
**MAGNUM MINING &
EXPLORATION LIMITED
ACN 003 170 376
NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 9.00 am (WST)

DATE: 11 January 2021

PLACE: Suite 2 Churchill Court, 234 Churchill Ave, Subiaco, WA, 6008

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 9.00 am (WST) on 9 January 2021.

BUSINESS OF THE MEETING

AGENDA

Resolutions 3 and 4 are interdependent. If either of Resolutions 3 and 4 is not passed then Resolutions 3 and 4 will be taken to have not been passed.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE - LISTING RULE 7.1 – PLACEMENT OF SHARES AND OPTIONS ON 14 JULY 2020

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

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,333,330 Shares and 8,333,330 Options on 14 July 2020 on the terms and conditions set out in the Explanatory Statement”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the Placement or an associate of such a person.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – LISTING RULE 7.1 – TRANCHE 1 WORKING CAPITAL PLACEMENT OF SHARES ON 12 OCTOBER 2020

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,333,332 Shares on 13 October 2020 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the Placement or an associate of such a person.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
 - (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
 - (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
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3. RESOLUTION 3 – APPROVAL TO ISSUE SHARES –BUENA VISTA ACQUISITION

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 25,000,000 Shares to the shareholders of Nevada Iron Holdings Pty Ltd, the vendors of the Buena Vista Project on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in the issue, or is a counterparty to the agreement being approved (namely shareholders of Nevada Iron Holdings Pty Ltd) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
 - (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
 - (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
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4. RESOLUTION 4 – APPROVAL TO ISSUE SHARES – TRANCHE 2 BUENA VISTA PLACEMENT OF SHARES

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue to up to 25,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE - LISTING RULE 7.1 CONSULTANT MARAIS SHARES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,500,000 Shares on 7 December 2020 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the Placement or an associate of such a person.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 6 – ISSUE OF OPTIONS TO A RELATED PARTY – MR HOWARD DAWSON

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 6,500,000 Options to Mr Howard Dawson (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Howard Dawson (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 6 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- a. the proxy is the Chair; and
- b. the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY – MR GRANT BUTTON

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 6,500,000 Options to Mr Grant Button (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Grant Button (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 7 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- a. the proxy is the Chair; and
- b. the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. **RESOLUTION 8 – ISSUE OF OPTIONS TO A RELATED PARTY – MR SIMON BALDWIN**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 16,000,000 Options to Mr Simon Baldwin (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Simon Baldwin (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (**Resolution 8 Excluded Party**). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 8 Excluded Party.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and

the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:

- a. the proxy is the Chair; and
- b. the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 – THE COMPANY BE AUTHORISED TO ALLOT AND ISSUE UP TO 50,000,000 FULLY PAID ORDINARY SHARES

That, pursuant to and in accordance with Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, the Company be authorised to allot and issue up to 50,000,000 fully paid ordinary shares in the capital of the Company to the persons on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Dated: 7 December
2020 By order of the
Board**

**Grant Button
Company Secretary**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6280 0245.

EXPLANATORY MEMORANDUM
MAGNUM MINING AND EXPLORATION LIMITED
70 003 170 376

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO RESOLUTIONS

Introduction

There are 6 categories of resolutions in this Notice of Meeting, which are:

- Refresh of Placement Capacity from Prior Issue of Shares and Listed Options, and
- Approve the Placement of Shares to satisfy the terms of the acquisition of the Buena Vista Iron Ore Project, and
- Approve the issue of Tranche 2 Buena Vista Placement Shares to provide working capital, and
- Approve the issue of Shares to a consultant of the Company in lieu of fees, and
- Approve the Issue of Options to Directors and proposed Directors, and
- Approve the potential issue of up to 50,000,000 Shares to provide additional working capital

On 14 July 2020 the Company announced a placement of 8,333,330 Shares at an issue price of \$0.03 per Share (**Placement Shares**) with one free attaching Listed Option for every Share exercisable at \$0.05 per share expiring on 30 September 2022 (**Placement Options**).

The Placement was issued to sophisticated investors in Australia, none of whom are related parties of the Company. The Placement was undertaken using its placement capacity under Listing Rule 7.1. Resolution 1 seeks Shareholder ratification of this prior issue of Placement Shares and Options.

As announced on 9 October 2020, the Company has entered into an agreement for the conditional acquisition of the Buena Vista Iron Ore Project (**Buena Vista Project**) from Nevada Iron Holdings Pty Ltd (**Nevada Iron**). Upon entering into the Buena Vista Project Acquisition, the Company paid a non-refundable due diligence fee of \$25,000 to Nevada Iron to allow the Company to undertake due diligence activities for a period of 60 days from the signing of the agreement and for the provision of all Buena Vista Project data.

Co-incident with this announcement the Company announced that it had received commitments for the issue of 33,333,333 Shares at an issue price of \$0.03 (**Buena Vista Placement**). This Buena Vista Placement was to be issued in two tranches – Tranche 1 being 8,333,333 Shares and Tranche 2 being 25,000,000 Shares. The Tranche 1 Shares were issued to sophisticated investors in Australia on 9 October 2020, none of whom are related parties of the Company. The Tranche 1 of the Buena Vista Placement was undertaken using the Company's placement capacity under Listing Rule 7.1.

Resolution 2 seeks Shareholder ratification for the prior issue of the Tranche 1 Buena Vista Placement Shares.

Subject to a successful completion of the due diligence activities, the Company is obligated under the terms of the acquisition of the Buena Vista Project to issue to Nevada Iron shareholders, the vendors of the Buena Vista project, 25,000,000 Shares. Pursuant to Resolution 3 the Company is consequently seeking shareholder approval for the issue of these 25 million shares to the shareholders of Nevada Iron under the terms of the Buena Vista Project acquisition. Should shareholder approval be received for Resolution 3, then the Company will also pay the sum of \$225,000 to the shareholders of Nevada Iron to complete the initial payment for the Buena Vista Project Acquisition.

Should the Buena Vista Acquisition due diligence be unsuccessful, then the Company will withdraw resolutions 3 and 4 from the Shareholder meeting.

The Tranche 2 Buena Vista Placement Shares will be issued to sophisticated investors none of whom are related parties of the Company.

Resolution 4 seeks Shareholder approval for the issue of the Tranche 2 Buena Vista Placement Shares.

On 7 December 2020 the Company issued 3,500,000 Shares (**Marais Shares**) to Mr Wes Marias, a project consultant in South Africa, in lieu of consulting fees using its placement capacity under Listing Rule 7.1. The Shares issued to Mr Marais were in lieu of consulting services provided for the Gravelotte emerald project since 1 March 2019 until 31 July 2020 in the amount of \$150,000.

Mr Marais is not a related party of the Company and the issue of Shares was undertaken using the Company's placement capacity under Listing Rule 7.1

Resolution 5 seeks Shareholder ratification for this prior issue of Shares.

Resolutions 6 and 7 relate to the issue of Options to Directors of the Company and Resolution 8 relates to the issue of Options to a proposed Director, Mr Simon Baldwin. It is intended that Mr Baldwin will join the Board of Directors of the Company on successful completion of due diligence and shareholder approval for the issue of the Buena Vista Acquisition Shares under Resolution 3.

Should the due diligence activities be unsuccessful, or Resolution 3 is not approved by Shareholders, then Mr Simon Baldwin may choose not to be nominated to the Board of Directors.

ASX Listing Rule 10.11 limits a company's ability to issue securities to a related party of the Company without shareholder approval. Mr Dawson and Mr Button are both directors of the Company and are therefore considered to be related parties of the Company for the purposes of the ASX Listing Rules. Mr Baldwin will be appointed to the Board upon successful completion of the Buena Vista due diligence activities, and accordingly he is considered to be a related party of the Company for the purposes of the ASX Listing Rules.

Pursuant to Listing Rule 10.11, the Company is seeking Shareholder approval for the issue of Options to Mr Dawson, Mr Button and Mr Baldwin in Resolutions 6, 7 and 8.

1.1 Buena Vista Acquisition

As announced on 9 October 2020, the Company has entered into a Sale and Purchase Agreement (**SPA**) with the shareholders of Nevada Iron Holdings Pty Ltd (**Nevada Iron**) for the proposed acquisition (**Buena Vista Acquisition**) of 100% of the Buena Vista Iron Ore Project (**Buena Vista Iron Ore Project**). A summary of the

Buena Vista Iron Ore Project is set out in the Company's announcement of 9 October 2020.

The consideration payable by the Company for the acquisition of the Buena Vista Iron Ore project is set out below:

Milestone	Cash Payment	Shares ³
Execution of SPA	\$25,000	N/A
Successful completion of due diligence and Shareholder approval under Resolution 3 being the Completion Date	\$225,000	25,000,000 ¹
Payments of \$100,000 on each six month anniversary of the Completion Date to a cumulative total of \$500,000	\$500,000	N/A
Completion of a Definitive Feasibility Study		\$500,000 ²
Project Finance received		\$1,500,000 ³
Completion of commissioning of production		\$1,000,000 ⁴
Receipt of first payment for concentrate produced	Cash or shares ⁵	\$500,000 ⁵
Delivery of the three millionth tonne of concentrate	Cash or shares ⁶	\$1,000,000 ⁶
Delivery of the five millionth tonne of concentrate	Cash or shares ⁶	\$1,000,000 ⁶

Notes:

- Shares to the value of \$750,000 at a deemed issue price of \$0.03 per Share.
- Shares to the value of \$500,000 with the issue price per Share equal to the volume weighted average price of Magnum Shares over the 15 trading days prior to the completion date of the Definitive Feasibility Study and its announcement to ASX.
- Shares to the value of \$1,500,000 with the issue price per Share equal to the volume weighted average price of Magnum Shares over the 45 trading days prior to the receipt of unconditional offers for the total amount of finance required to develop the project.
- Shares to the value of \$1,000,000 with the issue price per Share equal to the volume weighted average price of Magnum Shares over the 15 days prior to the completion of commissioning of the Project.
- Cash or Shares to value of \$500,000 at the election of the Seller. The issue price per Share, if the seller elects to take Shares, will be determined by the volume weighted average price of Magnum Shares over the 15 trading days prior to the date at which the Company is in receipt of the first payment from the sale of concentrate from the Project.
- Cash or Shares to value of \$1,000,000 at the election of the Seller. The issue price per Share, if at the seller elects to take Shares, will be determined by the volume weighted average price of Magnum Shares over the 15 trading days prior to the date at which the Company has delivered the three millionth tonne of concentrate from the Project.
- Cash or Shares to value of \$1,000,000 at the election of the Seller. The issue price per Share, if at the seller elects to take Shares, will be determined by the volume weighted average price of Magnum Shares over the 15 trading days prior to the date at which the Company has delivered the five millionth tonne of concentrate from the Project.

The Company is seeking Shareholder approval for the issue of Shares to the seller as consideration for the Buena Vista Acquisition initial payment of 25 million Shares under Resolution 3. A summary of the material terms and conditions of the HOA is set out in Schedule 2.

1.2 Indicative Capital Structure on Completion of Transactions

Capital	Shares	% of Total Shares on issue	Options
Current Shares on Issue	321,265,480	85.70%	109,839,603
Buena Vista Acquisition ¹	25,000,000	6.68%	-
Tranche 2 Placement	25,000,000	6.68%	-
Marias Consultant Issue	3,500,000	0.94%	-
Directors Issue	-	-	29,000,000
TOTAL	374,765,480	100.0%	138,839,603

Notes:

1. The Buena Vista Acquisition Consideration is based on A\$750,000 worth of Shares at an issue price of \$0.03 as set out in Resolution 3. Future payments for the Buena Vista consideration will be dependent on successful satisfaction of milestone events which may or may not occur. In addition, various milestone payments can be made in part or full, in Shares or cash, at the election of the Seller.

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1 – JULY PLACEMENT

2.1 General

On 14 July 2020 the Company announced a placement of 8,333,330 Shares at an issue price of \$0.03 per Share with one free attaching Listed Option for every Share exercisable at \$0.05 per share expiring on 30 September 2022.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The July Placement equity securities were issued within the 15% placement capacity pursuant to ASX Listing Rule 7.1.

Pursuant to Listing Rule 7.4, Shareholder approval can be obtained for an issue of equity securities after the event for the purposes of ASX Listing Rule 7.1. This has the effect of ‘refreshing’ the Company’s ability to issue equity securities within the 15% placement capacity without requiring Shareholder approval.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the July Placement equity securities to ‘refresh’ the Company’s 15% placement capacity so that it would be the same as if the July Placement equity securities had not been issued.

As advised in the ASX announcement dated 14 July 2020, the proceeds raised were used to advance the processing testing and ongoing development activities at Gravelotte, and assist with corporate and administrative expenses.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the July Placement equity securities.

2.2 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the July Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rules 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the July Placement Shares.

If Resolution 1 is not passed, the July Placement Shares will be included in calculating the Company's 15% limit in Listing Rules 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the July Placement Consideration Shares.

2.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

The number of securities issued	a) 8,333,330 Placement Shares b) 8,333,330 Placement Options
The price at which the securities were issued	a) Placement Shares: \$0.03 per Share b) Placement Options: Nil
The terms of the securities	a) Placement Shares Fully paid ordinary shares in the capital of the Company which ranked, from the date of their issue, equally with all existing issued shares. b) Placement Options The terms as set out in Schedule 5
The names of the persons to whom the equity securities were issued	Certain sophisticated investors known to the Company These investors were selected on the basis of being an existing shareholder, being known to the Company or having indicated strong support for the Company's projects, in particular Gravelotte. None of these investors are related parties to the Company.
The intended use of the funds raised	The proceeds raised were used to advance the processing testing and ongoing development activities at Gravelotte, and assist with corporate and administrative expenses.

Voting Exclusion

A voting exclusion statement is included under Resolution 1 in this notice of Meeting.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

3. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES – LISTING RULE 7.1 - TRANCHE 1 WORKING CAPITAL PLACEMENT

3.1 General

On 13 October 2020, the Company issued 8,333,332 Shares at an issue price of \$0.03 per Share to raise \$250,000 (**Tranche 1 Placement Shares**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The Tranche 1 Placement equity securities were issued within the 15% placement capacity pursuant to ASX Listing Rule 7.1.

Pursuant to Listing Rule 7.4, Shareholder approval can be obtained for an issue of equity securities after the event for the purposes of ASX Listing Rule 7.1. This has the effect of ‘refreshing’ the Company’s ability to issue equity securities within the 15% placement capacity without requiring Shareholder approval.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement equity securities to ‘refresh’ the Company’s 15% placement capacity so that it would be the same as if the Tranche 1 Placement equity securities had not been issued.

As advised in the ASX announcement dated 9 October 2020, the proceeds raised will be used to fund the update of the Buena Vista feasibility study, continue ongoing pre-development activities at Gravelotte and provide general working capital.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement equity securities.

3.2 Technical information required by Listing Rules 14.1A

If Resolution 2 is passed, the Tranche 1 Placement Shares will be excluded in calculating the Company’s 15% limit in Listing Rules 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the July Placement Shares.

If Resolution 2 is not passed, the Tranche 1 Placement Shares will be included in calculating the Company’s 15% limit in Listing Rules 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Consideration Shares.

3.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 2:

The number of securities issued	8,333,332 Placement Shares
The price at which the securities were issued	\$0.03 per Share
The terms of the securities	Fully paid ordinary shares in the capital of the Company which ranked, from the date of their issue, equally with all existing issued shares.
The names of the persons to whom the equity securities were issued	Certain sophisticated investors known to the Company. These investors were selected on the basis of being an existing shareholder, being known to the Company or having indicated strong support for the Company's projects, in particular the potential acquisition of Buena Vista. None of these investors are related parties to the Company.
The intended use of the funds raised	The proceeds raised will be used to fund the update of the Buena Vista feasibility study, continue ongoing pre-development activities at Gravelotte and provide general working capital.

Voting Exclusion

A voting exclusion statement is included under Resolution 2 in this notice of Meeting.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2 and The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL TO ISSUE SHARES –BUENA VISTA ACQUISITION

4.1 General

The Company has entered into the Sale and Purchase Agreement (**SPA**) for the Buena Vista Acquisition, the material terms of which are summarised in Schedule 2. A summary of the consideration payable under the SPA, together with the milestones applicable to such consideration, is set out in Section 1.1.

Pursuant to the acquisition, the Company has agreed, subject to Shareholder approval, to issue 25,000,000 Shares under the terms of the Buena Vista Acquisition SPA.(refer to Section 1.1 above for further details.)

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The terms of the Buena Vista Acquisition SPA sets out that the proposed issue of the Buena Vista acquisition Shares shall be subject to Shareholder approval. The proposed issue of the Buena Vista acquisition Shares does exceeds the 15% limit in Listing Rule 7.1.

4.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Buena Vista Acquisition Shares. In addition, the issue of the Buena Vista Acquisition Shares will be excluded from the calculation of the number of equity

securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Buena Vista Acquisition Shares.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Buena Vista Acquisition Shares.

4.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Buena Vista Acquisition Shares will be issued to the shareholders of Nevada Iron Holdings Pty Ltd, none of whom are a related party of the Company;
- (b) the number of Buena Vista Acquisition Shares to be issued is 25,000,000 Shares (being Shares to the value of \$750,000 at a deemed issue price of \$0.03 per Share). The Buena Vista Acquisition Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Buena Vista Acquisition Shares will be issued within 30 days from the date of approval and completion of a successful due diligence;
- (d) the Buena Vista Acquisition Shares will be issued at an issue price of \$0.03;
- (e) the purpose of the issue of the Buena Vista Acquisition Shares is to satisfy the Company's obligations for the Buena Vista Acquisition;
- (f) the Buena Vista Acquisition Shares are being issued to the shareholders of Nevada Iron under the SPA. A summary of the material terms of the SPA is set out in Schedule 2;
- (g) the Buena Vista Acquisition Shares are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement is included in Resolution 3 of the Notice.

4.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3:

The number of securities issued	25,000,000 Placement Shares
The price at which the securities were issued	\$0.03 per Share
The terms of the securities	Fully paid ordinary shares in the capital of the Company which ranked, from the date of their issue, equally with all existing issued shares.
The names of the persons to whom the equity securities were issued	Shareholders of Nevada Iron Pty Ltd, the vendor of the Buena Vista Project None of these shareholders are related parties to the Company.
The intended use of the funds raised	No funds are being raised from the issue of these Shares

Voting Exclusion

A voting exclusion statement is included under Resolution 3 in this notice of Meeting.

Directors' Recommendation

If Resolution 3 is not approved the Company will not be able to proceed with the Buena Vista Project acquisition. Resolution 3 will not be presented at the General Meeting unless the due diligence over the Buena Vista Project has been successful and the Directors have approved the Buena Vista Project Acquisition.

The Directors Unanimously Recommend that Shareholders vote in favour of Resolution 3 and the Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL TO ISSUE SHARES AND OPTIONS – TRANCHE 2 PLACEMENT

5.1 General

The Company is proposing to issue up to 25,000,000 Shares, at an issue price of \$0.03 per Share to raise up to \$750,000 (**Tranche 2 Placement**).

Broadly speaking and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that 12 month period.

As advised in the ASX announcement dated 9 October 2020, the proceeds raised will be used to fund the update of the Buena Vista feasibility study, continue ongoing pre-development activities at Gravelotte and provide general working capital.

5.2 Technical information required by Listing Rule 14.1A

The proposed issue of Shares under the Tranche 2 Placement does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. The Company is therefore asking Shareholders to approve the issue of the Tranche 2 Placement Shares under Listing Rule 7.1 so that it does not use up any of the 15% limit on equity securities without Shareholder approval set out in Listing Rule 7.1

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue of the Tranche 2 Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not issue the Tranche 2 Placement Shares. In that event, the Company will not be able to proceed with the Buena Vista Project acquisition unless an alternate funding source is secured.

Resolutions 3 and 4 are interdependent which means both must be approved for either to be effective.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

5.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) The Tranche 2 Placement Shares will be issued to professional and sophisticated investors;
- (b) The maximum number of Shares to be issued is 25,000,000. The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares ;
- (c) The Placement Shares will be issued no later than 3 months after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Placement Shares will occur on the same date;
- (d) The issue price of the Tranche 2 Placement Shares will be \$0.03 per Tranche 2 Placement Share. The Company will receive before costs \$750,000 from the Issue of the Tranche 2 Placement Shares;
- (e) The purpose of the issue of the Tranche 2 Placement Shares is to raise up to \$750,000. The Company intends to apply the funds towards the update of the Buena Vista feasibility study, continue ongoing pre-development activities at Gravelotte and to provide general working capital;
- (f) The Tranche 2 Placement Shares are not being issued under an agreement
- (g) The Tranche 2 Placement Shares are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement is included in Resolution 4 of the Notice.

5.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

The number of securities issued	25,000,000 Placement Shares
The price at which the securities were issued	\$0.03 per Share
The terms of the securities	Fully paid ordinary shares in the capital of the Company which ranked, from the date of their issue, equally with all existing issued shares.
The names of the persons to whom the equity securities were issued	Certain sophisticated investors known to the Company. These investors were selected on the basis of being an existing shareholder, being known to the Company or having indicated strong support for the Company's projects, in particular the potential acquisition of Buena Vista. None of these investors are related parties to the Company.
The intended use of the funds raised	The proceeds raised will be used to fund the update of the Buena Vista feasibility study, continue ongoing pre-development activities at Gravelotte and provide general working capital.

Voting Exclusion

A voting exclusion statement is included under Resolution 4 in this notice of Meeting.

Directors' Recommendation

The Directors Unanimously Recommend that Shareholders vote in favour of Resolution 4 and the Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 4.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE –LISTING RULE 7.1- ISSUE OF SHARES TO CONSULTANT MARAIS

6.1 General

On 7 December 2020 the Company issued 3,500,000 Shares (**Marais Shares**) to Mr Wes Marias, a consultant to the Company based in South Africa, in lieu of consulting fees using its placement capacity under Listing Rule 7.1 The Shares issued to Mr Marais were in lieu of consulting services provided since 1 March 2019 until 31 July 2020 in the amount of \$150,000.

Mr Marais is not a related party of the Company and the issue of Shares was undertaken using its placement capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The Marais Shares were issued within the 15% placement capacity pursuant to ASX Listing Rule 7.1.

Pursuant to Listing Rule 7.4, Shareholder approval can be obtained for an issue of equity securities after the event for the purposes of ASX Listing Rule 7.1. This has the effect of 'refreshing' the Company's ability to issue equity securities within the 15% placement capacity without requiring Shareholder approval.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Marais Shares to 'refresh' the Company's 15% placement capacity so that it would be the same as if the issue of the Marais equity securities, had not been issued.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Marais Shares.

6.2 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Marais Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Marais Shares

If Resolution 5 is not passed, the Marais Shares will be included in calculating the Company's 15% limit in Listing Rules 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Marais Shares.

6.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 3:

The number of securities issued	3,500,000 Shares
The price at which the securities were issued	Placement Shares: \$0.043 per Share
The terms of the securities	Fully paid ordinary shares in the capital of the Company which ranked, from the date of their issue, equally with all existing issued shares.
The names of the persons to whom the equity securities were issued	Mr Wessel Marais, a South African consultant providing consulting services to the Gravelotte project.
The intended use of the funds raised	The Shares issued are full and final compensation for consulting services provided by Mr Marais for the Gravelotte project, from 1 March 2019 to 31 July 2020.

Voting Exclusion

A voting exclusion statement is included under Resolution 5 in this notice of Meeting.

Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 5.

7. RESOLUTIONS 6 TO 8 – ISSUE OF OPTIONS TO RELATED PARTIES

7.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to a aggregate of 29,000,000 unquoted Related Party Options (**Related Party Options**) to each of, Howard Dawson, Grant Button and Simon Baldwin (or their nominees) (**Related Parties**) as follows:

Related Party	Related Party Options
Howard Dawson	6,500,000
Grant Button	6,500,000
Simon Baldwin	16,000,000
TOTAL	29,000,000

As at the date of this Notice of Meeting Howard Dawson and Grant Button are Directors of the Company.

The Directors of the Company have taken minimal fees over the past 18 months and for calendar year to date have taken nil fees nor accrued any fees.

Mr Baldwin is currently consulting to the Company at a monthly fee considerably discounted to his usual consultancy rate.

The Company has both significant challenges and opportunities moving forward and the Related Party Options will provide an opportunity for the Related Parties to be aligned

with Shareholders as they seek to create growth in the Company's share price and hence Shareholder create value.

The Related Party Options will not be listed, will have a life of three years and a range of strike prices – see Schedule 3 for a breakdown of the options and a Black Scholes valuation and Schedule 4 for the terms and conditions.

Resolutions 6 to 8 (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 and Section 208 of the Corporations Act for the issue of up to for the issue of up to 29,000,000 Related Party Options to the Related Parties or their respective nominees.

The effect of Resolutions 6 to 8 (inclusive) will be to allow the Company to proceed to issue the Related Party Options to the Related Parties, or their respective nominees.

If Resolutions 6 to 8 (inclusive) are not passed, the Company will not be able to proceed to issue the Related Party Options to the Related Parties, or their respective nominees.

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Related Party Options to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director, or a proposed Director.

As the Related Party Options are proposed to be issued to a majority of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Related Party Options. Accordingly, Shareholder approval for the issue of Related Party Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

7.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;
or

10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Related Party Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 6 to 8 seek the required Shareholder approval for the issue of the Related Party Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

7.4 Technical information required by Listing Rule 14.1A

If Resolutions 6 to 8 are passed, the Company will be able to proceed with the issue of the Related Party Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Options (because approval is being obtained under Listing Rule 10.11), the issue of the Related Party Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 6 to 8 are not passed, the Company will not be able to proceed with the issue of the Related Party Options.

7.5 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 9 to 12:

(a) the Related Party Options will be issued to the following persons:

- (i) Howard Dawson (or his nominee) pursuant to Resolution 6;
- (ii) Grant Button (or his nominee) pursuant to Resolution 7;
- (iii) Simon Baldwin (or his nominee) pursuant to Resolution 8;

each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director, or a proposed Director;

(b) the maximum number of Related Party Options to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 29,000,000 comprising:

- (i) 6,500,000 Related Party Options to Howard Dawson (or his nominee) pursuant to Resolution 6;
- (ii) 6,500,000 Related Party Options to Grant Button (or his nominee) pursuant to Resolution 7;
- (iii) 16,000,000 Related Party Options Simon Baldwin (or his nominee) pursuant to Resolution 8; and

- (c) The Related Party Options will have a range of strike prices - \$0.03, \$0.05, \$0.10, \$0.20 and \$0.40. A breakdown of the number of Related Party Options proposed for each strike price and the number for each Related Party is set out under Schedule 3;
- (d) the terms and conditions of the Related Party Options are set out in Schedule 4;
- (e) the Related Party Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Related Party Options will occur on the same date;
- (f) the issue price of the Related Party Options will be nil. The Company will not receive any other consideration in respect of the issue of the Related Party Options (other than in respect of funds received on exercise of the Related Party Options);
- (g) the purpose of the issue of the Related Party Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way for the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (h) the Company has agreed to issue the Related Party Options to the Related Parties subject to Shareholder approval as it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options on the terms proposed.
- (i) the number of Related Party Options to be issued to each of the Related Parties has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Related Parties; and
 - (iii) incentives to attract and ensure continuity of service/retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.
- (j) the total remuneration package for each of the Related Parties for the previous financial year (12 months ending 31 December 2019), the current financial year (12 months ending 31 December 2020) and the proposed total remuneration package for 2021 financial year (12 months ending 31 December 2021) are set out below:

Related Party	CY (FY) 2019	CY (FY) 2020	CY (FY) 2021
Howard Dawson	\$18,333	\$10,000	\$50,000
Grant Button	\$36,667	\$10,000	\$50,000
Simon Baldwin	Nil	\$45,000	\$120,000

- (k) the value of the Related Party Options and the pricing methodology is set out in Schedule 3;
- (l) the Related Party Options are not being issued under an agreement;
- (m) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Options
Howard Dawson	nil	nil
Grant Button	2,940,000	900,000
Simon Baldwin	Nil	nil

Notes:

1. Fully paid ordinary shares in the capital of the Company.
2. Listed Options exercisable at \$0.05 and expiring 30 September 2022

- (n) if the Related Party Options issued to the Related Parties are exercised, a total of 29,000,000 Shares would be issued. This will increase the number of Shares on issue from 321,265,480 (being the total number of Shares on issue as at the date of this Notice) to 350,265,480 (assuming that no Shares are issued with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 8.4%, comprising 1.9% by Mr Howard Dawson, 1.9% by Mr Grant Button, and 4.6 % by Mr Simon Baldwin;

The market price for Shares during the term of the Related Party Options would normally determine whether the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

As at the date of this Notice, the Shares are trading on ASX at a price greater than the exercise price of the first tranche of the Related Party Options (\$0.03 – see Schedule 3). The Board had resolved to issue the Related Party Options, subject to Shareholder approval, on the terms and conditions set out in this Notice at a time when the Shares were trading on ASX at a price lower than the exercise price of the Related Party Options, but Shareholder approval has not been able to be obtained until this Meeting;

- (o) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.060	22 October 2020
Lowest	\$0.008	26, 27, 30, 31 March, 1, 2, 3, 6 April 2020
Last	0.045	11 November 2020

- (p) the majority of Directors have a material personal interest in the outcome of Resolutions 6 to 8 on the basis that a majority of the Directors (or their nominees) are to be issued Related Party Options should Resolutions 6 to 8 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 6 to 8 of this Notice;
- (q) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 6 to 8; and
- (r) a voting exclusion statement is included in Resolutions 6 to 8 of the Notice.

8. RESOLUTION 9 – THE COMPANY BE AUTHORISED TO ALLOT AND ISSUE UP TO 50,000,000 FULLY PAID SHARES

8.1 General

The effect of Resolution 9 will be to allow the Directors to issue up to 50,000,000 Shares during the period of 3 months after the Meeting (or a longer period if allowed by ASX). Up to a maximum of 50,000,000 Shares will be issued at an issue price of the greater of 4 cents or 80 % of the volume weighted average price (“VWAP”) for the preceding 5 days trading on ASX or at an agreed price being no less than 80% of the 5 day VWAP.”

All funds that are raised will be used to advance the Buena Vista feasibility study update, the potential development of the Gravelotte emerald project and working capital.

The work required to update the Buena Vista feasibility study includes updating mining, production and logistic costs including power, rail and port and incidental permitting.

The work required for the potential development of Gravelotte includes mine planning including pit design and preliminary scheduling, the pre-purchase or leasing of processing equipment including additional crushing capacity and sorting technology and the securing of final mining approvals.

8.2 ASX Listing Rule 7.1

Shareholder approval for the proposed issue of Shares is sought for the purposes of ASX Listing Rule 7.1.

Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 months period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number

of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The Shares proposed to be issued pursuant to Resolution 5 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

8.3 ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue pursuant to Resolution 9:

- (a) The maximum number of Shares to be issued pursuant to Resolution 9 is 50,000,000
- (b) The Shares will be issued within 3 months after the date of Meeting
- (c) The issue price of the Shares will be the greater of 4 cents or 80 % of the volume weighted average price ("VWAP") for the preceding 5 days trading on ASX or at an agreed price being no less than 80% of the 5 day VWAP
- (d) The names of the allottees are not known at the time of the preparation and disbursement of this Notice and the Company will not know the names of the allottees until such time as the issue of the Shares is carried out.
- (e) None of the allottees of the Shares will be Directors of the Company.
- (f) The terms of the Shares will be the same and equal to all of the other fully paid Shares of the Company that are currently on issue;
- (g) The funds will be used for the update of the feasibility study for Buena Vista and for ongoing development work at Gravelotte.

SCHEDULE 1 – KEY DEFINITIONS

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except Related Party Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of this Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement

and the Proxy Form.

Option means an option to acquire a Share.

Option holder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Schedule means a schedule to this Notice.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 2 – MATERIAL TERMS OF PROPOSED ACQUISITION OF BUENA VISTA PROJECT

- (a) \$25,000 payable to the Sellers and/or their nominees within 5 days of the Due Diligence Commencement Date; and
- (b) \$225,000 in cash and the issue of 25,000,000 shares in Magnum at a deemed issue price of \$0.03 per share to the Sellers and/or their nominees on completion of the due diligence and a decision by Magnum to proceed with the acquisition; and
- (c) On completion of a Definitive Feasibility Study, Magnum will issue to the Sellers and/or their nominees, shares in Magnum to the value of \$500,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum determined as the 15 trading days immediately prior to the completion date of the Definitive Feasibility Study and its announcement to ASX
- (d) On the receipt by Magnum of firm and unconditional offers for the total amount of finance required to develop Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares in Magnum to the value of \$1,500,000 with the issue price of the Magnum Shares equal to the 45 day VWAP of Magnum up to the date at which Magnum is in receipt of the unconditional offers for the total amount of finance required to develop Buena Vista; and
- (e) On the completion of the commissioning of the production facility at Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares in Magnum to the value of \$1,000,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum immediately up to the completion of the commissioning of production; and
- (f) On receipt by the Buyer of the first payment from the sale of concentrate from Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares and/or cash in Magnum (at the Sellers option) to the value of \$500,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum up to the date at which Magnum is in receipt of the first payment from the sale of concentrate from Buena Vista; and
- (g) On the delivery by Magnum of the three millionth tonne of concentrate from Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares and/or cash (at the Sellers option) in Magnum to the value of \$1,000,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum up to the date at which Magnum has delivered the three millionth tonne of concentrate from Buena Vista; and
- (h) On the delivery by Magnum of the five millionth tonne of concentrate from Buena Vista, Magnum will issue to the Sellers and/or their nominees, shares and/or cash (at the Sellers option) in Magnum to the value of \$1,000,000 with the issue price of the Magnum Shares equal to the 15 day VWAP of Magnum up to the date at which Magnum has delivered the five millionth tonne of concentrate from Buena Vista; and
- (i) Magnum will pay \$100,000 to the Sellers and/or their nominees on each six-month anniversary of the Completion Date to a cumulative total of \$500,000 in cash

SCHEDULE 3 – VALUATION OF INCENTIVE OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 6-8 (inclusive) have been valued according to the Black & Scholes valuation model on the following assumptions:

Related Party: Howard Dawson

Incentive Options Exercise Price	\$0.03	\$0.05	\$0.10	\$0.20	\$0.40
Assumed Share Price at grant date	\$0.045	\$0.045	\$0.045	\$0.045	\$0.045
Exercise Price Premium (discount) to market value	(\$0.015)	\$0.005	\$0.055	\$0.155	\$0.355
Life of Option	3 Years	3 Years	3 Years	3 Years	3 Years
Estimated Volatility	100%	100%	100%	100%	100%
Risk Free Rate	0.5%	0.5%	0.5%	0.5%	0.5%
Dividend Yield	0	0	0	0	0
Number of Options	5,000,000	-	500,000	500,000	500,000
Aggregate Value of Option	\$155,500	0	\$10,250	\$7,150	\$4,500

1. The valuation of the Incentive Options assumes that the exercise of an option does not affect the value of the underlying asset or share price
2. The Incentive Options are to be issued for nil cash consideration. The intrinsic value of each option is therefore the assumed share price on grant date and the Incentive Option exercise price

Related Party: Grant Button

Incentive Options Exercise Price	\$0.03	\$0.05	\$0.10	\$0.20	\$0.40
Assumed Share Price at grant date	\$0.045	\$0.045	\$0.045	\$0.045	\$0.045
Exercise Price Premium (discount) to market value	(\$0.015)	\$0.005	\$0.055	\$0.155	\$0.355
Life of Option	3 Years	3 Years	3 Years	3 Years	3 Years
Estimated Volatility	100%	100%	100%	100%	100%
Risk Free Rate	0.5%	0.5%	0.5%	0.5%	0.5%
Dividend Yield	0	0	0	0	0
Number of Options	5,000,000	-	500,000	500,000	500,000
Aggregate Value of Option	\$155,500	0	\$10,250	\$7,150	\$4,500

1. The valuation of the Incentive Options assumes that the exercise of an option does not affect the value of the underlying asset or share price
2. The Incentive Options are to be issued for nil cash consideration. The intrinsic value of each option is therefore the assumed share price on grant date and the Incentive Option exercise price

Related Party: Simon Baldwin

Incentive Options Exercise Price	\$0.03	\$0.05	\$0.10	\$0.20	\$0.40
Assumed Share Price at grant date	\$0.045	\$0.045	\$0.045	\$0.045	\$0.045
Exercise Price Premium (discount) to market value	(\$0.015)	\$0.005	\$0.055	\$0.155	\$0.355
Life of Option	3 Years	3 Years	3 Years	3 Years	3 Years
Estimated Volatility	100%	100%	100%	100%	100%
Risk Free Rate	0.5%	0.5%	0.5%	0.5%	0.5%
Dividend Yield	0	0	0	0	0
Number of Options	2,000,000	2,000,000	2,000,000	5,000,000	5,000,000
Aggregate Value of Option	\$62,600	\$53,600	\$41,000	\$71,500	\$45,000

1. The valuation of the Incentive Options assumes that the exercise of an option does not affect the value of the underlying asset or share price
2. The Incentive Options are to be issued for nil cash consideration. The intrinsic value of each option is therefore the assumed share price on grant date and the Incentive Option exercise price

SCHEDULE 4 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

(a) **Entitlement**

Each Related Party Option entitles the holder to subscribe for one Share upon exercise of the Related Party Option.

(b) **Exercise Price**

The exercise price of the Related Party Options are \$0.03, \$0.05, \$0.10, \$0.20 and \$0.40 (**Exercise price**).

(c) **Expiry Date**

Each Related Party Option will expire at 5:00 pm (WST) on 31 December 2023 (**Expiry Date**). A Related Party Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Related Party Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Related Party Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Related Party 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 Related Party Option being exercised in cleared funds (**Exercise Date**).

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

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Related Party 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 Related Party 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 Related Party 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 Related Party Option 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 Related Party issues**

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

(k) **Change in exercise price**

A Related Party Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Related Party Option can be exercised.

(l) **Transferability**

The Related Party Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Quotation**

The Company will not seek Official Quotation of the Related Party Options.

SCHEDULE 5 – TERMS AND CONDITIONS OF LISTED OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Related Party Option.

(b) **Exercise Price**

The exercise price of the Options is \$0.05 (**Exercise price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 September 2022 (**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**

Within 15 Business Days after the Exercise Date, the Company will:

- (iii) 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;
- (iv) 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 Related Party 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 an Option 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 Related Party issues**

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

(k) **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 Related Party Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Quotation**

The Options are listed on ASX.