



## ISSUE OF INCENTIVE OPTIONS & PERFORMANCE RIGHTS TO DIRECTORS

Magnum Mining and Exploration Limited (ASX: MGU) (**Magnum** or **Company**) advises that it intends to issue unquoted Options and Performance Rights to Directors under the employee incentive plan approved by shareholders at the Extraordinary General Meeting of shareholders held on 20 July 2021 (**Employee Incentive Plan**).

The Company has recently undertaken a board reshuffle which saw the appointment of:

- Dano Chan, Managing Director
- Don Carroll, Executive Chairman
- Matt Latimore, Non-Executive Director
- John Dinan, Non-Executive Director & Company Secretary

(collectively, **Company Directors**) (refer to announcements dated 12 April 2021, 19 April 2021, 4 May 2021)

The Company Directors are integral to advancing the Company's objective to fast-track the Buena Vista Magnetite Project towards production. The Board believes it is in the interests of shareholders to strengthen the interdependence between the Company, as an employer, and the Company Directors for the long-term mutual benefit of both and all shareholders.

As such, the Board sought and has now obtained shareholder approval (see Results of Meeting released 20 July 2021) to implement the Employee Incentive Plan with the intended effect that the Company Directors are incentivised and aligned with the interests of the Company and shareholders. Each of the Company Directors' participation in the Employee Incentive Plan has been approved by shareholders at the Extraordinary General Meeting of shareholders held on 20 July 2021. A total of 51,000,000 Equity Securities (**Total Employee Incentive Plan Securities**), made up of Options and Performance Rights, will be issued under the Employee Incentive Plan as follows:

### Options

Item	Option Class 1	Option Class 2	Option Class 3	Option Class 4
<b>Vesting conditions</b>	Options to be issued once shareholder approval obtained	Options to be issued once shareholder approval obtained	Options to be issued once shareholder approval obtained	Options to be issued once shareholder approval obtained
<b>Issue Date</b>	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval
<b>Expiry date</b>	20-Jul-24	20-Jul-24	20-Jul-24	20-Jul-24
<b>Exercise price</b>	\$0.20	\$0.25	\$0.30	\$0.40

**Magnum Mining & Exploration Ltd**

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Director	Option Class	Number
Dano Chan	1	10,000,000
	3	10,000,000
	4	10,000,000
Don Carroll	2	6,000,000
Matt Latimore	2	6,000,000
John Dinan	2	3,000,000

## Performance Rights

### Dano Chan

Item	First Vesting Performance Rights	Second Vesting Performance Rights	Third Vesting Performance Rights
Amount of Performance Rights	500,000	500,000	1,000,000
Vesting conditions	Shares vest at commencement of Iron ore production - within 6 months of shareholder approval	Shares vest at finalisation of rail and port approvals - within 9 months of shareholder approval	Shares vest at payment of first iron ore shipment with a minimum requirement of 30,000 tonnes
Issue date	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval
Expiry date	20-Jan-22	20 -Apr-22	20 -Jul-22

### Don Carroll

Item	First Vesting Performance Rights	Second Vesting Performance Rights	Third Vesting Performance Rights	Fourth Vesting Performance Rights
Amount of Performance Rights	500,000	500,000	500,000	500,000
Vesting conditions	Shares vest when market cap remains above \$150,000,000 for 14 consecutive trading sessions post shareholder approval	Shares vest when market cap remains above \$200,000,000 for 14 consecutive trading sessions post shareholder approval	Shares vest at signing of binding off take agreement and strategic equity investment within 6 months of shareholder approval	Shares vest after payment received for first 100,000 tonnes of iron ore within 15 months of shareholder approval
Issue date	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval
Expiry date	20-Jul-22	20 -Jul-23	20 -Jan-22	20 -Oct-22

**Matt Latimore**

Item	First Vesting Performance Rights	Second Vesting Performance Rights	Third Vesting Performance Rights	Fourth Vesting Performance Rights
<b>Amount of Performance Rights</b>	500,000	500,000	500,000	500,000
<b>Vesting conditions</b>	Shares vest when market cap remains above \$150,000,000 for 14 consecutive trading sessions post shareholder approval	Shares vest when market cap remains above \$200,000,000 for 14 consecutive trading sessions post shareholder approval	Shares vest at signing of binding off take agreement and strategic equity investment within 6 months of shareholder approval	Shares vest after payment received for first 100,000 tonnes of iron ore within 15 months of shareholder approval
<b>Issue date</b>	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval	Date of issue by Magnum following shareholder approval
<b>Expiry date</b>	20 -Jul-22	20 -Jul-23	20 - Jan-22	20 - Oct-22

Magnum confirms that the Company Directors will receive the following percentage of the total Equity Securities issued under the Employee Incentive Plan:

- Dano Chan will be issued 32,000,000 Equity Securities representing approximately 62%;
- Don Carroll will be issued 8,000,000 Equity Securities representing approximately 15%;
- Matt Latimore will be issued 8,000,000 Equity Securities representing approximately 15%; and
- John Dinan will be issued 3,000,000 Equity Securities representing 6%,  
of the Total Employee Incentive Plan Securities.

For further details in relation to the terms and conditions of the Employee Incentive Plan please refer to the Notice of Extraordinary General Meeting released on 16 June 2021 for the meeting of shareholders held on 20 July 2021.

The announcement has been authorised for release by the Company Secretary, John Dinan. For further information, please contact:

**John Dinan, Company Secretary**  
**Magnum Mining and Exploration Limited**  
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John Dinan  
 Company Secretary  
 28 July 2021