

# **MAGNUM MINING AND EXPLORATION LIMITED**

**ABN 70 003 170 376**

---

## **NOTICE OF ANNUAL GENERAL MEETING**

**AND**

## **EXPLANATORY MEMORANDUM**

---

Date of Meeting: Friday, 27 May 2016

Time of Meeting: 11.00am (AWST)

Place of Meeting: Metro Hotel Perth  
61 Canning Highway  
South Perth WA 6151

This document is important and requires your immediate attention. This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

**NOTICE OF ANNUAL GENERAL MEETING**  
**MAGNUM MINING AND EXPLORATION LIMITED**  
**ABN 70 003 170 376**

Notice is hereby given that the Annual General Meeting of Shareholders of Magnum Mining and Exploration Limited (**Magnum** or the **Company**) will be held at Metro Hotel Perth, 61 Canning Highway, South Perth 6151, Western Australia on Friday, 27 May 2016 at 11.00am (AWST) to conduct the business set out in this Notice of Meeting.

The Explanatory Memorandum which accompanies and forms part of this Notice of Annual General Meeting describes the various matters to be considered and contains a glossary of defined terms that are not defined in full in this Notice of Annual General Meeting.

**BUSINESS**

---

**1. Financial statements and reports**

To receive the financial statements, the Directors' Reports and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2015. While no resolution is required for this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

---

**2. Resolution 1 - Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 31 December 2015."*

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Chair of the Meeting intends to vote available proxies **IN FAVOUR** of Resolution 1.

---

**3. Resolution 2 - Re-election of Mr Darryl Lynton-Brown as a Director**

To consider and, if thought fit, to pass with or without amendment, the following as an **Ordinary Resolution**:

*"That Mr Darryl Lynton-Brown, who retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

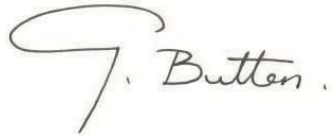
The Chair of the Meeting intends to vote available proxies **IN FAVOUR** of Resolution 2.

---

**4. Other Business**

To transact any other business that may be lawfully brought forward in accordance with the Constitution of the Company and the Corporations Act.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, reading "G. Button". The signature is written in a cursive style with a large, looping initial "G".

**Grant Button  
Director**

19 April 2016

**EXPLANATORY MEMORANDUM**  
**MAGNUM MINING AND EXPLORATION LIMITED**  
**ABN 70 003 170 376**

---

**1. Financial statements and reports**

The Corporations Act and the Constitution require the following reports in respect to the financial year of the Company ended 31 December 2015 to be laid before the meeting:

- the Financial Report (which includes the financial statements and Directors' declaration); and
- the Directors' Report, the Corporate Governance Statement and the Auditor's Report.

The 2015 Magnum Annual Report has been posted on the Company's website at <http://www.mmel.com.au>.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these Reports and on the business, operations and management of the Company and the consolidated group.

There is no requirement in the Corporations Act or in the Constitution for Shareholders to approve the financial statements and Reports.

---

**2. Resolution 1 - Remuneration Report**

**2.1 General**

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Annual General Meeting. A vote on this resolution is advisory only and does not bind the Directors or the Company.

Under the Corporations Act, if at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at two consecutive annual general meetings (i.e. there being two "strikes"), the Company will be required to put to Shareholders, at the second of those annual general meetings, a resolution proposing the calling of an extraordinary general meeting to consider the re-appointment of Directors (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting. All of the Directors who were in office when the resolution to make the Directors' report considered at the second annual general meeting was passed, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

**The Company's remuneration report did not receive a strike at the 2015 annual general meeting.** If the Remuneration Report receives a strike at this Meeting Shareholders should be aware that if a second strike is received at the 2017 annual general meeting, this may result in the re-election of the Board.

## 2.2 Content of Remuneration Report

The Remuneration Report is set out on pages 9 to 15 of the Directors' report contained in the Annual Financial Report of the Company for the financial year ended 31 December 2015 sent to those Shareholders who elected to receive it or available electronically at <http://www.mmel.com.au>.

The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- discusses the relationship between the Board's remuneration policy and the Company's performance;
- sets out the actual remuneration for the financial year ended 31 December 2015 for each Director and each member of the Company's senior executive management team; and
- details and explains any performance hurdles applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of any questions relating to the Remuneration Report at the Annual General Meeting.

## 2.3 Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by or on behalf of:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member,

however, a person described in paragraph (a) or (b) above may cast a vote on Resolution 1 if:

- (c) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (d) the person is the Chair of the Meeting as proxy for a person who is entitled to vote and the proxy:
  - (i) elects not to direct the proxy as to how to vote on the resolution; and
  - (ii) expressly authorises the Chair of the Meeting to exercise the undirected proxy as the Chair of the Meeting sees fit; and
- (e) the vote is not cast on behalf of a person described in paragraphs (a) and (b) above.

## 2.4 Proxy Restrictions

The Key Management Personnel of the Company and their Closely Related Parties will not be able to vote as your proxy on Resolution 1 unless you tell them how to vote, or the Chair of the Meeting is your proxy. If you intend to appoint a member of the Key Management Personnel or one of their Closely Related Parties as your proxy, please ensure that you direct them how to vote on Resolution 1, otherwise they will not be able to cast a vote as your proxy on that Resolution.

You can direct your proxy how to vote on a Resolution (ie: to vote "for", "against" or "abstain") by marking the appropriate box opposite the item on the Proxy Form.

If you intend to appoint the Chair of the Meeting as your proxy, particularly with respect to voting on Resolution 1, you can direct him to vote by marking the relevant voting boxes for Resolution 1. If you do not direct the Chair of the Meeting as to how to vote in respect of Resolution 1 you will be taken to have expressly authorised the Chair of the Meeting to vote in favour of the Resolution (even though the Resolution is connected with the remuneration of the Company's Key Management Personnel).

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

The Chair of the Meeting intends to vote undirected proxies (where authorised) **IN FAVOUR** of Resolution 1.

---

### **3. Resolution 2 - Re-election of Mr Darryl Lynton-Brown as a Director**

It is a requirement under Rule 5 of the Constitution that at each annual general meeting of the Company one-third of the directors (excluding the Managing Director or any director appointed by way of casual vacancy since the previous annual general meeting) retire from office. In accordance with Rule 5 of the Constitution, Mr Lynton-Brown retires at the Annual General Meeting and, being eligible pursuant to the Constitution, offers himself for re-election as a Director.

The Directors (excluding Mr Lynton-Brown) unanimously recommend the re-election of Mr Darryl Lynton-Brown.

The Chair of the Meeting intends to vote all available proxies **IN FAVOUR** of Resolution 2.

## Glossary of Terms

The following terms and abbreviations used in the Notice of Annual General Meeting and this Explanatory Memorandum have the following meanings:

**Annual General Meeting or Meeting** means the Annual General Meeting of Shareholders to be held at 61 Canning Highway, South Perth on 27 May 2016 at 11.00am (AWST) or any adjournment thereof.

**ASX** means the Australian Securities Exchange.

**ASX Listing Rules** means the official listing rules of the ASX.

**Board** means the board of Directors.

**Chair** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

**Company and Magnum** means Magnum Mining and Exploration Limited (ABN 70 003 170 376).

**Constitution** means the constitution of the Company, as amended from time to time.

**Corporations Act** means the Australian *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company, from time to time.

**Explanatory Memorandum** means this explanatory memorandum that accompanies and forms part of this Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any director (whether executive or otherwise) of the Company.

**Notice or Notice of Annual General Meeting** means the notice of Annual General Meeting which accompanies the Explanatory Memorandum.

**Ordinary Resolution** means a Resolution to be passed by a simple majority of Shareholders voting in person or by proxy.

**Proxy Form** means the proxy form attached to this Notice.

**Remuneration Report** means the remuneration report set out in the Director's Report section of the Company's Annual Financial Report for the year ended 31 December 2015.

**Report** means the Financial Report, Director's Report, Corporate Governance Statement and Auditor's Report.

**Resolution** means a resolution in this Notice of Annual General Meeting.

**Shareholders** means registered holders of Shares.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning given in paragraph 2.1.

**Spill Resolution** has the meaning given in paragraph 2.1.

**WST** means western standard time.

## **Registered Office**

Suite 6, Ground Floor  
9 Bowman Street  
SOUTH PERTH WA 6151

## **Proxies**

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote at the Annual General Meeting on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The Proxy Form (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be returned to Computershare Investor Services Pty Limited:

- by post to GPO Box 242, Melbourne, Victoria 3001 Australia; or
- by facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

so that it is received no later than 11.00am (AWST) on 25 May 2016 or 48 hours before any adjournment or postponement of the Annual General Meeting.

The Proxy Form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a Shareholder of the Company. A proxy may be a person or a body corporate.

In the case of Shares jointly held by two or more persons, all joint holders must sign the Proxy Form.

For the convenience of Shareholders a Proxy Form is enclosed. However, the Company will accept any appointment of a proxy which complies with the requirements of section 250A of the Corporations Act.

## **Voting Entitlement**

For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5.00 pm (AWST) on 25 May 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.





**MAGNUM**  
MINING & EXPLORATION LIMITED

ABN 70 003 170 376

MGU

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Lodge your vote:**



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000



**Proxy Form**

**XX**

**For your vote to be effective it must be received by 11.00am (AWST) Wednesday, 25 May 2016**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form →**



View the annual report, 24 hours a day, 7 days a week:

**[www.mmel.com.au](http://www.mmel.com.au)**

To view and update your securityholding:

**[www.investorcentre.com](http://www.investorcentre.com)**

**Your secure access information is:**

**SRN/HIN: I999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Magnum Mining and Exploration Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Magnum Mining and Exploration Limited to be held at Metro Hotel Perth, 61 Canning Highway, South Perth, Western Australia on Friday, 27 May 2016 at 11.00am (AWST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Darryl Lynton-Brown as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

MGU

999999A

Computershare