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**MAGNUM MINING AND EXPLORATION LIMITED**

**ACN 003 170 376**

**Notice of Extraordinary General Meeting**

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**TIME: 10:00am (AEST)**

**DATE: 20 July 2021**

**PLACE: HLB Mann Judd, Level 9, 575 Bourke Street, Melbourne VIC  
3000**

*This Notice of Meeting and the attached Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this notice please do not hesitate to contact the Company Secretary on +61 438 014 304*

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### Venue

The Meeting of the Shareholders of Magnum Mining and Exploration Limited ACN 003 170 376 (ASX: STK) (**Company**) to which this Notice relates, will be held at 10:00 am (AEST) on 20 July 2021 at HLB Mann Judd, Level 9, 575 Bourke Street, Melbourne VIC 3000 Australia.

The Meeting will be held as a hybrid meeting, and Shareholders will be able to participate in a live webcast of the Meeting online where Shareholders will be able to participate, ask questions and cast votes at the appropriate times whilst the meeting is in progress.

The Company will publish a virtual meeting guide on the ASX and the Company's website prior to the Meeting outlining how Shareholders will be able to participate in the Meeting virtually. Shareholders must register to attend the Meeting virtually no later than 48 hours before the date of the Meeting, being 10:00am (AEST) on 18 July 2021.

As a result of the potential health risks and the Government's restrictions in response to the coronavirus (COVID-19) pandemic, the Company encourages shareholders to consider lodging a direct vote or directed proxy in advance of the meeting rather than planning on attending the meeting in person.

Any Shareholders who may still wish to physically attend the Meeting should be mindful of new laws, government warnings and recommendations in relation to (COVID-19) pandemic and monitor the Company's website and announcements for updates about the Meeting. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the Meeting.

The Notice is also being made available to Shareholders electronically and can be viewed and downloaded online at the following link:

<https://www.mmel.com.au/site/investor-information/ASX-Announcements>

### Voting in person or virtually

To vote in person, you will be required to attend the Meeting on the date and at the place set out above.

To vote when attending in the virtual Meeting please note voting during the Meeting will be conducted online via the Lumi Platform available at [www.web.lumiagm.com](http://www.web.lumiagm.com) using Meeting ID 331-408-233 and the following link is <https://web.lumiagm.com/331408233>. Shareholders and proxy holders will be able to vote in real time at the Meeting online by:

- Visting <https://web.lumiagm.com/33140823> on a smartphone, tablet or computer (using the latest version of Chrome, Safari, Edge or Firefox); and
- Entering the unique Meeting ID 331-408-233. Online voting registration will commence 30 minutes prior to the start of the Meeting. For full details on how to log on and vote online, please refer to the user guide which can be accessed at [www.computershare.com.au/onlinevotingguide](http://www.computershare.com.au/onlinevotingguide)

Shareholders with multiple holdings will either need to log into Lumi under each SRN or HIN to vote live at the Meeting or cast their vote on other holdings ahead of the Meeting via proxy vote. Proxy instructions must be received no later than 48 hours before the commencement of the Meeting. Instructions on how to lodge proxy votes (which include the ability to lodge proxies electronically) are set out in this Notice below.

### **Voting by proxy**

A member entitled to attend and vote at the meeting may appoint a proxy.

The person appointed as a proxy may be an individual or a body corporate. If entitled to cast two or more votes, the member may appoint one or two proxies.

Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the member's voting rights. If the proportion is not specified, each proxy may exercise half of the member's voting rights. Fractional votes will be disregarded. Please carefully read the instructions on the Proxy Form and consider how you wish to direct the proxy to vote on your behalf. You may direct the proxy to vote "for", "against" or "abstain" from voting on each resolution or you may leave the decision to the appointed proxy after discussion at the meeting.

A proxy need not be a member of the Company.

To vote by proxy, please use one of the following methods:

<b>Online</b>	By recording the proxy appointment and voting instructions via the internet at < <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> >. Only registered Shareholders may access this facility and will need their Holder Identification Number (HIN) or Securityholder Reference Number (SRN).
<b>By Post</b>	Computershare Investor Services Pty Ltd GPO Box 242 Melbourne VIC 3001 Australia
<b>By Fax</b>	1800 783 447 within Australia or +61 03 9473 2555 outside Australia.

Proxy instructions must be received no later than 48 hours before the commencement of the Meeting.

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

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## NOTICE OF MEETING

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Notice is given that the Meeting of Shareholders will be held at 10:00 am (AEST) on 20 July 2021 at HLB Mann Judd, Level 9, 575 Bourke Street, Melbourne VIC 3000 Australia.

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the proxy form are part of this Notice.

The Directors have determined, pursuant to regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth), that the persons eligible to vote at the Meeting are those who are registered shareholders of the Company at 7:00 pm (AEST) on 18 July 2021.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

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## AGENDA

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### ORDINARY BUSINESS

#### 1. RESOLUTION 1 – IMPLEMENTATION OF EMPLOYEE INCENTIVE SCHEME

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

*“That for the purposes of Listing Rule 7.1 and 7.2 (exception 13(b)) and for all other purposes, Shareholders approve the Company’s Employee Incentive Scheme (**Incentive Scheme**) and the issue of securities by the Board in its discretion in accordance with the provisions of the Incentive Scheme.*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors, any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), and any Associate of any of the foregoing persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 2. RESOLUTION 2 – ISSUE OF OPTIONS TO DIRECTOR UNDER EMPLOYEE INCENTIVE SCHEME

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

*“That for the purposes of Listing Rule 10.14 and for all other purposes (including the preservation of the Company’s cash resources), Shareholders approve the issue of 30,000,000 Options under the Incentive Scheme to Dano Chan in accordance with the provisions of such Incentive Scheme and on the terms and conditions contemplated in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dano Chan, any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), and any Associate of any of the foregoing persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 3. RESOLUTION 3 – ISSUE OF OPTIONS TO DIRECTOR UNDER EMPLOYEE INCENTIVE SCHEME

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

*“That for the purposes of Listing Rule 10.14 and for all other purposes (including the preservation of the Company’s cash resources), Shareholders approve the issue of 6,000,000 Options under the Incentive Scheme to Don Carroll in accordance with the provisions of such Incentive Scheme and on the terms and conditions contemplated in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Don Carroll, any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), and any Associate of any of the foregoing persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **4. RESOLUTION 4 – ISSUE OF OPTIONS TO DIRECTOR UNDER EMPLOYEE INCENTIVE SCHEME**

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

*“That for the purposes of Listing Rule 10.14 and for all other purposes (including the preservation of the Company’s cash resources), Shareholders approve the issue of 6,000,000 Options to Matt Latimore under the Incentive Scheme in accordance with the provisions of such Incentive Scheme and on the terms and conditions contemplated in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of Matt Latimore, any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), and any Associate of any of the foregoing persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **5. RESOLUTION 5 – ISSUE OF OPTIONS TO DIRECTOR UNDER EMPLOYEE INCENTIVE SCHEME**

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

*“That for the purposes of Listing Rule 10.14 and for all other purposes (including the preservation of the Company’s cash resources), Shareholders approve the issue of 3,000,000 Options under the Incentive Scheme to John Dinan in accordance with the provisions of such Incentive Scheme and on the terms and conditions contemplated in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of John Dinan, any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), and any Associate of any of the foregoing persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **6. RESOLUTION 6 - APPROVAL OF ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO DANO CHAN**

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

*“That for the purposes of section 195(4) of the Corporations Act, and Listing Rule 10.14 and for all other purposes (including preservation of the Company’s cash resources), Shareholders approve the issue of a total of 2,000,000 Director Performance Rights under the Incentive Scheme to Dano Chan (or his nominee), a Director of the Company, on the terms and conditions contemplated in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by Dano Chan and any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), and any of their Associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and



- (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **7. RESOLUTION 7 - APPROVAL OF ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO DON CARROLL**

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

*"That for the purposes of section 195(4) of the Corporations Act, and Listing Rule 10.14 and for all other purposes (including preservation of the Company's cash resources), Shareholders approve the issue of a total of 2,000,000 Director Performance Rights under the Incentive Scheme to Don Carroll (or his nominee), a Director of the Company, on the terms and conditions contemplated in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by Don Carroll and any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), and any of their Associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **8. RESOLUTION 8 - APPROVAL OF ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO MATT LATIMORE**

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

*"That for the purposes of section 195(4) of the Corporations Act, and Listing Rule 10.14 and for all other purposes (including preservation of the Company's cash resources), Shareholders approve the issue of a total of 2,000,000 Director Performance Rights under the Incentive Scheme to Matt Latimore (or his nominee), a Director of the Company, on the terms and conditions contemplated in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by Matt Latimore and any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), and any of their Associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **9. RESOLUTION 9 – APPROVAL TO ISSUE PLACEMENT SHARES TO DON CARROLL**

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

*“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the issue of 1,666,666 Shares to Don Carroll on the terms and conditions contemplated in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by Don Carroll and any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), any of its Associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **10. RESOLUTION 10 – APPROVAL TO ISSUE PLACEMENT SHARES TO MATT LATIMORE**

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

*“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the issue of 1,666,666 Shares to Matt Latimore on the terms and conditions contemplated in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by Matt Latimore and any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), any of its Associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### **11.RESOLUTION 11 – ISSUE OF OPTIONS TO UNRELATED PARTIES – LEAD MANAGER OPTIONS**

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

*“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholder approval is given for the issue of 9,000,000 unquoted Options with an exercise price of \$0.20 and an expiry date of 19 April 2024 to Shape Capital Pty Ltd or its nominee on the terms and conditions contemplated in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by Shape Capital Pty Ltd and any other person who may obtain a benefit as a result of the passing of this Resolution (other than a benefit solely in the capacity as a security holder in the Company), any of its Associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
  - (iii)

## 12.RESOLUTION 12 – ELECTION OF MATT LATIMORE AS A DIRECTOR

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

*“That for the purposes of Listing Rule 14.4 and for all other purposes, Mr Matt Latimore who was appointed as a Non-Executive Director of the Company on 4 May 2021 and being eligible, offers himself for re-election, is re-elected as a Director”.*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by Matt Latimore or any of his Associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy for a person who is entitled to vote on this Resolution, in accordance with the directions to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chair as proxy for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on this Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on this Resolution; and
  - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 13.OTHER BUSINESS

To consider any other business that may be validly brought before the Meeting.

**DATED: 10 June 2021**

**BY ORDER OF THE BOARD**

**JOHN DINAN**

**COMPANY SECRETARY**

**MAGNUM MINING AND EXPLORATION LIMITED**

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## ENTITLEMENT TO VOTE

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### ***Who may vote?***

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company has determined that for the purpose of the Meeting, all shares in the Company shall be taken to be held by the persons who held them as registered Shareholders at 7:00 pm (AEST) on 18 July 2021 (**Entitlement Time**).

All holders of ordinary shares in the Company as at the Entitlement Time are entitled to attend and vote at the Meeting.

Transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Meeting.

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## PROXIES

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Please note that:

- (a) a Shareholder of the Company who is entitled to attend and cast a vote at the Meeting has a right to appoint a proxy;
- (b) the appointment may specify the proportion or number of votes that the proxy may exercise;
- (c) a Shareholder who is entitled to cast two or more votes at the Meeting may appoint two proxies and must specify the proportional number of votes each proxy is appointed to exercise;
- (d) if the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half the votes;
- (e) a proxy need not be a Shareholder of the Company;
- (f) if a Shareholder wishes to appoint two proxies, they should contact the Company for another proxy form; and
- (g) unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.

If a Shareholder wishes to appoint a proxy, they should complete the attached 'Appointment of Proxy' form and comply with details set out in that form for lodgement of the form with the Company.

The proxy form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either under the seal of the corporation (in accordance with its Constitution) or under the hand of an attorney duly authorised in writing or otherwise signed in accordance with the Corporations Act.

If any attorney or authorised officer signs the proxy form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the proxy form.

The proxy form must be received **not less than 48 hours** before the time for holding the Meeting (i.e. by no later than 10:00 am (AEST) on 18 July 2021) in the following manner:

<b>Online</b>	By recording the proxy appointment and voting instructions via the internet at < <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> >. Only registered Shareholders may access this facility and will need their Holder Identification Number (HIN) or Securityholder Reference Number (SRN).
<b>By Post</b>	Computershare Investor Services Pty Ltd GPO Box 242 Melbourne VIC 3001 Australia
<b>By Fax</b>	1800 783 447 within Australia or +61 03 9473 2555 outside Australia.

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide to the Share Registry prior to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

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## EXPLANATORY STATEMENT

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This Explanatory Statement is included in and forms part of the Notice of Meeting. It contains background information pertaining to the Resolutions to be considered at the Meeting as well as information required to be given to Shareholders under the Listing Rules in relation to the Resolutions. It is given to Shareholders to help them determine how to vote on the Resolutions set out in the Notice of Meeting.

Shareholders should read this Explanatory Statement in full and in conjunction with the other sections of this Document, in order to gain a comprehensive understanding of the Resolutions proposed in the Notice of Meeting.

If you are in doubt about what to do in relation to a Resolution, you should consult your financial or other professional adviser.

### 1. RESOLUTION 1 – IMPLEMENTATION OF EMPLOYEE INCENTIVE SCHEME

#### 1.1 Background

The Company has recently undertaken a board reshuffle which saw the appointment of the following:

- Dano Chan as the Managing Director of the Company;
- Don Carroll as the Executive Chairman of the Company;
- Matt Latimore and John Dinan as Non-Executive Directors of the Company. Mr Dinan is also the Company Secretary,

(collectively, **Company Directors**).

The Company Directors are integral to advancing the Company's objective to fast-track the Buena Vista Magnetite Project towards production.

The Board believes that it will be in the interests of all Shareholders in strengthening the interdependence between the Company, as an employer, and the Company Directors for the long-term mutual benefit of both and all Shareholders.

Accordingly, the Board has resolved to implement the Incentive Scheme with the intended effect that the Company Directors are incentivised and aligned with the interests of the Company and the Shareholders.

Any Equity Securities issued under the Incentive Scheme to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14.

#### 1.2 Shareholder Approval and information required by Listing Rule 14.1A.

Shareholder approval is not required by the Corporations Act or the Listing Rules for the establishment or operation of the Incentive Scheme. Notwithstanding this fact, Shareholder approval is being sought in accordance with the provisions of this Resolution, to allow the Company to rely on Listing Rule 7.2, Exception 13. This Exception:

- excludes any Equity Securities issued under an "employee incentive scheme" from being included in the Equity Securities that the Company would otherwise be required to include in determining whether it remains in compliance with the 15% Threshold; and
- provides that a company is not required to obtain shareholder approval for an issue of Equity Securities under an "employee incentive scheme" provided that shareholders have approved the issue of securities under that scheme, as an exception to Listing Rule 7.1, no later than three years before the date of a proposed issue of any Equity Securities under that scheme.

If this Resolution is passed, the Company will be able to proceed with the implementation of the Incentive Scheme.

If this Resolution is not passed, the Company may still proceed with the implementation of the Incentive Scheme, however, it will not be entitled to rely on exception 13 in Listing Rule 7.2.

### **1.3 Information required by Listing Rule 7.2, exception 13**

For the purpose of Listing Rule 7.2, exception 13, the following information in relation to the Incentive Scheme Plan the subject of this Resolution is provided:

*(a) The terms of the Incentive Scheme*

A summary of the terms and conditions of the Incentive Scheme is set out in Annexure D of this Document.

*(b) The number of securities issued under the scheme since the date of the last approval*

The Company has issued 0 Equity Securities under the Incentive Scheme as this is the first time that this Incentive Scheme has been put to shareholders for approval.

*(c) The maximum number of securities proposed to be issued under the Scheme following approval*

The number of Equity Securities to be issued under the Incentive Scheme will not exceed 51,000,000.

### **1.4 Voting Exclusion Statement**

A description of the persons not permitted to vote on this Resolution, and whose votes will be disregarded if cast on this Resolution, is set out in the Notice.

## **2. RESOLUTION 2 – ISSUE OF OPTIONS TO DIRECTOR UNDER EMPLOYEE INCENTIVE SCHEME**

### **2.1 Background**

See background in paragraph 1.1 of this Explanatory Statement.

The Board has resolved to issue 30,000,000 Options under the Incentive Scheme to Dano Chan the Managing Director of the Company

### **2.2 Requirement for Shareholder Approval**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company;
- an associate of a director of the Company; or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Shareholder approval is required under Listing Rule 10.14 in order to issue Options under the Incentive Scheme to Dano Chan as a Director of the Company.



If this Resolution is passed, the Company will be able to proceed with the proposed issue of Options to Dano Chan under the Incentive Scheme.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Options under the Incentive Scheme and may need to consider other methods (such as cash payments) to remunerate and incentivise Dano Chan.

Pursuant to Listing Rule 7.2 exception 14, as Shareholder approval is being sought under Listing Rule 10.14 approval under Listing Rule 7.1 is not required.

### **2.3 Section 208 of the Corporations Act**

In accordance with Section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in Sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options to Dano Chan as the exception in section 211 of the Corporations Act applies. The Options are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

### **2.4 Information required by Listing Rule 10.15**

For the purpose of Listing Rule 10.14 and Listing Rule 10.15, the following information in relation to the Options the subject of this Resolution is provided.

#### *(a) Parties to whom the securities will be issued*

30,000,000 Options will be issued to Dano Chan or his nominee.

#### *(b) Relationship of Related Party*

Dano Chan is a Director of the Company and therefore a related part under Listing Rule 10.11.1 and as per Listing Rule 10.14.1.

#### *(c) Number and class of securities to be issued*

30,000,000 Options.

#### *(d) Remuneration Package*

Dano Chan's current total remuneration package is \$240,000

#### *(e) Details of previous issues under Incentive Scheme.*

Dano Chan has not been issued with any Equity Securities under the Incentive Scheme.

#### *(f) Details of Securities*

The material terms of securities are set out at Annexure B and are otherwise summarised below as follows:

- 10,000,000 Options, vesting upon issue, expiry date 3 years from issue date exercise price \$0.20

- 10,000,000 Options, vesting upon issue, expiry date 3 years from date of issue, exercise price \$0.30
- 10,000,000 Options, vesting upon issue, expiry date 3 years from date of issue exercise price \$0.40

*(g) Date of issue*

The Company intends to issue the Options the subject of this Resolution on the day immediately after the date of upon which this Resolution is duly approved or in any event, within one month from the date on which this Resolution is duly approved.

*(h) Price of securities*

Nil. The Options the subject of this Resolution will be issued in connection with the Incentive Scheme.

*(i) Summary of the material terms of an agreement to which securities were issued*

Please see the terms and conditions of the Incentive Scheme located at Annexure D. The value attributed to the Options being issued under this Resolution is set out in Annexure E of this Document.

*(j) Summary of the material terms of any loan which will be made to the person in relation to the acquisition.*

Nil.

*(k) Statement in accordance with Listing Rule 10.15.11*

- Details of any securities issued under the Incentive Scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Incentive Scheme after the Resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

## **2.5 Voting Exclusion Statement**

A description of the persons not permitted to vote on Resolution and whose votes will be disregarded if cast on Resolution, is set out in the Notice.

## **3. RESOLUTION 3 – ISSUE OF OPTIONS TO DIRECTOR UNDER EMPLOYEE INCENTIVE SCHEME**

### **3.1 Background**

See background in paragraph 1.1 of this Explanatory Statement.

The Board has resolved to issue 6,000,000 Options under the Incentive Scheme to Don Carroll the Executive Chairman of the Company.

### **3.2 Requirement for Shareholder Approval**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the company;
- an associate of a director of the company; or
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Shareholder approval is required under Listing Rule 10.14 in order to issue Options under the Incentive Scheme to Don Carroll as a Director of the Company.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Options to Don Carroll under the Incentive Scheme.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Options under the Incentive Scheme and may need to consider other methods (such as cash payments) to remunerate and incentivise Don Carroll.

Pursuant to Listing Rule 7.2 exception 14, as Shareholder approval is being sought under Listing Rule 10.14 approval under Listing Rule 7.1 is not required.

### **3.3 Section 208 of the Corporations Act**

In accordance with Section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in Sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options to Don Carroll as the exception in section 211 of the Corporations Act applies. The Options are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

### **3.4 Information required by Listing Rule 10.15**

For the purpose of Listing Rule 10.14 and Listing Rule 10.15, the following information in relation to the Options the subject of this Resolution is provided.

#### *(a) Parties to whom the securities will be issued*

6,000,000 Options will be issued to Don Carroll or his nominee.

#### *(b) Relationship of Related Party*

Don Carroll is a Director of the Company and therefore a related part under Listing Rule 10.11.1 and as per Listing Rule 10.14.1.

#### *(c) Number and class of securities to be issued*

6,000,000 Options.

#### *(d) Remuneration Package*

Don Carroll's current total remuneration package is \$120,000

*(e) Details of previous issues under Incentive Scheme.*

Don Carroll has not been issued with any Equity Securities under the Incentive Scheme.

*(f) Details of Securities*

The material terms of securities are set out at Annexure B and are otherwise summarised below as follows:

- 6,000,000 Options, vesting upon the date of issue, expiry date 3 years from issue date exercise price \$0.25

*(g) Date of issue*

The Company intends to issue the Options the subject of this Resolution on the day immediately after the date of upon which this Resolution is duly approved or in any event, within one month from the date on which this Resolution is duly approved.

*(h) Price of securities*

Nil. The Options the subject of this Resolution will be issued in connection with the Incentive Scheme.

*(i) Summary of the material terms of an agreement to which securities were issued*

Please see the terms and conditions of the Incentive Scheme located at Annexure D. The value attributed to the Options being issued under this Resolution is set out in Annexure E of this Document.

*(j) Summary of the material terms of any loan which will be made to the person in relation to the acquisition.*

Nil.

*(k) Statement in accordance with Listing Rule 10.15.11*

- Details of any securities issued under the Incentive Scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Incentive Scheme after the Resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

### **3.5 Voting Exclusion Statement**

A description of the persons not permitted to vote on Resolution and whose votes will be disregarded if cast on Resolution, is set out in the Notice.

#### **4. RESOLUTION 4 – ISSUE OF OPTIONS TO DIRECTOR UNDER EMPLOYEE INCENTIVE SCHEME**

##### **4.1 Background**

See background in paragraph 1.1 of this Explanatory Statement.

The Board has resolved to issue 6,000,000 Options under the Incentive Scheme to Matt Latimore a Non-Executive Director of the Company.

##### **4.2 Requirement for Shareholder Approval**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the company;
- an associate of a director of the company; or
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Shareholder approval is required under Listing Rule 10.14 in order to issue Options under the Incentive Scheme to Matt Latimore as a Non-Executive Director of the Company.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Options to Matt Latimore under the Incentive Scheme.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Options under the Incentive Scheme and may need to consider other methods (such as cash payments) to remunerate and incentivise Matt Latimore.

Pursuant to Listing Rule 7.2 exception 14, as Shareholder approval is being sought under Listing Rule 10.14 approval under Listing Rule 7.1 is not required.

##### **4.3 Section 208 of the Corporations Act**

In accordance with Section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in Sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options to Matt Latimore as the exception in section 211 of the Corporations Act applies. The Options are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

##### **4.4 Information required by Listing Rule 10.15**

For the purpose of Listing Rule 10.14 and Listing Rule 10.15, the following information in relation to the Options the subject of this Resolution is provided.

###### *(a) Parties to whom the securities will be issued*

6,000,000 Options will be issued to Matt Latimore or his nominee.

###### *(b) Relationship of Related Party*

Matt Latimore is a Non-Executive Director of the Company and therefore a related part under Listing Rule 10.11.1 and as per Listing Rule 10.14.1.

*(c) Number and class of securities to be issued*

6,000,000 Options.

*(d) Remuneration Package*

Matt Latimore's current total remuneration package is \$60,000

*(e) Details of previous issues under Incentive Scheme.*

Matt Latimore has not been issued with any Equity Securities under the Incentive Scheme.

*(f) Details of Securities*

The material terms of securities are set out at Annexure B and are otherwise summarised below as follows:

- 6,000,000 Options, vesting upon the date of issue, expiry date 3 years from the issue date  
exercise price \$0.25

*(g) Date of issue*

The Company intends to issue the Options the subject of this Resolution on the day immediately after the date of upon which this Resolution is duly approved or in any event, within one month from the date on which this Resolution is duly approved.

*(h) Price of securities*

Nil. The Options the subject of this Resolution will be issued in connection with the Incentive Scheme.

*(i) Summary of the material terms of an agreement to which securities were issued*

Please see the terms and conditions of the Incentive Scheme located at Annexure D. The value attributed to the Options being issued under this Resolution is set out in Annexure E of this Document.

*(j) Summary of the material terms of any loan which will be made to the person in relation to the acquisition.*

Nil.

*(k) Statement in accordance with Listing Rule 10.15.11*

- Details of any securities issued under the Incentive Scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

- Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Incentive Scheme after the Resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

#### **4.5 Voting Exclusion Statement**

A description of the persons not permitted to vote on Resolution and whose votes will be disregarded if cast on Resolution, is set out in the Notice.

### **5. RESOLUTION 5 – ISSUE OF OPTIONS TO DIRECTOR UNDER EMPLOYEE INCENTIVE SCHEME**

#### **5.1 Background**

See background in paragraph 1.1 of this Explanatory Statement.

The Board has resolved to issue 3,000,000 Options under the Incentive Scheme to John Dinan a Non-Executive Director of the Company.

#### **5.2 Requirement for Shareholder Approval**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the company;
- an associate of a director of the company; or
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Shareholder approval is required under Listing Rule 10.14 in order to issue Options under the Incentive Scheme to John Dinan as a Non-Executive Director of the Company.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Options to John Dinan under the Incentive Scheme.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Options under the Incentive Scheme and may need to consider other methods (such as cash payments) to remunerate and incentivise John Dinan.

Pursuant to Listing Rule 7.2 exception 14, as Shareholder approval is being sought under Listing Rule 10.14 approval under Listing Rule 7.1 is not required.

#### **5.3 Section 208 of the Corporations Act**

In accordance with Section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in Sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options to John Dinan as the exception in section 211 of the Corporations Act applies. The Options are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

#### **5.4 Information required by Listing Rule 10.15**

For the purpose of Listing Rule 10.14 and Listing Rule 10.15, the following information in relation to the Options the subject of this Resolution is provided.

*(a) Parties to whom the securities will be issued*

3,000,000 Options will be issued to John Dinan or his nominee.

*(b) Relationship of Related Party*

John Dinan is a Non-Executive Director of the Company and therefore a related part under Listing Rule 10.11.1 and as per Listing Rule 10.14.1.

*(c) Number and class of securities to be issued*

3,000,000 Options.

*(d) Remuneration Package*

John Dinan's current total remuneration package is \$60,000

*(e) Details of previous issues under Incentive Scheme.*

John Dinan has not been issued with any Equity Securities under the Incentive Scheme.

*(f) Details of Securities*

The material terms of securities are set out at Annexure B and are otherwise summarised below as follows:

- 3,000,000 Options, vesting upon the date of issue, expiry date 3 years from the issue date exercise price \$0.25

*(g) Date of issue*

The Company intends to issue the Options the subject of this Resolution on the day immediately after the date of upon which this Resolution is duly approved or in any event, within one month from the date on which this Resolution is duly approved.

*(h) Price of securities*

Nil. The Options the subject of this Resolution will be issued in connection with the Incentive Scheme.

*(i) Summary of the material terms of an agreement to which securities were issued*

Please see the terms and conditions of the Incentive Scheme located at Annexure D. The value attributed to the Options being issued under this Resolution is set out in Annexure E of this Document.

*(j) Summary of the material terms of any loan which will be made to the person in relation to the acquisition.*



Nil.

(k) *Statement in accordance with Listing Rule 10.15.11*

- Details of any securities issued under the Incentive Scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Incentive Scheme after the Resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

## **5.5 Voting Exclusion Statement**

A description of the persons not permitted to vote on Resolution and whose votes will be disregarded if cast on Resolution, is set out in the Notice.

## **6. RESOLUTION 6 - APPROVAL OF ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO DANO CHAN**

### **6.1 Background**

See background in paragraph 1.1 of this Explanatory Statement.

Performance Rights confer an entitlement to be issued one Share subject to the satisfaction of any performance criteria on the terms set out in the Incentive Scheme.

Subject to the approval of Shareholders, the Company proposes to grant a maximum amount of 2,000,000 Performance Rights to Dano Chan, Managing Director.

The price payable for each Share that may be issued upon vesting of a Performance Right is nil.

The objective of the proposed grant of Performance Rights to Directors and officers of the Company is primarily to link the reward of Performance Rights to Shareholder value creation, and align their interests with those Shareholders and to encourage long the long-term sustainable growth of the Company.

The Performance Rights shall be issued under, and subject to, the terms of the Incentive Scheme.

### **6.2 Requirement for Shareholder Approval**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the company;
- an associate of a director of the company; or
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Shareholder approval is required under Listing Rule 10.14 in order to issue the Performance Rights under the Incentive Scheme to Dano Chan as a Director of the Company.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Dano Chan under the Incentive Scheme.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Performance Rights under the Incentive Scheme and may need to consider other methods (such as cash payments) to remunerate and incentivise Dano Chan.

Pursuant to Listing Rule 7.2 exception 14, as Shareholder approval is being sought under Listing Rule 10.14 approval under Listing Rule 7.1 is not required.

### 6.3 Section 208 of the Corporations Act

In accordance with Section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in Sections 210 to 216 of the Corporations Act.

The Company considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights to Dano Chan as the exception in section 211 of the Corporations Act applies. The Performance Rights are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

### 6.4 Section 195(4) Directors Restrictions on Voting

As all the Company's Directors have a material personal interest in the issue of Performance Rights, the Company seeks approval under section 195 of the Corporation Act so that the Shareholders may pass a resolution to deal with this matter.

### 6.5 Information required by Listing Rule 10.15

For the purpose of Listing Rule 10.15, the following information in relation to the Director's participation in the Incentive Scheme the subject of this Resolution is provided:

(a) *Relationship of the related parties*

The related party the subject of this Resolution is a Director.

(b) *Type of securities*

The securities issued will be Performance Rights.

(c) *Number of securities that may be acquired by Dano Chan*

Item	First Vesting Performance Rights	Second Vesting Performance Rights	Third Vesting Performance Rights
<b>Amount of Performance Rights</b>	500,000	500,000	1,000,000
<b>Vesting conditions</b>	Shares vest at commencement of Iron ore production - within 6 months of shareholder approval	Shares vest at finalisation of rail and port approvals - within 9 months of shareholder approval	Shares vest at payment of first iron ore shipment with a minimum requirement of 30,000 tonnes
<b>Expiry date</b>	5-Jan-22	5-Apr-22	5-Jul-22

(d) *Maximum number of securities that may be acquired by Dano Chan*

The maximum number of securities that may be issued to Dano Chan under the Incentive Scheme in any 12-month period is 2,000,000.

(e) *Price*

The Performance Rights will be issued for nil consideration as part of the Incentive Scheme.

(f) *Summary of Material Terms of the securities*

The Material Terms of the Performance Rights being issued under this Resolution pursuant to the Incentive Scheme, are summarised in Annexure C of this Document.

The Company has chosen to issue the Director Performance Rights to the Directors for the following reasons:

- (i) The Director Performance Rights are unquoted and will not have an immediate dilutionary impact on Shareholders;
- (ii) the issue of the Director Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of remuneration allows the Company greater flexibility to use its cash reserves to further advance its projects instead of being allocated for executive remuneration; and
- (iii) the issue of Director Performance Rights is in line with its strategy that the objectives of its employees are more closely aligned with the interests of the Company and the Shareholders, in addition to attracting, motivating and retaining valuable employees.

The value attributed to the Performance Rights being issued under this Resolution is set out in Annexure E of this Document.

(g) *Number of securities previously issued to directors under Incentive Scheme*

Nil.

(h) *Details of the director's total remuneration package*

Mr Chan's total remuneration package comprises, \$240,000 per annum.

Mr Chan has not previously been issued Equity Securities under the Incentive Scheme or any similar plan.

(i) *Names of related parties entitled to participate*

Subject to approval of Resolution 6 above, at the date of this meeting, the Director entitled to participate under this Resolution is Dano Chan.

(j) *Date by which the Company will issue the securities*

If vested, the Company will issue the Performance Rights within three years of the date of the meeting.

(k) *The terms of the Incentive Scheme*

A summary of the terms and conditions of the Incentive Scheme is set out in Annexure D of this Document.

(l) *The material terms of any loan that will be made to the person in relation to the acquisition*

No loan will be provided to any Director in relation to the issue of the Director Performance Rights.

*(m) Statement under Listing Rule 10.15.11*

The Company will:

- (i) publish details of any securities issued under the Incentive Scheme in each annual report relating to a period in which securities have been issued and that approval for such issue was obtained under listing rule 10.14; and
- (ii) ensure that any additional persons who become entitled to participate in the Incentive Scheme following approval of this Resolution will not participate unless approval relating to that person is obtained under Listing Rule 10.14.

## **6.6 Voting Exclusion Statement**

A description of the persons not permitted to vote on this Resolution and whose votes will be disregarded if cast on this Resolution, is set out in the Notice.

## **7. RESOLUTION 7 - APPROVAL OF ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO DON CARROLL**

### **7.1 Background**

See background in paragraph 1.1 of this Explanatory Statement.

Performance Rights confer an entitlement to be issued one Share subject to the satisfaction of any performance criteria on the terms set out in the Incentive Scheme.

Subject to the approval of Shareholders, the Company proposes to grant a maximum amount of 2,000,000 Performance Rights to Don Carroll, Executive Chairman.

The price payable for each Share that may be issued upon vesting of a Performance Right is nil.

The objective of the proposed grant of Performance Rights to Directors and officers of the Company is primarily to link the reward of Performance Rights to Shareholder value creation, and align their interests with those Shareholders and to encourage long the long-term sustainable growth of the Company.

The Performance Rights shall be issued under, and subject to, the terms of the Incentive Scheme.

### **7.2 Requirement for Shareholder Approval**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the company;
- an associate of a director of the company; or
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Shareholder approval is required under Listing Rule 10.14 in order to issue the Performance Rights under the Incentive Scheme to Don Carroll as a Director of the Company.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Don Carroll under the Incentive Scheme.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Performance Rights under the Incentive Scheme and may need to consider other methods (such as cash payments) to remunerate and incentivise Don Carroll.

Pursuant to Listing Rule 7.2 exception 14, as Shareholder approval is being sought under Listing Rule 10.14 approval under Listing Rule 7.1 is not required.

### 7.3 Section 208 of the Corporations Act

In accordance with Section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in Sections 210 to 216 of the Corporations Act.

The Company considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights to Don Carroll as the exception in section 211 of the Corporations Act applies. The Performance Rights are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

### 7.4 Section 195(4) Directors Restrictions on Voting

As all the Company's Directors have a material personal interest in the issue of Performance Rights, the Company seeks approval under section 195 of the Corporation Act so that the Shareholders may pass a resolution to deal with this matter.

### 7.5 Information required by Listing Rule 10.15

For the purpose of Listing Rule 10.15, the following information in relation to the Director's participation in the Incentive Scheme the subject of this Resolution is provided:

(a) *Relationship of the related parties*

The related party the subject of this Resolution is a Director.

(b) *Type of securities*

The securities issued will be Performance Rights.

(c) *Number of securities that may be acquired by Don Carroll*

Item	First Vesting Performance Rights	Second Vesting Performance Rights	Third Vesting Performance Rights	Fourth Vesting Performance Rights
<b>Amount of Performance Rights</b>	500,000	500,000	500,000	500,000
<b>Vesting conditions</b>	Shares vest when market cap remains above \$150,000,000 for 14 consecutive trading sessions post shareholder approval	Shares vest when market cap remains above \$200,000,000 for 14 consecutive trading sessions post shareholder approval	Shares vest at signing of binding off take agreement and strategic equity investment within 6 months of shareholder approval	Shares vest after payment received for first 100,000 tonnes of iron ore within 15 months of shareholder approval
<b>Expiry date</b>	5-Jul-22	5-Jul-23	5-Jan-22	5-Oct-22

(d) *Maximum number of securities that may be acquired by Don Carroll*

The maximum number of securities that may be issued to Don Carroll under the Incentive Scheme in any 12-month period is 2,000,000.

(e) *Price*

The Performance Rights will be issued for nil consideration as part of the Incentive Scheme.

(f) *Summary of Material Terms of the securities*

The Material Terms of the Performance Rights being issued under this Resolution pursuant to the Incentive Scheme, are summarised in Annexure C of this Document.

The Company has chosen to issue the Director Performance Rights to the Directors for the following reasons:

- (i) The Director Performance Rights are unquoted and will not have an immediate dilutionary impact on Shareholders;
- (ii) the issue of the Director Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of remuneration allows the Company greater flexibility to use its cash reserves to further advance its projects instead of being allocated for executive remuneration; and
- (iii) the issue of Director Performance Rights is in line with its strategy that the objectives of its employees are more closely aligned with the interests of the Company and the Shareholders, in addition to attracting, motivating and retaining valuable employees.

The value attributed to the Performance Rights being issued under this Resolution is set out in Annexure E of this Document.

(g) *Number of securities previously issued to directors under Incentive Scheme*

Nil.

(h) *Details of the director's total remuneration package*

Mr Carroll's total remuneration package comprises, \$120,000 per annum.

Mr Carroll has not previously been issued Equity Securities under the Incentive Scheme or any similar plan.

(i) *Names of related parties entitled to participate*

Subject to approval of Resolution 7 above, at the date of this meeting, the Director entitled to participate under this Resolution is Don Carroll.

(j) *Date by which the Company will issue the securities*

If vested, the Company will issue the Performance Rights no later than three years of the date of the meeting.

(k) *The terms of the Incentive Scheme*

A summary of the terms and conditions of the Incentive Scheme is set out in Annexure D of this Document.

- (l) *The material terms of any loan that will be made to the person in relation to the acquisition*

No loan will be provided to any Director in relation to the issue of the Director Performance Rights.

- (m) *Statement under Listing Rule 10.15.11*

The Company will:

- (i) publish details of any securities issued under the Incentive Scheme in each annual report relating to a period in which securities have been issued and that approval for such issue was obtained under listing rule 10.14; and
- (ii) ensure that any additional persons who become entitled to participate in the Incentive Scheme following approval of this Resolution will not participate unless approval relating to that person is obtained under Listing Rule 10.14.

## **7.6 Voting Exclusion Statement**

A description of the persons not permitted to vote on this Resolution and whose votes will be disregarded if cast on this Resolution, is set out in the Notice.

## **8. RESOLUTION 8 - APPROVAL OF ISSUE OF DIRECTOR PERFORMANCE RIGHTS TO MATT LATIMORE**

### **8.1 Background**

See background in paragraph 1.1 of this Explanatory Statement.

Performance Rights confer an entitlement to be issued one Share subject to the satisfaction of any performance criteria on the terms set out in the Incentive Scheme.

Subject to the approval of Shareholders, the Company proposes to grant a maximum amount of 2,000,000 Performance Rights to Matt Latimore, Non-Executive Director.

The price payable for each Share that may be issued upon vesting of a Performance Right is nil.

The objective of the proposed grant of Performance Rights to Directors and officers of the Company is primarily to link the reward of Performance Rights to Shareholder value creation, and align their interests with those Shareholders and to encourage long the long-term sustainable growth of the Company.

The Performance Rights shall be issued under, and subject to, the terms of the Incentive Scheme.

### **8.2 Requirement for Shareholder Approval**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- a director of the company;
- an associate of a director of the company; or
- a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Shareholder approval is required under Listing Rule 10.14 in order to issue the Performance Rights under the Incentive Scheme to Matt Latimore as a Director of the Company.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Matt Latimore under the Incentive Scheme.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Performance Rights under the Incentive Scheme and may need to consider other methods (such as cash payments) to remunerate and incentivise Matt Latimore.

Pursuant to Listing Rule 7.2 exception 14, as Shareholder approval is being sought under Listing Rule 10.14 approval under Listing Rule 7.1 is not required.

### **8.3 Section 208 of the Corporations Act**

In accordance with Section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in Sections 210 to 216 of the Corporations Act.

The Company considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights to Matt Latimore as the exception in section 211 of the Corporations Act applies. The Performance Rights are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

### **8.4 Section 195(4) Directors Restrictions on Voting**

As all the Company's Directors have a material personal interest in the issue of Performance Rights, the Company seeks approval under section 195 of the Corporation Act so that the Shareholders may pass a resolution to deal with this matter.

### **8.5 Information required by Listing Rule 10.15**

For the purpose of Listing Rule 10.15, the following information in relation to the Director's participation in the Incentive Scheme the subject of this Resolution is provided:

*(a) Relationship of the related parties*

The related party the subject of this Resolution is a Director.

*(b) Type of securities*

The securities issued will be Performance Rights.

*(c) Number of securities that may be acquired by Matt Latimore*



Item	First Vesting Performance Rights	Second Vesting Performance Rights	Third Vesting Performance Rights	Fourth Vesting Performance Rights
<b>Amount of Performance Rights</b>	500,000	500,000	500,000	500,000
<b>Vesting conditions</b>	Shares vest when market cap remains above \$150,000,000 for 14 consecutive trading sessions post shareholder approval	Shares vest when market cap remains above \$200,000,000 for 14 consecutive trading sessions post shareholder approval	Shares vest at signing of binding off take agreement and strategic equity investment within 6 months of shareholder approval	Shares vest after payment received for first 100,000 tonnes of iron ore within 15 months of shareholder approval
<b>Expiry date</b>	5-Jul-22	5-Jul-23	5-Jan-22	5-Oct-22

(d) *Maximum number of securities that may be acquired by Matt Latimore*

The maximum number of securities that may be issued to Matt Latimore under the Incentive Scheme in any 12-month period is 2,000,000.

(e) *Price*

The Performance Rights will be issued for nil consideration as part of the Incentive Scheme.

(f) *Summary of Material Terms of the securities*

The Material Terms of the Performance Rights being issued under this Resolution pursuant to the Incentive Scheme, which is summarised in Annexure C of this Document.

The Company has chosen to issue the Director Performance Rights to the Directors for the following reasons:

- (i) The Director Performance Rights are unquoted and will not have an immediate dilutionary impact on Shareholders;
- (ii) the issue of the Director Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of remuneration allows the Company greater flexibility to use its cash reserves to further advance its projects instead of being allocated for executive remuneration; and
- (iii) the issue of Director Performance Rights is in line with its strategy that the objectives of its employees are more closely aligned with the interests of the Company and the Shareholders, in addition to attracting, motivating and retaining valuable employees.

The value attributed to the Performance Rights being issued under this Resolution is set out in Annexure E of this Document.

(g) *Number of securities previously issued to directors under Incentive Scheme*

Nil.

(h) *Details of the director's total remuneration package*

Mr Latimore's total remuneration package comprises, \$60,000per annum.

Mr Latimore has not previously been issued Equity Securities under the Incentive Scheme or any similar plan.

*(i) Names of related parties entitled to participate*

Subject to approval of Resolution 8 above, at the date of this meeting, the Director entitled to participate under this Resolution is Matt Latimore.

*(j) Date by which the Company will issue the securities*

If vested, the Company will issue the Performance Rights no later than three years of the date of the meeting.

*(k) The terms of the Incentive Scheme*

A summary of the terms and conditions of the Incentive Scheme is set out in Annexure D of this Document.

*(l) The material terms of any loan that will be made to the person in relation to the acquisition*

No loan will be provided to any Director in relation to the issue of the Director Performance Rights.

*(m) Statement under Listing Rule 10.15.11*

The Company will:

- (i) publish details of any securities issued under the Incentive Scheme in each annual report relating to a period in which securities have been issued and that approval for such issue was obtained under listing rule 10.14; and
- (ii) ensure that any additional persons who become entitled to participate in the Incentive Scheme following approval of this Resolution will not participate unless approval relating to that person is obtained under Listing Rule 10.14.

## **8.6 Voting Exclusion Statement**

A description of the persons not permitted to vote on this Resolution and whose votes will be disregarded if cast on this Resolution, is set out in the Notice.

## **9. RESOLUTION 9 – APPROVAL TO ISSUE PLACEMENT SHARES TO DON CARROLL**

### **9.1 Background**

On 7 May 2021, the Company announced that it had successfully conducted a placement raising A\$6 million (before costs) (**Placement**).

Under the Placement, the Company offered Sophisticated Investors the opportunity to subscribe for Shares at \$0.15 each (**Placement Shares**). The Placement was fully subscribed for 40,000,000 Placement Shares.

On 7 May 2021, the Company also announced that Executive Chairman, Don Carroll, would in addition to the Placement Shares invest up to A\$250,000 under the same Placement terms, subject to shareholder approval. If approved Don Carroll, would receive 1,666,666 fully paid ordinary shares in the Company (**Related Party Shares**).

The purpose of Resolution 9 is to obtain Shareholder approval for the issue of the Related Party Shares on the same terms as the Placement.

Resolution 9 therefore proposes the approval by Shareholders, under Listing Rule 10.11, the issue of the Related Party Shares to Related Parties of the Company.

## **9.2 Requirement for Shareholder Approval**

Listing Rule 10.11 requires that unless an exception applies, an entity must not without the prior approval of its shareholders, issue or agree to issue Equity Securities to:

- (a) a Related Party of the entity; or
- (a) a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval of shareholders should be obtained.

The Related Parties of the Company are deemed Related Parties by virtue of Don Carroll being a Director.

Shareholder approval is required under Listing Rule 10.14 in order to issue the Related Party Shares under the Placement to Don Carroll as a Director of the Company.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Related Party Shares to Don Carroll.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Related Party Shares.

## **9.3 Information required by Listing Rule 10.13**

For the purpose of Listing Rule 10.13, the following information in relation to the Shares the subject of Resolution 9 is provided:

- (a) *Parties to whom the securities will be issued*

Don Carroll or his nominee.

- (b) *Maximum number of securities to be issued*

1,666,666 Shares.

- (c) *Date of issue*

The Company intends to issue the Related Party Shares the subject of Resolution 9 on the day immediately after the date upon which Resolution 9 is duly approved or in any event, within one month from the date on which Resolution 9 is duly approved.

- (d) *Relationship of Related Party*

Don Carroll is a Director of the Company.

- (e) *Issue price*

The Related Party Shares will be issued for \$0.15 each.

- (f) *Terms of issue*

The Related Party Shares will be fully paid ordinary shares in the issued capital of the Company.

(g) *Use of funds raised*

The funds will be used to accelerate activities in order to become a cashflow generating mine with Direct Shipping Ore and allow the Company to work on opportunities through production of HBI and Pig Iron in US markets.

(a) *Material terms of an agreement to which securities were issued*

The Shares which are subject to this Resolution were not subject to an agreement. The Shares will be issued to the Related Parties named above or their nominees.

#### **9.4 Voting Exclusion Statement**

A description of the persons not permitted to vote on this Resolution, and whose votes will be disregarded if cast on this Resolution, is set out in the Notice.

#### **9.5 Recommendation of Directors**

Each Director, other than Don Carroll, recommends that Shareholders vote **IN FAVOUR** of this Resolution.

Each Director, other than Don Carroll, confirms that he has no personal interest in the outcome of this Resolution other than in his capacity as a Shareholder or an Associate of a Shareholder.

### **10.RESOLUTION 10 – APPROVAL TO ISSUE PLACEMENT SHARES TO MATT LATIMORE**

#### **10.1 Background**

See background in paragraph 9.1 of this Explanatory Statement. Please note the capitalised terms in this explanatory statement are defined in paragraph 9, unless expressly stated otherwise below.

On 7 May 2021, the Company also announced that Non-Executive Director, Matt Latimore, would in addition to the Placement Shares invest up to A\$250,000 under the same Placement terms, subject to shareholder approval. If approved Matt Latimore, would receive 1,666,666 fully paid ordinary shares in the Company (**Related Party Shares**).

The purpose of Resolution 10 is to obtain Shareholder approval for the issue of the Related Party Shares on the same terms as the Placement.

Resolution 10 therefore proposes the approval by Shareholders, under Listing Rule 10.11, the issue of the Related Party Shares to Related Parties of the Company.

#### **10.2 Requirement for Shareholder Approval**

Listing Rule 10.11 requires that unless an exception applies, an entity must not without the prior approval of its shareholders, issue or agree to issue Equity Securities to:

- (b) a Related Party of the entity; or
- (c) a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval of shareholders should be obtained.

The Related Parties of the Company are deemed Related Parties by virtue of Matt Latimore being a Director.

Shareholder approval is required under Listing Rule 10.14 in order to issue the Related Party Shares under the Placement to Matt Latimore as a Director of the Company.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Related Party Shares to Matt Latimore.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Related Party Shares.

### **10.3 Information required by Listing Rule 10.13**

For the purpose of Listing Rule 10.13, the following information in relation to the Shares the subject of Resolution 10 is provided:

*(a) Parties to whom the securities will be issued*

Matt Latimore or his nominee.

*(b) Maximum number of securities to be issued*

1,666,666 Shares.

*(c) Date of issue*

The Company intends to issue the Related Party Shares the subject of Resolution 10 on the day immediately after the date upon which Resolution 9 is duly approved or in any event, within one month from the date on which Resolution 9 is duly approved.

*(d) Relationship of Related Party*

Matt Latimore is a Director of the Company.

*(e) Issue price*

The Related Party Shares will be issued for \$0.15 each.

*(f) Terms of issue*

The Related Party Shares will be fully paid ordinary shares in the issued capital of the Company.

*(g) Use of funds raised*

The funds will be used to accelerate activities in order to become a cashflow generating mine with Direct Shipping Ore and allow the Company to work on opportunities through production of HBI and Pig Iron in US markets.

*(b) Material terms of an agreement to which securities were issued*

The Shares which are subject to this Resolution were not subject to an agreement. The Shares will be issued to the Related Parties named above or their nominees.

### **10.4 Voting Exclusion Statement**

A description of the persons not permitted to vote on this Resolution, and whose votes will be disregarded if cast on this Resolution, is set out in the Notice.

### **10.5 Recommendation of Directors**

Each Director, other than Matt Latimore, recommends that Shareholders vote **IN FAVOUR** of this Resolution.

Each Director, other than Matt Latimore, confirms that he has no personal interest in the outcome of this Resolution other than in his capacity as a Shareholder or an Associate of a Shareholder.

## **11. RESOLUTION 11 – ISSUE OF OPTIONS TO SHAPE CAPITAL PTY LIMITED**

### **11.1 Background**

Under the Placement, the Company engaged Shape Capital Pty Ltd who acted as the Lead Manager to the Placement (**Shape Capital**).

As part consideration for assisting with the Placement, the Company agreed to issue Shape Capital Pty Ltd and or Nominee 9,000,000 unquoted options in the Company with an exercise price of \$0.20 per option and expiring on the third anniversary date of their issue (**Lead Manager Options**).

### **11.2 Requirement for Shareholder approval under Listing Rule 7.1**

Listing Rule 7.1, known as the “15% rule”, limits the capacity of an ASX-listed entity to issue Equity Securities without the approval of its security holders.

In essence, Listing Rule 7.1 provides that an entity may not issue or agree to issue Equity Securities equal to more than 15% of the total number of ordinary securities on issue in the capital of the entity, 12 months prior to the proposed date of issue or agreement to issue plus any additional ordinary securities issued by the entity with security holder approval or in reliance on an exception to Listing Rule 7.1 during that 12 month period, unless the issue or agreement to issue is approved by security holders or otherwise comes within one of the exceptions to Listing Rule 7.1.

The effect of Shareholders passing this Resolution will be to enable the Company to issue the Lead Manager Options to Shape Capital in compliance with Listing Rule 7.1. For this reason, Shareholders are asked to consider and vote upon this Resolution.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Lead Manager Options.

### **11.3 Information required by Listing Rule 7.3**

For the purpose of Listing Rule 7.3, the following information in relation to the Lead Manager Options being issued to Shape Capital and or nominee provided:

*(a) Maximum number of securities to be issued*

9,000,000 unquoted options.

*(b) Last date for issuing the securities*

The Options the subject of this Resolution will, subject to Shareholder approval, be issued by no later than three months after the date of the Meeting (or before such later date permitted by any waiver or modification of the Listing Rules granted by ASX).

*(c) Issue price of securities*

Nil, the Options are being issued as partial payment for lead manager services provided to the Company as Lead Manager under the Placement.

*(d) Parties to whom the securities will be issued*

Shape Capital Pty Ltd or its nominee.

*(e) Terms of issue of the securities*

Each Option will have an exercise price of \$0.20 and will expire on the third anniversary of their issue date. The terms and conditions of the Lead Manager Options are set out in Annexure F of this Notice.

*(f) Funds raised from the issue of securities*

The Company will not be receiving consideration for the issue of the options and no funds will be raised from the issue under this Resolution as the Options were issued as part consideration for lead manager services provided to the Company.

*(g) Anticipated issue date*

Subject to the timeframe set out in paragraph 11.3(e) above, it is currently anticipated that, subject to Shareholder Approval, the Lead Manager Options will be issued on or about the day immediately after the Meeting.

*(h) Material Terms of an agreement to which securities were issued*

In or around April 2021, the Company entered into a capital raising mandate with Shape Capital (**Mandate**). Under the Mandate Canaccord agreed to provide capital raising services to the Company and to act as the sole lead manager in relation to the Placement.

In consideration for providing these services, the Company agreed to pay the following fees:

- A capital raising fee of 6.0% of all funds raised under the Placement (except those funds raised directly by the Company; and
- Receive 15,000,000 unquoted options at an exercise price \$0.20 expiring 3 years from the date of issue. 9,000,000 of the options are subject to shareholder approval sought in this Resolution.

#### **11.4 Voting Exclusion Statement**

A description of the persons not permitted to vote on this Resolution, and whose votes will be disregarded if cast on Resolution 11, is set out in the Notice.

#### **11.5 Recommendation of Directors**

Each Director recommends that Shareholders vote **IN FAVOUR** of Resolution 11.

Each Director confirms that he has no personal interest in the outcome of Resolution 11 other than in his capacity as a Shareholder or an Associate of a Shareholder.

### **12. RESOLUTION 12 – ELECTION OF MATT LATIMORE AS A DIRECTOR**

#### **12.1 Background**

Matt Latimore is the Founder and President of M Resources Pty Ltd, a company Mr Latimore established in 2011 for marketing, investment and trading of steelmaking raw materials, with a focus on metallurgical coal. M Resources has shipped over 400 cargoes of metallurgical coal as principle to global steel mills and currently has the exclusive marketing rights for Stanmore Resources (SMR) and Bowen Coking Coal (BCC) in Australia and Allegiance (AHQ) New Elk mine in the US. Through MetRes, a company 50% owned by M Resources, Matt also recently purchased the Millennium and Mavis Downs coal mines from Peabody. Matt is also a Non-Executive Director of Bowen Coking Coal.

Prior to founding M Resources, Matt was GM Sales and Marketing for Westfarmers Curragh coal for 10 years, responsible for global sales to steel makers and power utilities, rail and port and finance functions. Matt was a Director of Curragh Coal Sales. Prior to that, Matt held various positions with Mitsui & Co Coal Department.

Matt holds a Master of Business Administration from the Australian Graduate School of Management, a degree in International Business from Griffith University, Diploma of Export Management from the Australian Institute of Export, an Advanced Diploma of Leadership and Management from the University of Western Australia, is a Graduate of the Australian Directors Course (GAICD) and the Columbia University Senior Executive Program in New York.

## **12.2 Requirement for Shareholder approval**

Listing Rule 14.4 provides that any director (except a managing director) whom has been appointed throughout the year must not hold office past the next Annual General Meeting without re-election.

On 4 May 2021, Matt Latimore was appointed as a Non-Executive Director, however the Notice of Meeting for the Company's Annual General Meeting (**AGM**) had already been issued on 21 May 2021 with the AGM being held on 31 May 2021. In circumstances where Matt Latimore could not be considered for re-election at the AGM, Shareholders are now asked to consider and vote upon the election of Matt Latimore as a Director.

If this Resolution is passed, Matt Latimore shall continue on as a director of the Company.

If this Resolution is not passed, Matt Latimore will resign as a director of the Company once a replacement has been secured.

## **12.3 Voting Exclusion Statement**

A description of the persons not permitted to vote on this Resolution, and whose votes will be disregarded if cast on this Resolution, is set out in the Notice.

## **12.4 Recommendation of Directors**

Each Director, with Matt Latimore abstaining, recommends that Shareholders vote **IN FAVOUR** of this Resolution.

## **ENQUIRIES**

Shareholders are advised to contact John Dinan, the Company Secretary, on 08 6280 0245 if they have any queries in respect of the matters set out in this Document.



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## GLOSSARY

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For the purposes of this Document, the following terms have the meanings prescribed below:

<b>\$</b>	Australian dollars.
<b>AEST</b>	Australian Eastern Standard Time.
<b>Associate</b>	Has the meaning given in Listing Rule 19.12.
<b>Associated Company</b>	Any body corporate that is either: <ul style="list-style-type: none"><li>(a) a subsidiary of the Company within the meaning of section 46 of the Corporations Act; or</li><li>(b) a related body corporate of the Company within the meaning of section 50 of the Corporations Act.</li></ul>
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the securities exchange market operated by it, as the context requires.
<b>Authorised Nominee</b>	means a person or entity who or that has been nominated by an Eligible Person to be issued with and hold any Security offered or issued under, or otherwise contemplated by, the Plan including the Rules.
<b>Board</b>	The board of directors of the Company as constituted from time to time.
<b>Chair</b>	The person chairing the Meeting.
<b>Company or Magnum</b>	Magnum Mining and Exploration Limited (ACN 003 170 376)
<b>Constitution</b>	The constitution of the Company (as amended from time to time).
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company as at the date of this Document.
<b>Document</b>	This document entitled “Notice of Extraordinary General Meeting”, including any annexures or schedules to or of this document.
<b>Eligible Person</b>	means an employee, Director, officer or other person or entity selected by the Plan Committee to be made an offer to participate in the Plan.
<b>Equity Security</b>	Has the meaning given in Listing Rule 19.12.
<b>Explanatory Statement</b>	The section entitled “Explanatory Statement” of this Document, forming part of the Notice.
<b>Group</b>	means the Company and each company that is an Associated Company.
<b>Incentive Scheme</b>	means the Employee Incentive Scheme for which approval is sought at Resolution 1 in this Document.
<b>Letter of Offer</b>	means a letter of offer from the Company, or the Plan Committee acting on behalf of the Company, to an Eligible Person or their Authorised Nominee.
<b>Listing Rules</b>	The listing rules of the ASX as amended from time to time.

<b>Meeting</b>	The Extraordinary General Meeting of the Company convened pursuant to this Notice.
<b>Notice or Notice of Meeting</b>	The notice convening this Meeting as set out in this Document.
<b>Ordinary Resolution</b>	A resolution of Shareholders that is approved by a simple majority of the votes cast by Shareholders present at the Meeting (whether in person or by proxy) and entitled to vote on that resolution.
<b>Options</b>	means the right to acquire a Share in accordance with the terms and conditions of issue of that option.
<b>Participant</b>	means, as is applicable in the context of these Rules the Eligible Person or their Authorised Nominee who or that holds a Security offered or issued under, or otherwise contemplated by, the Letter of Offer and the Plan, including the Rules.
<b>Plan Committee</b>	means the Plan Committee or any other committee of the Board to which power to administer the Plan has been delegated by the Board or if and to the extent that there has been no or insufficient delegation, the Board.
<b>Performance Rights</b>	confer an entitlement to be issued one Share subject to the satisfaction of any performance criteria on the terms set out in the Incentive Scheme.
<b>Proxy Form</b>	The proxy form attached to this Document.
<b>Related Party</b>	Has the meaning given to that term in Listing Rule 19.12.
<b>Resolution</b>	A resolution set out in the Notice.
<b>Rules</b>	means the provisions of the Incentive Scheme, including any schedule or annexure to it, as varied from time to time.
<b>Security</b>	<p>means for the purposes of the Plan any of:</p> <ul style="list-style-type: none"> <li>(a) an Option;</li> <li>(b) a Share; or</li> <li>(c) a Performance Right,</li> </ul> <p>and each of the foregoing will be regards for the purposes of the administration of the Plan as a separate class of Security.</p>
<b>Share</b>	A fully paid ordinary share in the issued share capital of the Company.
<b>Shareholder</b>	A person recorded on the register of members maintained by the Company pursuant to sections 168 and 169 of the Corporations Act as a holder of one or more Shares.
<b>Sophisticated Investor</b>	A person to whom an offer of the Company's Equity Securities may be made without disclosure in reliance on section 708(8) or 708(11) of the Corporations Act and that is not already a Related Party of the Company.
<b>Vesting Date</b>	means the date on which an Option or Performance Right is exercisable or converts in accordance with the Plan or is no longer subject to forfeiture following satisfaction of any and all applicable Vesting Conditions.

**Vesting Conditions**

means the vesting of any Security held by a Participant is subject to the Participant being at all times between the date of issue and the Vesting Date an Eligible Person. The Plan Committee may impose other conditions in the Letter of Offer in its absolute discretion.



**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

## Need assistance?



**Phone:**

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



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00 AM (AEST) on Sunday, 18 July 2021.**

# Proxy Form

## 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 FOR POSTAL FORMS

**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.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

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### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

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

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
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.



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I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

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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 Extraordinary General Meeting of Magnum Mining and Exploration Limited to be held at HLB Mann Judd, Level 9, 575 Bourke Street, Melbourne, VIC 3000 on Tuesday, 20 July 2021 at 10:00 AM (AEST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** 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 Items 1 to 8 (except where I/we have indicated a different voting intention in step 2) even though Items 1 to 8 are 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 Items 1 to 8 by marking the appropriate box in step 2.

### 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		For	Against	Abstain
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7	<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.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare



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## **ANNEXURE B – TERMS AND CONDITIONS OF OPTIONS**

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(a) **Entitlement**

Each Option gives the Option holder the right to subscribe for one (1) Share. To obtain the right given by each Option, the Option holder must exercise the New Options in accordance with the terms and conditions of the Options.

(b) **Exercise Price**

Subject to any variation in share capital, the amount payable upon exercise of each Option will be as stated a Letter of Offer from the Company.

(c) **Expiry Date**

The Options will, except to the extent that they are exercised earlier, expire three years from their date of issue (Option Expiry Date). Any New Option not exercised before the Option Expiry Date will automatically lapse on its Option Expiry Date.

(d) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company (**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.

(e) **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**).

(f) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and 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 (**Cleansing Notice**), or if the Company is unable to issue such a Cleansing 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 a Share issued pursuant to the exercise of a New Option does not require disclosure to investors; and
- (iii) if admitted to the Official List at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a Cleansing Notice delivered under sub-paragraph (e)(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 will, no later than 20 Business Days after first 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 those Shares does not require disclosure to investors.

(g) **Shares issued under exercise**

Shares issued upon exercise of the New Options will rank equally in all respects with the then issued Shares.

**(h) Quotations of Shares issued on exercise**

If admitted to the Official List at the time, the Company will apply to ASX for Quotation of the Shares issued upon the exercise of the Options.

**(i) Variation of Share Capital**

If at any time the issued capital of the Company is reconstructed, the number of Options and their Exercise Price shall be adjusted in such a manner as is required under the ASX Listing Rules and as the auditors for the time being of the Company advise the Directors in writing to be, in their opinion, fair and reasonable.

**(j) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options, without first exercising those 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 may be exercised.

**(l) Quotation**

The Company may apply for Official Quotation of the Options on ASX. If the ASX does not grant Official Quotation of the Options, the Options will be unlisted and, as referred to in sub-paragraph (e)(ii) above, the Company will issue a Cleansing Notice that seeks to comply with the applicable provisions of the Corporations Act.

**(m) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## ANNEXURE C – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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### 1. Rights attaching to Performance Rights

- (a) **(Performance Rights):** Each Performance Right is a right to acquire a Share.
- (b) **(General Meetings):** A Performance Right confers on the holder (**Holder**) the right to receive all reports and accounts required to be laid before Shareholders of the Company in general meeting and all notices of general meeting, but unless otherwise entitled does not confer on the Holder the right to attend at general meetings.
- (c) **(No Voting Rights):** A Performance Right does not entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders of the Company.
- (d) **(No Dividend Rights):** A Performance Right does not entitle the Holder to any dividends.
- (e) **(Rights on Winding Up):** The Performance Rights that have not vested do not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
- (f) **(Not Transferable):** A Performance Right is not transferable.
- (g) **(Reorganisation of Capital):** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be reconstructed in the manner permitted by the Listing Rules or as otherwise permitted by the Board.
- (h) **(Application to ASX):** A Performance Right will not be quoted on ASX. However, upon conversion of the Performance Rights, the Company must within 10 Business Days after the conversion, apply for official quotation on the ASX of the Company Shares issued upon such conversion.
- (i) **(Participation in Entitlements and Bonus Issues):** A Performance Right does not confer any right to participate in new issues of securities such as bonus issues or entitlement issues.
- (j) **(Automatically Lapse):** The Performance Rights will automatically lapse if the Holder is no longer an employee or Director of the Company.
- (k) **(Return of Capital):** A Performance Right does not confer any right to a return of capital, whether in winding up, upon a reduction of capital or otherwise.
- (l) **(No Other Rights):** A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

### 2. Vesting Conditions of Performance Rights

- (a) **(Conversion on achievement of milestone):** Subject to paragraphs (b) to (e) below, Performance Rights vest upon achievement of the following milestones:
  - (i) **(Class 1)** commencement of iron ore production by the Company;
  - (ii) **(Class 2)** finalisation of rail and port approvals in connection with the Company;
  - (iii) **(Class 3)** payment of first iron ore shipment with a minimum requirement of 30,000 tonnes;
  - (iv) **(Class 4)** market capitalisation of the Company remaining above \$150,000,000 for 14 consecutive trading sessions;



- (v) **(Class 5)** market capitalisation of the Company remaining above \$200,000,000 for 14 consecutive trading sessions;
- (vi) **(Class 6)** signing of a binding off take agreement and strategic equity investment; and
- (vii) **(Class 7)** payment being receipted by the Company for the first 100,000 tonnes of iron ore.

(each, a **Milestone**)

- (b) **(Conversion)**: following vesting of Performance Rights, the Company must within 10 Business Days issue the number of Shares which relates to the Performance Rights that have vested. If Shares are officially quoted on the ASX at the time of the issue of Shares arising from the conversion of any Performance Rights under the Incentive Scheme, the Company must within the timeframe required by Item 5 of Appendix 6A of the Listing Rules, application for official quotation of the Shares.
- (c) **(Expiry Dates)**: Each Milestone must be achieved on or before the dates set out below:
  - (i) **(Class 1)** 5 January 2022;
  - (ii) **(Class 2)** 5 April 2022;
  - (iii) **(Class 3)** 5 July 2022;
  - (iv) **(Class 4)** 5 July 2022;
  - (v) **(Class 5)** 5 July 2023;
  - (vi) **(Class 6)** 5 January 2022; and
  - (vii) **(Class 7)** 5 October 2022.

(each, an **Expiry Date**)

- (d) **(Compliance with law)**: The conversion of the Performance Rights is subject to compliance at all times with the Corporations Act and the Listing Rules.
- (e) **(No Conversion if Milestone Not Achieved)**: Subject to paragraphs (b), (c) and (d), if the relevant Milestone is not achieved by the relevant Expiry Date, all Performance Rights held by each Holder the subject of that Milestone shall automatically lapse.
- (f) **(Conversion Procedure)**: The Company will issue the Holder with a new holding statement for the Shares 10 Business Days following conversion of the Performance Rights.
- (g) **(Ranking of Shares)**: The Shares into which Performance Rights will convert pari passu in all respects with existing Shares.

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## **ANNEXURE D – SUMMARY OF EMPLOYEE INCENTIVE SCHEME**

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A summary of the key terms of the Magnum Mining and Exploration Limited Incentive Plan (**Plan**) is set out below:

### **1. Principle conditions**

No Security may be offered or issued to a person under the Plan unless that person is at the time of the offer and the issue:

- (a) An Eligible Person; or
- (b) An Authorised Nominee; or

the Plan Committee determines otherwise.

### **2. Eligibility**

An Eligible Person means an employee, Director, officer or other person or entity selected by the Plan Committee to be made an offer to participate in the Plan.

An Authorised Nominee means a person or entity who or that:

- (a) has been nominated by an Eligible Person to be issued with and hold any Security offered or issued under, or otherwise contemplated by, the Plan; and
- (b) is controlled by that Eligible Person at all times whilst that person or entity holds any such Security.

### **3. Purpose**

The purpose of the Plan is to:

- (a) provide Eligible Persons with an opportunity to share in the growth in value of the Securities;
- (b) encourage Eligible Persons to improve the performance of the Group and its return to Shareholders and holders of other Securities; and
- (c) enable the Group to retain and attract skilled and experienced Directors, officers, employees and contractors and provide them with the motivation to enhance the success of the Group.

### **4. Administration**

The Plan is administered by the Plan Committee. The Plan Committee has full powers of amendment, interpretation, termination, delegation with respect to the Plan, in accordance with the Rules.

No amendment of the provisions of the Rules may reduce the accrued or vested rights of any participant, unless the amendment is to comply with legal requirements, to correct error, to enable contributions paid by the Company under the Plan to be tax deductible or reduce fringe benefits tax, or for the purpose of enabling favourable tax treatment of participants.

### **5. Issue of securities**

The Plan Committee may from time to time determine that the Company will offer Securities to an Eligible Person or to an Authorised Nominee. The Board or the Plan Committee must give to each Eligible Person or Authorised Nominee, a Letter of Offer and an application form to complete, sign and return to the Company, that includes the following information:

- (a) either:
  - (i) the number of Securities to which the invitation relates; or
  - (ii) the basis on which the number of Securities to which the invitation relates is to be determined;

- (b) in respect of each offered Security that is an Option:
  - (i) the proposed date of issue of that Option;
  - (ii) the exercise price of that Option; and
  - (iii) either:
    - A. the Vesting Date and the expiry date in respect of that Option; or
    - B. the basis on which the Vesting Date and the expiry date of that Option are to be determined
- (c) in respect of each offered Security that is a Performance Right:
  - (i) the proposed date of issue of that Performance Right; and
  - (ii) either:
    - A. the Vesting Date in respect of the Performance Right; or
    - B. the basis on which the Vesting Date and the expiry date of that Option is to be determined;
- (d) which, if any, Buyback Event will apply to each offered Security;
- (e) whether a holding lock will apply to any Security issued upon the exercise of an Option or the conversion of a Performance Right, and if so:
  - (i) whether during such holding lock the relevant Eligible Person or his or her Authorised Nominee will be able to dispose of a percentage of the Shares, in one or more tranches; and
  - (ii) the period for which that holding lock will apply; and
- (f) any other terms and conditions (including performance conditions where applicable) relating to the grant, exercise of any right of the Participant or the Company attaching to, or the issue of, a Security that, in the opinion of the Plan Committee, are fair and reasonable but not inconsistent with these rules

## **6. Limit on Number of Securities**

The number of Securities is as determined by the Plan Committee, in its absolute discretion. The Company must not offer to issue, or issue, any security that is a Share or capable of being converted into a Share if, at the time of the offer, the sum of the number of Shares in the same class:

- (a) that would be issued if all outstanding offers, invitations, Options and Performance Rights granted or issued under the Plan and any other employee share plan of any member of the Group were exercised or converted; and
- (b) issued under the Plan or issued under any other employee share and option plan of any member of any member of the Group during the period of three (3) years prior to the date of the Offer, exceeds five per cent (5%) of the total number of issued Shares in that class.

## **7. Exercise Price**

The exercise price payable upon the exercise of an Option will be such price as is selected by the Board or the Plan Committee. The exercise price must be denominated in Australian dollars, and is payable at the time and in the manner determined by the Plan Committee.

## **8. Becoming a Participant**

On the issue of a Security to an Eligible Person or Authorised Nominee or a legal representative of an Eligible Person or Authorised Nominee, that person becomes a Participant and is bound by the Plan.

## **9. Certificates**

The Company must give a Participant one or more certificates stating, to the extent applicable, the number of Securities issued, the date of grant, the vesting date, the Vesting Conditions, the exercise price, the expiry date, the term of the holding lock (if any), the escrow arrangements (if any), and any other specific terms and conditions applicable.

## **10. Consideration for Security**

The Consideration for a Security comprises the services that expected to be provided by the Eligible Person for the benefit of the Group. Unless otherwise stated, no further monetary or valuable consideration will be payable.

## **11. Entitlement to underlying Shares**

Each Option confers on its holder the entitlement to subscribe for and be issued one fully paid Share at the relevant Exercise Price. Each Performance Right confers on its holder the entitlement to be issued one fully paid ordinary Share for no consideration.

## **12. No Quotation of Options and Performance Rights**

The Company will not apply for the Official Quotation of any Options or Performance Rights.

## **13. Interest in Shares**

A Participant has no interest in a Share the subject of an Option or of a Performance Right, unless and until the Share is issued to that Participant.

## **14. Vesting Conditions**

The vesting of any Option or any Performance Right held by the Participant is subject to the following conditions being satisfied or waived at the discretion of the Plan Committee:

- (a) the Participant must have been, at all times, between and including both the date of grant of an Option or of a Performance Right, and the applicable Vesting Date, either an Eligible Person, an Authorised Nominee or a Legal Personal Representative of one of these people; and
- (b) any other conditions imposed in the Letter of Offer by the Plan Committee.

## **15. Vesting brought forward**

If any Accelerated Vesting Event occurs while a Participant is employed by any member of the Group and before the Vesting Date, all Options or Performance Rights held by that Participant and that had not vested prior to the Accelerated Vesting Event, will immediately vest.

An **Accelerated Vesting Event** is either where an offer is made by a person to acquire all of the Shares that are not owned by the offeror, and after the announcement of that offer, the offeror acquires control of the company; or where a takeover bid or scheme of arrangement is recommended by the Board.

## **16. Lapsing of Option or Performance Right**

An Option will lapse on the commencement of the day immediately after the expiry date.

An Option or Performance Right will also lapse upon either a Participant, or any Eligible Person who nominated that Participant, ceasing to be an employee or a Director, or a Buyback Event occurring in respect of the Participant. This is unless a special circumstance occurs (where a Participant suffers total and permanent disablement or death, is made redundant, or any other circumstances determined at the discretion of the Plan Committee) in relation to that Participant before the Vesting Date.

## **17. Non-Vesting or Non-Exercise of Options and Performance Rights**

If the Vesting Conditions applicable to Options or Performance Rights have not been satisfied before 5 p.m. on the Vesting Date then each of the Options and Performance Rights will be cancelled and of no further force or effect.

## **18. Exercise of Options and Quotation of Shares**

An Option which has not lapsed may be exercised by the Participant giving the Company a signed notice of exercise, the certificate of the Option and payment to the Company of an amount equal to the product of the number of Options being exercised and the exercise price in respect of those Options.

Within 15 Business Days after the notice of exercise, the Company must issue the number of Shares specified, cancel each certificate for the Options, and if applicable issue a new certificate for each of the number of Shares issued and any remaining Options that are the subject of the certificate.

A Participant may only exercise Options in multiples of 1,000 or another multiple the Plan Committee determines, unless the Participant exercise all Options they hold. The Company must apply for Official Quotation of the Shares issued at exercise of the Option. Every Share issued on exercise will rank *pari passu* in all respects with all other Shares previously issued.

## **19. Issue and Conversion of Performance Rights**

Upon a Participant accepting any offer of Performance Rights as set out and in accordance with a Letter of Offer, the Company will grant, for no consideration, that Participant the number of Performance Rights as set out in the Letter of Offer.

Performance Rights will vest on satisfaction of the Vesting Conditions. Each Performance Right will be converted into one share once vested.

## **20. Dealings with Securities**

A Security held by a Participant may not be exercised by any other person. This is unless a Security which has vested is transferred in one of the following ways:

- (a) a transfer following acceptance of an offer made under off-market bid relating to that Security;
- (b) a transfer to a bidder on the sale of the Securities under Division 3 of Part 6A.1 of the Corporations Act;
- (c) a transfer to a 100% holder (as that term is defined in section 665A(1) of the Corporations Act) on the sale of the Securities under Division 2 of Part 6A.2 of the Corporations Act;
- (d) a transfer under Part 6A.3 of the Corporations Act to a person entitled to acquire the Securities under section 661A or section 664A of the Corporations Act;
- (e) a transfer under a creditors' scheme of arrangement relating to the Securities under section 411 of the Corporations Act; or
- (f) a transfer approved by the Plan Committee in circumstances as may be determined by the Plan Committee in its absolute discretion.

## **21. Buyback Event**

Upon the occurrence of a Buyback Event specified in the provision of the applicable Letter of Offer, the Participant must dispose of the Securities as directed by the Company or Plan Committee and otherwise in accordance with the provision of that Letter of Offer.

A **Buyback Event** will mean the occurrence of many different events as specified in the Rules which will include but is not limited to the Holder experiencing an insolvency related event, termination of employment of a Participant by any member of the Group or a takeover bid of the Company by a person that is recommended by the Board.

## **22. Holding Lock**

The Plan Committee may, when making an offer of Securities to an Eligible Person, specify that a holding lock will be applied to the Shares issued as a result of the exercise of any of those Securities. Upon acceptance of an Offer the relevant Eligible Person will be deemed to have agreed to the provisions of a holding lock.

For the duration of the holding lock period all Shares issued under the Plan will not be capable of being disposed of unless the Plan Committee specifies otherwise in the Letter of Offer. The Participant who holds those Shares may not create any security interest in respect of those shares (unless in favour of the Company or agreed to by the Plan Committee) during the holding lock period.

### **23. New Issues**

A Participant is only entitled to participate (in respect of an Option or Performance Right granted under the Plan) in a new issue of Shares to existing Shareholders generally if:

- (a) the Participant has validly exercised his or her Options within the relevant exercise period or the Performance Right has been converted; and
- (b) become a Shareholder,  
prior to the relevant record date for that new issue.

### **25. Reconstructions**

If prior to exercise of an Option or conversion of a Performance Right there is a reconstruction of the issued capital of the Company, then the Option or Performance Right will be reconstructed in a manner consistent with the Listing Rules or as determined by the Board.

### **24. Rights of Participants**

The Rules do not confer any rights that affect the employment contract of an Employee and may not be used to increase damages in an action in respect of termination. Participants will not have any right to attend or vote at meetings of Shareholders.

## ANNEXURE E – VALUATION OF OPTIONS AND PERFORMANCE RIGHTS

**OPTIONS:** The Options to be issued to the Directors comprising Dano Chan, Don Carroll, Matt Latimore and John Dinan pursuant to Resolutions 2-5 have been valued internally by the Company using the Black Scholes option valuation methodology.

Using the Black Scholes option model and based on the assumptions set out below, the Director Options were ascribed the following values:

Item	Option Class 1	Option Class 2	Option Class 3	Option Class 4
<b>Vesting conditions</b>	Options to be issued once shareholder approval obtained	Options to be issued once shareholder approval obtained	Options to be issued once shareholder approval obtained	Options to be issued once shareholder approval obtained
<b>Issue Date</b>	5-Jul-21	5-Jul-21	5-Jul-21	5-Jul-21
<b>Expiry Condition</b>	Third Anniversary of their issue date	Third Anniversary of their issue date	Third Anniversary of their issue date	Third Anniversary of their issue date
<b>Expiry date</b>	5-Jul-24	5-Jul-24	5-Jul-24	5-Jul-24
<b>Stock Price</b>	\$0.165	\$0.165	\$0.165	\$0.165
<b>Exercise price</b>	\$0.200	\$0.25	\$0.30	\$0.40
<b>Volatility</b>	97%	97%	97%	97%
<b>Value per Option</b>	\$0.0923	\$0.0847	\$0.0783	\$0.0683

Director	Class	Number	Valuation
<b>Dano Chan</b>	1	10,000,000	\$923,247.51
	3	10,000,000	\$783,135.31
	4	10,000,000	\$683,446.00
<b>Don Carroll</b>	2	6,000,000	\$507,908.91
<b>Matt Latimore</b>	2	6,000,000	\$507,908.91
<b>John Dinan</b>	2	3,000,000	\$253,954.46

**PERFORMANCE RIGHTS:** The Director Performance Rights to be issued to the Directors comprising Dano Chan, Don Carroll and Matt Latimore pursuant to Resolutions 6-9 have been valued internally by the Company using the Hoadley Barrier 5 Trinomial Option Model together with the Hoadley Parisian Barrier Model (collectively, **Hoadley Model**), where applicable.

An assessment of the probability of achieving the market performance condition has been applied to derive the valuation of each performance right.

Using the Hoadley Model and based on the below, the Director Performance Rights were ascribed the following values:

Item	PR Class 1	PR Class 2	PR Class 3	PR Class 4	PR Class 5	PR Class 6	PR Class 7
<b>Vesting conditions</b>	Shares vest at commencement of iron ore production - within 6 months of shareholder approval	Shares vest at finalisation of rail and port approvals - within 9 months of shareholder approval	Shares vest at payment of first iron ore shipment with a minimum requirement of 30,000 tonnes	Shares vest when market cap remains above \$150,000,000 for 14 consecutive trading sessions post shareholder approval	Shares vest when market cap remains above \$200,000,000 for 14 consecutive trading sessions post shareholder approval	Shares vest at signing of binding off take agreement and strategic equity investment within 6 months of shareholder approval	Shares vest after payment received for first 100,000 tonnes of iron ore within 15 months of shareholder approval
<b>Issue Date</b>	5-Jul-21	5-Jul-21	5-Jul-21	5-Jul-21	5-Jul-21	5-Jul-21	5-Jul-21
<b>Expiry date</b>	5-Jan-22	5-Apr-22	5-Jul-22	5-Jul-22	5-Jul-23	5-Jan-22	5-Oct-22
<b>Period (Years)</b>	0.50	0.75	1.00	1.00	2.00	0.50	1.25
<b>Stock Price</b>	\$0.165	\$0.165	\$0.165	\$0.165	\$0.165	\$0.165	\$0.165
<b>Exercise price</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Current Market Cap</b>	-	-	-	\$78,000,000	\$78,000,000	-	-
<b>Uplift Required</b>	-	-	-	192%	256%	-	-
<b>Share Price Condition (Extrapolated)</b>	-	-	-	\$0.317	\$0.423	-	-
<b>Adjusted Share Price Condition (Hoadley Parisian Barrier)</b>	-	-	-	\$0.403	\$0.538	-	-
<b>Volatility</b>	-	-	-	96.8%	96.8%	-	-
<b>Risk Free Rate</b>	-	-	-	2.42%	2.42%	-	-
<b>Value per PR</b>	\$0.1505	\$0.1439	\$0.1375	\$0.0869	\$0.1029	\$0.1375	\$0.1314



Director	PR Class	Number	Valuation
Dano Chan	1	500,000	<b>\$75,255.44</b>
Dano Chan	2	500,000	<b>\$71,947.18</b>
Dano Chan	3	1,000,000	<b>\$137,500.00</b>
Don Carroll	4	500,000	<b>\$43,465.79</b>
Don Carroll	5	500,000	<b>\$51,428.35</b>
Don Carroll	6	500,000	<b>\$68,750.00</b>
Don Carroll	7	500,000	<b>\$65,686.69</b>
Matt Latimore	4	500,000	<b>\$43,465.79</b>
Matt Latimore	5	500,000	<b>\$51,428.35</b>
Matt Latimore	6	500,000	<b>\$68,750.00</b>
Matt Latimore	7	500,000	<b>\$65,686.69</b>

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## ANNEXURE F – TERMS AND CONDITIONS OF OPTIONS TO BE ISSUED TO SHAPE CAPITAL PTY LTD

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(a) **Entitlement**

Each Option gives the Option holder the right to subscribe for one (1) Share. To obtain the right given by each Option, the Option holder must exercise the New Options in accordance with the terms and conditions of the Options.

(b) **Exercise Price**

Subject to any variation in share capital, the amount payable upon exercise of each Option is \$0.20.

(c) **Expiry Date**

The Options will, except to the extent that they are exercised earlier, expire 21 April 2024. Any New Option not exercised before the Option Expiry Date will automatically lapse on its Option Expiry Date.

(d) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company (**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.

(e) **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**).

(f) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and 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 (**Cleansing Notice**), or if the Company is unable to issue such a Cleansing 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 a Share issued pursuant to the exercise of a New Option does not require disclosure to investors; and
- (iii) if admitted to the Official List at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a Cleansing Notice delivered under sub-paragraph (e)(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 will, no later than 20 Business Days after first 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 those Shares does not require disclosure to investors.

(g) **Shares issued under exercise**

Shares issued upon exercise of the New Options will rank equally in all respects with the then issued Shares.

**(h) Quotations of Shares issued on exercise**

If admitted to the Official List at the time, the Company will apply to ASX for Quotation of the Shares issued upon the exercise of the Options.

**(i) Variation of Share Capital**

If at any time the issued capital of the Company is reconstructed, the number of Options and their Exercise Price shall be adjusted in such a manner as is required under the ASX Listing Rules and as the auditors for the time being of the Company advise the Directors in writing to be, in their opinion, fair and reasonable.

**(j) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders of the Options will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options, without first exercising those 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 may be exercised.

**(l) Quotation**

The Company may apply for Official Quotation of the Options on ASX. If the ASX does not grant Official Quotation of the Options, the Options will be unlisted and, as referred to in sub-paragraph (e)(ii) above, the Company will issue a Cleansing Notice that seeks to comply with the applicable provisions of the Corporations Act.

**(m) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## **CORPORATE DIRECTORY**

### **Board of Directors**

Mr Dano Chan, Managing Director  
Mr Don Carroll, Executive Chairman  
Mr John Dinan, Non-Executive Director  
Mr Matt Latimore, Non-Executive Director

### **Company Secretary**

Mr John Dinan

### **Registered Office**

Suite 2, Churchill Court  
234 Churchill Avenue  
Subiaco WA 6008

Phone: +61 08 6280 0245

### **Company Website**

<https://www.mmel.com.au/site/content/>

### **Share Registry**

Computershare Ltd  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067

Phone: +61 03 9415 5000  
International: +61 03 9415 4000