

# Magnum Mining and Exploration Limited (ACN 003 170 376)

## Options Prospectus

For:

- (a) an offer of up to 437,500,000 Placement Options to Placement Participants (and/or their respective nominees) on the basis of one (1) free-attaching Placement Option (exercisable at \$0.015 and expiring three (3) years from the date of issue) for every two (2) Placement Shares subscribed for and issued under the Placement (**Placement Options Offer**);
- (b) an offer of up to 90,000,000 Options (exercisable at \$0.015 and expiring three (3) years from the date of issue) (**Joint Lead Manager Options**) to the Joint Lead Managers (and/or their respective nominees) (**Joint Lead Manager Options Offer**);
- (c) an offer of up to 12,750,000 Broker Options (exercisable at \$0.015 and expiring on the date that is three (3) years from the date of issue) (**Broker Options**) to various brokers who assisting in the Chairman's List under the Placement (**Brokers**) (and/or their respective nominees) (**Broker Options Offer**); and
- (d) up to 90,000,000 Director Options (exercisable at \$0.015 and expiring on the date that is three (3) years from the date of issue) (**Director Options**) to the Directors (and/or their respective nominees) (**Directors Options Offer**),

(together, the **Offers**).

The Offers close at 5:00pm (AWST) on Thursday, 15 January 2026.

### Important Notice

This is an important document and should be read in its entirety.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The New Options offered by this Prospectus should be considered speculative.

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of New Options issued by the Company prior to the Closing Date. This Prospectus has also been prepared to facilitate secondary trading of any underlying Shares issued on exercise of the Placement Options pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

# CORPORATE DIRECTORY

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## Directors

Mr Michael Davy (*Non-Executive Chairman*)  
Mr Athan Lekkas (*Non-Executive Director*)  
Mr Leslie Pereira (*Non-Executive Director*)

## Company Secretary

Mark Pryn

## Principal & Registered Office

Level 1, 180 Albert Road  
South Melbourne VIC 3205

Telephone: +61 3 9682 2966  
Email: [info@mmel.com.au](mailto:info@mmel.com.au)  
Website: <https://www.mmel.com.au/site/content/>

## ASX Code

MGU

## Share Registry\*

Computershare Investor Services Pty Limited  
Level 17, 221 St Georges Terrace  
Perth Western Australia 6000

## Solicitors

Nova Legal  
Level 2, 50 Kings Park Road  
West Perth WA 6005

## Auditor\*

Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000

\* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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# IMPORTANT INFORMATION

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## GENERAL

This Prospectus is dated 13 January 2026 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

This Prospectus expires 13 months from the date it was lodged with ASIC. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the New Options, the subject of this Prospectus.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of Options over continuously quoted securities (as defined in the Corporations Act). This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The New Options to be issued pursuant to this Prospectus should be viewed as a speculative investment and investors should refer to Section 2 for details of certain risk factors which are considered to be relevant for the purposes of the Offers. Investors should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at <https://www.mmel.com.au/site/content/>. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. A hard copy of this Prospectus may be obtained by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 7.

## OVERSEAS INVESTORS

The distribution of this Prospectus in jurisdictions outside of Australia or New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

This Prospectus does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country.

## RISK FACTORS

Refer to Section 2 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated with an investment in some other companies. The principal risks that could affect the financial and

market performance of the Company are detailed in Section 2 of this Prospectus. The New Options on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Risks of investing in the Company's existing assets and general risks are set out in Section 2 of this Prospectus.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for New Options offered under this Prospectus. Investors should consider the risk factors described in Section 2, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for New Options.

## **TARGET MARKET DETERMINATION**

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the various target markets for the offer of New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination **(TMD)** as set out on the Company's website at <https://www.mmel.com.au/site/content/>. By making an application for New Options under this Prospectus, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

## TIMETABLE AND IMPORTANT DATES

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| EVENT*                                    | DATE  |
|---|---|
| Lodgement of Prospectus with ASIC and ASX | Tuesday, 13 January 2026                      |
| Opening Date of Offers                    | Wednesday, 14 January 2026                    |
| Closing Date of Offers                    | 5:00PM (AWST) on Thursday,<br>15 January 2026 |

\* These dates are indicative only and subject to change. The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the New Options are expected to commence trading on ASX may vary with any change in the Closing Date.

# 1. DETAILS OF THE OFFERS

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## 1.1 Background to the Offers

On 13 October 2025, the Company announced that it had received firm commitments from sophisticated and professional investors (**Placement Participants**) for a placement to raise up to a total of \$7,000,000 (before costs), via the issue of up to 875,000,000 Shares at an issue price of \$0.008 per Share (**Placement Shares**), together with one (1) free-attaching Option (exercisable at \$0.015 and expiring three (3) years from the date of issue) (**Placement Options**) for every two (2) Placement Shares subscribed for and issued (**Placement**). The issue of the Placement Options were subject to the Company obtaining prior shareholder approval.

The Company also announced the following issues (all subject to the Company obtaining prior shareholder approval):

- (a) the issue of up to 90,000,000 Joint Lead Manager Options (exercisable at \$0.015 and expiring three (3) years from the date of issue) to the Joint Lead Managers (and/or their respective nominees); and
- (b) the issue of up to 12,750,000 Broker Options (exercisable at \$0.015 and expiring three (3) years from the date of issue) to the Brokers (and/or their respective nominees).

The Company also intends to issue (subject to obtaining prior shareholder approval) up to 90,000,000 Director Options (exercisable at \$0.015 and expiring three (3) years from the date of issue) to the Directors (and/or their respective nominees).

On 22 December 2025, the Company obtained shareholder approval at a general meeting for the issue of the Placement Options, Joint Lead Manager Options, Broker Options and Director Options (together, the **New Options**).

For further details regarding the Options, refer to the Company's announcements dated 13 October 2025, 20 November 2025 and 22 December 2025.

## 1.2 The Offers

This Prospectus contains the following separate offers:

### (a) Placement Options Offer

This Prospectus invites the Placement Participants (and/or their respective nominees) to apply for a total of up to 437,500,000 Placement Options, on the basis of one (1) free-attaching Placement Option for every two (2) Placement Shares subscribed for and issued under the Placement (**Placement Options Offer**).

All Placement Participants will be sent a copy of this Prospectus, together with an Application Form. Only the Placement Participants can accept the Placement Options Offer. Refer to Section 1.6 for details on how to apply for Placement Options under the Placement Options Offer.

No funds will be raised from the issue of the Placement Options as the Placement Options are free-attaching to the Placement Shares on a 1:2 basis.

### (b) Joint Lead Manager Options Offer

This Prospectus invites the Joint Lead Managers (and/or their respective nominees) to apply for a total of up to 90,000,000 Joint Lead Manager Options (**Joint Lead Manager Options Offer**).

The Joint Lead Managers will be sent a copy of this Prospectus, together with an Application Form. Only the Joint Lead Managers (and/or their respective nominees) can accept the Joint Lead Manager Options Offer. Refer to Section 1.6 for details on how to apply for Joint Lead Manager Options under the Joint Lead Manager Options Offer.

The Joint Lead Manager Options will be issued at a nominal issue price of \$0.00001 each and all funds raised from the proposed issue will be used towards general working capital.

(c) **Broker Options**

This Prospectus invites the Brokers (and/or their respective nominees) to apply for a total of up to 12,750,000 Broker Options (**Broker Options Offer**).

The Brokers will be sent a copy of this Prospectus, together with an Application Form. Only the Brokers (and/or their respective nominees) can accept the Broker Options Offer. Refer to Section 1.6 for details on how to apply for the Broker Options under the Broker Offer.

The Broker Options will be issued at a nominal issue price of \$0.00001 each and all funds raised from the proposed issue will be used towards general working capital.

(d) **Director Options**

This Prospectus invites the Directors (and/or their respective nominees) to apply for a total of up to 90,000,000 Director Options (**Director Options Offer**).

The Directors will be sent a copy of this Prospectus, together with an Application Form. Only the Directors (and/or their respective nominees) can accept the Director Options Offer. Refer to Section 1.6 for details on how to apply for the Director Options under the Director Offer.

The Director Options will be issued at a nominal issue price of \$0.00001 each and all funds raised from the proposed issue will be used towards general working capital.

The Offers are only available to those who are personally invited to accept the Offers. Accordingly, Application Forms will only be provided by the Company to these parties.

The full terms and conditions of the New Options to be issued under this Prospectus are set out in Section 4.2.

Subject to the quotation requirements of the ASX Listing Rules, the New Options issued under this Prospectus will form a new class of listed security of the Company.

All Shares issued on exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Refer to Section 4.1 for further details regarding the rights and liabilities attaching to Shares.

### 1.3 Underwriting

The Offers are not underwritten.



## **1.4 Minimum Subscription**

There is no minimum subscription under the Offers.

## **1.5 Opening and Closing Dates**

The Offers will open for receipt of acceptances on **Wednesday, 14 January 2026**.

The Offers will close at **5:00pm (AWST) on Thursday, 15 January 2026**, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.

## **1.6 How to accept the Offers**

Only the Placement Participants, Joint Lead Managers, Brokers and Directors will be provided a copy of this Prospectus and an Application Form in respect of the Offers. Applications for the New Options must only be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Completed Application Forms must be sent via email to the Company Secretary at [info@mmel.com.au](mailto:info@mmel.com.au).

Completed Application Forms must reach the above email address set out above by no later than the Closing Date. The Application Form does not need to be signed to be a binding acceptance of the Options under the Offers. If the Application Form is not completed correctly, it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.

## **1.7 Lead Manager**

There is no lead manager to the Offers.

## **1.8 ASX quotation**

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made to ASX within seven (7) days after the date of this Prospectus. The New Options will only be admitted to Official Quotation if the quotation requirements under the ASX Listing Rules are satisfied.

The fact that ASX may grant official quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered under this Prospectus.

## **1.9 Issue of New Options**

The New Options to be issued pursuant to the Offers will be issued in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the ASX Listing Rules.

Holding statements for New Options issued under the Offers will be mailed in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the ASX Listing Rules.

## **1.10 CHESS and Issuer Sponsorship**

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers make up the Company's register of

securities. The Company will not issue certificates to investors. Rather, holding statements (similar to bank statements) will be dispatched to investors as soon as practicable after issue.

Holding statements will be sent either by CHESS (for new investors who elect to hold their securities on the CHESS sub-register) or by the Company's Share Registry (for new investors who elect to hold their securities on the Issuer sponsored sub-register). The statements will set out the number of New Options issued under the Prospectus and provide details of a Holder Identification Number (for new investors who elect to hold their securities on the Chess sub-register) or Security Holder Reference Number (for new investors who elect to hold their securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each new investor following the month in which the balance of their holding of Securities changes, and also as required by the Listing Rules or the Corporations Act.

### **1.11 Risks**

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The New Options on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

### **1.12 Restrictions on the distribution of the Prospectus**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the New Options the subject of this Prospectus in any jurisdiction outside Australia.

#### ***New Zealand***

The Offer is not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offers are being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **1.13 Taxation**

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Securities of the Company.

### **1.14 Privacy Disclosure**

Persons who apply for New Options pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The

Company and the Share Registry collect, hold and use that personal information to assess applications for securities to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for New Options will not be processed. In accordance with privacy laws, information collected in relation to specific Applicants can be obtained by that Applicant through contacting the Company or the Share Registry.

## **1.15 Enquiries**

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding the Offers, please contact the Company Secretary on + 61 3 9682 2966, from 8:30am to 5:00pm AWST, Monday to Friday.

## **2. RISK FACTORS**

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### **2.1 Introduction**

The New Options offered under this Prospectus should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with an investment in the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the New Options will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the New Options.

### **2.2 Company specific**

#### **(a) Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the recent Placement. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

#### **(b) Going Concern**

The Company's 2024 annual report (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern. Notwithstanding the 'going concern' comment included in the Financial Report, the Directors believe that having recently successfully completed the Placement, the Company has sufficient funds to adequately meet the Company's current exploration commitments and short-term working capital requirements.

#### **(c) Exploration**

The exploration and mining licences of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these mining licences, or any other mining licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and

environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its mining licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the mining licences, a reduction in the cash reserves of the Company and possible relinquishment of the mining licences.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

**(d) Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

**(e) Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects. The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

**(f) Resource and reserves and exploration targets**

As announced on 23 March 2021, there is a mineral resource estimate that has been identified on the Buena Vista Magnetite Project in Nevada. Reserve and resource

estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

**(g) Commodity Price Volatility and Exchange Rate Risk**

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will be primarily from the sale of iron ore, rare earth elements and base/precious metals. Consequently, any future earnings are likely to be closely related to the prices of iron ore, rare earth elements and base/precious metals and the terms of any off-take agreements the Company enters.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold through the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board, to mitigate such risks.

**(h) Renewal**

Mining and exploration licences are subject to periodic renewal. The renewal of the term of granted mining licences is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the mining licences. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in applicable jurisdictions and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of granted mining licences for reasons beyond the control of the Company could be significant.

**(i) New projects and acquisitions**

The Company may make further acquisitions as part of future growth plans. In addition to the current mining licences held, the Company may evaluate and acquire other interests in new projects by way of acquisition or investment. The Directors of the Company will use their expertise and experience in the resource sector to assess the value of any new potential projects that have characteristics that are likely to provide returns to Shareholders. There can be no guarantee that any new acquisition or investment will eventuate from these pursuits, or that any acquisition will result in a return for Shareholders. Such acquisitions or investment may result in use of the

Company's cash resources and/or issuances of equity securities, which might involve substantial dilution to some or all of the Shareholders.

(j) **Insurance**

The Company insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and/or results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(k) **Sovereign Risk - USA**

The Company's Buena Vista Project and the recently acquired Parker Gold, Mormon and La Cienega Projects are located in the United States of America. Possible sovereign risks associated with operating in the USA include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares. No assurance can be given regarding future stability in the USA or any other country in which the Company may, in the future, have an interest.

(l) **Sovereign Risk - Brazil**

The Company's recently acquired Palmares Projects are located in Brazil and the Company will be subject to the risks associated with operating in that country, including various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political attitude in Brazil may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Outcomes in courts in Brazil may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in Brazil. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company. The Company has made its investment and strategic decisions based on the information currently available to the Directors, however, should there be any material change in the political, economic, legal and social environments in Brazil, the Directors For personal use only may reassess investment decisions and commitments to assets in Brazil.

## **2.3 General risks**

### **(a) Climate Risk**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

### **(b) Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.

### **(c) Environmental**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing



activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

**(d) Regulatory Compliance**

The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the mining licences.

**(e) Exposure to natural events**

The Company's operations could be impacted by natural events such as significant rain events and flooding. Such natural events could result in impacts including reduced mining efficiencies, restrictions to or loss of access to open pits, mining and exploration locations or necessary infrastructure, or restrictions to or delays in access to the site for exploration activities and deliveries of key consumables required for the Company's operations. This could result in increased costs which could impact the Company's financial performance and position. Whilst the Company is able to transfer some of these risks to third parties through insurance, many of the associated risks are not able to be insured or in the Company's opinion the cost of transfer is not warranted by the likelihood of occurrence of the risk event.

**(f) Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

**(g) Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;

- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(h) **Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company and its subsidiaries are not currently engaged in any litigation.

(i) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(j) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(k) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if the relationship with one or more of these key personnel ceases.

(l) **Economic conditions and other global or national issues**

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well

as on its ability to fund those activities. General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

## **2.4 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Options offered under this Prospectus.

Therefore, the New Options (and those Securities that are subsequently converted into Shares) subsequently converted carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

### **3. PURPOSE AND EFFECT OF THE OFFERS**

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#### **3.1 Purpose of the Offers**

The primary purpose of this Prospectus is not to raise capital. Rather, the primary purposes of this Prospectus are to:

- (a) issue the New Options under the Offers;
- (b) obtain Quotation of the New Options;
- (c) facilitate secondary trading of the New Options issued under the Offers; and
- (d) facilitate secondary trading of any Shares issued upon exercise of the New Options issued under the Offers.

A nominal amount of \$1,927.50 (before expenses) will be raised under the Offers. The funds raised from the Offers will go towards the Company's general working capital.

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). However, the Company is precluded from issuing a 'cleansing' notice in respect of the New Options as they are not in a class of securities that were quoted securities at all times in the last three (3) months.

Consequently, the Company has issued this Prospectus in respect of the Offer. Issuing the New Options under this Prospectus will enable persons who are issued the New Options to on-sell their New Options, and any Shares issued on exercise of the New Options pursuant to *ASIC Corporations (Sale Offer That Do Not Need Disclosure) Instrument 2016/80*.

#### **3.2 Effect of the Offers**

The effect of the Offers on the capital structure of the Company is set out in Section 3.5.

#### **3.3 Effect on control of the Company**

The Offers will not have a material impact on the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

#### **3.4 Financial Effect of the Offers**

Nominal funds of up to \$1,927.50 (before expenses) will be raised from the Offers. After paying the expenses of the Offers of approximately \$44,369 (exclusive of GST), there will be no net proceeds from the Offers. The expenses of the Offers will be met from the Company's existing cash reserves. The effect of the Offers on the Company's financial position will be a net decrease in cash held of approximately \$42,441.50 (exclusive of GST).

#### **3.5 Effect on Capital Structure**

A comparative table of changes in the capital structure of the Company as a consequence of the Offers (assuming all New Options are issued, no other Securities are issued, and no other existing Securities are exercised or converted into Shares are exercised) is set out below:

| <b>Security</b>  | <b>Number</b>        |
|--|----------------------|
| <b>Shares<sup>1</sup></b>  |                      |
| Shares on issue as at the date of this Prospectus                    | 3,193,037,149        |
| <b>Total Shares on issue on completion of the Offers</b>             | <b>3,193,037,149</b> |
| <b>Options</b>   |                      |
| Options on issue at the date of this Prospectus                      | NIL                  |
| New Options to be issued under the Offers <sup>2</sup>               | 630,250,000          |
| <b>Total Options on issue on completion of the Offers</b>            | <b>630,250,000</b>   |
| <b>Performance Rights</b>  |                      |
| Performance Rights <sup>3</sup>                                      | 82,500,000           |
| <b>Total Performance Rights on issue on completion of the Offers</b> | <b>82,500,000</b>    |

**Notes:**

- 1 The rights and liabilities attaching to the Shares are summarised in Section 4.1.
- 2 The figures provided assumes the maximum number of New Options are issued under each of the Offers. The rights and liabilities of the New Options are set out in Section 4.2.
- 3 Comprising of:
  - (a) 7,500,000 Performance Rights (MGUAAB) which are subject to various vesting conditions; and
  - (b) 75,000,000 Performance Rights subject to various vesting conditions (ASX: 20.11.25).

### **3.6 Details of substantial holders**

Based on publicly available information as at the date of this Prospectus and a review of the Company's share register, the persons who (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| <b>Shareholder</b>   | <b>Shares</b> | <b>%</b> |
|----------------------|---------------|----------|
| Antonio Vitor Junior | 190,000,000   | 5.95%    |

The Offer will have no effect on the quantity of Shares held by these substantial shareholders as only New Options are being issued. The Company will notify ASX of any changes in interests of the substantial holders in accordance with its continuous disclosure obligations.

## **4. RIGHTS ATTACHING TO SECURITIES**

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### **4.1 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares offered under this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company

#### **(b) Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors,

for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 4.2 Terms and Conditions of New Options

The terms and conditions of the New Options are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option is \$0.015 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AWST) on the date that is three (3) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations



Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Transferability**

Subject to the Board's discretion, the Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(l) **Quotation**

Subject to the Board's discretion, the Company may seek quotation of the Options in accordance with the Listing Rules and Corporations Act, subject to satisfaction of the minimum quotation of the Listing Rules. In the event that the Board elects not to obtain quotation, or quotation of the Options cannot be obtained, the Options will remain unquoted.

(m) **Change in exercise price**

An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

## **5. ADDITIONAL INFORMATION**

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### **5.1 Company Update**

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at <https://www.mmel.com.au/site/content/>.

The Company continues to identify and review other commercial opportunities for the Company which complement the Company's existing projects and activities. Discussions with third parties are early stage, incomplete and confidential. There can be no certainty that any agreement or agreements will be reached, or that any transaction will eventuate. The Company will keep the market informed in accordance with its continuous disclosure obligations.

### **5.2 Nature of this Prospectus**

The New Options to be issued pursuant to this Prospectus are Options over continuously quoted securities. This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offers on the Company; and
- (b) the rights and liabilities attaching to the New Options offered pursuant to this Prospectus and the underlying securities.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

### **5.3 Continuous Reporting and Disclosure Obligations**

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offers. To do so, please refer to the Company's ASX announcements platform via [www.asx.com.au](http://www.asx.com.au).

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offers.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report of the Company for the financial year ended 31 December 2024;
  - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
  - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offers. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 31 December 2024 on 26 March 2025.

| Date             | Title   |
|------------------|---|
| 6 January 2026   | REE drilling and exploration activities update        |
| 30 December 2025 | Highly prospective CU_AU geophysical survey completed |

|                  |  |
|------------------|--|
| 30 December 2025 | Change of Director's Interest Notice - MD                  |
| 30 December 2025 | Change of Director's Interest Notice – LP                  |
| 30 December 2025 | Change of Director's Interest Notice – AL                  |
| 29 December 2025 | Change in substantial holding                              |
| 24 December 2025 | Notification regarding unquoted securities – MGU           |
| 24 December 2025 | Cleansing Notice   |
| 24 December 2025 | Application for quotation of securities – MGU              |
| 22 December 2025 | Results of Meeting   |
| 11 December 2025 | US REE Project Acquired with Assays up to 7.99% TREE       |
| 1 December 2025  | Two Rig Drill Program Commences at High-Grade REE Prospect |
| 20 November 2025 | Notice of General Meeting/Proxy form                       |
| 14 November 2025 | DRILLING UNDERWAY ON HIGH-PRIORITY REE PROSPECTUS          |
| 30 October 2025  | Quarterly Activities/Appendix 5B Cash Flow Report          |
| 29 October 2025  | Magnum to Advance REE Separation Technology                |
| 23 October 2025  | Magnum Funded Corporate Strategy Presentation              |
| 21 October 2025  | Change in substantial holding                              |
| 20 October 2025  | Ceasing to be a substantial holder                         |
| 20 October 2025  | Cleansing Notice   |
| 20 October 2025  | Application for quotation of securities – MGU              |
| 13 October 2025  | Reinstatement to Quotation                                 |
| 13 October 2025  | Proposed issue of securities – MGU                         |
| 13 October 2025  | Proposed issue of securities – MGU                         |
| 13 October 2025  | PLACEMENT TO ADVANCE USA CRITICAL MINERALS STRATEGY        |
| 13 October 2025  | Suspension from Quotation                                  |
| 9 October 2025   | Trading Halt   |
| 7 October 2025   | GREEN LIGHT RECEIVED TO DRILL TEST BRAZIL REE TARGETS      |
| 3 October 2025   | Auger Drilling to Start on Brazil Rare Earths Project      |

|                   |   |
|-------------------|---|
| 2 October 2025    | Breakthrough REE Test Work Delivers Exceptions Results      |
| 22 September 2025 | UPDATE ON ANTIMONY & REE REFINING CAPACITY IN USA           |
| 19 September 2025 | EXPIRY OF LISTED OPTIONS (MGUO)                             |
| 12 September 2025 | Half Year Accounts  |
| 4 September 2025  | Initial Director's Interest Notice                          |
| 4 September 2025  | Final Director's Interest Notice – NG                       |
| 4 September 2025  | Magnum Board Changes  |
| 2 September 2025  | U.S REE & Critical Minerals Review                          |
| 29 August 2025    | HIGH-GRADE RARE EARTH LEACH TESTING BEGINS                  |
| 7 August 2025     | Change of Director's Interest Notice (Correction)           |
| 7 August 2025     | Performance Share Disclosure (Correction)                   |
| 7 August 2025     | Notification regarding unquoted securities – MGU            |
| 22 July 2025      | Notification of cessation of securities – MGU               |
| 18 July 2025      | Quarterly Activities/Appendix 5B Cash Flow Report           |
| 17 July 2025      | Becoming a substantial holder                               |
| 17 July 2025      | Change in substantial holding                               |
| 16 July 2025      | Initial Director's Interest Notice – Michael Davy           |
| 16 July 2025      | Final Director's Interest Notice – Luke Martino             |
| 15 July 2025      | Change of Registered Address & Principal Place of Business  |
| 15 July 2025      | Magnum Board & Company Secretary Update                     |
| 3 July 2025       | Change of Director's Interest Notice – Luke Martino         |
| 3 July 2025       | Change of Director's Interest Notice – Athan Lekkas         |
| 2 July 2025       | Cleansing Notice under 708A(5)(e) of Corps Act              |
| 2 July 2025       | Application for quotation of securities – MGU               |
| 2 July 2025       | Placement of Shortfall raises an additional \$1.9m          |
| 30 June 2025      | Application for quotation of securities – MGU               |
| 26 June 2025      | MAGNM RAISES \$0.5M FROM NON-RENOUNCEABLE ENTITLEMENT OFFER |
| 24 June 2025      | Update – Proposed issue of securities – MGU                 |

|               |   |
|---------------|---|
| 23 June 2025  | Non-Renounceable Entitlement Offer – Closure Date Reminder  |
| 13 June 2025  | Non-Renounceable Entitlement Offer- Ineligible Shareholders |
| 3 June 2025   | Entitlement Issue Prospectus                                |
| 3 June 2025   | Proposed issue of securities – MGU                          |
| 3 June 2025   | Non-Renounceable Entitlement Offer to Raise \$2.2m          |
| 2 June 2025   | Becoming a substantial holder                               |
| 30 May 2025   | Results of Annual General Meeting 2025                      |
| 28 May 2025   | Cancel – Proposed issue of securities – MGU                 |
| 28 May 2025   | Security Class Suspension from Quotation (MGUN)             |
| 28 May 2025   | RESULTS OF NON-RENOUNCEABLE ENTITLEMENT OFFER               |
| 7 May 2025    | Change of Director’s Interest Notice – Luke Martino         |
| 7 May 2025    | Change of Director’s Interest Notice – Neil Goodman         |
| 7 May 2025    | Change of Director’s Interest Notice – Athan Lekkas         |
| 7 May 2025    | Update – Proposed issue of securities – MGU                 |
| 7 May 2025    | Extension of Non-Renounceable Entitlement Offer             |
| 6 May 2025    | BRAZIL RARE EARTH PROJECTIONS – PRESENTATION                |
| 5 May 2025    | ACQUISITION COMPLETE FOR BRAZIL RARE EARTH PROJECTS         |
| 2 May 2025    | Application for quotation of securities – MGU               |
| 28 April 2025 | Notice of Annual General Meeting/Proxy Form                 |
| 23 April 2025 | Update – Proposed issue of securities – MGU                 |
| 23 April 2025 | Extension of Non-Renounceable Entitlement Offer             |
| 17 April 2025 | Quarterly Appendix 5B Cash Flow Report                      |
| 17 April 2025 | Quarterly Activities Report                                 |
| 9 April 2025  | ENTITLEMENT OF ISSUE SUPPLEMENTARY PROSPECTUS               |
| 9 April 2025  | MAGNUM ACQUIRES HIGH GRADE US COPPER-GOLD PROJECTS          |
| 2 April 2025  | Update – Proposed issue of securities – MGU                 |
| 2 April 2025  | Extension of Non-Renounceable Entitlement Offer Period      |
| 31 March 2025 | Results of General Meeting                                  |

|               |                              |
|---------------|------------------------------|
| 26 March 2025 | Full Year Statutory Accounts |
|---------------|------------------------------|

## 5.4 Market Price of Shares

The highest and lowest closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

|         | Price (\$) | Date   |
|---------|------------|--|
| Highest | \$0.0110   | 13 October 2025  |
| Lowest  | \$0.005    | 24 November 2025, 27 November 2025, 12 December 2025, 15-16 December 2025, 19-24 December 2025, 30 December 2025 – 5 January 2026. |
| Last    | \$0.006    | 13 January 2026  |

## 5.5 Litigation

The Directors are not aware of any material legal proceedings which have been threatened or actually commenced against the Company.

## 5.6 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (a) to induce him to become, or to qualify him as, a Director; or
- (b) for services rendered by him in connection with the formation or promotion of the Company or the Offers.

### **Remuneration**

The remuneration paid to the Directors for the two financial years prior to the date of this Prospectus, and proposed to be paid to the Directors for the financial year ending 31 December 2025 (on an annualised basis), is set out below:

| Director                    | Financial Year<br>(ending 31<br>December) 2023 | Financial year<br>(ending 31<br>December 2024) | Financial Year<br>(ending 31<br>December 2025) |
|-----------------------------|--|--|--|
| Athan Lekkas <sup>1</sup>   | \$240,000                                      | \$240,000                                      | \$60,000                                       |
| Michael Davy <sup>2</sup>   | -  | -  | \$60,000                                       |
| Leslie Pereira <sup>3</sup> | -  | -  | \$60,000                                       |

**Notes:**

- 1 Mr Athan Lekkas was appointed as Non-Executive Director on 11 May 2022 and with effect from 31 March 2025, is entitled to receive \$60,000 per annum. Mr Lekkas received director fees of \$240,000 for the years ended 31 December 2023 and 31 December 2024 which is inclusive of consultation fees received through Dalext Products Pty Ltd.
- 2 Mr Michael Davy was appointed as Non-Executive Chairman on 15 July 2025 and is entitled to receive \$60,000 per annum.
- 3 Mr Leslie Pereira was appointed as Non-Executive Director on 4 September 2025 and is entitled to receive \$60,000 per annum.

Further information relating to the remuneration of Directors can be found in the Company's annual financial report for the financial year ended 31 December 2024, which was announced to ASX on 26 March 2025.

**Securities**

The securities in which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below:

| Director                    | Shares     | Options | Performance Rights |
|-----------------------------|------------|---------|--------------------|
| Athan Lekkas <sup>1</sup>   | 66,666,666 | -       | 25,000,000         |
| Michael Davy <sup>2</sup>   | -          | -       | 25,000,000         |
| Leslie Pereira <sup>3</sup> | 31,050,000 | -       | 25,000,000         |

**Notes:**

- 1 Comprising:
  - (a) 66,666,666 Shares held indirectly by Berlurly Mingin Pty Ltd (an entity associated with Mr Lekkas); and
  - (b) 25,000,000 Performance Rights (subject to various vesting conditions) held indirectly by Berlurly Mingin Pty Ltd (an entity associated with Mr Lekkas).

Mr Lekkas (and/or his nominee/s) will be entitled to receive up to 30,000,000 Director Options pursuant to the Director Options Offer.
- 2 25,000,000 Performance Rights (subject to various vesting conditions) held indirectly by Davy Corp Pty Ltd <Davy Investment A/C> (and entity associated with Mr Davy).
- 3 Comprising:
  - (a) 31,050,000 Shares held indirectly by Carmine Lion Group Pty Ltd (an entity associated with Mr Pereira); and

Mr Davy (and/or his nominee/s) will be entitled to receive up to 30,000,000 Director Options pursuant to the Director Options Offer.



- (b) 25,000,000 Performance Rights (subject to various vesting conditions) held indirectly by Nannook Holdings Pty Ltd (an entity associated with Mr Pereira).

Mr Pereira (and/or his nominee/s) will be entitled to receive up to 30,000,000 Director Options pursuant to the Director Options Offer.

## **5.7 Related Party Transactions**

There are no related party transactions entered into in respect of the Offers that have not otherwise been disclosed in this Prospectus.

## **5.8 Interests of experts and advisors**

Other than as set out below or elsewhere in this Prospectus, no underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or has held within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any underwriter, promoter or any other person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, for services rendered by that person in connection with the formation or promotion of the Company or the Offers.

Nova Legal has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Nova Legal approximately \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Nova Legal has received fees totalling approximately \$32,560 (including GST and disbursements) for services provided to the Company.

## **5.9 Consents**

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Nova Legal has given its written consent to being named as solicitors to the Company in this Prospectus. Nova Legal has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

## **5.10 Estimated Expenses of the Offers**

The estimated expenses of the Offers (excluding GST) are as follows:

| Item          | Amount (\$)     |
|---------------|-----------------|
| ASX fees      | \$26,163        |
| ASIC fees     | \$3,206         |
| Legal fees    | \$10,000        |
| Miscellaneous | \$5,000         |
| <b>Total</b>  | <b>\$44,369</b> |

### 5.11 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

## 6. DIRECTOR'S CONSENT

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This Prospectus is dated 13 January 2026 and is issued by Magnum Mining and Exploration Limited.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Magnum Mining and Exploration Limited has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of Magnum Mining and Exploration Limited:



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**Mr Athan Lekkas**  
**Non-Executive Director**  
**Magnum Mining and Exploration Limited**

## 7. DEFINITIONS

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**Applicant** means an investor who applies for Securities pursuant to the Offers.

**Application Form** means an application form attached to or accompanying this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) operating as the Australian Securities Exchange.

**AWST** means Australian Western Standard Time, being Perth, Western Australia.

**Board** means the board of Directors.

**Broker Options** means the 12,750,000 Options (exercisable at \$0.015 and expiring three (3) years from the date of issue) offered pursuant to the Broker Options Offer, on the terms and conditions set out in Section 4.2.

**Broker Options Offer** has the meaning given to it in Section 1.2(c).

**Brokers** means various brokers who assisted in the Chairman's list under the Placement.

**Business Day** means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

**CHESS** means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

**Closing Date** has the meaning given in Section 1.5.

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

**Constitution** means the Company's Constitution as at the date of this Prospectus.

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

**Cth** means the Commonwealth of Australia.

**Director** means a director of the Company as at the date of this Prospectus.

**Director Options** means the 90,000,000 Options (exercisable at \$0.015 and expiring three (3) years from the date of issue) offered pursuant to the Director Options Offer, on the terms and conditions set out in Section 4.2.

**Director Options Offer** has the meaning given to it in Section 1.2(d).

**Dollars** or **\$** means dollars in Australian currency.

**GST** means goods and service tax levied in Australia pursuant to *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Joint Lead Manager Options** means the 90,000,000 Options (exercisable at \$0.015 and expiring three (3) years from the date of issue) offered pursuant to the Joint Lead Manager Options Offer, on the terms and conditions set out in Section 4.2.

**Joint Lead Manager Options Offer** has the meaning given to it in Section 1.2(b).

**Joint Lead Managers** means CPS Capital Group Pty Ltd and Alpine Capital Pty Ltd.

**Listing Rules** means the Listing Rules of the ASX.

**New Options** means the Options offered pursuant to the Offers, on the terms and conditions set out in Section 4.2.

**Offers** means the offers of New Options pursuant to this Prospectus.

**Official List** means the official list of ASX.

**Opening Date** has the meaning given to it in Section 1.5.

**Placement** has the meaning given to it in Section 1.1.

**Placement Options** means the 437,500,000 Options (exercisable at \$0.015 and expiring three (3) years from the date of issue) offered pursuant to the Placement Options Offer, on the terms and conditions set out in Section 4.2.

**Placement Options Offer** has the meaning given to it in Section 1.2(a).

**Placement Participants** has the meaning given to it in Section 1.1.

**Placement Shares** has the meaning given to it in Section 1.1.

**Prospectus** means this prospectus dated 13 January 2026.

**Quotation** and **Official Quotation** means official quotation on ASX.

**Securities** means Shares and/or Options.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the holder of a Share as recorded in the register of the Company.

**Share Registry** means the share registry of the Company as specified in the corporate directory of this Prospectus.