



24 March, 2022

## MAGNUM TO DIVEST GRAVELLOTTE PROJECT, SOUTH AFRICA

Magnum Mining and Exploration Limited (ASX:MGU) (**Company** or **Magnum**) is pleased to advise that it has entered into a sale and purchase agreement (**SPA**) for the sale of its 74% interest in the Gravelotte Project in South Africa. The divestment is part of the Company's strategy of crystallising value from its portfolio of non-core assets while maintain a strong focus on progressing the Company's Buena Vista Project for green pig iron production.

Magnum has agreed to sell its wholly owned South African subsidiary Gem Venus Holdings (Proprietary) Limited (**Gem Venus**) which holds Magnum's interest in the Gravelotte Project to London Stock Exchange listed company URA Holdings PLC (LSE:URAH) (**URA**) (Company No. 5329401).

As the Company has previously reported to the market, activities at the Gravelotte Project remain restricted to care and maintenance and desk stop studies due to reduced travel and restrictions caused by COVID-19 pandemic. The divestment of the Gravelotte project will allow the Company to remain focused on the Buena Vista project in establishing a green Pig Iron steel making facility in Nevada, United States.

### Terms of Transaction

The Transaction is conditional on URA and MGU obtaining the consent to the Transaction by the Minister of Mineral Resources pursuant to the Mineral and Petroleum Resources Development Act 2002 (South Africa) (**Condition**).

The Condition must be satisfied by the first anniversary of execution of the SPA or such later date as may be mutually agreed by the parties.

URA will pay Magnum, as consideration for the Transaction, a total of \$2,000,000 cash consideration to be paid as follows:

- (a) The sum of A\$200,000.00 for each 5,000,000 carats of gemstones produced at the Gravelotte Project, and this sum is payable within 30 days of the date on which the production has been determined;
- (b) Thereafter, the sum of A\$200,000.00 for each successive 5,000,000 carats of gemstones produced at the Gravelotte Project, and this sum is payable within 30 days of the date on which the production has been determined,

(Collectively, **Cash Consideration**),

provided that that Cash Consideration shall not exceed a maximum aggregate sum of A\$2,000,000.

URA will also issue to Magnum GBP100,000.00 (one hundred thousand British Pounds) in URA fully paid ordinary shares (**Consideration Shares**).

On signing of the SPA, URA has also agreed to be responsible for all operation costs relating to the Gravelotte Project until completion.

The Company confirms that URA is not a related party or substantial holder of Magnum for the purposes of ASX Listing Rule 10.1.

**Magnum Mining & Exploration Ltd**

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The release of this announcement has been authorised by the Company Secretary.

For further information, please contact:

**John Dinan, Company Secretary**  
**Magnum Mining and Exploration Limited**

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A handwritten signature in black ink, appearing to read 'JD', is positioned above the printed name and title.

John Dinan  
Company Secretary