

# **MAGNUM MINING AND EXPLORATION LIMITED**

**ABN 70 003 170 376**

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## **NOTICE OF ANNUAL GENERAL MEETING**

**AND**

## **EXPLANATORY MEMORANDUM**

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Date of Meeting: Friday 28 May 2010

Time of Meeting: 10.30 am (WST)

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

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

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

Notice is hereby given that the Annual General Meeting of Magnum Mining and Exploration Limited (**Magnum** or **Company**) will be held at 48 Ord Street, West Perth on Friday 28 May 2010 at 10.30am (WST) to conduct the business set out in this Notice of Meeting.

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

**BUSINESS**

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**1. Financial statements and reports**

To receive and consider the financial statements, the Directors' Reports and Auditor's Report for the Company and its controlled entities for the year ended 31 December 2009.

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

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**2. Adoption of Remuneration Report**

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

*"That the Remuneration Report for the Company and its controlled entities for the year ended 31 December 2009 be adopted."*

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

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

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

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

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**4. Re-election of Mr Michael McMahon as a Director**

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

*"That Mr Michael McMahon, who was appointed as a Director of the Company to fill a casual vacancy on 1 December 2009, retires in accordance with the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director."*

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**5. Ratification of placement**

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

*"That for the purpose of Listing Rule 7.4 and for all other purposes, shareholders of the Company hereby approve and ratify the issue of 10,000,000 Shares at an issue price of \$0.07 to clients of Patersons Securities Limited on 22 December 2009 on the terms and conditions contained in the Explanatory Memorandum."*

The Company will disregard any votes cast on this resolution by a person who participated in the issue and an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## **Other Business**

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

### **BY ORDER OF THE BOARD**

A handwritten signature in dark ink, appearing to read "G. Button". The signature is written in a cursive, flowing style.

**Grant Button**  
**Director**

14 April 2010

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

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**1. Financial statements and reports**

The Corporations Act and the constitution of the Company require the following reports in respect to the financial year of the Company ended 31 December 2009 to be laid before the meeting:

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

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

There is no requirement in the Corporations Act or in the Company's constitution for shareholders to approve the financial statements and Reports.

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**2. Remuneration Report**

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

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

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

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

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

The remaining Directors unanimously support the re-election of Mr Darryl Lynton-Brown.

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**4. Re-election of Mr Michael McMahon as a Director**

Mr Michael McMahon having been appointed by the Board on 1 December 2009 will retire and offers himself for re-election by Shareholders.

The remaining Directors unanimously support the re-election of Mr Michael McMahon.

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## **5. Ratification of Placement**

### **5.1 Listing Rule 7.4**

The Company seeks shareholder approval and ratification for the issue of 10,000,000 Shares to clients of Patersons Securities Limited on 22 December 2009 for the purposes of Listing Rule 7.4.

The purpose of seeking shareholder approval and ratification of the issue of Shares is to effectively reinstate the maximum limit under the Listing Rules on the number of securities that the Company may issue in any 12 month period without shareholder approval.

As announced on 22 December 2009, the Shares were placed with clients of Patersons Securities Limited at a price of \$0.07 per Share.

### **5.2 Disclosure Requirements**

Set out below is the information required to be disclosed in compliance with Listing Rule 7.5 in relation to the Placement:

- (a) The Shares were issued on 22 December 2009.
- (b) The number of Shares allotted and issued was 10,000,000.
- (c) The issue price of the Shares was \$0.07 per Share.
- (d) The Shares issued rank equally with all existing Shares.
- (e) All allottees were exempt offerees under the Corporations Act.
- (f) The amount raised from the issue of the Shares was approximately \$700,000 (less issue costs). The funds will be used for general working capital and to assess new opportunities.

The Directors unanimously recommend Shareholders ratify the Placement.

## Glossary of Terms

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

**Annual General Meeting** or **Meeting** means the annual general meeting of Shareholders to be held at 48 Ord Street, West Perth on 28 May 2010 at 10.30am (WST) or any adjournment thereof.

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

**Board** means the board of Directors.

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

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

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

**Explanatory Memorandum** means this explanatory memorandum.

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

**Placement** means the placement of 10,000,000 Shares to clients of Patersons Securities Limited on 22 December 2010.

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

**Shareholders** means registered holders of Shares.

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

## Registered Office

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

## Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed form of proxy. This form must be received by the company by 10.30am (WST) on 26 May 2009.

The completed form of proxy may be:

1. Mailed to Magnum Mining and Exploration Limited, PO Box 524, Wembley WA 6913, or
2. Faxed to Magnum Mining and Exploration Limited on (08) 9481 5044.

A member entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. A proxy need not be a member of the company.

# MAGNUM MINING AND EXPLORATION LIMITED

ABN 70 003 170 376

## FORM OF PROXY

The Secretary  
Magnum Mining and Exploration Limited  
Unit 2, Level 1  
331 Hay Street  
SUBIACO WA 6009

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

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

being a member/members of Magnum Mining and Exploration Limited hereby appoint

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

of \_\_\_\_\_  
(print proxy's address)

and (if you wish to appoint two proxies) \_\_\_\_\_  
(print second proxy's name in full)

of \_\_\_\_\_  
(print second proxy's address)

or, in the proxy's/proxies' absence or if no other appointee is mentioned, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on 28 May 2010 and at any adjournment of that meeting.

I/We desire to vote on the resolutions as indicated below:-

Please indicate with an X how you wish your vote to be cast. Unless otherwise instructed, the proxy may vote as he/she thinks fit. The resolutions are numbered as in the notice of meeting.

Item	For	Against	Abstain
2. Remuneration report			
3. Re-election of Mr Darryl Lynton-Brown as a director			
4. Re-election of Mr Michael McMahon as a director			
5. Ratification of Placement			

## Voting of Chairman

In relation to undirected proxies, the Chairman intends to vote in favour of each Resolution.

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

*By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.*

*If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.*

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Signature(s) of members(s)

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NOTES:

1. If you have appointed two proxies please indicate what proportion of your voting rights each proxy is to represent.
2. If the appointment of a proxy is signed by the appointer's attorney, this form must be accompanied by the authority under which the appointment was signed, or a certified copy of the authority.

The completed form of proxy may be:

1. mailed to Magnum Mining and Exploration Limited, PO Box 524, Wembley WA 6913 or
2. faxed to Magnum Mining and Exploration Limited on (08) 9481 5044.