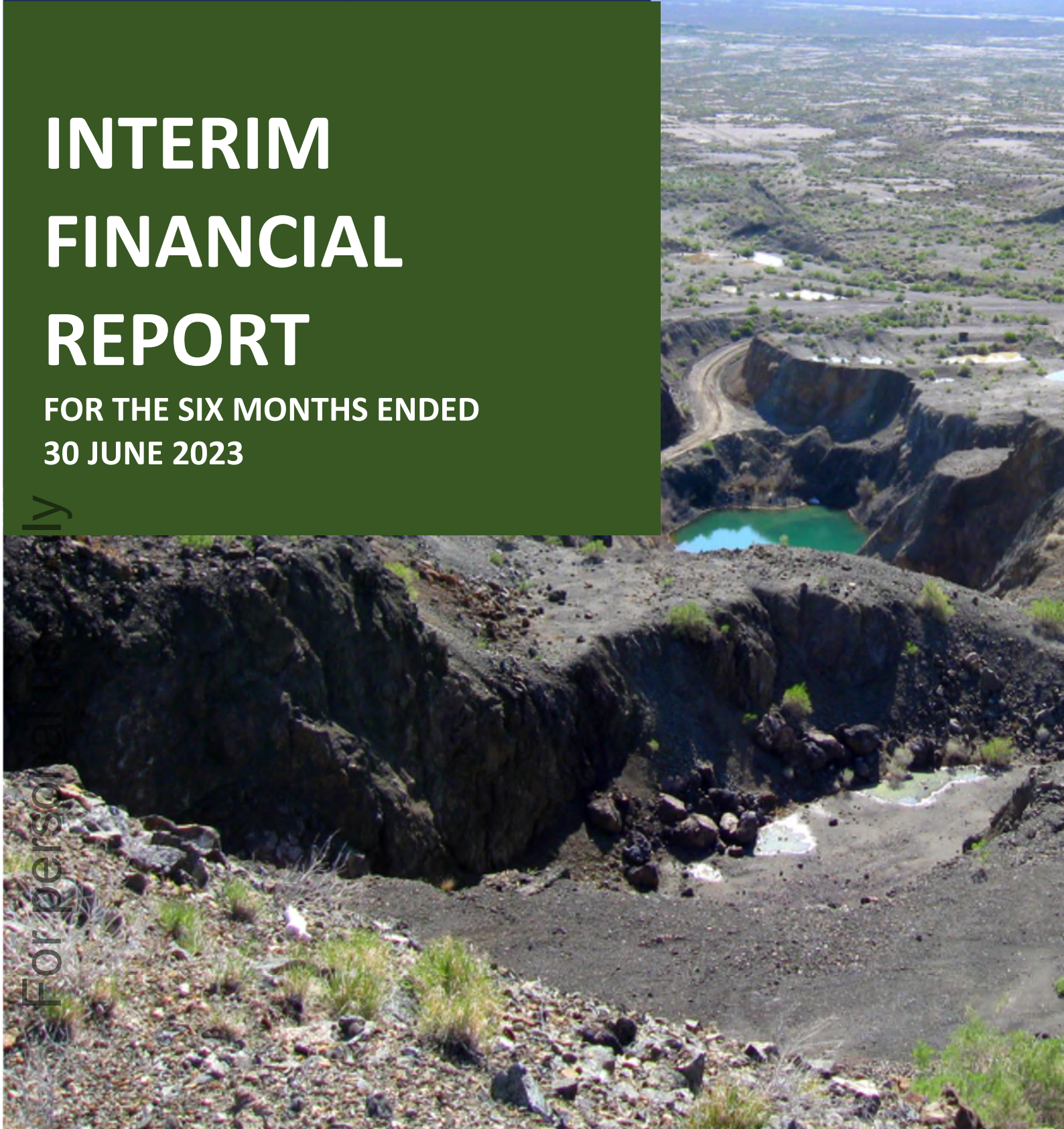


INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED
30 JUNE 2023

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[MAGNUM]
MINING AND EXPLORATION LIMITED

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CORPORATE DIRECTORY

Directors

Anoosh Manzoori	Non-Executive Chairman
Matthew Latimore	Non-Executive Director
Athan Lekkas	Non-Executive Director

Company Secretary

Luke Martino

Australian Company Number

003 170 376

Registered Office

Magnum Mining and Exploration Limited
Level 8, 90 Collins Street
Melbourne, VIC 3000

Tel: +61 2 8316 3989
Email: info@mmel.com.au
Website: www.mmel.com.au

Share Registry

Computershare
Level 11, 172 St Georges Terrace
Perth WA 6000

Auditors

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

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DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the “**Group**”) consisting of Magnum Mining and Exploration Limited (referred to hereafter the “**Magnum**” or the “**Company**”) and the entities it controlled at the end of, or during the half year ended 30 June 2023.

Directors

The following persons were directors of the Company during the half year and up to the date of this report:

Matthew Latimore	Non-Executive Director (appointed 4 May 2021)
Anoosh Manzoori	Non-executive Chairman (appointed 11 May 2022)
Athan Lekkas	Non-Executive Director (appointed 11 May 2022)

Operating Results

The consolidated loss of the Group for the half year ended 30 June 2023 after income tax was \$1,669,305 (30 June 2022: half year loss of \$5,692,276). The Group’s cumulative exploration and evaluation expenditure capitalised totals \$6,929,360 at 30 June 2023 (31 December 2022: \$6,397,104). The net assets of the Group stand at \$10,330,272 (31 December 2022: \$11,319,499).

Review of Operations

BUENA VISTA MAGNETITE PROJECT (UNITED STATES)

The Buena Vista Project (“**Project**”) is an advanced magnetite iron ore project. In excess of A\$34 million has been expended on the Project over the past decade completing feasibility studies and permitting for the long term production of a +67.5 % Fe magnetite concentrate with no deleterious impurities.

All major development permits and required technical work such as drilling, metallurgy, hydrogeology and plant design for the production of a magnetite concentrate have already been secured by the Company.

Whilst the long term production of magnetite concentrate for export will provide favourable financial returns for the Company, Magnum is re-directing the development concept of the Buena Vista Project to generate a greater value add component. This change in strategy has been and will be, implemented by the Company so that Magnum can take full advantage of the high demand for quality iron products as the United States gears up for its anticipated infrastructure development boom.

In this regard the Buena Vista Project is ideally situated to be the cornerstone of a significant steel production complex given its very favourable ore characteristics and coupled with its proximity to key logistics such as gas, solar power and existing road and rail transport.

In addition, the Buena Vista Project is located less than 100 kms from California which is currently the world’s fifth largest economy as measured by GDP.

Magnum continues to fast track this value-add strategy for the establishment of a green Pig Iron making facility at the Project which has the potential to produce HPPI (High Purity Pig Iron).

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LOCATION AND HISTORY

The Buena Vista Project is located approximately 160km east-north-east of Reno in the mining friendly state of Nevada, United States.

The Project was discovered in the 1890s and in the late 1950s to early 1960s approximately 900,000 tonnes of direct shipping magnetite ore with an estimated grade of 58% Fe was mined from the Project.

In the 1960s US Steel Corporation acquired the Project and carried out an extensive exploration program including 230 diamond drill holes and considerable metallurgical test work.

The Project was refreshed in 2009 when Richmond Mining Limited, an ASX listed company acquired the Project and commenced a detailed exploration program culminating in a definitive feasibility study in July 2011 and an updated study in 2013 for an expanded production rate.

A key component of these studies was extensive investigation of the optimal logistics plan for development of the Buena Vista Project. This included the negotiation of in-principle agreements with existing rail and port operators and the securing of all major mining permits.

In addition, detailed costings were completed on the trucking or slurry pipeline options to deliver the concentrate to the rail head located some 50 kilometres from mine site.

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PROJECT LOGISTICS

The Project's mine site is ideally located within close proximity to the towns of Fallon (20,000 population) and Lovelock (8,000 population) within close proximity to the mine site. This provides site personnel and their families the opportunity to reside in local communities with existing infrastructure and facilities.

The mine site is around 50kms from the Union Pacific rail line which connects with multiple export port options including Stockton, West Sacramento, Oakland, San Francisco and Richmond (Levin).

Grid power (solar and gas) is available within 40km of the deposits and sufficient water can be sourced from ground water aquifers located in the North Carson sink. The Nevada Department of Conservation and Natural Resources has already granted the required water rights for the life of the mine.

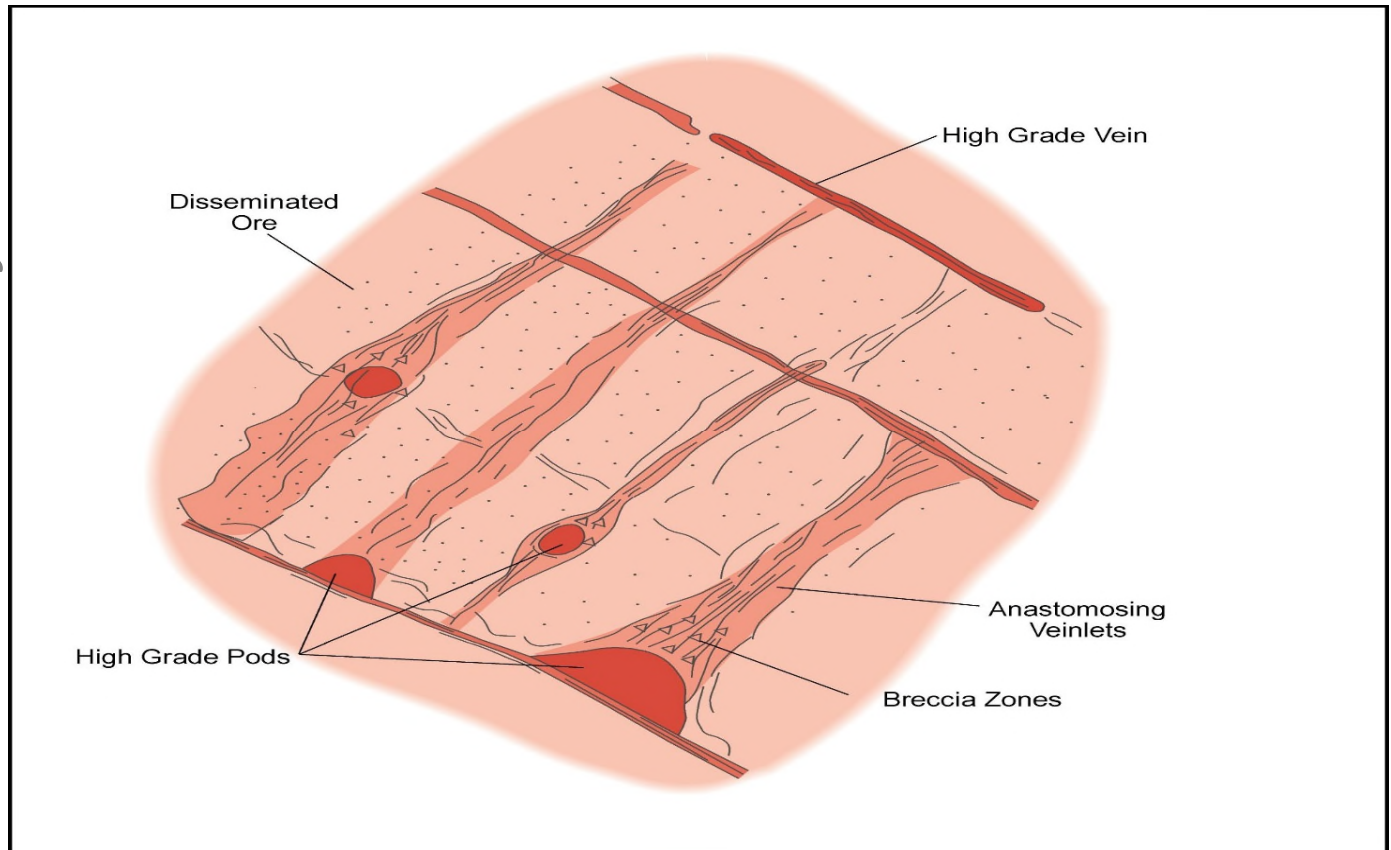
The mine site is located in Churchill County in the State of Nevada which has a strong history of supporting mining developments and is easily accessed via the unsealed Pole Line road from Huxley or the sealed Coal Canyon road from Lovelock.

GEOLOGY

The magnetite deposits at the Project are the product of late stage alteration of a localised intrusive gabbro that resulted in intensely scapolitised lithologies and the deposition of magnetite.

The most well-known example of this type of magnetite mineralisation is the Kiruna magnetite deposit in Sweden which has been in production since the early 1900s.

The distribution and nature of the magnetite mineralisation at the Buena Vista Project is a function of ground preparation by faulting and fracturing forming a series of open fractures, breccia zones and networks of fine fractures.

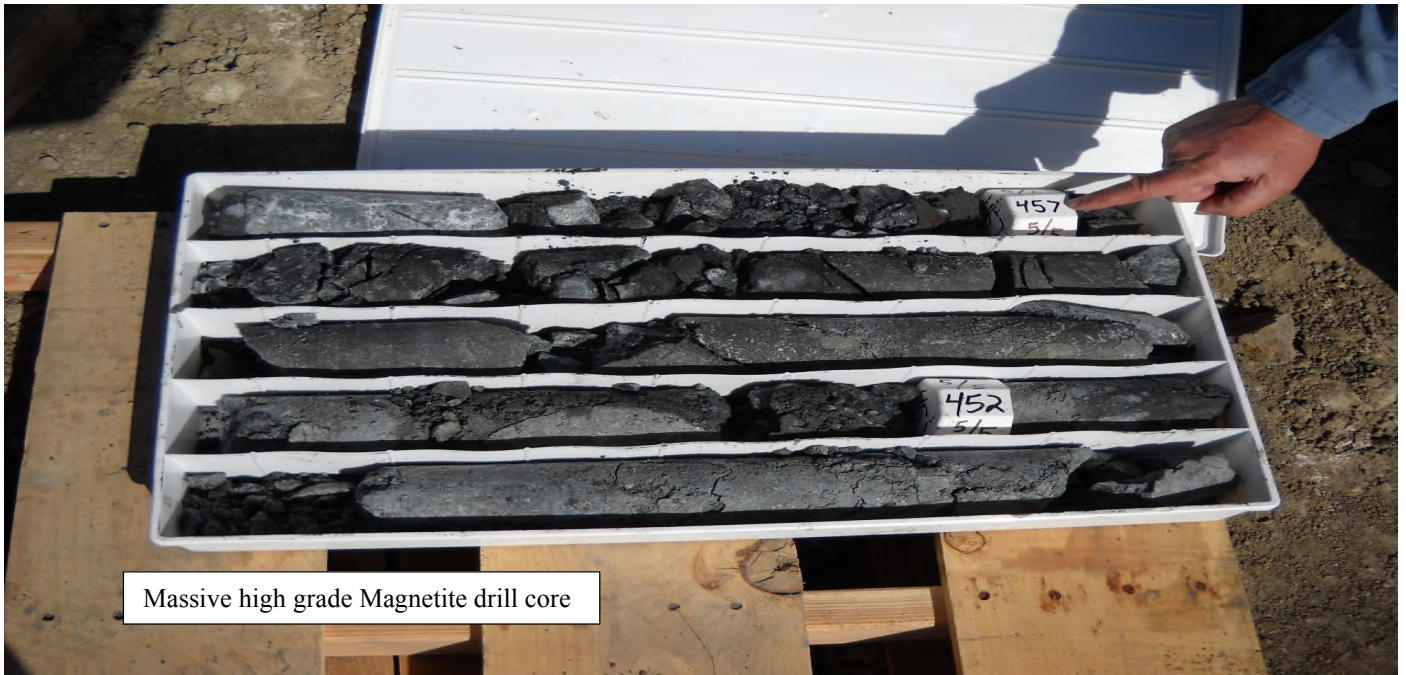


As a consequence, the magnetite mineralisation at the Buena Vista Project has been developed as disseminations within the altered gabbro through to massive pods and occasionally vein like intrusions.

These ground conditions produce variations in mineralisation types from massive pods grading +60% magnetite to lighter disseminations grading 10-20% magnetite.

The mineralisation has been best developed within a number of discrete but proximal deposits (Section 5, West and East deposits) that outcrop and exhibit a strong magnetic signature.

The strike of the deposits is approximately east-west for the Section 5 and West deposits and south west-north east for the east deposit. The dip is generally towards the north.



Massive high grade Magnetite drill core

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Metasomatic magnetite deposits such as those at the Buena Vista Project have important beneficiation advantages over the other main type of magnetite deposit which is a banded iron hosted magnetite, also sometimes known as a taconite.

	Buena Vista Project (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

DRILLING EVALUATION

The Buena Vista Project has been extensively drilled with multiple drill programmes having been carried out.

The initial programme was by Columbia Mines (US Steel) in the early 1960s and was by BQ, NQ and HQ diamond drilling and holes were surveyed for dip using a Tropari instrument.

A total of around 112 holes for 18,215 metres was completed and all holes were geologically sampled and logged.

Around 5,000 samples across the magnetite mineralized zones were taken from the drill core and the magnetite content determined by Davis Tube. All testing was carried out at the Colorado school of Mines Research foundation.

In 2010, a confirmatory diamond drill programme of 8 holes comprising 1,415 metres was carried out by Richmond Mining Limited. This programme, which was designed by HQ to twin various 1960's holes in order to test for vertical and lateral continuity as well as provide QA/QC information on the historic drilling.

All of the holes were geologically logged and then halved or quartered and samples assayed by American Assay Laboratories in Reno and SGS Laboratories in Perth.

In 2012, Nevada Iron Limited carried out a programme comprising 19 drill holes for 3,431 metres of HQ diamond drilling and 50 holes for 13,024 metres of 138 mm reverse circulation drilling.

This programme was designed to provide infill drilling for an expanded resource estimate, extend the boundaries of the known mineralised areas and provide additional core for definitive metallurgical beneficiation test work. All drill holes from this programme were geologically logged and the diamond holes surveyed down hole.

Samples from this programme were prepared by ALS Global Laboratories in Reno and analysed by ALS Laboratories in Perth.

JORC 2012 MINERAL RESOURCE ESTIMATE

On 23 March 2021, Magnum announced that the Buena Vista Mineral Resource had been updated in accordance with the 2012 edition of the JORC Code (JORC 2012) (refer to announcement dated 23 March 2021).

Magnum reported that the Mineral Resources previously reported in 2012/2013 under the 2004 JORC Code and the NI43-101 Code had undergone a comprehensive review and full evaluation by the Company's highly experienced and qualified independent consultant, MPR Geological Consultants.

The total Mineral Resource estimate at the Buena Vista Project increased as a result of the aforementioned update with the following key changes:

- A **31% increase** in total reported Mineral Resources from 177.3Mt to 232Mt
- A **6% increase** in the indicated resource for the Section 5 area and a **25% increase** in the DTR% (Davis Tube Recovery Percentage)
- An **additional 40Mt** of inferred mineral resources for the West Pit area and **13% increase** in the DTR%
- A **14% increase** in the inferred resource for the East Pit area

The Company confirms that it is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the estimates in the announcement dated 23 March 2021 continue to apply and have not materially changed.

Estimates at 10% Fe cut off										
Deposit	Resource Category	2013			2021			Difference		
		Mt	Fe%	DTR%	Mt	Fe%	DTR%	Mt	Fe%	DTR%
Section 5	Ind	32.1	17.7	16.8	34	17.4	21.0	6%	-2%	25%
	Inf	0	0.0	0.0	8.0	16	18	-	-	-
	Subtotal	32.1	17.7	16.8	42	17	20	31%	-3%	22%
West	Ind	116.6	19.1	21.2	117	19.5	23.9	0%	2%	13%
	Inf	0	0.0	0.0	40	17	21	-	-	-
	Subtotal	116.6	19.1	21.2	157	19	23	35%	-1%	9%
East	Ind	0	0.0	0.0	0.0	0.0	0.0	-	-	-
	Inf	28.9	19.6	23.4	33	19	23	14%	-3%	-2%
	Subtotal	28.9	19.6	23.4	33	19	23	14%	-3%	-2%
Total	Ind	148.7	18.8	20.3	151	19.0	23.2	2%	1%	15%
	Inf	28.9	19.6	23.4	81	18	22	180%	-10%	-8%
	Total	177.6	18.9	20.8	232	18.6	22.6	31%	-2%	9%

Table 1: JORC (2012) reported mineral resources compared with 2013 NI43-101 estimate.

The data base for the JORC 2012 mineral resource estimate utilised data from 139 diamond drill holes totalling 23,061 metres and 50 reverse circulation drill holes totalling 13,024 metres.

Mineralised domain wire-frames used for the resource modelling were interpreted from 3.05 metre down-hole composited Fe grades from the diamond and RC drilling. The domains captured zones of continuous Fe grades greater than approximately 10% and for the West Deposit were trimmed by several steeply dipping dykes the wire-frames interpreted from drill hole logging and Fe grades.

The combined mineralised domains lie within a corridor of around 3,300 metres by 500 metres and extend from surface to a depth of around 240 metres. Around 90% of the mineralisation lies within 140 metres of the surface.

Total Fe, DTR mass recovery and density were estimated by ordinary kriging of 3.05 metre down-hole composited grades within the mineralised domains. Densities were assigned to drill hole intervals from an Fe-density function.

The resource modelling did not employ upper Fe grade cuts reflecting the low to moderate variability of the attributes and lack of extreme Fe values.

The indicated and Inferred mineral resource estimates were extrapolated to a maximum of generally around 40 metres and 60 metres from drill intercepts respectively.

Micromine software was used for the initial data compilation, domain wire-framing calculating and coding of composite values. GS3M was used for Kriging and the estimates then imported into a Micromine block model for reporting.

Model validation included visual comparison of model estimates, composite grades, comparison with historic estimates and trend (swath) plots.

All tonnages were estimated on a dry basis and the estimates reflect medium scale open pit mining.

Cut-off Grades

The resource estimate was carried out across Total Fe cut-off grades of 10.0%, 15.0%, 20.0% and 25.0%.

Because of the favourable beneficiation characteristics of the Buena Vista Project ore the lower cut-off of 10.0% Total Fe was chosen to represent the headline resource estimate.

Cut off Fe %	Deposit	Indicated			Inferred			Total		
		Mt	Fe %	DTR %	Mt	Fe %	DTR %	Mt	Fe %	DTR %
10.0	Sect 5	34	17.4	21.0	8.0	16	18	42	17.1	20.5
	West	117	19.5	23.9	40	17	21	157	18.9	23.2
	East				33	19	23	33	19.0	23.0
	Total	151	19.0	23.2	81	18	22	232	18.6	22.7
15.0	Sect 5	21	20.2	25.1	3.8	19	24	25	20.0	24.9
	West	90	21.4	26.7	26	20	24	116	21.1	26.1
	East				25	21	26	25	21.0	26.0
	Total	111	21.2	26.4	55	20	25	166	20.9	25.9
20.0	Sect 5	9.1	24.1	30.9	1.3	23	29	10	24.0	30.7
	West	40	26.5	34.4	9.6	25	32	50	26.2	33.9
	East				13	24	31	13	24.0	31.0
	Total	49	26.1	33.8	24	24	31	73	25.5	33.0
25.0	Sect 5	2.8	28.6	37.7	0.3	27	36	3.1	28.4	37.5
	West	19	31.5	41.9	3.5	30	39	23	31.3	41.4
	East				3.6	29	38	3.6	29.0	38.0
	Total	22	31.1	41.4	7.4	29	38	29	30.7	40.6

Table 2: * DTR% is the estimated proportion of the rock mass recoverable by simple magnetic concentration estimated on the basis of the Davis Tube Recovery analyses for drill hole samples. It is strongly correlated to iron grades.

METALLURGY

Unlike banded iron hosted magnetite deposits (taconites), 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.

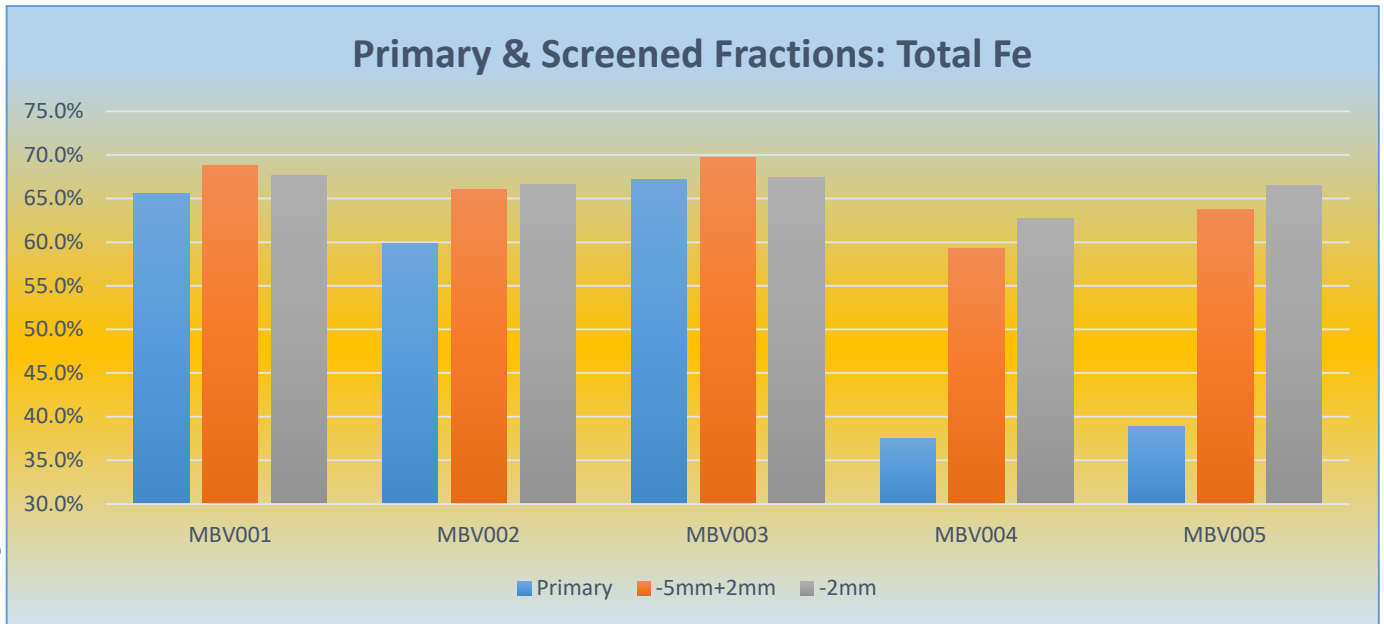
The prime benefit of this is that metallurgical test work has shown that the primary crush of the Buena Vista ore on average increases the mill grade to +45% irrespective of the primary ore grade. This is an important distinction to taconites and results in reduced energy usage for the subsequent crushing and grinding upgrade to the concentrate grade of +67.5%.

The Buena Vista concentrate contains no deleterious concentrations of impurities with silica typically 1.4-1.5%, alumina less than 1% and negligible sulphur and phosphorous content (around-0.003% respectively).

In addition, titanium and vanadium levels are low in the Buena Vista concentrate, typical levels are around 0.2% TiO₂ and 0.3% V.

% 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

Table 3: Buena Vista Composite Concentrate -150 mesh (106 microns) (After GR Engineering 2011)

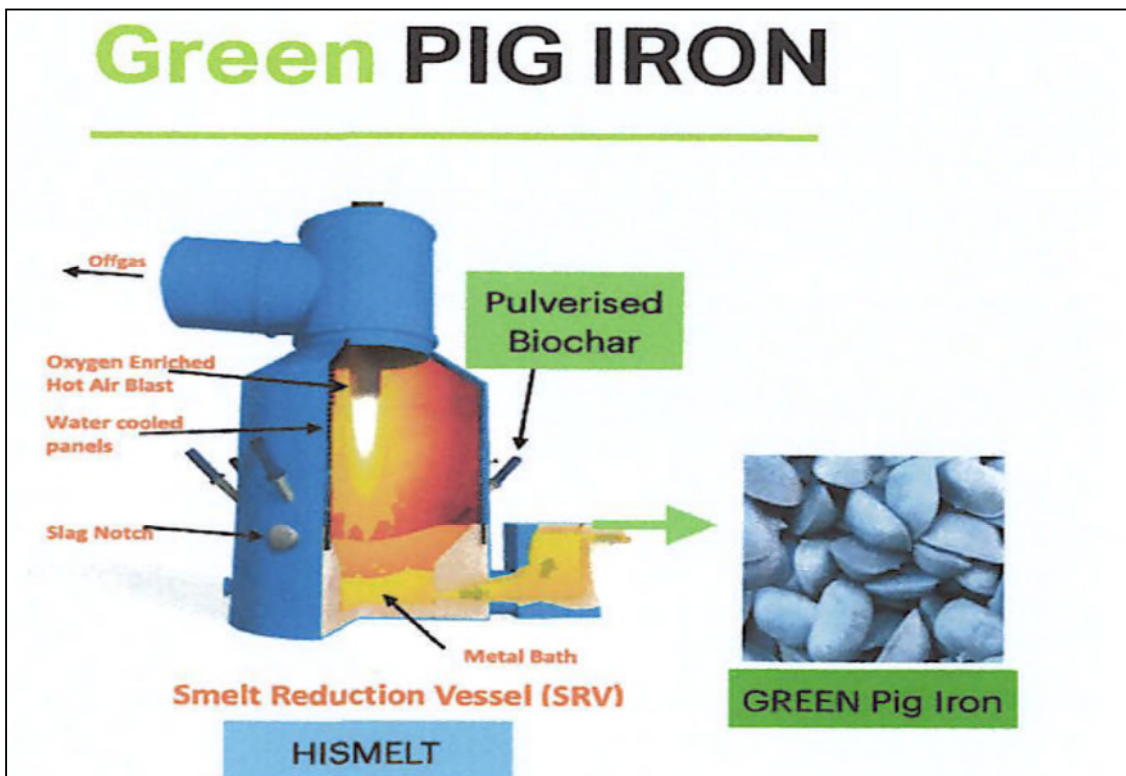


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GREEN PIG IRON DEVELOPMENT

This proposed manufacturing plant will use the proven Hismelt technology.

This is an exciting opportunity for Magnum as it will potentially be the first in producing environmentally friendly products for supply to the US domestic and international steel markets.



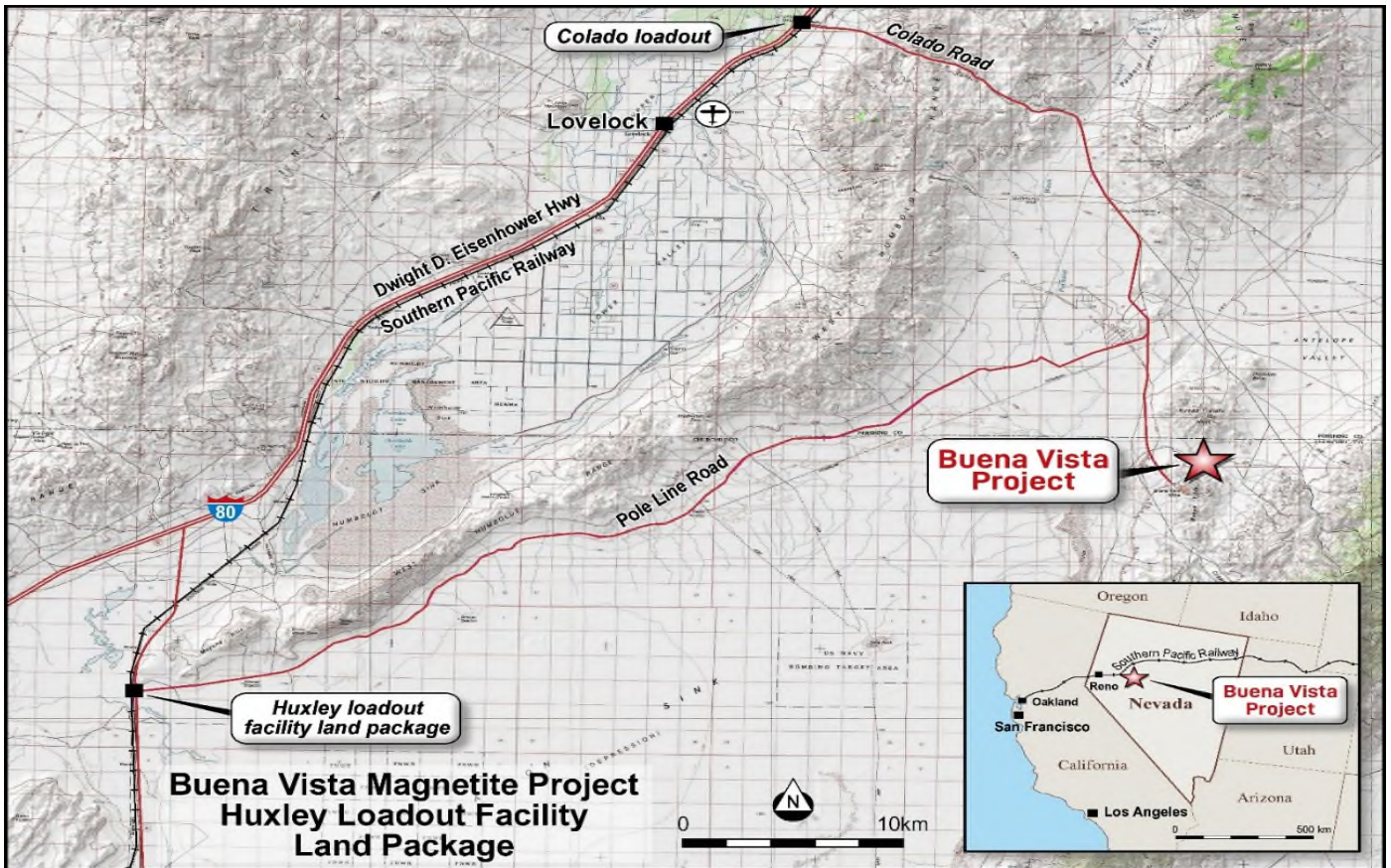
KEY INFRASTRUCTURE LAND PACKAGE AT HUXLEY SECURED

As part of the advancement of the Buena Vista Project, on or around March 2021 Magnum secured a key land package around the abandoned historic town site of Huxley.

This land which totals 769.9 acres in three parcels is now owned unencumbered by Magnum through its wholly owned United States subsidiary Iron Horse Transportation LLC. The land package is located around 55kms WSW from the Buena Vista Project and has been secured as a potential alternate rail load out facility to Colado, which is located approximately 45 kms NNW from the Project.

The land package is free from infrastructure and restrictive covenants and is accessed via Pole Line Road which is a flat lying local County gravel road following the southern boundary of the Humboldt Ranges (see plan below).

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The land is also ideally suited for the provision of potential infrastructure for the value add opportunities as part of the expanded development strategy for the Buena Vista Project.

Land Parcel	Description	Area	Property Key
004 431-39	Huxley	311.15 acres	443139
004 431-42	Huxley	98.66 acres	443142
004 431-43	NE Huxley	360.12 acres	443143

TENEMENT INFORMATION AS AT 30 JUNE 2023

Buena Vista Project

Claim Name	BLM Serial Nos.	BLM Lead Serial No.	Claim Type
KMD 1	NMC956471	NMC956471	Lode
KMD 2	NMC956472	NMC956471	Lode
KMD 3	NMC956473	NMC956471	Lode
KMD 4	NMC956474	NMC956471	Lode
KMD 5	NMC956475	NMC956471	Lode
KMD 6	NMC956476	NMC956471	Lode
KMD 7	NMC956477	NMC956471	Lode
KMD 8	NMC956478	NMC956471	Lode
KMD 9	NMC956479	NMC956471	Lode
KMD 10	NMC1049632	NMC1049632	Lode
KMD 11	NMC956481	NMC956471	Lode
KMO 12	NMC956482	NMC956471	Lode
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NvFe 15	NMC1068435	NMC1068429	Lode
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NvFe 25	NMC1076001	NMC1075996	Lode
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NvFe 66	NMC1076042	NMC1075996	Lode
NvFe 67	NMC1076043	NMC1075996	Lode
NvFe 68	NMC1076044	NMC1075996	Lode
NvFe 69	NMC1076045	NMC1075996	Lode
NvFe 70	NMC1076046	NMC1075996	Lode
NvFe 71	NMC1076047	NMC1075996	Lode
NvFe 72	NMC1076048	NMC1075996	Lode
NvFe 73	NMC1076049	NMC1075996	Lode

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NvFe 74	NMC1076050	NMC1075996	Lode
NvFe 75	NMC1076051	NMC1075996	Lode
NvFe 76	NMC1076052	NMC1075996	Lode
NvFe 77	NMC1076053	NMC1075996	Lode
NvFe 78	NMC1076054	NMC1075996	Lode
NvFe 79	NMC1076055	NMC1075996	Lode
NvFe 80	NMC1076056	NMC1075996	Lode
NvFe 81	NMC1076057	NMC1075996	Lode
NvFe 82	NMC1076058	NMC1075996	Lode
NvFe 83	NMC1076059	NMC1075996	Lode
NvFe 84	NMC1076060	NMC1075996	Lode
NvFe 85	NMC1076061	NMC1075996	Lode
NvFe 86	NMC1076062	NMC1075996	Lode
NvFe 87	NMC1076063	NMC1075996	Lode
NvFe 88	NMC1076064	NMC1075996	Lode
NvFe 89	NMC1076065	NMC1075996	Lode
NvFe 90	NMC1076066	NMC1075996	Lode
NvFe 91	NMC1076067	NMC1075996	Lode
NvFe 92	NMC1076068	NMC1075996	Lode
NvFe 93	NMC1076069	NMC1075996	Lode
NvFe 94	NMC1076070	NMC1075996	Lode
NvFe 95	NMC1076071	NMC1075996	Lode
NvFe 96	NMC1076072	NMC1075996	Lode
NvFe 97	NMC1076073	NMC1075996	Lode
NvFe 98	NMC1076074	NMC1075996	Lode
NvFe 99	NMC1076075	NMC1075996	Lode
NvFe 100	NMC1076076	NMC1075996	Lode
NvFe 101	NMC1076077	NMC1075996	Lode
NvFe 102	NMC1076078	NMC1075996	Lode
NvFe 103	NMC1076079	NMC1075996	Lode
NvFe 104	NMC1076080	NMC1075996	Lode
NvFe 105	NMC1076081	NMC1075996	Lode
NvFe 106	NMC1076082	NMC1075996	Lode
NvFe 108	NMC1076083	NMC1075996	Lode
NvFe 109	NMC1076084	NMC1075996	Lode
NvFe 110	NMC1076085	NMC1075996	Lode
NvFe 111	NMC1076086	NMC1075996	Lode
NvFe 112	NMC1076087	NMC1075996	Lode
NvFe 113	NMC1076088	NMC1075996	Lode
NvFe 114	NMC1076089	NMC1075996	Lode
NvFe 115	NMC1076090	NMC1075996	Lode
HNVFE NO 1	NMC1093640	NMC1093640	Mill Site
HNVFE NO 2	NMC1093641	NMC1093640	Mill Site
HNVFE NO 3	NMC1093642	NMC1093640	Mill Site
HNVFE NO 4	NMC1093643	NMC1093640	Mill Site
HNVFE NO 5	NMC1093644	NMC1093640	Mill Site
HNVFE NO 6	NMC1093645	NMC1093640	Mill Site
HNVFE NO 7	NMC1093646	NMC1093640	Mill Site
HNVFE NO 8	NMC1093647	NMC1093640	Mill Site

HNVFE NO 9	NMC1093648	NMC1093640	Mill Site
HNVFE NO 10	NMC1093649	NMC1093640	Mill Site
HNVFE NO 11	NMC1093650	NMC1093640	Mill Site
HNVFE NO 12	NMC1093651	NMC1093640	Mill Site
HNVFE NO 13	NMC1093652	NMC1093640	Mill Site
HNVFE NO 14	NMC1093653	NMC1093640	Mill Site
HNVFE NO 15	NMC1093654	NMC1093640	Mill Site
HNVFE NO 16	NMC1093655	NMC1093640	Mill Site
HNVFE NO 17	NMC1093656	NMC1093640	Mill Site
HNVFE NO 18	NMC1093657	NMC1093640	Mill Site
HNVFE NO 26	NMC1093665	NMC1093640	Mill Site
HNVFE NO 27	NMC1093666	NMC1093640	Mill Site
HNVFE NO 28	NMC1093667	NMC1093640	Mill Site
HNVFE NO 29	NMC1093668	NMC1093640	Mill Site
HNVFE NO 30	NMC1093669	NMC1093640	Mill Site
HNVFE NO 31	NMC1093670	NMC1093640	Mill Site
HNVFE NO 32	NMC1093671	NMC1093640	Mill Site
HNVFE NO 33	NMC1093672	NMC1093640	Mill Site
HNVFE NO 34	NMC1093673	NMC1093640	Mill Site
HNVFE NO 35	NMC1093674	NMC1093640	Mill Site
HNVFE NO 36	NMC1093675	NMC1093640	Mill Site
HNVFE NO 37	NMC1093676	NMC1093640	Mill Site
HNVFE NO 38	NMC1093677	NMC1093640	Mill Site
HNVFE NO 39	NMC1093678	NMC1093640	Mill Site
HNVFE NO 40	NMC1093679	NMC1093640	Mill Site
HNVFE NO 41	NMC1093680	NMC1093640	Mill Site
HNVFE NO 42	NMC1093681	NMC1093640	Mill Site
HNVFE NO 43	NMC1093682	NMC1093640	Mill Site
HNVFE NO 44	NMC1093683	NMC1093640	Mill Site
HNVFE NO 45	NMC1093684	NMC1093640	Mill Site
HNVFE NO 46	NMC1093685	NMC1093640	Mill Site
HNVFE NO 47	NMC1093686	NMC1093640	Mill Site
HNVFE NO 48	NMC1093687	NMC1093640	Mill Site

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Corporate Report**CAPITAL RAISING****SECURITIES**

During the reporting period Magnum issued equity securities as follows:

- 19 January 2023, 138,095,252 listed options were issued;
- 24 January 2023, 2,500,000 unlisted options were issued, expiring 31 October 2025;
- 6 February 2023, 10,000,000 ordinary fully paid shares (following conversion of 76 convertible notes);
- 16 May 2023, 14,325,358 ordinary fully paid shares (following conversion of 88 convertible notes).

EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, other operations and activities of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half year financial report. This Independence Declaration is set out on page 15 and forms part of this Directors' Report for the half year ended 30 June 2023.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001.



Anoosh Manzoori
Chairman

13 September 2023

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Magnum Mining and Exploration Limited for the half-year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
13 September 2023



N G Neill
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2023**

	Notes	30 June 2023	30 June 2022
		\$	\$
Other Income	3	71,715	27,626
Accountancy fees		(110,717)	(99,514)
Auditors' remuneration		(40,298)	(31,004)
Corporate advisory expenses		(40,000)	(73,751)
Depreciation		(6,832)	(6,805)
Exploration expensed as incurred		(193,212)	(18,757)
Finance costs (net)	3	9,273	(890,128)
Marketing expenses		(56,575)	-
Share based payment	3	(43,379)	(3,227,936)
Office expenses		(19,717)	(60,987)
Consultancy fees		(546,091)	(383,323)
Salary, wages and staff on-costs		(360,155)	(309,330)
Share registry and exchange fees		(43,661)	(34,924)
Foreign exchange gain/(loss)		(96)	-
Insurance		(130,308)	(113,288)
Fair value on investment		-	(69,189)
Travel and accommodation expenses		(161,507)	(279,319)
Other expenses		(27,745)	(121,647)
Loss before income tax expense		(1,699,305)	(5,692,276)
Income tax expense		-	-
Loss for the period		(1,699,305)	(5,692,276)
Other comprehensive income/ (loss)			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(60,787)	172,275
Other comprehensive income for the half year		(60,787)	172,275
Total comprehensive loss for the year		(1,760,092)	(5,520,001)
Basic and diluted loss per share (cents)	4	(0.24)	(1.12)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	30 June 2023 \$	31 December 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,715,080	5,005,720
Trade and other receivables	6	72,208	156,625
Other financial assets	8	188,537	116,822
Total Current Assets		2,975,825	5,279,167
Non-Current Assets			
Property, plant and equipment	7	910,895	896,393
Deferred exploration and evaluation expenditure	9	6,929,360	6,397,104
Total Non-Current Assets		7,840,255	7,293,497
Total Assets		10,816,080	12,572,664
LIABILITIES			
Current Liabilities			
Trade and other payables	10	485,808	501,634
Borrowings	11	-	731,722
Derivative Liability		-	19,809
Total Current Liabilities		485,808	1,253,165
Total Liabilities		485,808	1,253,165
Net Assets		10,330,272	11,319,499
EQUITY			
Issued capital	12	40,066,406	39,338,920
Reserves	15	6,516,996	6,534,404
Accumulated losses		(36,253,130)	(34,553,825)
Total Equity		10,330,272	11,319,499

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2023**

	Issued capital \$	Accumulated losses \$	Reserves \$	Non- controlling interests \$	Total \$
2023					
Balance as at 1 January 2023	39,338,920	(34,553,825)	6,534,404	-	11,319,499
Loss for the period	-	(1,699,305)	-	-	(1,699,305)
Other comprehensive loss:					
Currency translation differences	-	-	(60,787)	-	(60,787)
Total comprehensive loss for the period	-	(1,699,305)	(60,787)	-	(1,760,092)
Transactions with owners in their capacity as owners					
Share issue expenses	(24,045)	-	-	-	(24,045)
Convertible note conversion	751,531	-	-	-	751,531
Options Issued	-	-	43,379	-	43,379
Balance as at 30 June 2023	40,066,406	(36,253,130)	6,516,996	-	10,330,272
2022					
Balance as at 1 January 2022	34,223,100	(31,112,143)	7,150,638	(481,172)	9,780,423
Loss for the period	-	(5,692,276)	-	-	(5,692,276)
Other comprehensive loss:					
Currency translation differences	-	-	172,275	-	172,275
Total comprehensive loss for the period	-	(5,692,276)	172,275	-	(5,520,001)
Transactions with owners in their capacity as owners					
Sale of Gravolette Project	-	(481,172)	-	481,172	-
Share issue expenses	(12,807)	-	-	-	(12,807)
Facilitation fee	603,012	-	-	-	603,012
Performance rights & Options	-	-	3,227,936	-	3,227,936
Convertible note conversion	28,053	-	-	-	28,053
Balance as at 30 June 2022	34,841,358	(37,285,591)	10,550,849	-	8,106,616

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

	30 June 2023	30 June 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers	-	16
Interest received	-	10
Payments to suppliers and employees	(1,622,830)	(1,883,789)
Net cash (outflow) from operating activities	(1,622,830)	(1,883,763)
Cash flows from investing activities		
Investment in projects	-	(1,265,651)
Payments for deferred exploration assets	(627,956)	-
Payments for purchases of property	(21,334)	-
Payments for purchases of plant and equipment	-	(12,421)
Net cash (outflow) from investing activities	(649,290)	(1,278,072)
Cash flows from financing activities		
Proceeds from borrowings	-	1,300,000
Payment for share or option issue costs	(24,045)	(12,808)
Net cash (outflow)/inflow from financing activities	(24,045)	1,287,192
Net (decrease) in cash and cash equivalents	(2,296,165)	(1,874,642)
Cash and cash equivalents at the beginning of the half year	5,005,720	4,422,716
Effects of exchange rate changes on cash and cash equivalents	5,525	7,102
Cash and cash equivalents at the end of the half year	2,715,080	2,555,176

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023****1. Statement of Significant Accounting Policies**

These half year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB').

This condensed half year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2022 and any public announcements made by the Company and its subsidiaries during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half year.

Basis of preparation

The half year financial report has been prepared on a historical cost basis, except for selected non-current financial assets, which have been measured at fair value as explained in the relevant accounting policies. Historical cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. The Company is a for-profit entity.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

Statement of compliance

The half year financial report was authorised for issue in accordance with a resolution of the Directors on **12 September 2023**.

The half year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report comprising the half year financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Significant accounting judgments and key estimates

The preparation of half year financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2022.

New, revised or amended Accounting Standards and Interpretations

In the half year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group, and therefore, no material change is necessary to Group accounting policies.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

The Directors have also reviewed all of the new and revised Standards and Interpretations that are relevant to the Group and that have recently been revised or amended but are not yet mandatory.

As a result of this review, the Directors have determined that there will not be a material effect on Group accounting policies in future financial periods.

Going concern

The Board of Magnum, after considering the current cash reserves, the Group's access to funding and the short- and medium-term strategy, agree that the Group is a going concern. The Company has more than the required resources to meet its commitments in the medium term. Any execution of the announced strategy will require an investment decision which will be made at the time, having regard to all of the facts contained in the Bankable Feasibility Study. Pursuing this strategy will require the raising of capital to fund the capital investment required.

2. Segment information

For management purposes the chief operating decision maker, being the Board of Directors of Magnum Mining and Exploration Limited, reports its results per geographical segment.

The following table presents the financial information regarding these segments provided to the Board of Directors for the half years ended 30 June 2023 and 30 June 2022.

	Australia \$	United States \$	Consolidated \$
30-Jun-23			
Segment revenue and other income	71,715	-	71,715
Segment result	(1,296,727)	(402,578)	(1,699,305)
Unallocated			-
Results from operating activities			(1699,305)
Segment assets	3,936,461	6,879,619	10,816,080
Segment liabilities	(290,605)	(195,203)	(485,808)
Included within segment results:			
Depreciation	187	6,645	6,832
30-Jun-22			
Segment revenue and other income	-	-	-
Interest	27,600	26	27,626
Segment result	(5,194,742)	(497,534)	(5,692,276)
Unallocated			-
Results from operating activities			(5,692,276)
Segment assets	3,402,528	6,353,049	9,755,577
Segment liabilities	(1,656,219)	7,258	(1,648,961)
Included within segment results:			
Depreciation	-	6,805	6,805

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**
3. Revenue and expenses

Other Income	Consolidated	
	30-Jun-23	30-Jun-22
	\$	\$
From continuing operations		
Fair value gain on investment	71,715	-
Other income	-	26
Fair value movement of derivative liability	-	27,600
	71,715	27,626

Expenses	Consolidated	
	30-Jun-23	30-Jun-22
Share based payments	(43,379)	(3,227,936)
Finance costs (net)	9,273	(890,128)
Comprises of:		
IRIS Fee Expense	-	(903,012)
Other	9,273	12,884

4. Earnings/ (loss) per share

	Cents	Cents
Basic earnings / (loss) per share	(0.24)	(1.12)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/ (loss) per share	707,041,148	510,243,082
	\$	\$
Loss attributable to ordinary equity holders of the Group used in calculating basic earnings / (loss) per share	(1,699,305)	(5,692,276)

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**
5. Cash and cash equivalents

	Consolidated	
	30-Jun-23	31-Dec-22
	\$	\$
Cash at bank and on hand	2,715,080	5,005,720
	<u>2,715,080</u>	<u>5,005,720</u>

6. Trade and other receivables

	30-Jun-23	31-Dec-22
	\$	\$
Deposit paid	-	12,644
GST/VAT receivable	41,937	69,772
Trade debtors	-	22,000
Fringe Benefits Tax Payable	349	349
Prepayments	29,922	51,860
	<u>72,208</u>	<u>156,625</u>

7. Property, plant and equipment

	Consolidated	
	30-Jun-23	31-Dec-22
	\$	\$
Plant and equipment – at cost	148,848	82,110
Less: accumulated depreciation	(27,118)	(169)
	<u>121,730</u>	<u>81,941</u>
Office equipment – at cost	4,711	-
Less: accumulated depreciation	(356)	-
	<u>4,355</u>	<u>-</u>
Motor Vehicles – at cost	-	66,342
Less: accumulated depreciation	-	(19,903)
	<u>-</u>	<u>46,439</u>
Freehold Property – at cost	784,810	768,103
	<u>784,810</u>	<u>768,103</u>
Total Property, plant and equipment	<u>910,895</u>	<u>896,483</u>

8. Other financial assets

	30-Jun-23	31-Dec-22
	\$	\$
Shares in listed entity at fair value through profit or loss	188,537	116,822
	<u>188,537</u>	<u>116,822</u>

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**
9. Deferred Exploration and Evaluation Expenditure

Exploration and evaluation phase at cost	Consolidated	
	30-Jun-23	31-Dec-22
	\$	\$
Balance at beginning of the year	6,397,104	4,794,499
Research and Development Tax Offset	(95,700)	-
Expenditure incurred	627,956	1,602,605
Balance at the end of the year	6,929,360	6,397,104

The recoverability of the carrying amount of exploration assets is dependent upon further exploration and exploitation of commercially viable mineral deposits.

Exploration and evaluation expenditure for areas of interest for which rights of tenure are current is carried forward as an asset where it is expected that the expenditure will be recovered through the successful development of an area or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence of economically recoverable reserves. Where a project or an area has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

In order to maintain current rights of tenure to exploration tenements, the Group is required to comply with the minimum expenditure obligations under the Mining Act. These obligations have been met. The future obligations which are subject to renegotiation when an application for a mining lease is made and at other times are not provided for in the financial statements.

10. Trade and Other Payables

Current	Consolidated	
	30-Jun-23	31-Dec-22
	\$	\$
Trade payables	235,658	75,630
Other creditors and accruals	50,150	226,004
Deferred consideration – Buena Vista	200,000	200,000
	485,808	501,634

11. Borrowings

IRIS Convertible Note Facility	Consolidated	
	30-Jun-23	31-Dec-22
	\$	\$
	-	731,722

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

The key terms of the Convertible Note Facility are summarised as follows:

- Magnum, at its discretion, can draw debt tranches of \$1 million each (except for the first tranche, which was \$1.3 million as it included funding for upfront fees);
- the maturity date of the Notes is 24 months from the Issue Date;
- the Investor may at any time between the Issue Date of the Notes and the Maturity Date, convert some or all of the Notes into fully paid ordinary shares in the Company;
- the conversion price of the Notes will equate to 95% of the average of the 5 lowest daily volume weighted average prices (VWAP) of MGU shares of the 20 most recent trading days prior to the date of the conversion (Conversion Price);
- interest on the face value of the Notes is not capitalised or payable in case of conversion into shares;
- the Investor may elect, following the Maturity Date, to redeem some or all of the Notes. On redemption, the Company must pay the Investor the following redemption amount:
 - the total face value of the Notes being redeemed; and
 - interest payable on the face value of the Notes being redeemed at an interest rate of 5% per annum, accrued daily and compounded monthly, from the date of issue of the Notes up to the date of payment.
- As at the date of this report, Magnum has issued 520 notes, with all notes converted. At balance date, there are no remaining notes issued.

12. Issued capital
a. Share capital

(a) Share Capital	Consolidated		Consolidated	
	30-Jun-23 Shares	31-Dec-22 Shares	30-Jun-23 \$	31-Dec-22 \$
Ordinary shares				
Ordinary shares fully paid	b 719,203,827	694,878,469	40,066,406	39,338,920

b. Ordinary shares issued

Movements in ordinary share capital	Consolidated 6 Months to		Consolidated Year to	
	30-Jun-23 Shares	30-Jun-23 \$	31-Dec-22 Shares	31-Dec-22 \$
Balance at the beginning of the reporting period	694,878,469	39,338,920	497,144,914	34,223,100
Proceeds from exercise of options	-	-	150,000	7,500
Shares issued in connection with convertible note ²	24,325,358	751,531	15,792,479	395,636
Shares issued as collateral in connection with convertible note ¹	-	-	24,096,386	-
Convertible note facilitation fee	-	-	8,433,735	603,012
Shares issued to settle invoices	-	-	6,428,571	200,000
Capital Raising	-	-	142,857,142	5,000,000
Historical Adjustment	-	-	(24,758)	-
Less: Share issue costs	-	(24,045)	-	(1,090,328)
Balance at reporting date	719,203,827	40,066,406	694,878,469	39,338,920

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

1. Nil Consideration. Issued to IRIS as collateral for the Company's obligations under the Convertible Note Agreement entered into between IRIS and the Company as announced on 2 May 2022.
2. Final conversion of balance of 142 notes on 6 June 2023 has utilised the collateral shares issued with 1,908,886 shares still being held in collateral with the note holder at reporting date.

13. Listed options

Listed Options (MGUO)	30-Jun-23	31-Dec-22
At the end of the reporting period the following options were on issue:	No. of Options	No. of Options
- 29 August 2022 options exercisable at \$0.05 per share expiring 29 August 2025 ¹⁰	71,428,571	71,428,571
- 29 August 2022 options exercisable at \$0.05 per share expiring 29 August 2025 ¹¹	30,000,000	30,000,000
- 1 December 2022 options exercisable at \$0.05 per share expiring 1 December 2025 ¹²	1,666,681	1,666,681
- 7 December 2022 options exercisable at \$0.05 per share expiring 7 December 2025 ¹³	32,500,000	32,500,000
- 7 December 2022 options exercisable at \$0.05 per share expiring 7 December 2025 ¹⁴	2,500,000	2,500,000
- 24 January 2023 options exercisable at \$0.05 per share expiring 31 October 2025 ¹⁵	2,500,000	-
	140,595,252	138,095,252

14. Unlisted options

Unlisted options (MGUAB)	30-Jun-23	31-Dec-22
	No. of Options	No. of Options
- 18 January 2021 unlisted options (MGUAB) exercisable at \$0.03 per share expiring 30 December 2023 ¹	5,000,000	5,000,000
- 18 January 2021 unlisted options (MGUAB) exercisable at \$0.05 per share expiring 30 December 2023 ²	2,000,000	2,000,000
- 18 January 2021 unlisted options (MGUAB) exercisable at \$0.10 per share expiring 30 December 2023 ³	3,000,000	3,000,000
- 18 January 2021 unlisted options (MGUAB) exercisable at \$0.20 per share expiring 30 December 2023 ⁴	6,000,000	6,000,000
- 18 January 2021 unlisted options (MGUAB) exercisable at \$0.40 per share expiring 30 December 2023 ⁵	6,000,000	6,000,000
	22,000,000	22,000,000

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**
Unlisted options (MGUOC)

	30-Jun-23	31-Dec-22
	No. of Options	No. of Options
- 23 April 2021 unlisted options (MGUOC) exercisable at \$0.20 per share expiring 19 April 2024 ⁶	32,000,000	32,000,000
- 7 May 2021 unlisted options (MGUOC) exercisable at \$0.20 per share expiring 19 April 2024 ⁷	6,000,000	6,000,000
- 22 July 2021 unlisted options (MGUAC) exercisable at \$0.20 per share expiring 19 April 2024 ⁸	9,000,000	9,000,000
	47,000,000	47,000,000

Unlisted options (MGUOAQ)

	30-Jun-23	31-Dec-22
	No. of Options	No. of Options
- 3 Aug 2021 unlisted options (MGUOAQ) exercisable at \$0.25 per share expiring 20 July 2024 ^{9&*}	9,000,000	9,000,000
	9,000,000	9,000,000

The valuation model inputs used to determine the fair value at the grant date for options outstanding at 31 December 2023 are as follows:

<i>Note</i>	<i>Number of Options</i>	<i>Grant Date</i>	<i>Expiry Date</i>	<i>Exercise Price</i>	<i>Expected Volatility</i>	<i>Dividend yield</i>	<i>Risk-free interest rate</i>	<i>Fair value at grant date</i>
1	5,000,000	11/01/2021	30/12/2023	0.05	0.03	0.00	0.090%	0.034
2	2,000,000	11/01/2021	30/12/2023	0.05	0.05	0.00	0.110%	0.027
3	3,000,000	11/01/2021	30/12/2023	0.05	0.10	0.00	0.110%	0.019
4	6,000,000	11/01/2021	30/12/2023	0.05	0.20	0.00	0.110%	0.011
5	6,000,000	11/01/2021	30/12/2023	0.05	0.40	0.00	0.110%	0.006
6	32,000,000	19/04/2021	19/04/2024	0.05	0.20	0.00	0.100%	0.091
7	6,000,000	7/05/2021	19/04/2024	0.18	0.20	0.00	0.120%	0.100
8	9,000,000	22/07/2021	19/04/2024	0.18	0.20	0.00	0.120%	0.100
9	9,000,000	20/07/2021	20/10/2025	0.25	0.40	0.00	0.120%	0.094
10	71,428,571*	21/10/2022	31/10/2025	0.00	0.00	0.00	0.00%	0.000
11	30,000,000	21/10/2022	31/10/2025	0.04	0.05	0.00	3.290%	0.017
12	1,666,681*	1/12/2022	31/10/2025	0.00	0.00	0.00	0.000%	0.000
13	32,500,000	4/11/2022	31/10/2025	0.04	0.05	0.00	3.290%	0.017
14	2,500,000	4/11/2022	31/10/2025	0.04	0.05	0.00	3.290%	0.017
15	2,500,000	24/01/2023	31/10/2025	0.04	0.05	0.00	0.120%	0.100 ¹

*Free attaching options and no value assigned

¹ Fair value based on share price on the date of grant.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**
15. Reserves

	Option issue reserve	Share- based payment reserve	Investment revaluation reserve	Performance Rights	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$	\$
At 1 January 2023	-	6,465,864	45,246	-	23,294	6,534,404
Options and Performance Rights	-	43,379	-	-	-	43,379
Foreign currency translation	-	-	-	-	(60,787)	(60,787)
At 30 June 2023	-	6,509,243	45,246	-	(37,493)	6,516,996
At 1 January 2022	513,697	6,739,312	45,246	72,652	(220,269)	7,150,638
Performance rights vested	-	-	-	148,048	-	148,048
Options vested	-	926,487	-	-	-	926,487
Options & Performance rights lapsed	(513,697)	(1,199,935)	-	(220,700)	-	(1,934,332)
Foreign currency translation	-	-	-	-	243,563	243,563
At 31 December 2022	-	6,465,864	45,246	-	23,294	6,534,404

16. Interest in subsidiaries

Name	Country of Incorporation	Percentage of equity interest held by consolidated entity	
		30-Jun-23	31-Dec-22
Nevada Iron Holdings Pty Ltd	Australia	100%	100%
Nevada Iron LLC	United States	100%	100%
Iron Horse Transportation LLC	United States	100%	100%
Magnum Green Steel USA LLC	United States	100%	-

17. Contingencies

The mining tenement commitment as at 30 June 2023 is \$900,000 (31 December 2022: \$900,000).

The contingent material terms of the Acquisition of Buena Vista Projects are set out below:

1. On completion of a Definitive Feasibility Study, Magnum will issue to the Sellers and/or their nominees, shares in Magnum to the value of \$500,000 with the issue price of the Magnum Shares equal to the 15-day VWAP of Magnum determined as the 15 trading days immediately prior to the completion date of the Definitive Feasibility Study and its announcement to ASX.
2. On the receipt by Magnum of firm and unconditional offers for the total amount of finance required to develop Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares in Magnum to the value of \$1,500,000 with the issue price of the Magnum Shares equal to the 45 day VWAP of Magnum up to the date at which Magnum is in receipt of the unconditional offers for the total amount of finance required to develop Buena Vista; and
3. On the completion of the commissioning of the production facility at Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares in Magnum to the value of \$1,000,000 with the issue price of the Magnum Shares equal to the 15-day VWAP of Magnum immediately up to the completion of the commissioning of production; and

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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4. On receipt by the Buyer of the first payment from the sale of concentrate from Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares and/or cash in Magnum (at the Sellers option) to the value of \$500,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum up to the date at which Magnum is in receipt of the first payment from the sale of concentrate from Buena Vista; and
5. On the delivery by Magnum of the three millionth tonne of concentrate from Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares and/or cash (at the Sellers option) in Magnum to the value of \$1,000,000 with the issue price of the Magnum Shares equal to the 15-day VWAP of Magnum up to the date at which Magnum has delivered the three millionth tonne of concentrate from Buena Vista; and
6. On the delivery by Magnum of the five millionth tonne of concentrate from Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares and/or cash (at the Sellers option) in Magnum to the value of \$1,000,000 with the issue price of the Magnum Shares equal to the 15-day VWAP of Magnum up to the date at which Magnum has delivered the five millionth tonne of concentrate from Buena Vista.

None of these conditions have been met at 30 June 2023, and the timing of this was unknown at date of acquisition. Accordingly, the value of the contingent consideration is assessed as nil at the time of acquisition and at balance date.

18. Events occurring after the balance date

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, other operations and activities of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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DIRECTORS' DECLARATION

In the opinion of the Directors of Magnum Mining and Exploration Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half year then ended.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.



Anoosh Manzoori
Chairman
13 September 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Magnum Mining and Exploration Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Magnum Mining and Exploration Limited ("the company"), which comprises the condensed consolidated statement of financial position as at 30 June 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Magnum Mining and Exploration Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
13 September 2023



N G Neill
Partner

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