



## LOCAL ORE SUPPLY STRATEGY IN RESPONSE TO U.S. TARIFFS

Magnum Mining & Exploration Limited (ASX: **Magnum**, or the **Company**) acknowledges the recent announcement by the U.S. government regarding the imposition of a 25% tariff on steel and aluminium imports. In response, the Magnum Board is conducting a comprehensive review of its supply strategy, with a focus on enhancing local ore supply opportunities for the U.S. market.

As part of this strategic review, Magnum Board Member Neil Goodman is currently in China engaging with The Luli Group (**Luli**), who own Shandong Luli Iron and Steel Co. (a major Chinese steel manufacturing company). Luli have recently purchased the HIs melt plant and technology IP from Molong, and have recommenced pig iron production at their facility. These discussions form a critical part of Magnum's ongoing efforts to strengthen its supply chain resilience and explore avenues for supplying high-quality raw materials to the North American market.

Magnum remains committed to supporting domestic and international partners in navigating evolving trade policies while ensuring the long-term sustainability of our operations. The Board's review will assess potential adjustments to supply chain logistics, domestic processing capabilities, and strategic partnerships to optimise our position in the U.S. market under the new tariff regime.

Chairman Luke Martino commented:

*"With the U.S. reinforcing its commitment to domestic production, Magnum is proactively assessing how best to align our supply chain strategy to meet market demands. Our goal is to continue delivering high-quality iron ore solutions while maintaining a competitive edge in a shifting trade environment."*

The Company will provide further updates as the review progresses and will engage with relevant stakeholders, including U.S. industry partners and policymakers, to explore mutually beneficial solutions.

### **Buena Vista Iron Deposit: a permitted mine ready to start**

The Buena Vista magnetite resource was announced on 23 March 2021 (**Table 1**). The Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

A Scoping Study announced on 14 August 2023 indicated that the case for a mining and processing of ore to a Direct Reduction Iron grade concentrate is economic within the assumptions used. On 21 August 2023, the Company provided a technical feasibility refresh to show the processing of this magnetite concentrate to a high value, high purity pig iron using the HIs melt process is attractive as a business proposition.

The permitting required to start up mining, including water, air, mining, and ore processing is in place. While ancillary permitting can only be granted once a schedule and scope of works is submitted, the Company does not envisage that these will be problematic.

*Table 1 Mineral Resource Estimate at Buena Vista*

Deposit	Resource Category	Tonnes Million	Fe %	DTR %
Section 5	Indicated	34	17.4	21.0
	Inferred	8.0	16	18
	<b>Subtotal</b>	<b>42</b>	<b>17</b>	<b>20</b>
West	Indicated	117	19.5	23.9
	Inferred	40	17	21
	<b>Subtotal</b>	<b>157</b>	<b>19</b>	<b>23</b>
East	Indicated	-	-	-
	Inferred	33	19	23
	<b>Subtotal</b>	<b>33</b>	<b>19</b>	<b>23</b>
Combined	Indicated	151	19.0	23.2
	Inferred	81	18	22
	<b>Total</b>	<b>232</b>	<b>18.6</b>	<b>22.6</b>

### Agreement with Molong: securing a pathway to hot metal production

As announced on 18 May 2023, Magnum entered into an agreement with Shandong Molong Petroleum Machinery Co Ltd (“Molong”) and Shandong Province Metallurgical Engineering Co. Ltd (“SDM”) under which Magnum is granted a conditional Hismelt patent application license. Molong and SDM will provide high level technical support for the Buena Vista Green Iron Project in Nevada, USA.



*Figure 1 The MOLONG's Hismelt plant in Shandong Province was the second commercialised plant and achieved its first million tonne of pig iron by December, 2019.*

The conditional licence covers the construction of a Hismelt plant to produce high grade pig iron in an environmentally sustainable way. The plant to use renewable biochar as a reductant in the plant. During the recent meetings with Luli, it was agreed that Magnum and Luli will jointly develop new agreements for mutual support on the development of the Hismelt technology in China, the USA, the Middle East, Europe and Asia.

**COMPETENT PERSONS STATEMENT – RESOURCE ESTIMATION** The information in this report that relates to Mineral Resources is based on information compiled by Mr Jonathon Abbott, a Competent Person who is a Member of the Australian Institute of Geoscientists and a full time employee of MPR Geological Consultants Pty Ltd. Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves”. Mr Abbott consents to the inclusion of the matters outlined in Appendix A in the form and context in which it appears. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified.

### **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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### **BY ORDER OF THE BOARD**

**John O’Gorman**

Company Secretary

Email: [info@mmel.com.au](mailto:info@mmel.com.au)

Phone: +61 8 6489 0699

**Evan Smith**

Investor Relations

[evan.smith@advisir.com.au](mailto:evan.smith@advisir.com.au)

Phone: +61 431 176 607