

MAGNUM MINING AND EXPLORATION LIMITED

ABN 70 003 170 376

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

Date of Meeting: 18 May 2017
Time of Meeting: 11.00am (AWST)
Place of Meeting: Metro Hotel Perth
61 Canning Highway
South Perth WA 6151

This document is important and requires your immediate attention. This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

NOTICE OF ANNUAL GENERAL MEETING
MAGNUM MINING AND EXPLORATION LIMITED
ABN 70 003 170 376

Notice is hereby given that the Annual General Meeting of Shareholders of Magnum Mining and Exploration Limited (**Magnum** or the **Company**) will be held at Metro Hotel Perth, 61 Canning Highway, South Perth 6151, Western Australia on 18 May 2017 at 11.00am (AWST) to conduct the business set out in this Notice of Meeting.

The Explanatory Memorandum which accompanies and forms part of this Notice of Annual General Meeting describes the various matters to be considered and contains a glossary of defined terms that are not defined in full in this Notice of Annual General Meeting.

BUSINESS

1. Financial statements and reports

To receive the financial statements, the Directors' Reports and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2016. While no resolution is required for this item, Shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports.

2. Resolution 1 - Adoption of Remuneration Report

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

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 31 December 2016."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by, or on behalf, of:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such member; or

however, a person described in paragraph (a) or (b) above may cast a vote on the Resolution if either:

- (c) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the person is the Chair of the Meeting and the appointment of the Chair of the Meeting as proxy for a person who is entitled to vote:
 - (i) does not direct the proxy as to how to vote on the resolution; and
 - (ii) expressly authorises the Chair of the Meeting to exercise the undirected proxy as the Chair of the Meeting sees fit even though this Resolution is connected, directly or indirectly, with the remuneration of the Key Management Personnel.

The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Chair of the Meeting intends to vote available proxies **IN FAVOUR** of Resolution 1.

3. Resolution 2 - Re-election of Mr Darryl Lynton-Brown as a Director

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

"That Mr Darryl Lynton-Brown, who retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

The Chair of the Meeting intends to vote available proxies **IN FAVOUR** of Resolution 2.

4. Resolution 3 - Re-election of Mr Howard Dawson as a Director

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

"That Mr Howard Dawson, who was appointed as a Director of the Company to fill a casual vacancy of the Board on 20 February 2017 and retires in accordance with the Constitution and the ASX Listing Rules and, being eligible, offers himself for re-election, be re-elected as a Director."

The Chair of the Meeting intends to vote available proxies **IN FAVOUR** of Resolution 3.

5. Resolution 4 - Approval of 10% Placement Facility

To consider and, if thought fit, to pass, with or without amendment, the following as a **Special Resolution**:

"That, pursuant to, and in accordance with, ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if it is cast by:

- a person identified as proxy for a person who is entitled to vote on the Resolution and the vote is cast in accordance with the directions on the Proxy Form; or
- the Chairman as proxy for a person who is entitled to vote on the Resolution and the vote is cast in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolution 4.

6. Resolution 5 - Approval to issue Placement Shares

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

"That, pursuant to, and in accordance with, ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 50,000,000 Shares at an issue price of \$0.03 per Share to raise up to \$1,500,000 (before costs) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if it is cast by:

- a person identified as proxy for a person who is entitled to vote on the Resolution and the vote is cast in accordance with the directions on the Proxy Form; or

- the Chairman as proxy for a person who is entitled to vote on the Resolution and the vote is cast in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Chairman intends to vote all available proxies **IN FAVOUR** of Resolution 5.

7. Other Business

To transact any other business that may be lawfully brought forward in accordance with the Constitution of the Company and the Corporations Act.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read "G. Button", with a large, stylized initial "G" that loops around the first letter of the name.

Grant Button
Director

10 April 2017

EXPLANATORY MEMORANDUM
MAGNUM MINING AND EXPLORATION LIMITED
ABN 70 003 170 376

1. Financial statements and reports

The Corporations Act and the Constitution require the following reports, in respect to the financial year of the Company ended 31 December 2016, to be laid before the meeting:

- the Financial Report (which includes the financial statements and Directors' declaration); and
- the Directors' Report, the Corporate Governance Statement and the Auditor's Report.

The 2016 Magnum Annual Report has been posted on the Company's website at <http://www.mmel.com.au>.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of the Company and the consolidated group.

There is no requirement in the Corporations Act or in the Constitution for Shareholders to approve the financial statements and reports.

2. Resolution 1 - Remuneration Report

2.1 General

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to a non-binding vote of the Shareholders at each Annual General Meeting. In accordance with section 250R3 of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors or the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report. However, the Board recognises that the Shareholder vote on Resolution 1 is an indication of Shareholder sentiment and will have regard to the outcome of the vote and any discussion when setting the remuneration practices of the Company.

2.2 Content of Remuneration Report

The Remuneration Report is set out on pages 9 to 15 of the Directors' Report contained in the Annual Financial Report of the Company for the financial year ended 31 December 2016 sent to those Shareholders who elected to receive it or available electronically at <http://www.mmel.com.au>.

The Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- discusses the relationship between the Board's remuneration policy and the Company's performance;
- sets out the actual remuneration for the financial year ended 31 December 2016 for each Director and each member of the Company's senior executive management team; and
- details and explains any performance hurdles applicable to the remuneration of executive directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of any questions relating to the Remuneration Report at the Annual General Meeting.

The Directors unanimously recommends that Shareholders vote **IN FAVOUR** of Resolution 1.

The Chair of the Meeting intends to vote available proxies **IN FAVOUR** of Resolution 1.

2.3 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint a member of Key Management Personnel or any Closely Related Party as your proxy to vote on Resolution 1, you must direct them as to how to vote. You can direct your proxy how to vote on any Resolution by marking the appropriate box (i.e. "for", "against" or "abstain") opposite each Resolution on the Proxy Form. Where you do not direct the member of Key Management Personnel or Closely Related Party as to how to vote on Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote which will mean that your vote will not be counted in relation to Resolution 1.

However, if the Chair of the Meeting is appointed as your proxy and you have not directed the way the Chair of the Meeting is to vote on Resolution 1, by signing and returning the proxy form you will be taken to have expressly authorised the Chair of the Meeting to vote the proxy in accordance with the Chair of the Meeting's intention, even though Resolution 1 is connected directly or indirectly with the remuneration of the Key Management Personnel.

3. Resolution 2 - Re-election of Mr Darryl Lynton-Brown as a Director

It is a requirement under Rule 5 of the Constitution that at each annual general meeting of the Company one-third of the directors (excluding the Managing Director or any director appointed by way of casual vacancy since the previous annual general meeting) retire from office. In accordance with Rule 5 of the Constitution, Mr Lynton-Brown retires at the Annual General Meeting and, being eligible pursuant to the Constitution, offers himself for re-election as a Director.

Resolution 2 is an **Ordinary Resolution**.

The Directors (excluding Mr Lynton-Brown who has an interest in Resolution 2) unanimously recommend that the Shareholders vote **IN FAVOUR** of Resolution 2.

The Chair of the Meeting intends to vote all available proxies **IN FAVOUR** of Resolution 2.

4. Resolution 3 - Re-election of Mr Howard Dawson as a Director

Rule 8.2 of the Constitution provides that any director appointed under Rule 8.1 of the Constitution to fill a casual vacancy holds office until the termination of the next annual general meeting of the Company and is eligible for re-election at that annual general meeting. Additionally, ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy must not hold office (without re-election) past the next annual general meeting of the company.

Mr Howard Dawson, having been appointed to the Board by the Directors on 20 February 2017 to fill a casual vacancy in accordance with Rule 8.1 of the Constitution, will retire and, being eligible pursuant to the Constitution, offers himself for re-election as a Director.

Resolution 3 is an **Ordinary Resolution**.

The Directors (excluding Mr Dawson who has an interest in Resolution 3) unanimously recommend that the Shareholders vote **IN FAVOUR** of Resolution 3.

The Chair of the Meeting intends to vote all available proxies **IN FAVOUR** of Resolution 3.

5. Resolution 4 - Approval of 10% Placement Facility

5.1 General

ASX Listing Rule 7.1A enables “eligible entities” to seek Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company’s 15% placement capacity under ASX Listing Rule 7.1.

An “eligible entity” for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of AU\$300 million or less. The Company is an “eligible entity”.

While the Company has no current intention to use the 10% Placement Facility as approved by Shareholders, the Company is now seeking Shareholder approval by way of a Special Resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

Resolution 4 is a **Special Resolution**.

The Directors unanimously recommend that Shareholders vote **IN FAVOUR** of Resolution 4.

The Chair of the Meeting intends to vote all available proxies **IN FAVOUR** of Resolution 4.

5.2 Description of ASX Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue one class of quoted Equity Securities, Shares.

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A	is the number of Shares on issue 12 months before the date of issue or agreement:
(a)	plus the number of Shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
(b)	plus the number of partly paid Shares that became fully paid in the 12 months;
(c)	plus the number of Shares issued in the 12 months with approval of Shareholders under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity’s 15% placement capacity without shareholder approval;
(d)	less the number of Shares cancelled in the 12 months.
<i>Note that ‘A’ has the same meaning in ASX Listing Rule 7.1 when calculating an entity’s 15% placement capacity.</i>	

D	is 10%.
E	is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the issue date or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

(d) **ASX Listing Rule 7.1 and ASX Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

At the date of this Notice, the Company has on issue 229,578,812 Shares and therefore will have capacity to issue:

- (i) 34,436,821 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under this Resolution, 22,957,881 Equity Securities in accordance with ASX Listing Rule 7.1A.

If Resolution 5 is approved by Shareholders, following the issue of the Placement Shares, the Company will have on issue 279,578,812 Shares and therefore will have capacity to issue:

- (i) 41,936,821 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under this Resolution 27,957,881 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have the capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section (c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must not be less than 75% of the VWAP for Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in subparagraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

5.3 ASX Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

5.4 Specific information required by ASX Listing Rule 7.3A

Pursuant to, and in accordance with, ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) The minimum issue price is set out in Section 5.3(e).
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the issue date than on the date of the Meeting;
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Company's Equity Securities on the issue date; and
 - (iii) the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The table below shows the dilution of existing Shareholders on the basis of:
- (i) the current market price of Shares (as at 6 April 2017) and the current number of Shares for variable "A"; and
 - (ii) the current market price of Shares (as at 6 April 2017) and the number of Shares on issue in the event that Shareholders approve Resolution 5 and the Placement Shares are issued for variable "B",

calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice.

- (d) The table also shows:
- (i) two examples where variable "A" and variable "B" has increased, by 50% and 100%. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
 - (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 50% as against the current market price of \$0.044 (being the closing price of the Shares on ASX on 6 April 2017).

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.022 50% decrease in Issue Price	\$0.044 Issue Price	\$0.066 50% increase in Issue Price
Variable A 229,578,812 Shares	10% Voting Dilution	22,957,881 Shares	22,957,881 Shares	22,957,881 Shares
	Funds raised	\$505,073	\$1,010,147	\$1,515,220
Variable B 279,578,812	10% Voting Dilution	27,957,881 Shares	27,957,881 Shares	27,957,881 Shares

Shares	Funds raised	\$615,073	\$1,230,147	\$1,845,220
50% increase in current Variable A 344,368,218 Shares	10% Voting Dilution	34,436,822 Shares	34,436,822 Shares	34,436,822 Shares
	Funds raised	\$757,610	\$1,515,220	\$2,272,830
50% increase in current Variable B 419,368,218 Shares	10% Voting Dilution	41,936,822 Shares	41,936,822 Shares	41,936,822 Shares
	Funds raised	\$922,610	\$1,845,220	\$2,767,831
100% increase in current Variable A 459,157,624 Shares	10% Voting Dilution	45,915,762 Shares	45,915,762 Shares	45,915,762 Shares
	Funds raised	\$1,010,147	\$2,020,293	\$3,030,440
100% increase in current Variable B 559,157,624 Shares	10% Voting Dilution	55,915,762 Shares	55,915,762 Shares	55,915,762 Shares
	Funds raised	\$1,230,147	\$2,460,293	\$3,690,440

The table above has been prepared on the following assumptions:

- i. With respect to the number of ordinary securities, there are currently 229,578,812 Shares on issue.
 - ii. The assumed issue price is \$0.044, being the closing price of the Shares on ASX on 6 April 2017.
 - iii. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - iv. No Options are exercised into Shares before the date of issue of the Equity Securities.
 - v. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - vi. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
 - vii. The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
 - viii. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (e) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval provided by Shareholders under Resolution 4 for the issue of Equity Securities pursuant to the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration in relation to costs associated with the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised to continue to evaluate and develop its existing projects, seek further strategic acquisition opportunities in the exploration and mining industry and continue to meet its statutory commitments relating to its exploration tenements.
- (g) The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon the issue of any Equity Securities.
- (h) The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing holders of Equity Securities can participate;

- (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
 - (j) The Company has not previously obtained approval under ASX Listing Rule 7.1A.
 - (k) Further, if the Company is successful in acquiring new resources assets or investments, the allottees under the 10% Placement Facility may be the vendors of the new resources assets or investments.
 - (l) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. On this basis no existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

6. Resolution 5 - Approval to issue Placement Shares

6.1 Placement

The Company is proposing to issue up to 50,000,000 Shares at an issue price of \$0.03 (**Placement Shares**) by way of placement with sophisticated and institutional investors (**Placement**). The issue of the Placement Shares would raise up to \$1,500,000 (before costs).

6.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 requires Shareholder approval for the proposed issue of the Placement Shares. ASX Listing Rule 7.1 provides that, subject to certain exceptions, a company must not issue or agree to issue more Equity Securities during any 12 month period than the amount which represents 15% of the number of fully paid Equity Securities on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Directors to issue the Placement Shares during the period of three months after the Meeting (or a longer period if allowed by ASX) without using the Company's 15% placement capacity.

6.3 Specific Information Required by ASX Listing Rule 7.3

Outlined below is the information required to be provided to Shareholders in accordance with ASX Listing Rule 7.3:

- (a) The maximum number of Shares the Company can issue under Resolution 5 is 50,000,000 Shares.
- (b) The Placement Shares will be issued no later than three months after the date of the Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of ASX Listing Rule 7.3.2).
- (c) The Placement Shares will each be issued at a price of \$0.03.
- (d) The Placement Shares will be issued to the sophisticated investors who are not related parties or associates of related parties of the Company.
- (e) The Placement Shares will be issued as fully paid ordinary shares and will rank equally with the existing Shares on issue.

- (f) The funds raised from the issue of the Placement Shares will be used to carry out bulk sampling at the Company's Gravelotte Project, to meet future permitting costs and statutory commitments relating to its exploration tenements and to provide general working capital to allow the Company to carry out its business plans in respect of continuing to evaluate and develop its existing projects, seek further strategic acquisition opportunities in the exploration and mining industry.
- (g) The Company expects that the Placement Shares will be issued in one tranche and in any event no later than three months following the date of the meeting, but reserves the right to issue the shares progressively.
- (h) A voting exclusion statement is included in the Notice.

The Directors unanimously recommend that Shareholders vote **IN FAVOUR** of Resolution 5.

The Chairman intends to exercise all undirected proxies **IN FAVOUR** of Resolution 5.

Glossary of Terms

The following terms and abbreviations used in the Notice of Annual General Meeting and this Explanatory Memorandum have the following meanings:

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 5.1 of the Explanatory Memorandum.

10% Placement Period has the meaning in Section 5.2 of the Explanatory Memorandum.

Annual General Meeting or **Meeting** means the Annual General Meeting of Shareholders to be held at 61 Canning Highway, South Perth on 18 May 2017 at 11.00am (AWST) or any adjournment thereof.

ASX means the Australian Securities Exchange.

ASX Listing Rules means the official listing rules of the ASX.

AWST means Australian Western Standard Time.

Board means the board of Directors.

Chair means the person appointed to chair the Meeting convened by this Notice.

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

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (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 dealings with the Company; or
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company and **Magnum** means Magnum Mining and Exploration Limited (ABN 70 003 170 376).

Constitution means the constitution of the Company, as amended from time to time.

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

Directors means the directors of the Company, from time to time.

Equity Securities has the meaning given in the ASX Listing Rules.

Explanatory Memorandum means this explanatory memorandum that accompanies and forms part of this Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any director (whether executive or otherwise) of the Company.

Notice or **Notice of Annual General Meeting** means the notice of Annual General Meeting which accompanies the Explanatory Memorandum.

Ordinary Resolution means a Resolution to be passed by a simple majority of Shareholders voting in person or by proxy.

Placement has the meaning given in Section 6.1 of the Explanatory Memorandum.

Placement Shares has the meaning given in Section 6.1 of the Explanatory Memorandum.

Proxy Form means the proxy form attached to this Notice.

Remuneration Report means the remuneration report set out in the Director's Report section of the Company's Annual Financial Report for the year ended 31 December 2016.

Report means the Financial Report, Director's Report, Corporate Governance Statement and Auditor's Report.

Resolution means a resolution in this Notice of Annual General Meeting.

Shareholder means a registered holders of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

Special Resolution means a Resolution to be passed by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Trading Days has the meaning given in the ASX Listing Rules.

Registered Office

Suite 6, Ground Floor
9 Bowman Street
SOUTH PERTH WA 6151

Proxies

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote at the Annual General Meeting on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The Proxy Form (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be returned to Computershare Investor Services Pty Limited:

- by post to GPO Box 242, Melbourne, Victoria 3001 Australia; or
- by facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

so that it is received no later than 11.00am (AWST) on 16 May 2017 or 48 hours before any adjournment or postponement of the Annual General Meeting.

The Proxy Form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a Shareholder of the Company. A proxy may be a person or a body corporate.

In the case of Shares jointly held by two or more persons, all joint holders must sign the Proxy Form.

For the convenience of Shareholders a Proxy Form is enclosed. However, the Company will accept any appointment of a proxy which complies with the requirements of section 250A of the Corporations Act.

Voting Entitlement

For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5.00 pm (AWST) on 16 May 2017. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.



MAGNUM
MINING & EXPLORATION LIMITED

ABN 70 003 170 376

MGU
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000



Proxy Form

XX

For your vote to be effective it must be received by 11:00am (AWST) Tuesday, 16 May 2017

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View the annual report, 24 hours a day, 7 days a week:

www.mmel.com.au

To view and update your securityholding:
www.investorcentre.com

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
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 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Magnum Mining and Exploration Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Magnum Mining and Exploration Limited to be held at Metro Hotel Perth, 61 Canning Highway, South Perth, Western Australia on Thursday, 18 May 2017 at 11:00am (AWST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolution: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Darryl Lynton-Brown as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Howard Dawson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval to issue Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____