



Capital Raising via Redeemable Convertible Notes

ASX Release

2 November 2018

**Magnum Mining and
Exploration Limited**
ABN 70 003 170 376

ASX Code

MGU

Non-Executive Chairman

Howard Dawson

Chief Executive Officer

Grant Button

Non-Executive Director

Francesco Cannavo

Company Secretaries

Grant Button
Jacqueline Barry

Issued Shares

279,578,818

Unlisted Options

9,000,000

Email

info@mmel.com.au

Website

www.mmel.com.au

Suite 2, Churchill Court
234 Churchill Avenue
SUBIACO WA 6008

PO BOX 8209
SUBIACO EAST WA 6008

T +61 8 6280 0245

F +61 8 9381 2855

Magnum Mining Limited (ASX: MGU) (Magnum or the Company) is pleased to advise the completion of a capital raising through the issue of unsecured redeemable convertible notes to raise \$1,250,000 through the issue of 1,250 redeemable convertible notes, each with a face value of one thousand dollars (\$1,000) (Convertible Notes).

The funds raised from the Redeemable Convertible Notes will be used for undertaking the Phase 2 trial mining program at the Gravelotte emerald project in South Africa and for general working capital purposes.

Key terms of the Convertible Notes

The key terms of the Redeemable Convertible Notes are expected to be as follows:

- (a) Maturity Date - 12 months from the date of issue (2 November 2018).
- (b) Interest - 10% per annum on maturity.
- (c) Conversion Price - the minimum price will be the lower of \$0.05 or 80% of the market price determined by the VWAP for the 10 trading days prior to the Conversion Notice.
- (d) Automatic Conversion on the occurrence of a Material Corporate Event. A Material Corporate event means either (1) Magnum enters into any agreement for a merger with, or acquisition of, another entity or (2) a substantial proportion of the Gravelotte assets (by value) held by Magnum are sold.
- (e) Repayment of principal amount and interest. – on Maturity Date the notes will expire and Magnum will notify each Noteholder that it intends to repay each Noteholder the Subscription amount that it paid in respect of each note plus any applicable interest payable. The Noteholders will have 10 Business Days from the date of notification to advise Magnum that it elects to convert the Notes into Shares. If the Note holder elects to convert the Note to Shares the Conversion price formula will apply.
- (f) Security: the Convertible Notes are unsecured.
- (g) Transferability and other restrictions: the Convertible Notes will only be transferrable with the Company's written consent.

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

GRANT BUTTON
Chief Executive Officer/Joint Company Secretary

Further information please contact:

Magnum Mining and Exploration Limited
Grant Button
+61 8 6280 0245
email: info@mmel.com.au