MAGNUM MINING AND EXPLORATION LIMITED

MAGNUM MINING AND EXPLORATION LIMITED ASX: MGU

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Interim Financial Report

For the Six Months Ended 30 June 2024

MAGNUM MINING AND EXPLORATION LIMITED

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CORPORATE DIRECTORY

Directors

Neil Goodman	Managing Director (Appointed 8 March 2024)
Anoosh Manzoori	Non-Executive Director & Chairman (Resigned 17 April 2024)
Matthew Latimore	Non-Executive Director (Resigned 8 March 2024)
Athan Lekkas	Non-Executive Director
Luke Martino	Non-Executive Director & Chairman (Appointed 17 April 2024)

Company Secretary

John O'Gorman (Appointed 17 April 2024)

Australian Company Number

003 170 376

Registered Office

311 - 313 Hay Street
Subiaco Western Australia 6008
Telephone: +61 (08) 6489 0699
Email: info@mmel.com.au
Website: www.mmel.com.au

Share Registry

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000
Telephone: 1300 850 505

Auditors

UHY Haines Norton
Level 9, 1 York Street
Sydney NSW 2000

Stock Exchange Listing

Magnum Mining and Exploration Limited shares are listed on the Australian Securities Exchange under the code MGU.

The company is limited by shares, incorporated, and domiciled in Australia

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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 2024.

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 (Resigned 8 March 2024)
Athan Lekkas	Non-Executive Director
Neil Goodman	Managing Director (Appointed 8 March 2024)
Anoosh Manzoori	Non-Executive Director & Chairman (Resigned 17 April 2024)
Luke Martino	Non-Executive Director & Chairman (Appointed 17 April 2024)

Operating Results

The consolidated loss of the Group for the half year ended 30 June 2024 after income tax was $1,200,530 (30 June 2023 half year loss: $1,699,305). The Group's cumulative exploration and evaluation expenditure capitalised totals $9,057,191 at 30 June 2024 (31 December 2023: $8,759,501). The net assets of the Group stand at $10,615,253 (31 December 2023: $11,682,019).

Review of Operations

HIGHLIGHTS

- Magnum announced that it has entered into an agreement with V Capital Consulting Limited (VCCL) and 2x1.Digital Private Limited (2x1.Digital) to undertake a capital raising of no less than US$210M for a green pig iron plant in Saudi Arabia.
- Magnum completed metallurgical test work on a bulk magnetite sample from its Buena Vista Iron Project that showed that 68.3% Fe grade magnetite concentrate is readily achievable.
- Magnum and Midmetal completed a technical study for the production of green pig iron in Saudi Arabia
- Magnum signed an agreement to purchase 50% of Midmetal

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BUENA VISTA MAGNETITE PROJECT (UNITED STATES)

During the half year period, Magnum appointed industry-leader Australian Laboratory Services (ALS) to utilise its metallurgy laboratory in Perth, Western Australia to process a 200kg sample of magnetite concentrate collected from the Initial Mining Area (IMA) at the Buena Vista Iron Project, Nevada, USA.

The sample was constructed to mimic the long run head grade based on the five-year mine schedule for the IMA. The Buena Vista Iron Project is based on a magnetite ore body that has had a successful Scoping Study completed in 2023. The magnetite ore can be concentrated using standard mining industry methods of crushing, grinding, and Low Intensity Magnetic Separation (LIMS).

Previous test work has been sample specific. The current test work was undertaken to determine the recoveries and grade of magnetite concentrate derived from the wide spectrum of mineralisation styles found at Buena Vista. These styles range from massive magnetite ore, often grading at more than 60% Fe, to sparsely disseminated magnetite ore grading as low as 10% Fe, the cutoff used in both the Scoping and the pit optimisation studies. Sampling was undertaken by Magnum personnel using a magnetic susceptibility meter and a Portable XRF (pXRF) analyser to ensure the full range of expected ore grades and styles were collected and that the average grade reflected of the samples simulated that used in the five year mine plan schedule. The samples were crushed to -6mm before dispatching to ALS' Perth laboratory. More than 736kg magnetite ore was collected and dispatched.

ALS homogenised the crushed ore and took a 200kg subsample to process. The aims of the processing were to:

- confirm the grade vs grind data from previous test work;
- provide a sample for testing the regrind power (Metso Jar Mill test); and
- conduct five reverse float tests to indicate likely float conditions.

Grinding Buena Vista ore to eight sizes shows a saleable product of 63.7% Fe can be produced at 125µm (0.125mm). The industry standard grade of iron "fines" is 62% Fe. However, Magnum is pursuing the production of a premium product by grinding the ore to 38µm to attain a grade of 68.3% Fe. Crucially, at this sizing, alumina plus silica is 2.56%, well below the 3% cut-off required for a Direct Reduction Iron (DRI) feed.

Extension of the grinding test work to 5mm indicated that over 60% of the nonmagnetic component of the ore can be rejected at that sizing. This has important economic implications for the project:

1. Dry magnetic separation significantly reduces the water required.

2. Less material is presented for the final grind, reducing power requirements.

3. The majority of the tailings will be dry, reducing the costs of tailings storage, simplifying the tailings storage facility design, and reducing its footprint.

Extension of the test work to explore the use of flotation is now underway. This work is designed to deliver a premium grade product with lower contaminants. It is expected that this work will be reported on in the near future.

SAUDI GREEN PIG IRON PROJECT

Magnum Mining & Exploration Limited and Midmetal of Saudi Arabia jointly completed an engineering study for the technical viability of producing green pig iron in Saudi Arabia using renewable biochar, steel plant waste and Magnum's iron ore concentrate (see ASX release dated January 17, 2024).

The study estimated a capital requirement of approximately US$410M (base case) or $205.3 to $615.8M at the ±50% study accuracy. An additional US$82.4M ($41.2-$123.6M) is estimated for the biochar facility in Malaysia. Operating costs estimated at US$381.57/t (base case, $193.76 to $581.27 at the accuracy of the study) per tonne of GHPPI indicates that the project is economically viable at the assumed premium GHPPI market price of US$700/t

Magnum and Midmetal signed an agreement for Magnum to for the opportunity to take up a 50% share in the ownership of Midmetal (see ASX announcement dated March 8, 2024)

Magnum Mining & Exploration Limited announced that it has entered into an agreement with V Capital Consulting Limited (VCCL) and 2x1.Digital Private Limited (2x1.Digital) to undertake a capital raising of no less than US$210M (Capital Raising) to advance its Green Pig Iron Project in Saudi Arabia (see ASX announcement May 13, 2024).

Magnum and Middle East for Metallic Industrial (Midmetal) have entered into a project funding agreement (PFA) with VCCL and 2x1.Digital under which VCCL and 2x1.Digital will use their best endeavors to complete a Capital Raising to fund the building of a HIsmelt plant in the Kingdom of Saudi Arabia (KSA) that will see the planned production of Green High Purity Pig Iron (the Project) by Midmetal.

Saudi partners are still in the process of creating a share structure that can be issued 50%. VCCL and 2x1.Digital will seek to raise US$210M for the Project. Investors who participate in the Capital Raising shall receive fully paid ordinary shares in Midmetal in proportion to their participation in the Capital Raising up to a total aggregate interest in Midmetal of 50%; and fully paid ordinary shares in Magnum in proportion to their participation in the Capital Raising up to a total aggregate interest in Magnum of 19.99% subject to Magnum's shareholder approval currently anticipated to be in Q4 of calendar year 2024.

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A minimum of US$10M will be retained by Magnum as working capital for its Buena Vista Project in return for the 19.99% total aggregate interest in Magnum to investors in the Capital Raising. Based on the current fully paid shares on issue in Magnum of circa 809M, then this would require the issue of an additional circa 202M fully paid shares in Magnum at an indicative issue price of A$0.074 (based on US$1 = A$1.5 exchange rate). Under the PFA, and on its successful completion, VCCL and 2x1.Digital will receive 10% each in Midmetal's ordinary shares. 2x1.Digital will also have the right to receive a position on the Board of Magnum. These shares to VCCI and 2x1.Digital will be allocated from the shares of the current shareholders of Midmetal prior to the proposed capital raising. Hence as a result, and on successful completion of the PFA, the shareholders in Midmetal will be Midmetal's original Saudi investors 15%, Magnum 15%, VCCL 10%, 2x1.Digital 10% and Investors who participate in the Capital Raising 50%. Up to 30 June 2024, and subsequent to the year end, no capital has been raised relating to this project funding agreement.

TENEMENT INFORMATION AS AT 30 JUNE 2024

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
KMO 13	MИC956483	NMC956471	Lode
KMD 14	NMC956484	NMC956471	Lode
KMD 15	NMC956485	NMC956471	Lode
KMD 16	NMC956486	NMC956471	Lode
KM0 17	NMC956487	NMC956471	Lode
KMD 18	NMC956488	NMC956471	Lode
KMD 19	NMC956489	NMC956471	Lode
KMD 20	NMC956490	NMC956471	Lode
KMD 21	NMC956491	NMC956471	Lode
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KMD 39	NMC956509	NMC956471	Lode
KMD 40	NMC956510	NMC956471	Lode
KMD 41	NMC956511	NMC956471	Lode
KMD 42	NMC956512	NMC956471	Lode
KMD 43	NMC956513	NMC956471	Lode
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KMD 70	NMC979439	NMC979387	Lode
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NvFe 12	NMC1068432	NMC1068429	Lode
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NvFe 60	NMC1076036	NMC1075996	Lode
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NvFe 109	NMC1076084	NMC1075996	Lode
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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
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HNVFE NO 47	NMC1093686	NMC1093640	Mill Site
HNVFE NO 48	NMC1093687	NMC1093640	Mill Site

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CAPITAL RAISING

SECURITIES

During the reporting period Magnum issued equity securities as follows:

- 8 January 2024, 3,000,000 ordinary fully paid shares (following exercise of options @$0.03 per share).

OPTIONS

During the reporting period Magnum had the following option expire:

- 19 April 2024, 38,000,000 options expiring (exercise price of $0.20).
- 21 July 2024, 9,000,000 options expiring (exercise price of $0.20).

EVENTS SUBSEQUENT TO REPORTING DATE

On 28 August 2024, Magnum Minng & Exploration Limited has entered into a binding agreement with 2x1.Digital Private Limited ("**2x1**") to incorporate a joint venture company (limited by shares in Malaysia under the laws of Malaysia) to establish facilities for the trading, production and supply of biochar, iron ore and green pig iron in Malaysia.

There has not been any other 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, UHY Haines Norton, 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 29 and forms part of this Directors' Report for the half year ended 30 June 2024.

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.

Luke Martino
Chairman
13 September 2024

UHY Haines Norton
Chartered Accountants

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t: +61 2 9256 6600 | f: +61 2 9256 6611
sydney@uhyhnsyd.com.au
www.uhyhnsydney.com.au

Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001

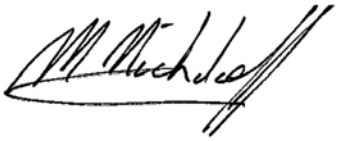
To the Directors of Magnum Mining and Exploration Limited,

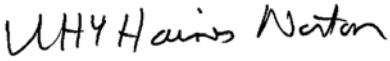
I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2024, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Magnum Mining and Exploration Limited and the entities it controlled during the financial period.





Mark Nicholaeff
Partner
Sydney
13 September 2024

UHY Haines Norton
Chartered Accountants

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	Notes	30 June 2024	30 June 2023
		$	$
Other Income	3	**88,859**	71,715
Accountancy fees		**(102,593)**	(110,717)
Auditors' remuneration		**(25,529)**	(40,298)
Corporate advisory expenses		**(30,000)**	(40,000)
Depreciation		**(188)**	(6,832)
Exploration expensed as incurred		**(5,817)**	(193,212)
Finance costs	3	**7,381**	9,273
Marketing expenses		**(28,646)**	(56,575)
Share based payment		**-**	(43,379)
Office expenses		**(2,130)**	(19,717)
Consultancy fees		**(511,855)**	(546,091)
Salary, wages and staff on-costs		**(294,485)**	(360,155)
Share registry and exchange fees		**10,945**	(43,661)
Foreign exchange gain/(loss)		**(1,980)**	(96)
Insurance		**(49,053)**	(130,308)
Loss on investment		**(9,040)**	-
Travel and accommodation expenses		**(212,951)**	(161,507)
Other expenses		**(33,448)**	(27,745)
Loss before income tax expense		**(1,200,530)**	(1,699,305)
Income tax expense		-	-
Loss for the period		**(1,200,530)**	**(1,699,305)**
Other comprehensive income/ (loss)			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		64,675	(60,787)
Other comprehensive income for the half year		**64,675**	**(60,787)**
Total comprehensive loss for the year		**(1,135,855)**	**(1,760,092)**
Basic and diluted loss per share (cents)	4	**(0.15)**	**(0.24)**

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

	Note	30 June 2024	31 December 2023
ASSETS		**$**	**$**
Current Assets			
Cash and cash equivalents	**5**	1,003,476	2,636,909
Trade and other receivables	**6**	300,984	187,091
Other financial assets	**8**	98,800	89,760
Total Current Assets		**1,403,260**	**2,913,760**
Non-Current Assets			
Property, plant and equipment	**7**	873,858	877,734
Deferred exploration and evaluation expenditure	**9**	9,057,191	8,759,501
Total Non-Current Assets		**9,931,049**	**9,637,235**
Total Assets		**11,334,309**	**12,550,995**
LIABILITIES			
Current Liabilities			
Trade and other payables	**10**	202,451	352,371
Total Current Liabilities		**202,451**	**352,371**
Non-Current Liabilities			
Rehabilitation Provisions	**10**	516,605	516,605
Total Non-Current Liabilities		**516,605**	**516,605**
Total Liabilities		**719,056**	**868,976**
Net Assets		**10,615,253**	**11,682,019**
EQUITY			
Issued capital	**11**	40,374,777	40,374,778
Reserves	**14**	8,526,158	8,461,583
Accumulated losses		(38,285,683)	(37,154,342)
Total Equity		**10,615,253**	**11,682,019**

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

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	Issued capital $	Accumulated losses $	Reserves $	Total $
2024				
Balance as at 1 January 2024	**40,374,779**	**(37,154,342)**	**8,461,483**	**11,681,920**
Loss for the period	-	(1,200,530)	-	(1,200,530)
Other comprehensive loss:				
Currency translation differences	-	69,190	64,675	133,865
Total comprehensive loss for the period	-	**(1,131,340)**	**64,675**	**(1,066,665)**
Balance as at 30 June 2024	**40,374,779**	**(38,285,682)**	**8,526,158**	**10,615,255**
2023				
Balance as at 1 January 2023	**38,002,630**	**(33,846,207)**	**7,773,793**	**11,930,216**
Loss for the period	-	(3,308,135)	-	(3,308,135)
Other comprehensive loss:				
Currency translation differences	-	-	26,872	26,872
Total comprehensive loss for the period	**-**	**(3,308,135)**	**26,872**	**(3,281,263)**
Transactions with owners in their capacity as owners				
Capital raising	2,168,182	-	-	2,168,182
Free attaching option relating to capital raising	-	-	481,818	481,818
Share issued to settle payment	60,000	-	-	60,000
Convertible note conversion	411,911	-	-	411,911
Share issue cost	(357,944)	-	-	(357,944)
Options exercised	90,000	-	-	90,000
Options Issued	-	-	179,000	179,000
Balance as at 31 December 2023	**40,374,779**	**(37,154,342)**	**8,461,483**	**11,681,920**

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

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	30 June 2024	30 June 2023
Cash flows from operating activities	**$**	**$**
Interest received	5,453	-
Payments to suppliers and employees	(1,473,196)	(1,622,830)
Net cash (outflow) from operating activities	**(1,467,743)**	**(1,622,830)**
Cash flows from investing activities		
Proceeds from sale of fixed assets	40,761	-
Payments for deferred exploration assets	(297,690)	(627,956)
Payments for purchases of property	-	(21,334)
Loss on disposal of assets	(6,327)	-
Payments for purchases of plant and equipment	(1,733)	-
Net cash (outflow) from investing activities	**(264,989)**	**(649,290)**
Cash flows from financing activities		
Payment for share or option issue costs	-	(24,045)
Net cash (outflow) from financing activities	**-**	**(24,045)**
Net (decrease) in cash and cash equivalents	(1,732,732)	(2,296,165)
Cash and cash equivalents at the beginning of the half year	2,636,909	5,005,720
Effects of exchange rate changes on cash and cash equivalents	99,298	5,525
Cash and cash equivalents at the end of the half year	**1,003,475**	**2,715,080**

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

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1. Material Accounting Policy Information

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 2023 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 **13 September 2024.**

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 2023.

New, revised or amended Accounting Standards and Interpretations

In the half year ended 30 June 2024, 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.

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Note1: Material Accounting Policy Information (continued)
New, revised or amended Accounting Standards and Interpretations (continued)

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 consolidated financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business activities and the realization of assets and settlement of liabilities in the normal course of business.

During the half year ended 30 June 2024, the company incurred a net loss before tax of $1,200,530 and had a net cash outflow from operating activities of $1,467,743.

Magnum Mining and Exploration have entered into a funding agreement with IRIS (Company Number 753 471 853) for up to $20,000,000 of funding. Proceeds are to help fund Magnums Integrated Green Pig Iron Project in Nevada, USA. This agreement was assigned to Fabrice Evangelista on 3 May 2022. The facility provides the company with certainty of access to funding. The facility was extended by Variation dated 22 March 2024 with the expiry date of the variation being 30 April 2025.

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 2024 and 30 June 2023.

	Australia	United States	Consolidated
30 June 2024	**$**	**$**	**$**
Segment revenue and other income	**81,987**	**6,872**	**88,859**
Segment result	**(1,018,909)**	**(181,619)**	**(1,200,528)**
Results from operating activities			**(1,200,528)**
Segment assets	**2,772,640**	**8,561,669**	**11,334,309**
Segment liabilities	**(202,451)**	**(516,605)**	**(719,056)**
Included within segment results:			
Depreciation	**188**	**-**	**188**
30 June 2023			
Segment revenue and other income	71,715	-	71,715
Segment result	(1,296,727)	(402,578)	(1,699,305)
Results from operating activities			(1,699,305)
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

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3. Revenue and expenses

	Consolidated	
Other Income	**30-Jun-24**	30-Jun-23
	$	$
Fair value gain on investment	9,040	71,715
Other income	6,872	-
Research & Development Offset	72,947	-
	88,859	**71,715**
Expenses		
Finance costs	**7,381**	9,273
Comprises of:		
Other	**-**	9,273
Bank Fee	(867)	
Bank Revaluations	8,247	-

4. Earnings/(loss) per share

	Consolidated	
	30-Jun-24	30-Jun-23
	Cents	Cents
Basic earnings / (loss) per share	**(0.15)**	(0.24)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/ (loss) per share	**809,361,403**	**707,041,148**
	$	$
Loss attributable to ordinary equity holders of the Group used in calculating basic earnings / (loss) per share	**(1,200,530)**	**(1,699,305)**

5. Cash and cash equivalents

	Consolidated	
	30-Jun-24	31-Dec-23
	$	$
Cash at bank and on hand	1,003,476	2,636,909
	1,003,476	**2,636,909**

6. Trade and other receivables

	30-Jun-24	31-Dec-23
	$	$
GST/VAT receivable	54,807	46,925
Fringe Benefits Tax Payable	-	349
Other receivables	38,250	-
Research & Development Tax Incentive	160,948	92,715
Prepayments	46,979	47,102
	300,984	**187,091**

7. Property, plant and equipment

	Consolidated	
	30-Jun-24	31-Dec-23
	$	**$**
Plant and equipment – at cost	89,073	84,712
Less: accumulated depreciation	(735)	(547)
	88,338	**84,165**

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Note 7: Property, plant and equipment (continued)

Land – at cost	785,520	760,714
Less: accumulated depreciation	-	-
	785,520	**760,714**
Motor Vehicles – at cost	-	65,712
Less: accumulated depreciation	-	(32,856)
	-	**32,856**
Total Property, plant and equipment	**873,858**	**877,734**

8. Other financial assets

	30-Jun-24	31-Dec-23
	$	$
Shares in listed entity at fair value through profit or loss	98,800	89,760
	98,800	**89,760**

9. Deferred Exploration and Evaluation Expenditure

	Consolidated	
Exploration and evaluation phase at cost	**30-Jun-24**	31-Dec-23
	$	$
Balance at beginning of the period	8,759,501	7,097,648
Expenditure incurred	297,690	1,661,853
Balance at the end of the period	**9,057,191**	**8,759,501**

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

	Consolidated	
	30-Jun-24	31-Dec-23
Current	**$**	**$**
Trade payables	72,109	65,320
Other creditors and accruals	130,342	187,051
Deferred consideration – Buena Vista	-	100,000
	202,451	**352,371**
Non-Current		
Rehabilitation provision	516,605	516,605
	516,605	**516,605**

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Note 10: Trade and Other Payables (continued)

A provision for rehabilitation has been recognised for the estimated costs to rehabilitate the land disturbed by mining operations at the Beuna Vista project.

The rehabilitation provision is subject to discounting to present value where the effect of the time value of money is significant. The discount factor applied to the rehabilitation provision has an impact in the carrying amount of the provision as presented in the financial statements. The use of a discount factor results in a lower carrying amount of the rehabilitation provision compared to its undiscounted value.

The finance cost (unwinding of provision) on the rehabilitation provision is immaterial.

11. Issued capital

a. Share capital

	Consolidated		Consolidated	
	30-Jun-24	31-Dec-23	**30-Jun-24**	31-Dec-23
	Shares	Shares	**$**	$
Ordinary shares				
Ordinary shares fully paid	**809,361,403**	**809,361,403**	**40,374,778**	**40,374,778**

Ordinary shares issued

	Consolidated 6 Months to		Consolidated Year to	
	30-Jun-24	**30-Jun-24**	**31-Dec-23**	**31-Dec-23**
Movements in ordinary share capital	**Shares**	**$**	Shares	$
Balance at the beginning of the reporting period	**809,361,403**	**40,374,778**	694,878,469	38,002,630
Proceeds from exercise of options	**-**	**-**	3,000,000	90,000
Ordinary shares issued (continued)				
Shares issued in connection with convertible note	-	-	24,325,358	411,911
Shares issued for consultancy services	-	-	5,000,000	-
Shares issued to settle invoices	-	-	1,854,546	60,000
Capital Raising	-	-	80,303,030	2,650,000
Historical Adjustment	-	-	-	(481,818)
Less: Share issue costs	-	-	-	(357,945)
Balance at reporting date	**809,361,403**	**40,374,778**	**809,361,403**	**40,374,778**

12. Listed options

Listed Options (MGUO)	**30-Jun-24**	**31-Dec-23**
At the end of the reporting period the following options were on issue:	**No. of Options**	**No. of Options**
- 31 October 2022 options exercisable at $0.05 per share expiring 31 October 2025[5]	71,428,571	71,428,571
- 31 October 2022 options exercisable at $0.05 per share expiring 31 October 2025[6]	30,000,000	30,000,000
- 1 December 2022 options exercisable at $0.05 per share expiring 31 October 2025[7]	1,666,681	1,666,681
- 4 November 2022 options exercisable at $0.05 per share expiring 31 October 2025[8]	32,500,000	32,500,000

Note 12: Listed Options (continued)

- 4 November 2022 options exercisable at $0.05 per share expiring 31 October 2025[9]	2,500,000	2,500,000
- 24 January 2023 options exercisable at $0.33 per share expiring 31 October 2025[10]	2,500,000	2,500,000
- 25 September 2023 options exercisable at $0.33 per share expiring 31 October 2025[11]	53,401,515	53,401,515
	193,996,767	193,996,767

13. Unlisted options

Unlisted options (MGUOC)	**30-Jun-24 No. of Options**	31-Dec-23 No. of Options
- 23 April 2021 unlisted options (MGUOC) exercisable at $0.20 per share expiring 19 April 2024 [1]	-	32,000,000
- 7 May 2021 unlisted options (MGUOC) exercisable at $0.20 per share expiring 19 April 2024 [2]	-	6,000,000
- 22 July 2021 unlisted options (MGUAC) exercisable at $0.20 per share expiring 19 April 2024 [3]	9,000,000	9,000,000
	9,000,000	47,000,000

Unlisted options (MGUOAQ)	**30-Jun-24 No. of Options**	31-Dec-23 No. of Options
- 2 May 2022 options exercisable at $0.05 per share expiring 2 May 2025	**23**	23
- 20 July 2021 unlisted options (MGUOAQ) exercisable at $0.25 per share expiring 20 October 2024 [4]	**9,000,000**	9,000,000
	9,000,023	9,000,023

The valuation model inputs used to determine the fair value at the grant date for options outstanding at 30 June 2024 are as follows:

Note	*Number of Options*	*Grant Date*	*Expiry Date*	*Exercise Price*	*Expected Volatility*	*Dividend yield*	*Risk-free interest rate*	*Fair value at grant date*
1	32,000,000	19/04/2021	19/04/2024	0.05	0.20	0.00	0.100%	0.091
2	6,000,000	7/05/2021	19/04/2024	0.18	0.20	0.00	0.120%	0.100
3	9,000,000	22/07/2021	19/04/2024	0.18	0.20	0.00	0.120%	0.100
4	9,000,000	20/07/2021	20/10/2024	0.25	0.40	0.00	0.120%	0.094
5	71,428,571*	21/10/2022	31/10/2025	0.00	0.00	0.00	0.000%	0.000
6	30,000,000	21/10/2022	31/10/2025	0.04	0.05	0.00	3.290%	0.017
7	1,666,681*	1/12/2022	31/10/2025	0.00	0.00	0.00	0.000%	0.000
8	32,500,000	4/11/2022	31/10/2025	0.04	0.05	0.00	3.290%	0.017
9	2,500,000	4/11/2022	31/10/2025	0.04	0.05	0.00	3.290%	0.017
10	2,500,000	24/01/2023	31/10/2025	0.03	0.71	0.00	3.033%	0.027
11	53,401,515**	25/09/2023	31/10/2025	0.03	1.16	0.00	4.000%	0.026

*Free attaching options and no value assigned
** On 25 September 2023 the company raised $2.65 million by way of one-tranche placement, granting a 1 for 2 free attaching option.

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14. Reserves

	Option issue reserve	Share-based payment reserve	Investment revaluation reserve	Foreign currency translation reserve	Total
	$	$	$	$	$
At 1 January 2024					
Performance rights	1,721,207	6,644,864	45,246	50,166	8,461,483
Foreign currency translation	-	-	-	64,675	64,675
At 30 June 2024	**1,721,207**	**6,644,864**	**45,246**	**114,841**	**8,526,158**
At 1 January 2023	1,721,207	6,644,864	45,246	114,841	8,526,158
Performance rights	-	-	-	-	-
Option issue, revaluation and expiry	-	179,000	-	-	179,000
Free attaching options	481,818	-	-	-	481,818
Foreign currency translation	-	-	-	26,872	26,872
At 31 December 2023	**1,721,207**	**6,644,864**	**45,246**	**50,166**	**8,461,483**

15. Interest in subsidiaries

Name	Country of Incorporation	Percentage of equity interest held by consolidated entity	
		30-Jun-24	31-Dec-23
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%**	100%
Appalachian Iron LLC	United States	**100%**	100%
Magnum Singapore Pte Ltd (a)	Singapore	**100%**	0%

(a) Entity incorporated on 24 June 2024 as a private company limited by shares to hold future assets in Saudi Arabia (including shares in Midmetal) and Malaysia.

16. Mining Tenement Commitment

The annual mining tenement commitment as at 30 June 2024 is $412,138 (31 December 2023: $399,123).

17. Events occurring after the balance date

On 28 August 2024, Magnum Minng & Exploration Limited has entered into a binding agreement with 2x1.Digital Private Limited ("**2x1**") to incorporate a joint venture company (limited by shares in Malaysia under the laws of Malaysia) to establish facilities for the trading, production and supply of biochar, iron ore and green pig iron in Malaysia. There has not been any other 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.

18. Options Lapsed

During the half year ended 30 June 2024, the following unlisted options lapsed unexercised:

- 19 April 2024, 38,000,000 options expiring (exercise price of $0.20).

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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 2024 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.

Luke Martino
Non-Executive Director & Chairman

Perth, Western Australia
13 September 2024

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UHY Haines Norton
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Magnum Mining and Exploration Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Magnum Mining and Exploration Limited ("the company"), and the entities it controlled during the half-year (together "the Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2024, 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 statement of significant accounting policies, other selected explanatory notes, and the directors' declaration.

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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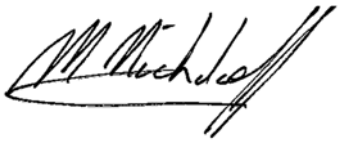
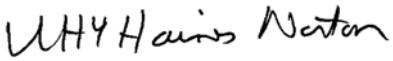
Passion beyond numbers

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 consolidated entity's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Australian 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.





Mark Nicholaeff

Partner

Sydney

Dated: 13 September 2024

UHY Haines Norton

Chartered Accountants

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