



OVERSUBSCRIBED \$7M PLACEMENT TO ADVANCE USA CRITICAL MINERALS STRATEGY

Magnum Mining & Exploration Limited (ASX: **MGU**, **Magnum**, or the **Company** OTCQB: **MGUFF**) is pleased to announce that it has successfully raised \$7m (before costs) via an oversubscribed placement ("**Placement**"). Funds raised will support the Company's USA critical minerals strategy, which aims to establish a processing hub at the 100% owned Huxley and Colado sites (**Lovelock Processing Hub**)¹ in Nevada USA, while advancing its suite of REE assets in Brazil and the assessment of further USA based critical mineral acquisitions.

The Placement comes at a pivotal time for the U.S. critical minerals sector, as policymakers accelerate domestic supply chain initiatives for antimony, rare earths and battery metals. Magnum's Lovelock Processing Hub aims to align with these national priorities, potentially positioning the Company as a key domestic supplier into U.S. defence, energy transition and industrial markets.

HIGHLIGHTS

- **Oversubscribed \$7m placement** to support Magnum's strategy to establish a **staged, scalable & modular Critical Minerals Processing Hub** at its 100%-owned Huxley and Colado sites in Lovelock, Nevada ("**Lovelock Processing Hub**")¹, focused on producing **high-grade antimony and rare earth element ("REE") concentrates**.
- Magnum will pursue eligibility for **expedited permitting** at the Lovelock Processing Hub under the **U.S. FAST-41 program**, with the aim of **fast-tracking** project approvals and potentially unlocking the **early commencement of production**.
- In parallel to activities at the Lovelock Processing Hub, Magnum will also undertake **systematic, high-conviction Auger & RC drilling programs** across its 100%-owned Brazilian rare earth assets², targeting **high-priority zones** at the Azimuth 125 and Palmares REE Projects. The programs will be led by Antonio Vitor, **a major shareholder and an exceptional in-country manager** with extensive experience in managing field operations.
- Planned drill activities at the Palmares Project follow **positive trench and rock chip assay results** at the Feirinha Prospect, which returned **1.69% (16,884 ppm) total rare earth oxides (TREO)**³, alongside leach testwork indicating **exceptional recoveries** at ambient temperature and **fast residency times**⁴.

¹ Refer to ASX release, ASX:MGU, 22 September 2025, "*Update on Antimony & REE Refining Capacity in USA*".

² Refer to ASX release, ASX:MGU, 3 October 2025, "*Auger Drilling to Start on Brazil Rare Earths Project*".

³ Refer to ASX release, ASX:MGU, 20 December 2024, "*Palmares Delivers Up to 1.69% TREO Grades (Revised)*".

⁴ Refer to ASX release, ASX:MGU, 2 October 2025, "*Breakthrough REE Test Work Delivers Exceptional Results*".

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- **Exceptional grades** from rock chip sampling programs to date at Feirinha, in addition to Cerium (Ce) values of up to 6,507ppm, **suggest similar mineralisation** to ionic clay deposits elsewhere in the district (**e.g. Brazilian Rare Earths Ltd's (ASX: BRE) Monte Alto REE Project**)⁵. Magnum's total Brazilian REE tenement holding **covers ~1,549km²**, positioning Magnum as one of largest landholders for REE in the region.
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- **Further strategic acquisitions of USA critical minerals projects** will also be assessed.
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Magnum's Chairman, Michael Davy, commented: *"We are delighted with the strong demand and oversubscription in the Company's placement and extend a warm welcome to our new institutional and wholesale investors. The support shown represents a strong endorsement of Magnum's dual-track strategy of establishing U.S. domestic critical minerals supply chain while advancing its highly prospective rare earth projects in Brazil."*

At Lovelock, the Company's scalable and modular development approach is intended to enable fast-tracked production of antimony and rare earth elements, both of which continue to grow in strategic importance across the USA. In parallel, a systematic exploration program across Magnum's Brazilian REE assets is expected to build on the exceptional results achieved to date, unlocking further value for shareholders. We will also continue to assess additional U.S.-based critical minerals projects that have the potential to further strengthen our development pipeline."

On behalf of the Board, I thank all shareholders for their ongoing support and look forward to seeing the Company deliver on the next phase of growth."

PLACEMENT DETAILS

The Placement will result in the issue of 875,000,000 new fully paid ordinary shares at an issue price of A\$0.008 per share (the "**Placement Shares**"), to raise a total of \$7m (before costs). The issue price presents a:

- ~11.1% discount to the last traded price of A\$0.009;
- ~14.9% discount to the 15-day volume-weighted average price ("**VWAP**") of A\$0.0094, and;
- ~18.3% discount to the 30-day VWAP of A\$0.0098.

The Placement Shares are comprised of:

- **Tranche One:** To raise A\$3,888,719.58 by the issue of 486,089,947 new shares under the Company's LR 7.1 & LR 7.1A placement capacity;
- **Tranche Two:** To raise A\$3,111,280.42 by the issue of 388,910,053 new shares, subject to shareholder approval at an Extraordinary General Meeting ("**EGM**", details to be announced).

Placement participants will receive one free attaching option ("**Placement Option**") for every two shares subscribed for. A total of 437,500,000 Placement Options are expected to be issued,

⁵ Refer to ASX release, ASX:BRE 1 February 2024, "*Ultra-High Grade Rare Earth Assays at Monte Alto Project*".

subject to shareholder approval at the EGM. The Options will have an exercise price of A\$0.015 and a three-year expiry from the date of issue. The Company intends listing the options.

CPS Capital Group Pty Ltd ("CPS") and **Alpine Capital Pty Ltd ("Alpine")** acted as Joint Lead Managers ("**JLMs**") to the Placement. In consideration for managing the Placement, the JLMs will receive a 6% Placement cash fee on funds raised (2% management fee on funds raised by Chairman's list), and be issued 90,000,000 options on the same terms of the Placement Option's. These options will be issued at \$0.00001 per option ("**Lead Manager Options**").

USE OF FUNDS

The funds raised under the Placement are expected to fund the following activities:

- Permitting costs associated with the establishment of the Lovelock Processing Hub (**Figure 1**);
- Exploration and drilling activities across the Company's Brazilian REE Projects (**Figure 2**);
- New asset acquisitions; and,
- Working capital and costs of the Placement.

Magnum's dual-track exploration and development strategy is aimed at establishing a USA critical minerals supply chain and rapidly advancing its rare earth portfolio in Brazil, positioning Magnum to capture value across two of the world's most strategically important resource markets. In addition, Magnum will continue to evaluate prospective acquisitions, particularly within the USA, that are consistent with its focus on critical minerals and strategic growth.

NEXT STEPS

Over the coming quarters, Magnum will focus on:

- Preparing its FAST-41 submission for the Lovelock Processing Hub;
- Commencing auger drilling at Palmares and RC drilling at Azimuth 125; and
- Advancing discussions on potential U.S. strategic partnerships and acquisitions.

ABOUT THE LOVELOCK PROCESSING HUB

The Lovelock Processing Hub is being advanced within a pro-mining jurisdiction in Nevada, a state recognised for mining investment security and regulatory transparency. Both antimony and REE are identified by the U.S. Government as critical minerals essential for national security and industrial applications⁶.

Magnum will pursue eligibility under the FAST-41 Program, a U.S. Federal Initiative that coordinates and accelerates permitting of critical infrastructure projects, including those associated with critical minerals. FAST-41 designation has the potential to reduce permitting timelines from several years to less than 24 months, which could enable the early commencement of production.

Magnum aims to leverage the Lovelock Processing Hub's significant strategic advantages, including proximity to key U.S. defence infrastructure. Further, the Lovelock Processing Hub's

⁶ <https://www.federalregister.gov/documents/2022/02/24/2022-04027/2022-final-list-of-critical-minerals>

proposed modular design aims to minimise environmental footprint while enabling the re-processing of strategic materials domestically, reducing dependence on overseas refining.

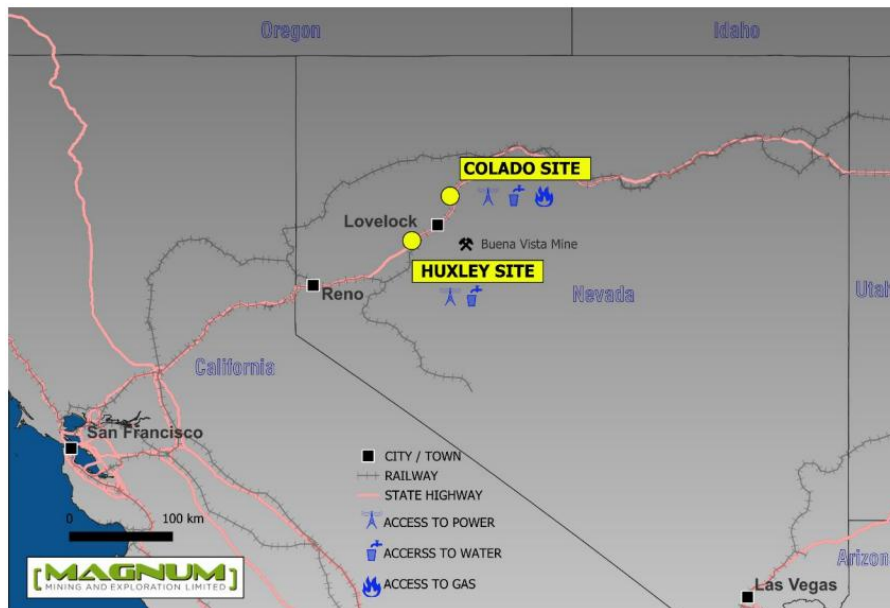


Figure 1: The proposed Lovelock Processing Hub Antimony and REE processing plants at the Company's 100% owned Huxley and Colado sites, displaying location and proximity to road, rail and infrastructure.

ABOUT THE AZIMUTH 125 REE PROJECT⁷

The Azimuth 125 (Az125) REE Project is a green field exploration project highly prospective for REE. It consists of 72 granted tenements covering ~1,201km² of highly prospective ground. These extend over 900km of the regional AZ125° Lineament.

The AZ125° Lineament is a crustal trans-Brazilian feature that reflects the deep plumbing system in the region. Diamond bearing lamprophyres and kimberlites have been the historic exploration targets. The lineament is now recognised as a major source of other metal mineralisation due to the exotic intrusives that occur along it. The Az125 leases cover granitic and alkaline intrusives lithologies that are a primary source of REEs, including monazite, xenotime, allanite, titanite, and apatite. Intrusive alkaline rocks typically host REE minerals eudialyte and loparite. These minerals may be weathered, and adsorbed and concentrated into surficial ionic clay deposits. The geophysical signatures of the source rocks are key to the exploration for REE deposits along this lineament.

Carbonatites that are characterised by expressive geophysics anomalies are especially renowned for hosting significant concentrations of REEs and are often associated with minerals like bastnäsite and monazite. Aeromagnetic data is used extensively to focus in on permissive lithologies for REE, while radiometric data is used to prioritise those targets.

The region has attracted major REE explorers, which include those with both announced REE resources and significant exploration results, as well as Fortescue Metals Group (ASX: FMG) whom have secured a landholding close to some of the Azimuth Project granted claims.

⁷ ASX:MGU "Greenlight Received to Drill Test Brazil REE Targets", 7 October 2025.

ABOUT THE FEIRINHA PROSPECT, PALMARES REE PROJECT

The advanced Feirinha Prospect has had extensive rock chip and soil sampling undertaken on it⁸. Trenching on identified pegmatite dykes have returned assays of up to 1.69% TREO and 2,633ppm THREO (Total Heavy Rare Earth Oxides) in trench sampling and 1.31% TREO in rock chip sampling. Exceptional averages are seen across all samples: 1,166 ppm TREO for the trench sampling and 1,827ppm for the rock chip sampling. In addition Cerium (Ce) values of up to 6,507ppm suggests the mineralisation is similar to ionic clay deposits seen elsewhere in the district (e.g. Brazilian Rare Earths (ASX: BRE) Monte Alto REE Project⁹).

While the focus has been on the pegmatite dykes, an overburden of clays has been recognised for its ionic clay potential. Auger drill sampling will be taken over a wide area of the pegmatite occurrences to test these clays. Deeper drilling will be undertaken using an RC drill rig.

Initial leach test work has provided Magnum with the confidence that REE from the Feirinha Prospect are readily recoverable at ambient temperatures and pressures - excellent recoveries of 1,100ppm TREO at a very low residency time of 5 minutes¹⁰. Once additional mineralisation is verified from the auger work the leach process will be optimised to maximise recovery.

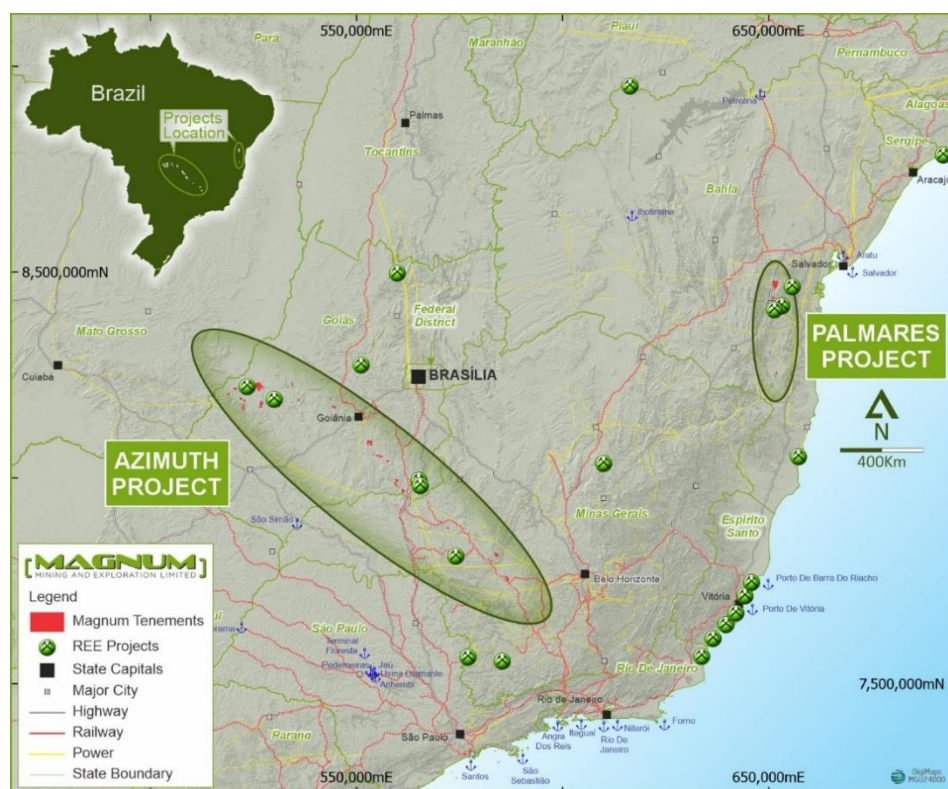


Figure 2 – Magnum’s Azimuth 125 and Palmares REE Projects are located across the states of Bahia, Minas Gerais and Goiás states in south-central Brazil. The area is experiencing intense exploration in this emerging REE region. Both project areas are proximal to notable REE deposits.

⁸ ASX:MGU “Palmares Delivers up to 1.69% TREO Grades (Revised)”, 20 December, 2024

⁹ ASX:BRE “Ultra-High Grade Rare Earth Assays at Monte Alto Project”, 1 February, 2024

¹⁰ ASX:MGU “Breakthrough REE Test Work Delivers Exceptional Results”, 2 October, 2025

BOARD PERFORMANCE PLAN & OPTIONS

The Board has reviewed the Company's incentive arrangements in light of the contributions made to date and the significant work anticipated ahead. As a result, the Board intends to seek shareholder approval at the upcoming EGM for the issue of 20 million options to each of the directors (for an aggregate of 60 million options) on the same terms of the Placement Options, for \$0.00001 per option. In addition, the Board proposes the issue of 20 million Performance Rights to each of the Directors (for an aggregate of 60 million Performance Rights).

The Board considers the options and Performance Rights as appropriate given the executive-level responsibilities being undertaken and the importance of aligning incentives with shareholder interests. The performance rights are proposed to vest only on the progressive achievements of share price hurdles, market capitalisation hurdles or other significant milestones, directly linking reward to the creation of shareholder value.

The proposed performance right quantities, distribution and vesting conditions are indicated as below.

Class	Milestone	Non-Executive Chairman Mr Michael Davy	Non-Executive Director Mr Athan Lekkas	Non-Executive Director Mr Leslie Pereira
A	An average market capitalisation >A\$30m over a 10 trading day period.	5,000,000	5,000,000	5,000,000
B	The earlier of A\$0.02/share over a 10-day VWAP* OR an average market capitalisation of >A\$50m over a 10 trading day period OR a new REE** Discovery.	5,000,000	5,000,000	5,000,000
C	The earlier of A\$0.03/share over a 10-day VWAP* OR an average market capitalisation of >A\$75m over a 10 trading day period.	5,000,000	5,000,000	5,000,000
D	The earlier of \$0.04/share over a 10-day VWAP* OR an average market capitalisation of >A\$100m over a 10 trading day period OR Permitting Approval for processing facility at either the Huxley or Colado sites.	5,000,000	5,000,000	5,000,000

*Volume Weighted Average Price (VWAP).

**Rare Earth Element (REE).

CAUTIONARY 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 entry into a definitive agreement with Midmetal, 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.

Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. Except as required by law, and only to the extent so required, none of the Company, its subsidiaries or its or their directors, officers, employees, advisors or agents or any other person shall in any way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatever nature arising in any way out of, or in connection with, the information contained in this document. The Company disclaims any intent or obligations to or revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

COMPETENT PERSON’S STATEMENT

The information in this announcement is based on information compiled by Mr Marcus Flis, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy and a full time employee of Rountree Pty Ltd. Mr Flis 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 Flis consents to the inclusion of the matters outlined in this announcement the form and context in which they appear.

The information in this announcement as footnoted throughout the release and as noted below relates to exploration results that have been released previously on the ASX. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that, all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s finding is presented have not been materially modified from the original market announcements.

ASX ANNOUNCEMENTS REFERENCED DIRECTLY IN THIS RELEASE

- “Auger Drilling to Start on Brazil Rare Earths Project” released on the ASX on 3rd of October 2025 and available to view on <https://www.mmel.com.au/site/investor-information/asx-announcements-and-financial-reports>

- “Update on Antimony and REE Refining Capacity in USA” released on the 22nd September 2025 and available to view on <https://www.mmel.com.au/site/investor-information/asx-announcements-and-financial-reports>
- “Auger Drilling to Start on Brazil Rare Earths Project” released on the 3rd October 2025 and available to view on <https://www.mmel.com.au/site/investor-information/asx-announcements-and-financial-reports>
- “Palmares Delivers up to 1.69% TREO Grades (Revised)” released on the ASX on 20th of December 2024 and available to view on <https://www.mmel.com.au/site/investor-information/asx-announcements-and-financial-reports>
- “Breakthrough REE Test Work Delivers Exceptional Results” released on the ASX on 2nd of October 2025 and available to view on <https://www.mmel.com.au/site/investor-information/asx-announcements-and-financial-reports>
- “Greenlight Received to Drill Test Brazil REE Targets” released on the ASX on 7th October 2025 and available to view on <https://www.mmel.com.au/site/investor-information/asx-announcements-and-financial-reports>

BY ORDER OF THE BOARD

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