



7 May 2021

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

ISSUE OF UNQUOTED OPTIONS

Magnum Mining and Exploration Limited (**Company**) wishes to advise that further to the Company's placement announcement dated 6 May 2021 (**Placement Announcement**), the Appendix 3B dated 6 May 2021, the Company is proposing to issue 15,000,000 unlisted options (each with an exercise price of \$0.20 per option and expiring on 19 April 2024) (**Lead Manager Options**) to Shape Capital Pty Ltd on the terms and conditions set out in the Placement Announcement.

The Company advises that the Lead Manager Options will be issued as follows:

- (a) 6,000,000 Lead Manager Options will be issued to Shape Capital Pty Ltd utilising the Company's capacity under Listing Rule 7.1 in accordance with the Appendix 3B dated 6 May 2021; and
- (b) 9,000,000 Lead Manager Options will be issued to Shape Capital Pty Ltd subject to future shareholder approval being obtained for the issue, as disclosed in the Appendix 3B dated 6 May 2021.

The terms and conditions of the Lead Manager Options are set out in the Schedule to this announcement.

Following the issue of the Lead Manager Options, the Company has the following securities on issue:

Number	Class Description
465,275,482	Fully paid ordinary shares (ASX: MGU)
159,829,606	Listed Options, exercise price \$0.05, expiry date 30 September 2022 (ASX: MGUO)
28,500,000	Unlisted Options, exercise price various, expiry date various
38,000,000	Unlisted Options, exercise price \$0.20 expiry date 19 April 2024

Magnum Mining & Exploration Ltd

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This document was authorised for release by the Company Secretary of the Issuer, Mr John Dinan.

Yours faithfully
Magnum Mining and Exploration Limited

A handwritten signature in black ink, appearing to be 'JD', written in a cursive style.

John Dinan
Company Secretary

7 May 2021

SCHEDULE

TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

The exercise price of the Options is \$0.20 (**Exercise price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 19 April 2024 (**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:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of

Shares issued pursuant to the exercise of the Options.

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a 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 issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in 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 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 Company will not seek Official Quotation of the Options.