

NEWS RELEASE

FOR IMMEDIATE RELEASE

MagIron Establishes Platform To Support Transition To Green Steel

GILBERT, MN, April 29, 2022 – MagIron LLC (“MagIron” or the “Company”) today announced that it has entered into an Asset Purchase Agreement (“APA”) to acquire the Plant 4 concentrator facility located near Grand Rapids, Minnesota from the bankruptcy estate of ERP Iron Ore, LLC (the “Acquisition”). This follows approval of the sale of Plant 4 to MagIron by a federal bankruptcy judge on December 9, 2021.

MagIron is a new company, established to support and accelerate the decarbonisation of the steel industry, which is today responsible for approximately 8% of global Greenhouse Gas (“GHG”) emissions. Plant 4 provides MagIron with an exceptional platform upon which the Company plans to build an integrated operation that will become a leading supplier of feedstock material to support the significant increase of Electric Arc Furnace (“EAF”) capacity in North America. This rapid and continuing build out of US based EAF capacity has created a shortage of high-quality material critical for the optimised running of EAF’s, which has recently become even more acute due to several global shocks. The planned restart of Plant 4 will not only help alleviate the ongoing supply squeeze but will on-shore a supply chain of high quality, lower carbon iron units which will be critical for the future success and decarbonisation of the US steel industry at a time of increased global uncertainty and volatility.

Plant 4 is a modern, restart ready, past-producing iron ore concentrator benefiting from over \$170 million of prior investment. The facility has previously operated at an annualized run-rate of approximately 2.0 million tonnes per annum (“mtpa”) and was designed to expand to 3.0 mtpa relatively quickly and at low capital intensity. Plant 4 is designed to process previously discarded waste materials from historical mining operations and convert it into high grade, low impurity iron ore concentrate. Given the significant historical mining operations across the Mesabi Iron Range in northern Minnesota, there are vast amounts of waste material within close proximity to Plant 4, which are suitable as feedstock to support a multi-decade business plan.

Critical to the Company’s restart plans, MagIron intends to invest over \$100 million and create over 130 high skilled, high paying jobs in the State of Minnesota.

Acquisition details

The acquisition of Plant 4 was led by Audley Capital, a specialist investment firm focused on the mining industry.

The purchase price for Plant 4 is \$20 million and includes upfront cash consideration of \$4.5 million and up to \$15.5 million in production-based royalty payments to various local

contractors who held mechanics liens in the ERP Iron Ore bankruptcy case. The Acquisition also includes a strategic land package consisting of 2,483 acres surrounding Plant 4. In connection with the Acquisition, MagIron will also enter into a long-term lease with Itasca County for 1,700 acres of land near Plant 4. The transaction is expected to close by mid-May.

Due diligence process

The acquisition of Plant 4 follows an extensive due diligence process over the last six months, including technical, commercial and environmental reviews from third-party consultants. This work included the review of actual historical production and cost data from when Plant 4 was operating at full commercial scale in late 2016. The output from the due diligence process was used to help verify the key assumptions supporting the Company's business restart plan, including capex costing and timing schedule, operating costs and production volumes, to better understand the profitability and economic potential of the restart plan. Plant 4 has been well maintained since the operation's cessation of activity in late 2016, and the Acquisition includes an inventory of new spare parts and well-maintained plant equipment.

As part of the due diligence process, the Company commissioned test work completed by the Natural Resources Research Institute ("NRRI") on samples of iron ore concentrate previously produced at Plant 4 which confirmed the potential to produce ultra-high grade, direct reduction ("DR") grade iron ore concentrate.

Further, the Company is engaged with leading commodities traders who have confirmed interest in securing off-take agreements, as well as steel mills who have expressed an interest in directly securing supply of the high-grade iron ore products MagIron will produce.

Larry Lehtinen, CEO of MagIron said, "I am excited to be part of the team acquiring Plant 4. Restart planning and preparation is already well underway and discussions with potential offtake partners have started. We expect to achieve commercial production in late 2023 and ultimately produce 3 mtpa of DR grade iron concentrate at Plant 4".

Ed Jack, Managing Director of Audley Capital said, "The recapitalisation and restart of Plant 4 represents an exceptional investment opportunity. By processing stockpiled mining waste, not only will MagIron contribute to the rehabilitation of legacy environmental liabilities, the absence of traditional mining operations from the production process will result in lower GHG emissions per iron unit produced. Further, by producing high quality, low impurity DR grade iron ore products, MagIron aims to enable its ultimate EAF customers to not only improve their productivity but also achieve their net zero emissions commitments".

A further update will be provided as and when appropriate.

MagIron, LLC.

Larry Lehtinen, CEO: +1 218-349-1277

Ed Jack, Audley Capital: +61 413 228 010 / +44 7478 686 062

www.magironusa.com