



12 August 2019

Dear Convertible Note Holder

**Notice to Convertible Note Holders of Non-renounceable Pro Rata Entitlement Offer**

We refer to the unsecured redeemable convertible notes issued by Magnum Mining and Exploration Limited ('Magnum' or 'the Company'), each with a face value of one thousand dollars (\$1,000) and a maturity date of 2 November 2019 which are held by you ('Convertible Notes').

As announced by the Company to ASX, the Company has today lodged a Prospectus with ASIC and ASX, offering eligible shareholders the opportunity to acquire options ('Options') over fully paid ordinary shares in the capital of the Company ('Shares'), by way of a non-renounceable entitlement offer of one (1) Option, exercisable at \$0.05 and with an expiry date of 30 September 2022, for every three (3) Shares held by those Shareholders registered at the Record Date, at an issue price of \$0.01 per Option to raise up to \$1,015,263 (Offer). The Options are expected to be listed subject to compliance with ASX Listing Rules.

Your Convertible Notes do not contain any right to participate in the Offer. This letter is to inform you of the Company's intention to undertake the Offer, for the purposes of you being able to convert your Convertible Notes in accordance with their terms and be issued with the associated Shares prior to the Record Date, for determining entitlements in relation to the Offer.

The Company has determined that each Note will convert to 20,000 shares, equivalent to a conversion cost of \$0.05 per share issued.

Should you wish to convert your Convertible Notes and thereby be eligible to participate in the Offer (in respect of the Shares allotted and issued to you upon exercise of your Options), you must deliver to the registered office of the Company **by no later than Thursday 22 August 2019** the following:

1. A completed conversion notice (attached to this letter), specifying the number of Convertible Notes to be converted ('Conversion Notice'); and
2. Your original Convertible Note certificate(s).

The Conversion Notice must comply with any other terms which your Convertible Notes may require.

Only shareholders with a registered address in Australia or New Zealand are eligible to participate in the Offer. Therefore, if you are not a resident of Australia or New Zealand, you will not be entitled to participate in the Offer, even if you convert your Convertible Notes.

**Magnum Mining & Exploration Ltd**

ABN: 70 003 170 376

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Before deciding whether to convert all or any of your Convertible Notes, you should consider the terms of the Offer and, if necessary, consult with your professional advisor.

If you do not wish to convert your Convertible Notes and participate in the Offer you do not need to take any action.

Should you have any queries, please contact Grant Button, the Company's Company Secretary, on +61 8 6280 0245.

Yours sincerely

**Magnum Mining and Exploration Ltd**

A handwritten signature in black ink, appearing to read "Howard Dawson". The signature is fluid and cursive, with a long horizontal stroke at the end.

**Howard Dawson**  
**Chairman**