



Update Summary

Entity name

MAGNUM MINING AND EXPLORATION LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

17/5/2022

Reason for update to a previous announcement

Change in proposed issue date of Convertible Notes to 19 May 2022. The Maturity Date of the Convertible Notes will also subsequently change to 19 May 2024.

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

MAGNUM MINING AND EXPLORATION LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ACN

Registration Number

003170376

1.3 ASX issuer code

MGU

1.4 The announcement is

Update/amendment to previous announcement

1.4a Reason for update to a previous announcement

Change in proposed issue date of Convertible Notes to 19 May 2022. The Maturity Date of the Convertible Notes will also subsequently change to 19 May 2024.

1.4b Date of previous announcement to this update

2/5/2022

1.5 Date of this announcement

17/5/2022

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?

No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

New class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

No

ASX +security code

New class-code to be confirmed

+Security description

Unlisted Convertible Notes Tranche 1

+Security type

+Convertible debt securities

Number of +securities proposed to be issued

520

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes



In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 2,500.00000

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

+Convertible debt securities details

These securities are:

Convertible

Type of security

Convertible note or bond

+Security currency

AUD - Australian Dollar

Face value

AUD 2,500.0000

Interest rate type

Zero coupon/no interest

Frequency of coupon/interest payments per year

No coupon/interest payments

s128F of the Income Tax Assessment Act status applicable to the +security

s128F exemption status unknown

Is the +security perpetual (ie. no maturity date)?

No

Maturity date

10/5/2024

Select other features applicable to the +security

Redeemable

Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?

No

Details of the type of +security that will be issued if the securities are converted, transformed or exchanged

MGU : ORDINARY FULLY PAID



Number of +securities that will be issued if the +securities are converted, transformed or exchanged (including, if applicable, any interest)

At the date of this Appendix 3B is:18,571,428. Pursuant to variable formula further detailed in the Further Information section of this Appendix 3B.

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Please refer to Annexure A of Company Announcement dated 2 May 2022.

Part 7C - Timetable

7C.1 Proposed +issue date

19/5/2022

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?
 No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?
 Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

520 Notes (22,033,898 Shares as at the date of this Appendix 3B).

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?
 No

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?
 No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
 No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
 No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
 Yes



7E.1a Who is the lead manager/broker?

Shape Capital Pty Ltd.

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

\$700,000 to be paid via the issue of 8,433,735 fully paid ordinary shares in Magnum at a deemed issue price of \$0.083.

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Flex Capital Investment an entity associated to the subscriber IRIS received A\$300,000 as a structuring fee.
Legal Fees and ASX Listing Fees.

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Proceeds from funds received from the Investor will be used to help fast track the Issuers Integrated Green Pig Iron project in Nevada, and to complete a bankable feasibility study for the production of Green Pig Iron.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

The Convertible Notes will be converted at a price being 95% of the average of the 5 lowest daily VWAPs from the daily VWAPs of the Companys shares of the 20 most recent trading days prior to the date of a conversion notice and rounded where necessary to the lowest three decimal places. As this is a variable formula, the number of shares stated in this Appendix 3B that will be issued if the notes are converted is an estimate only based on the share price and the variable formula as at the date of this Appendix 3B.
Interest is only payable on the notes if the notes are redeemed for cash at which point interest of 5% per annum will be paid at maturity. Default Interest is payable at 10% per annum if a default event occurs.