

# **MAGNUM MINING AND EXPLORATION LIMITED**

**ABN 70 003 170 376**

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## **NOTICE OF ANNUAL GENERAL MEETING**

**AND**

## **EXPLANATORY MEMORANDUM**

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Date of Meeting: Thursday, 30 May 2013

Time of Meeting: 11.00 am (WST)

Place of Meeting: Celtic Club  
48 Ord Street  
West Perth WA 6005

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.

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**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 Magnum Mining and Exploration Limited (**Magnum** or **Company**) will be held at 48 Ord Street, West Perth, Western Australia, 6005 on Thursday, 30 May 2013 at 11.00am (WST) to conduct the business set out in this Notice of Meeting.

The Explanatory Memorandum which accompanies and forms part of this Notice of 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 Meeting.

**BUSINESS**

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**1. Financial statements and reports**

To receive and consider the financial statements, the Directors' Reports and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2012.

*Note: There is no requirement for Shareholders to approve these reports.*

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

To consider and, if thought fit, to pass 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 2012."*

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

**Voting Prohibition Statement**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (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 above may cast a vote on this Resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

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**3. Resolution 2 - Re-election of 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 Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”*

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**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 cursive script that reads "G. Button".

**Grant Button**  
**Director**

22 April 2013

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

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**1. Financial statements and reports**

The Corporations Act and the Company's Constitution require the following reports in respect to the financial year of the Company ended 31 December 2012 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 2012 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 Company's Constitution for Shareholders to approve the financial statements and Reports.

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**2. Resolution 1 - Remuneration Report**

**2.1 General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. Such a 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 the Meeting, and then again at the Company's subsequent annual general meeting (i.e. there being two "strikes"), the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the re-appointment of Directors of the Company (**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 Company's annual general meeting. All of the Directors who were in office when the relevant Directors' report was approved, 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.

**2.2 Content of Remuneration Report**

The Remuneration Report is set out the Directors' report contained in the annual financial report of the Company for the financial year ended 31 December 2012 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 2012 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<sup>1</sup>.

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

### **2.3 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 Chairman of the Meeting as your proxy, particularly with respect to voting on Resolution 1, you can direct him to vote by either marking the relevant voting boxes for Resolution 1, or by marking the Chairman's box on the Proxy Form (in which case you will be taken to have expressly authorised the Chairman 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 Chair of the Meeting intends to vote undirected proxies (where authorised) in FAVOUR of Resolution 1.

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

It is a requirement under Rule 5.1 of the Company's Constitution that Mr Lynton-Brown retire at the Annual General Meeting. Mr Lynton-Brown, being eligible for re-election pursuant to the Company's Constitution, offers himself for re-election.

The remaining Directors unanimously support the re-election of Mr Darryl Lynton-Brown.

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<sup>1</sup> See section 250SA of the Corporations Act.

## Glossary of Terms

The following terms and abbreviations used in the Notice of 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 48 Ord Street, West Perth on 30 May 2013 at 11.00am (WST) or any adjournment thereof.

**ASX** means ASX Limited ACN 008 624 691, or the stock exchange conducted by ASX, as the context requires.

**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 Meeting** means the notice of Meeting which accompanies the Explanatory Memorandum.

**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 2012.

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

**Shareholders** means registered holders of Shares.

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

**WST** means western standard time.

## **Registered Office**

Unit 2, Level 1  
331-335 Hay Street  
SUBIACO WA 6008

## **Proxies**

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote 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 deposited at or sent by facsimile transmission to Magnum Mining and Exploration Limited at :

- PO Box 524, Wembley, WA, 6913 (for post); or
- on facsimile number +61 8 9481 5044;

so that it is received not later than 11.00am (WST) on 28 May 2013.

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 Company's Constitution.

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 (WST) on 28 May 2013. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

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**MAGNUM MINING AND EXPLORATION LIMITED**  
**ABN 70 003 170 376**  
**FORM OF PROXY**

I/We \_\_\_\_\_  
 (print shareholder(s) name(s))

of \_\_\_\_\_  
 (print address of shareholder(s))

being a member/members of Magnum Mining and Exploration Limited entitled to attend and vote at the Annual General Meeting hereby appoint:

\_\_\_\_\_ (print proxy's name in full)

OR  the Chair of the Annual General Meeting as your proxy,

or, failing the person so named or if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee to vote in accordance with the following directions, or if no directions have been given, as the proxy sees fit at the Annual General Meeting of the Company to be held on 30 May 2013 at the Celtic Club, 48 Ord Street, West Perth, WA, 6005 and at any adjournment of that meeting.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 1** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of **Resolution 1** and that votes cast by the Chair of the Annual General Meeting for **Resolution 1** other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on **Resolution 1** and your votes will not be counted in calculating the required majority if a poll is called on **Resolution 1**.

*OR*

**Voting on Business of the Annual General Meeting**

Resolution	For	Against	Abstain
1. Remuneration report			
2. Re-election of Mr Darryl Lynton-Brown as a director			

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

**Signature of Member(s):** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Individual or Member 1**

\_\_\_\_\_

**Sole Director/Company Secretary**

**Member 2**

\_\_\_\_\_

**Director**

**Member 3**

\_\_\_\_\_

**Director/Company Secretary**

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

# MAGNUM MINING AND EXPLORATION LIMITED

## ABN 70 003 170 376

### Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **Important information for Resolution 1:** If you appoint the Chair of the Meeting, or another member of the Key Management Personnel of the Company or a Closely Related Party of a member of the Key Management Personnel of the Company, as your proxy, you must direct your proxy how to vote in respect of Resolution 1 for your votes to be counted. Where you appoint the Chair as your proxy, by selecting the box to appoint the Chair as your proxy, you acknowledge that the Chair will vote all undirected proxies in favour of Resolution 1 (even where he has an interest in the outcome of Resolution 1). The Chair intends to vote undirected proxies in favour of both resolutions, in accordance with the Proxy Form instructions. If the Chair, another member of the Key Management Personnel of the Company or a Closely Related Party of a member of the Key Management Personnel of the Company is appointed as your proxy, you must direct your proxy how to vote on Resolution 1 (or select the appropriate box in the Proxy Form where you elect the Chair as your proxy) in order for your votes to be counted.
4. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
5. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
6. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - post to Magnum Mining and Exploration Limited, PO Box 524, Wembley, WA, 6913; or
  - facsimile to the Company on facsimile number +61 8 9481 5044,so that it is received not later than 11.00am (WST) on 28 May 2013.

**Proxy forms received later than this time will be invalid.**