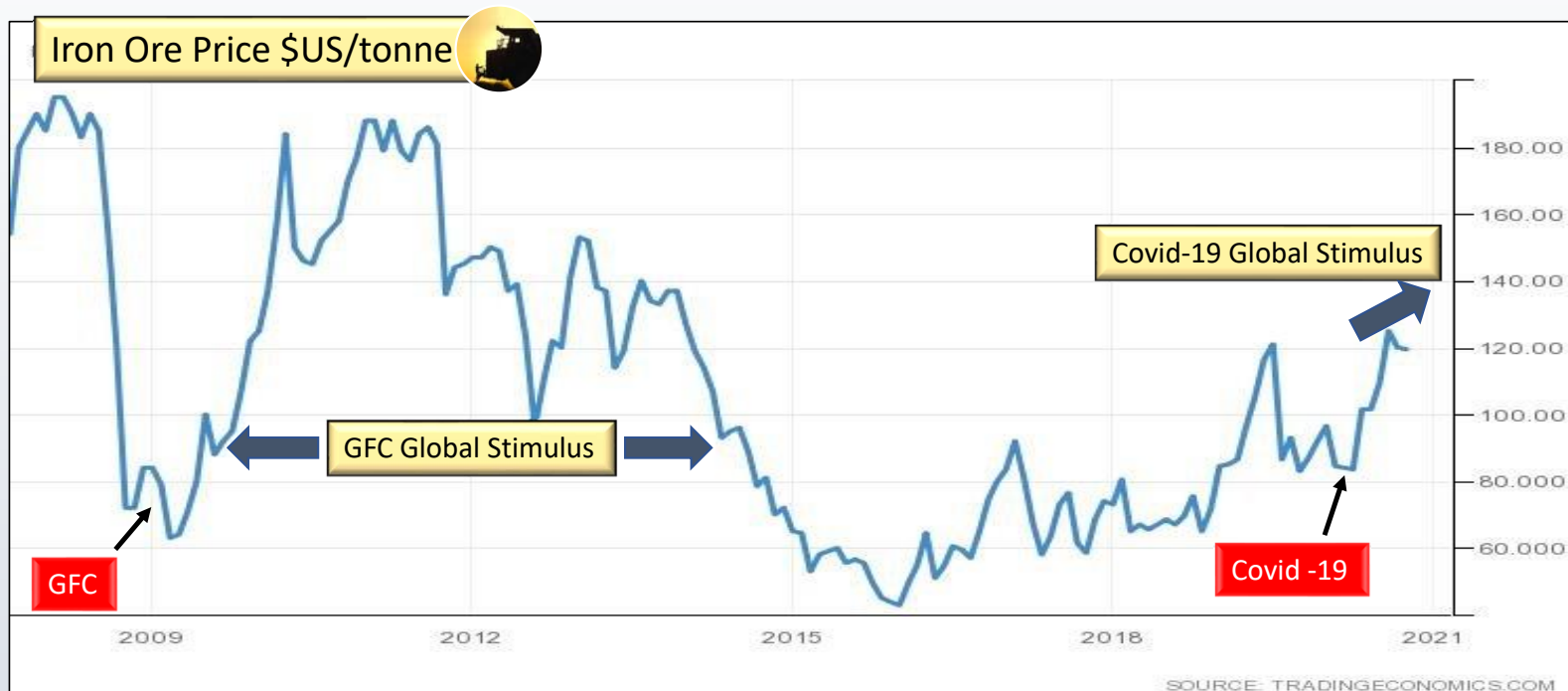
The use of magnetite concentrate for steel making in sinter feed blends and pellet feed is widespread and growing.



Multiple markets, not just China, are available to magnetite concentrate producers.



Why is Buena Vista such a timely opportunity?



- ☐ The GFC global stimulus package was around **\$US3.3 trillion**
- ☐ The GFC stimulus package contributed to the iron ore price staying above \$US100/tonne for over 5 years
- ☐ The Covid-19 global stimulus package is **+\$US10 trillion** to date and rising
- ☐ The iron ore price has only recently commenced its Covid-19 rise above \$US100/tonne
- ☐ The Covid-19 stimulus package is **three times** the size of the GFC stimulus and still increasing!
- ☐ *The likely extended duration of this current rally is supportive of the project development timetable of Buena Vista*

Steps to update the Feasibility Study



Buena Vista : Location & Logistics

- Buena Vista is located in mining friendly Nevada, USA, 160km East South East of Reno on margins of the Stillwater salt flat
- Sealed road to within 10km of mine gate, well maintained all weather gravel road to proposed mine site
- No weather restrictions to year round mining and production
- Transcontinental rail line within 50 km of mine gate
- All major development permits secured
- Load-out options include rail spur to mine gate or load-out facilities at either Colado or Huxley with truck or slurry pipeline transport of concentrate to load-out
- Existing ship loading infrastructure at Ports of Sacramento, Stockton and Richmond
- Large majority of project located within private land with all mining agreements in place
- Water permits granted



Port of Sacramento ship loading facility

Buena Vista : Location & Logistics





Buena Vista : Previous Work

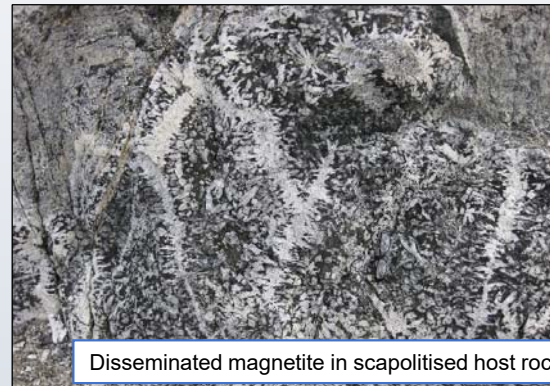
- Discovered and first claims pegged in late 1890's.
- Through late 1940's-1950's around 900,000 tonnes of ore mined for direct shipping and beneficiation through dry magnetic separation.
- Project acquired by US Steel in early 1960's and extensive drilling, metallurgical test work, resource definition and feasibility study completed.
- Changing US Steel corporate objectives and iron ore market dynamics saw project shelved in early 1970's.
- Project acquired by Richmond Mining (Nevada Iron) in 2010 and extensive testing program comprising additional diamond drilling, confirmatory metallurgical test work, hydrogeology, logistics, geotechnical, permitting, JORC 2004 and NI 43-101 resource estimation and feasibility studies completed.



Buena Vista : Geology

- The Buena Vista magnetite deposits are the product of the late stage alteration of a localized intrusive local gabbro causing intense scapolitisation.
- The host rock was then also faulted and fractured forming a series of open fractures, breccia zones and networks of fine fractures.
- These events provided the ideal ground preparation for the metasomatic deposition of the magnetite.
- This ground preparation produced a range of styles of magnetite mineralisation at Buena Vista ranging from massive pods grading +60% magnetite through to stockworks and veins and disseminations grading 10-20% magnetite.
- The most well-known example of this style of magnetite mineralization is the Kiruna magnetite deposit in Sweden which has been in production since the early 1900's.
- Metasomatic magnetite deposits such as those at Buena Vista have important beneficiation characteristics over the more common type of magnetite deposit which is a banded iron (BIF) hosted magnetite, also known as a taconite.

| | Buena Vista (Magmatic) | Taconite (Banded iron) |
|----------------------------------|-----------------------------|--------------------------|
| Genesis | Metasomatic (hot solutions) | Non-magmatic precipitate |
| Grain size | Coarse | Fine |
| Grind size to liberate magnetite | +100 microns | Sub 15-20 microns |
| Capex | Lower capital intensity | Higher capital intensity |
| Opex | Lower opex | Higher opex |



Disseminated magnetite in scapolitised host rock



Massive vein/pod of magnetite

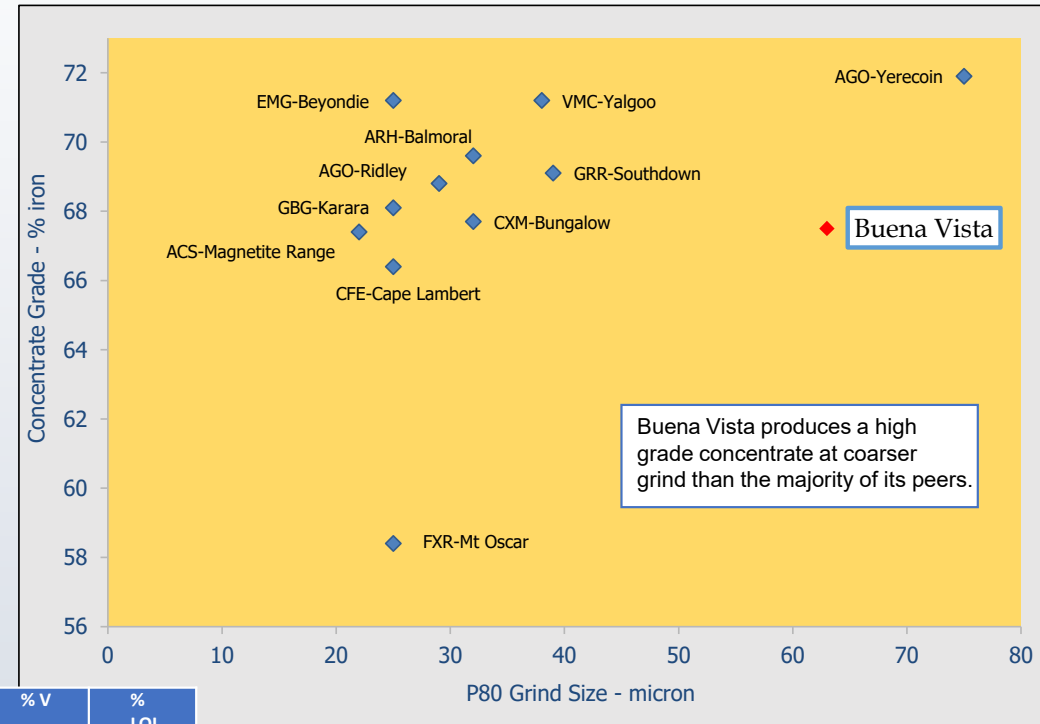
Buena Vista : Metallurgy

- Unlike BIF hosted magnetite deposits where the magnetite mineralization is finely disseminated in siliceous bedding planes, the Buena Vista ore is of magmatic origin and as a consequence is coarser grained in association with the siliceous host rock.
- This is a significant processing advantage for Buena Vista ore as metallurgical test work has shown that the primary crush of the Buena Vista ore on average increases the mill grade to +45% irrespective of the primary ore grade.
- For Buena Vista this means a much simpler processing circuit and a significant reduction in processing time, mill consumables and power consumption.
- The extensive metallurgical test work across Buena Vista has shown that conventional crushing and grinding can easily upgrade the magnetite to a concentrate grade of +67.5%.

| % Fe | % SiO ₂ | % Al ₂ O ₃ | % CaO | % MgO | % P | % S | % TiO ₂ | % V | % LOI |
|------|--------------------|----------------------------------|-------|-------|-------|-------|--------------------|------|-------|
| 69.5 | 1.72 | 0.67 | 0.16 | 0.22 | 0.003 | 0.002 | 0.20 | 0.26 | 3.15 |

Buena Vista Composite Concentrate -150 mesh (106 microns) (After GR Engineering 2011)

- Importantly the Buena Vista concentrate contains no penalty causing impurities.



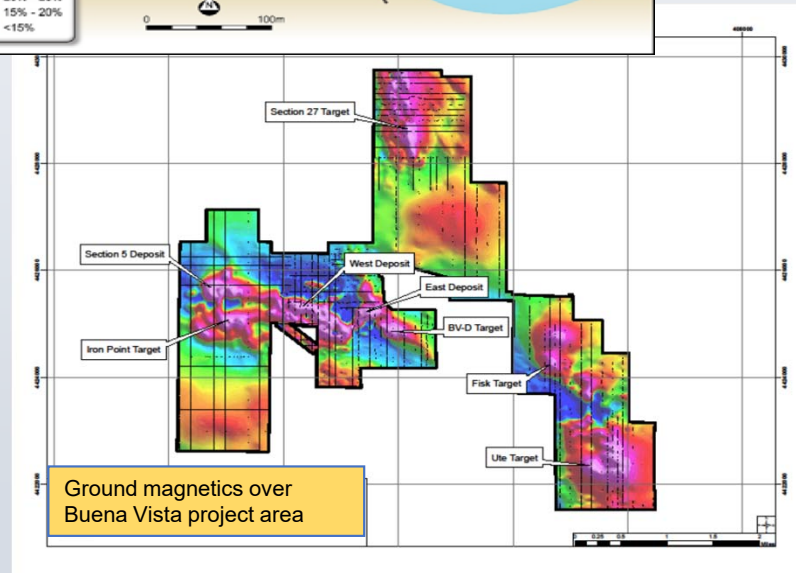
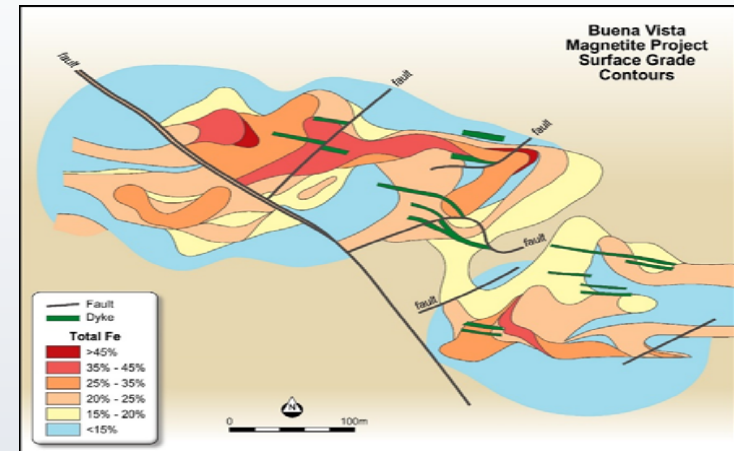
Buena Vista : Resources

- Buena Vista has had two recent resource estimates completed, a JORC 2004 resource estimate in July 2011 and a NI 43-101 estimate completed in October 2013.
- Both resources estimates are comparable with the NI 43-101 study estimating Indicated and Inferred resources* at Buena Vista as 178.5Mt at 18.9% Fe producing a magnetite concentrate grading 68.1% Fe with no significant impurities.

| Cut-off Grade | Indicated | | Inferred | | Total | |
|---------------|-------------|------|-------------|------|-------------|------|
| % Fe | Tonnes (Mt) | % Fe | Tonnes (Mt) | % Fe | Tonnes (Mt) | % Fe |
| 10% | 148.7 | 18.8 | 29.8 | 19.6 | 178.5 | 18.9 |

- These resources are only over the West and Section 5 deposits. Ground magnetics shows a number of additional highly magnetic targets (see ground magnetic survey plan), largely to the east which are located under mostly superficial cover.
- Only preliminary exploration has been completed over these areas as current resources are sufficient to develop the potential mining and production of magnetite concentrate operation.

* Refer to ASX announcement dated 9 October 2020



Buena Vista : Scheduled Work Program














- The Buena Vista project has all technical studies such as drilling, metallurgy, resource estimation, pit and plant engineering, hydrogeology and tailings already completed.
- Based on historical feasibility studies Buena Vista presents a near term development opportunity for the long life production of a high grade magnetite concentrate.

| Component | Level of Accuracy | Work Required |
|-------------------|-------------------|--|
| Resource | Feasibility | Update to JORC 2012 |
| Reserve | Feasibility | Update to JORC 2012 |
| Metallurgy | Feasibility | |
| Process Design | Pre-Feasibility | Needs updating to Feasibility Status |
| Opex | Pre-feasibility | Designed to Feasibility but needs updating to 2021 costs |
| Capex | Pre-feasibility | Needs updating for expansion options and to 2021 costs |
| Tailings | Feasibility | |
| Haulage to Siding | Pre-feasibility | Designed to Feasibility but needs updating to 2021 costs |
| Rail Freight | Feasibility | Designed to Feasibility but needs updating to 2021 costs |
| Port | Feasibility | Designed to Feasibility but needs updating to 2021 costs |
| Permitting | Feasibility | |
| Financials | Feasibility | Designed to Feasibility but needs updating to 2021 costs |

- Magnum plans to complete an updated feasibility study by mid-2021.
- Contemporaneous with the completion of that study, evaluation of all financing options will be undertaken












Buena Vista : Timeline / Schedule

| | |
|---|---|
|  | Acquisition announced – <i>October 2020</i> |
|  | Engage US based logistics and technical team – <i>October/November 2020</i> |
|  | Completion of Due Diligence – <i>early December 2020</i> |
|  | Update of NI43-101 resource to JORC 2012 – <i>December 2020/January 2021</i> |
|  | Engage DFS Engineering Group/ Commencement of DFS – <i>January 2021</i> |
|  | Commence engagement with finance partners – <i>February 2021</i> |
|  | Report preliminary cost estimates for Opex and Capex – <i>January/February 2021</i> |
|  | Report metallurgy and preliminary flow sheet design – <i>February 2021</i> |
|  | Advance rail & port contracts – <i>March 2021</i> |
|  | Report preliminary production estimates – <i>March 2021</i> |
|  | Provide regional exploration update – <i>March 2021</i> |
|  | Report preliminary logistics – <i>March/April 2021</i> |
|  | Updated feasibility study expected for completion by mid 2021 |



Buena Vista : Summary of Acquisition Terms

-  \$25,000 payable to the Sellers and/or their nominees within 5 days of the Due Diligence
-  \$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 decision by Magnum to proceed with the acquisition
-  Shares to the value of \$500,000 on completion of the Definitive Feasibility Study
-  Shares to the value of \$1,500,000 on receipt of full development funding to develop Buena Vista
-  Shares to the value of \$1,000,000 on the completion of the commissioning of the production facility
-  Shares or cash to the value of \$500,000 on the first sale of magnetite concentrate
-  Shares or cash to the value of \$1,000,000 on the production of the three millionth tonne of concentrate from Buena Vista
-  Shares or cash to the value of \$1,000,000 on the delivery the five millionth tonne of concentrate from Buena Vista
-  Cash payment to vendors of \$100,000 each six-month anniversary of the Completion Date to a cumulative total of \$500,000

Disclaimer

Cautionary Statement: This presentation contains a resource statement that was prepared and first disclosed under the NI43-101. National Instrument 43-101 is a national instrument for the disclosure for mineral projects within Canada or mineral properties owned by, or explored by, companies which report these results on stock exchanges within Canada. The NI43-101 is broadly comparable to the JORC 2012 Code. The content of the technical reports, and the scientific rigors to which the [mineral resource classifications](#) within them are put, are often very similar and in many cases, NI43-101 and JORC Code technical reports are considered inter-changeable. The NI43-101 report was based on the historic exploration work completed by parties prior to 2012 and hence to update the NI43-101 analysis to JORC 2012 the same historic data base will be evaluated. The NI43-101 report has not been prepared by the Company and has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The resource estimates may not comply with JORC Code 2012 and a Competent Person has not done sufficient work to classify the estimates to comply with the JORC Code 2012. A review of the data on behalf of the Company indicates the estimates were prepared in a competent manner and nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the former owners' estimates but the Company has not independently validated the former owners' estimates and therefore is not to be regarded as reporting, adopting or endorsing these estimates. It is possible that following further evaluation and/or further exploration work that the estimates presented may materially change and will be needed to be reported afresh under and accordance with the JORC Code 2012.