

MAGNUM MINING AND EXPLORATION LIMITED
ACN 003 170 376
SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This supplementary prospectus (**Supplementary Prospectus**) is dated 8 April 2025 and is supplementary to the prospectus dated 4 February 2025 (**Prospectus**) issued by Magnum Mining and Exploration Limited (ACN 003 170 376) (**Company** or **MGU**).

This Supplementary Prospectus was lodged with the ASIC on 8 April 2025. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. To the extent of a conflict between the Prospectus and the Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at www.mmel.com.au. The Company will send a copy of this Supplementary Prospectus to all applicants who have subscribed for Shares and New Options pursuant to the Prospectus to the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

2. BACKGROUND

As announced on 9 April 2025, during the period of the Offers, the Company has been presented with opportunities to acquire copper-gold projects in the USA (**Announcement**). The Company has subsequently entered into a pair of inter-conditional acquisition agreements to acquire:

- (a) 100% of the fully paid ordinary shares in Monomatapa Mining Services, the entity which holds the federal unpatented lode claims comprising the Parker Gold Project located in Arizona and the Mormon Project located in Idaho, USA (together, the **Monomatapa Projects**), from Monomatapa Investment Limited (**Monomatapa**) (**Monomatapa Transaction**); and
- (b) 100% of the fully paid ordinary shares in EV Resources Inc, the entity which holds the federal unpatented lode claims comprising the La Cienega Project located in Arizona from EV Resources Limited (ASX:EVR) (**EVR**) (**EVR Transaction**),

(together, the **Proposed Transactions**).

Further details of the Proposed Transactions are set out in Announcement released to ASX prior to the release of this Supplementary Prospectus.

The purpose of this Supplementary Prospectus is to provide investors with updated information in relation to the Prospectus.

3. PURPOSE OF THIS DOCUMENT

The Supplementary Prospectus has been prepared to provide investors with updated information in relation to the Prospectus, specifically to:

- (a) provide disclosure in respect of the Proposed Transactions;
- (b) provide an updated use of funds table;
- (c) provide an updated pro-forma balance sheet;
- (d) update risk factors; and
- (e) provide a new Application Form in respect of the Offers.

4. AMENDMENTS TO THE PROSPECTUS

4.1 Proposed Transactions

As announced on 9 April 2025, during the period of the Offers, the Company has been presented with opportunities to acquire copper-gold projects in the USA. The Company has subsequently entered into a pair of inter-conditional acquisition agreements to acquire:

- (a) 100% of the fully paid ordinary shares in Monomatapa Mining Services, the entity which holds the federal unpatented lode claims comprising the Monomatapa Projects, from Monomatapa; and
- (b) 100% of the fully paid ordinary shares in EV Resources Inc, the entity which holds the federal unpatented lode claims comprising the La Cienega Project located in Arizona from EVR.

No Securities will be issued by the Company pursuant to the Proposed Transactions and there will be no change to the Company's issued capital.

Further details of the Proposed Transactions are set out in Announcement released to ASX prior to the release of this Supplementary Prospectus.

Summaries of the material terms of the Proposed Transactions are set out below:

(a) **Monomatapa Transaction**

- (i) **Conditions Precedent:** The Monomatapa Transaction is conditional upon the satisfaction or waiver of the following conditions precedent:

- (A) completion of financial, legal and technical due diligence by the Company on Monomatapa, Monomatapa Mining Services and the Monomatapa Projects;
- (B) the satisfaction (or waiver) of the conditions precedent in the EVR Transaction; and
- (C) the Company and Monomatapa obtaining all necessary shareholder and regulatory approvals or waivers (as required) pursuant to the any applicable laws, to allow the parties to lawfully complete the matters set out in the Monomatapa Transaction.

The conditions precedent to the Monomatapa Transaction must be satisfied (or waived by the party with the benefit of the condition) on or before 5:00pm (WST) on 31 May 2025, or such later date as the parties may agree.

- (ii) **Consideration:** On the date on which is three (3) business days after the last of the conditions precedent is satisfied, the Company has agreed to pay Monomatapa a total of US\$200,000 in four equal instalments as follows:

- (A) US\$50,000 payable in cash on the date of settlement;
- (B) US\$50,000 payable in cash on the date which is six months from the date of settlement;
- (C) US\$50,000 payable in cash on the date which is 12 months from the date of settlement; and
- (D) US\$50,000 payable in cash on the date which is 18 months from the date of settlement.

(b) **EVR Transaction**

(i) **Conditions Precedent:** The EVR Transaction is conditional upon the satisfaction or waiver of the following conditions precedent:

- (A) completion of financial, legal and technical due diligence by the Company on EVR, EV Resources Inc and the La Cienega Project;
- (B) the satisfaction (or waiver) of the conditions precedent in the Monomatapa Transaction; and
- (C) the Company and EVR obtaining all necessary shareholder and regulatory approvals or waivers (as required) pursuant to the any applicable laws, to allow the parties to lawfully complete the matters set out in the EVR Transaction.

The conditions precedent to the EVR Transaction must be satisfied (or waived by the party with the benefit of the condition) on or before 5:00pm (WST) on 31 May 2025, or such later date as the parties may agree.

(ii) **Consideration:** As consideration for the EVR Transaction, on and from the date of settlement, the Company will grant EVR a 2% net smelter return royalty in respect of any minerals produced from the area within the boundaries of the La Cienega Project.

4.2 Use of Funds

Section 3.5 of the Prospectus is amended by deleting the use of funds table and replacing it with the following:

ITEM	PROCEEDS OF THE ENTITLEMENT OFFER	MINIMUM SUBSCRIPTION (\$)	%	MAXIMUM SUBSCRIPTION (\$)	%
1.	Exploration and development of Palmares Projects	50,000	10.0%	750,000	38.6%
2.	Exploration and development of Buena Vista Project	25,000	5.0%	400,000	20.6%
3.	Payment of Monomatapa Transaction consideration	200,000	40.0%	200,000	10.3%
4.	Exploration and development of Monomatapa Projects	25,000	5.0%	50,000	2.6%
5.	Exploration and development of La Cienega	25,000	5.0%	50,000	2.6%
6.	Working capital	82,288	16.5%	307,884	15.9%
7.	Expenses of the Offers ¹	92,712	18.5%	184,583	9.5%
	Total	\$500,000	100	\$1,942,467	100

4.3 Pro-forma balance sheet

Section 3.5 of the Prospectus is deleted and replaced with the following:

The audited balance sheet as at 31 December 2024 shown below has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offers and the consideration payable under the Proposed Transactions.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 31 DECEMBER 2024 \$	PROFORMA MINIMUM SUBSCRIPTION \$	PROFORMA MAXIMUM SUBSCRIPTION \$	PROFORMA PROPOSED TRANSACTIONS \$
CURRENT ASSETS				
Cash	356,836	856,836	2,299,303	156,836
Other current assets	168,003	168,003	168,003	168,003
TOTAL CURRENT ASSETS	524,839	1,024,839	2,467,306	324,839
NON-CURRENT ASSETS				
Plant and equipment	932,828	932,828	932,828	932,828
Deferred Expenditure	9,292,116	9,292,116	9,292,116	9,492,116
TOTAL NON-CURRENT ASSETS	10,224,944	10,224,944	10,224,944	10,424,944
TOTAL ASSETS	10,749,783	11,249,783	12,692,250	10,749,783
CURRENT LIABILITIES				
Creditors and borrowings	378,416	378,416	378,416	378,416
TOTAL CURRENT LIABILITIES	378,416	378,416	378,416	378,416
NON-CURRENT LIABILITIES				
TOTAL NON-CURRENT LIABILITIES	531,587	531,587	531,587	531,587
TOTAL LIABILITIES	910,003	910,003	910,003	910,003
NET ASSETS	9,839,780	10,339,780	11,782,247	9,839,780
EQUITY				
Share capital	40,374,779	40,874,779	42,317,246	40,374,779
Options Reserve	8,599,605	8,599,605	8,599,605	8,599,605
Retained loss	(39,134,604)	(39,134,604)	(39,134,604)	(39,134,604)
TOTAL EQUITY	9,839,780	10,339,780	11,782,247	9,839,780

4.4 Risk Factors

Section 5.2 of the Prospectus is amended by including the risk factor set out below:

Acquisition risk	<p>The Company's right to acquire the Monomatapa Projects and the La Cienega Project is subject to the terms and conditions of the acquisition agreements relating to the Proposed Transactions (Acquisition Agreements).</p> <p>In order for the Company to be able to achieve its stated objectives the Company is reliant on the relevant counterparties to complete settlement of the Acquisition Agreements and otherwise comply with their respective contractual obligations under the Acquisition Agreements.</p> <p>If any party defaults in the performance of their respective obligations under the Acquisition Agreements, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p> <p>The Board has no reason to believe that any of the counterparties would fail to comply with their respective obligations under the Acquisition Agreements, including completing settlement under these agreements.</p> <p>Notwithstanding the above, there remains a risk that completion of settlement of the Acquisition Agreements may not occur and the Company will be unable to acquire the Monomatapa Projects and the La Cienega Project.</p>
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4.5 Continuous disclosure obligations

The table in Section 6.2 of the Prospectus is deleted and replaced by the following table contained:

DATE	DESCRIPTION OF ANNOUNCEMENT
9 April 2025	Magnum Acquires High Grade US Copper-Gold Projects
2 April 2025	Extension of Non-Renounceable Entitlement Offer Period
2 April 2025	Update - Proposed issue of securities - MGU
31 March 2025	Results of General Meeting

5. NEW APPLICATIONS

Applications for Securities under the Offers after lodgement of the Supplementary Prospectus **must** be made using the Supplementary Application Form attached to or accompanying the Supplementary Prospectus. Applications after the date of the Supplementary Prospectus **must not** be made on the Application Form attached to or accompanying the Prospectus and any such applications will not be valid.

6. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

7. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company, and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.