



16 December 2021

Listings Compliance (Perth)  
Level 40, Central Park  
152-158 Street  
George's Terrace  
PERTH WA 6000

**Att: Ms Nicola Mullen**

Dear Ms Mullen

**Magnum Mining and Exploration Limited ('Magnum' or the 'Company'): Appendix 3Y – Change of Director's Interest Notice Query**

We refer to your letter to the writer dated 13 December 2021 (**Your Letter**).

Magnum responds as follows:

**1. Reason for late lodgment of Appendix 3Y:**

- In or around August 2021, the Managing Director of Magnum, Mr Dano Chan was given approval to purchase up to 2,000,000 ordinary shares on market, with a total 1,314,036 shares purchased by Mr Chan by 3 September 2021.
- The late lodgment of the Appendix 3Y was due to a failure to update the Company Secretary on the total final amount purchased by Mr Chan, which was caused due to an inadvertent error which is explained further in the paragraph below.
- The writer confirms that the purchase took place over several trades in late August 2021 and early September 2021 and Mr Chan did provide copies of all evidence of these trades except for one (referred to as the '**Missed Trade**'). Evidence of the Missed Trade was inadvertently not attached to the email sent by Mr Chan to the Company Secretary wherein Mr Chan confirmed the final amount of shares acquired. As such, the Appendix 3Y's issued in early September 2021 were finalised without reference to the total amount purchased by Mr Chan which was the sum of 1,314,036 shares as at 3 September 2021.
- As soon as this error was identified and brought to the writer's attention the latest Appendix 3Y was announced.

**2. What arrangements are in place between Magnum and its directors to ensure it complies with Listing Rule 3.19B to meet its disclosure requirements in compliance with Listing Rule 3.19A?**

- In accordance with the Company's Trading Policy, directors of Magnum are required to seek written clearance from the Company Secretary in order to trade in the Company's Securities whether in a 'Prohibited Period' as defined in the Trading Policy or at all. If written clearance is provided by the Company Secretary, any trading by that director must take place within the time specified by the Company Secretary.

**Magnum Mining & Exploration Ltd**

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- It is incumbent on the director to inform the Company Secretary of all trading in the Company's securities, in accordance with the written clearance, within 24 hours of that trade taking place so that the Company Secretary can disclose same to the ASX within 5 Business Days of the change in securities held by any director.

**3. If the current arrangements are inadequate or not being enforced, what additional steps does Magnum intend to take to ensure compliance with Listing Rule 3.19B?**

We write to confirm the following has and will be implemented to ensure that the necessary arrangements are in place to mitigate further Listing Rule breaches in respect of Listing Rule 3.19A.2 and Listing Rule 3.19B:

- **Board minutes:** the disclosure requirements for the above-mentioned listing rules will be an action item on board minutes which will be considered by the board at the next board meeting.
- **Director arrangements:** all arrangements with directors to be circulated to each respective director as a reminder for such directors to comply with their obligations in their arrangements with Magnum and in particular in compliance with Recommendation 1.3 in the Corporate Governance Principles and Recommendations 4th Edition.
- **Trading Policy:** update the policy to reflect in writing the 24-hour notification requirement and other general updates. Trading Policy to be recirculated to directors. To this end and once the policy is updated, it will be released on market.

**Ongoing Compliance with Listing Rules**

In light of the above, Magnum also intends to review its compliance arrangements and policies to ensure that there are no breaches of the Listing Rules moving forward. To this end, Magnum will continue to review and revise such arrangements where required.

Should you have further questions, please do not hesitate to contact the writer.

Yours faithfully  
Magnum Mining and Exploration Limited



John Dinan  
Company Secretary



13 December 2021

Mr John Dinan  
Company Secretary  
Magnum Mining and Exploration Limited

By email: john@squarefinancial.com.au

Dear Mr Dinan

**Magnum Mining and Exploration Limited ('MGU'): Appendix 3Y – Change of Director's Interest Notice Query**

ASX refers to the following:

1. MGU's Appendix 3Y lodged on the ASX Market Announcements Platform ('MAP') on 13 December 2021 for Mr Dano Chan (the 'Notice');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:

**3.19A.1** *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

*The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.*

**3.19A.2** *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*

**3.19A.3** *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*

3. Listing rule 3.19B which states that:

*'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'*

The Notice indicates that a change in Mr Chan's notifiable interest occurred on 3 September 2021. It appears that the Notice should have been lodged with ASX by 10 September 2021. Consequently, MGU may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Chan may have breached section 205G of the *Corporations Act 2001* (Cth).

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## Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does MGU have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does MGU intend to take to ensure compliance with Listing Rule 3.19B?

## When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12:00 PM AWST Thursday, 16 December 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MGU's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require MGU to request a trading halt immediately.

Your response should be sent to me by e-mail at [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

## Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in MGU's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in *Guidance Note 16 Trading Halts & Voluntary Suspensions*.

## Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in MGU's securities under Listing Rule 17.3.

## Listing Rules 3.1 and 3.1A

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In responding to this letter, you should have regard to MGU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that MGU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

**Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

**Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Nicola Mullen**  
Adviser, Listings Compliance (Perth)