

# **MAGNUM MINING AND EXPLORATION LIMITED**

**ABN 70 003 170 376**

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## **NOTICE OF ANNUAL GENERAL MEETING**

**AND**

## **EXPLANATORY MEMORANDUM**

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Date of Meeting: Tuesday, 31 May 2011

Time of Meeting: 11.00 am (WST)

Place of Meeting: Celtic Club  
48 Ord Street  
West Perth WA 6005

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 Magnum Mining and Exploration Limited (**Magnum** or **Company**) will be held at 48 Ord Street, West Perth, Western Australia, 6005 on Tuesday, 31 May 2011 at 11.00am (WST) to conduct the business set out in this Notice of Meeting.

The Explanatory Memorandum which accompanies and forms part of this Notice of 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 Meeting.

**BUSINESS**

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**1. Financial statements and reports**

To receive and consider the financial statements, the Directors' Reports and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2010.

*Note: There is no requirement for shareholders to approve these reports.*

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**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 the Remuneration Report for the Company and its controlled entities for the year ended 31 December 2010 be adopted."*

*Note: The vote on this resolution is advisory only and does not bind the directors of the Company.*

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**3. Resolution 2 - Re-election of Mr Gerard Nealon as a Director**

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

*"That Mr Gerard Nealon, who retires by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

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**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**



**Grant Button**  
**Director**

7 April 2011

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

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**1. Financial statements and reports**

The Corporations Act and the constitution of the Company require the following reports in respect to the financial year of the Company ended 31 December 2010 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.

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 Company's constitution for shareholders to approve the financial statements and Reports.

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**2. Resolution 1 - Remuneration Report**

The Corporations Act requires that the section of the Directors' Report dealing with the remuneration of the Directors and senior executives (**Remuneration Report**) be put to shareholders.

This resolution is an 'advisory only' resolution which does not bind the Directors or the Company.

Following consideration of the Remuneration Report, the Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments upon the Remuneration Report.

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**3. Resolution 2 - Re-election of Mr Gerard Nealon as a Director**

It is a requirement under Rule 5.1 of the Company's constitution that Mr Nealon retire at the Annual General Meeting. Mr Nealon, being eligible for re-election pursuant to the Company's constitution, offers himself for re-election.

The remaining Directors unanimously support the re-election of Mr Gerard Nealon.

## **Glossary of Terms**

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

**Annual General Meeting** or **Meeting** means the annual general meeting of Shareholders to be held at 48 Ord Street, West Perth on 31 May 2011 at 11.00am (WST) or any adjournment thereof.

**ASX** means ASX Limited ACN 008 624 691.

**Board** means the board of Directors.

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

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

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

**Explanatory Memorandum** means this explanatory memorandum.

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

**Resolution** means a resolution in this Notice of Meeting.

**Shareholders** means registered holders of Shares.

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

**WST** means western standard time.

## **Registered Office**

Unit 2, Level 1  
331-335 Hay Street  
SUBIACO WA 6008

## **Proxies**

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed form of proxy. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to Magnum Mining and Exploration Limited, PO Box 524, Wembley, WA, 6913; or
- facsimile to the Company on facsimile number +61 8 9481 5044;

so that it is received not later than 11.00am (WST) on 29 May 2011.

## **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 (WST) on 29 May 2011. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

**MAGNUM MINING AND EXPLORATION LIMITED**  
**ABN 70 003 170 376**

**FORM OF PROXY**

I/We \_\_\_\_\_  
(print shareholder(s) name(s))

of \_\_\_\_\_  
(print address of shareholder(s))

being a member/members of Magnum Mining and Exploration Limited entitled to attend and vote at the Annual General Meeting hereby appoint:

\_\_\_\_\_  
(print proxy's name in full)

OR  the Chair of the Annual General Meeting as your proxy,

or, failing the person so named or if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee to vote in accordance with the following directions, or if no directions have been given, as the proxy sees fit at the Annual General Meeting of the Company to be held on 31 May 2011 at the Celtic Club, 48 Ord Street, West Perth, WA, 6005 and at any adjournment of that meeting.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 2** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 2 and that votes cast by the Chair of the Annual General Meeting for Resolution 2 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 2 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 2.

**OR**

**Voting on Business of the Annual General Meeting**

Resolution	For	Against	Abstain
1. Remuneration report			
2. Re-election of Mr Gerard Nealon as a director			

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

**Signature of Member(s):**

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Member 2**

**Member 3**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

# MAGNUM MINING AND EXPLORATION LIMITED

## ABN 70 003 170 376

### Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - post to Magnum Mining and Exploration Limited, PO Box 524, Wembley, WA, 6913; or
  - facsimile to the Company on facsimile number +61 8 9481 5044,so that it is received not later than 11.00am (WST) on 29 May 2011.

**Proxy forms received later than this time will be invalid.**