

POTENTIAL PORT IDENTIFIED FOR MAGNUM'S DRI EXPORTS

HIGHLIGHTS

- Memorandum of Understanding signed with Levin-Richmond Terminal Corp accesses Pacific coast port
- Port has existing and available rail terminal, stockpile area, and bulk ship loading facilities
- The port is connected directly by rail to Magnum's proposed Buena Vista Iron Project
- Due Diligence to be undertaken prior to negotiating a definitive access agreement
- The MOU is nonbinding on both parties

Magnum Mining & Exploration (ASX: MGU, "Magnum" or "the Company") has entered into a Memorandum of Understanding (MOU) with Levin-Richmond Terminal Corporation, operators of a rail terminal and port facility located in Richmond, California. The port and its existing train unloading and ship loading infrastructure is connected directly by rail to Magnum's wholly owned Buena Vista Iron Project in Nevada, USA (Figure 1). Magnum is planning to produce Direct Reduction Iron grade concentrate at Buena Vista.



Figure 1 Rail route from the potential load sites at Colado and Huxley to the Port of Richmond.

The MOU is a preliminary, nonbinding understanding that will form the basis for due diligence investigations by both parties with the aim to progress to a definitive agreement. Magnum may withdraw from the MOU without reason, obligation, or liability at any time. The MOU does not include any details about possible terms of any future agreements and all terms are subject to negotiations between the parties.

Mr Neil Goodman, CEO of Magnum, noted: *“This is an exciting development in Magnum’s drive to put Buena Vista into production as quickly as possible. The Levin-Richmond Terminal Corporation are keen to service Magnum’s DRI grade magnetite concentrates export requirements. An excellent working relationship has been established quickly and effortlessly, boding well for a mutually rewarding business.”*



Figure 2 Levin-Richmond Terminal Corporation has operations in the Port of Richmond precinct, located in San Francisco Bay. The port is capable of receiving Panamax sized vessels.

NEXT STEPS

Due diligence will be undertaken as a prelude to negotiating a definitive agreement.

Magnum is pursuing options that seek to bring Buena Vista Iron Mine on line in the shortest and most economical way possible. The mine is being designed to produce Direct Reduction Iron grade concentrate. DRI feeds are in increasing demand as steel mills seek to reduce their emissions by moving to low carbon technologies. Very high grade iron, which can currently only be sourced easily from magnetite ore, is a critical feed for those technologies. Magnum holds a licence to build and operate a HIs melt plant, an industry disrupting technology that will produce green pig iron through the use of renewable biomass¹.

ABOUT LEVIN-RICHMOND TERMINAL CORPORATION

Levin-Richmond Terminal Corporation operates wharfs in the Port of Richmond precinct. The port is approximately 14 km from the Golden Gate on the east shore of San Francisco Bay. It is accessible by a

¹ ASX:MGU “Magnum Secures Pathway to HIs melt License”, 18 May, 2023.

federally-maintained deep water channel, the Richmond Harbor Channel. Wharfs and approach channels are capable of receiving up to a Panamax sized ships.

Richmond is served by two major transcontinental railroads, Burlington Northern Santa Fe and Union Pacific, the latter operating the rail system near Magnum's Buena Vista Iron Project (Figure 1).

Levin-Richmond Terminal Corporation has provided bulk marine terminal services since 1980. It is committed to environmental stewardship, with personnel being trained in pollution prevention, storm water management, and environmental best management practices. The company is actively pursuing emissions reduction initiatives to exceed Area Air Quality Management District and EPA standards.

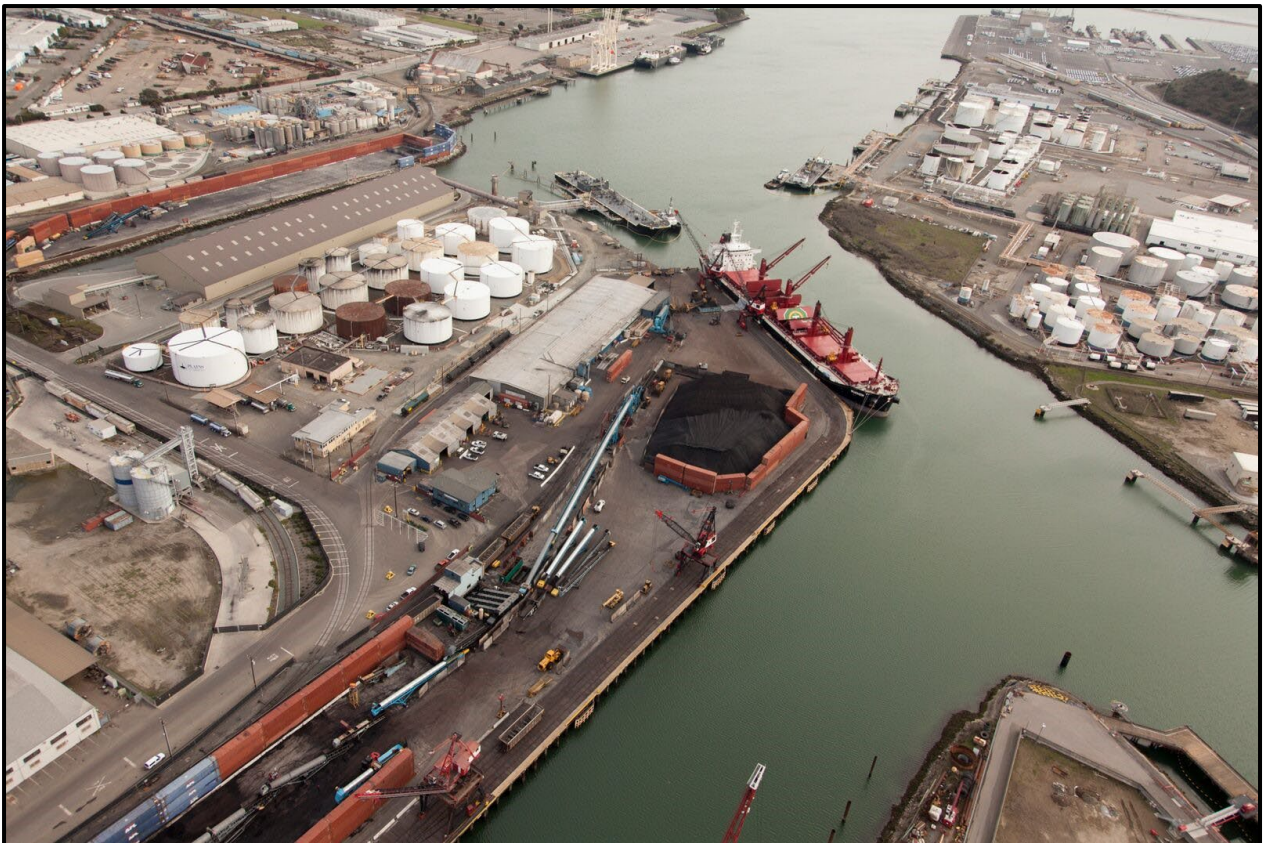


Figure 3 The Levin Richmond Terminal Corporation facilities has access, capacity, and sufficient stockpiling area to meet Magnum's requirements for DRI magnetite concentrate export.

CAUTIONARY STATEMENTS

FORWARD LOOKING STATEMENTS

This release contains “forward-looking information” that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to studies, the Company’s business strategy, plan, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this news release are cautioned that such statements are only predictions, and that the Company’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current development activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; failure of plant, equipment or processes to operate as anticipated; accident, labour disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information.

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