



19 May 2022

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George Terrace
PERTH WA 6000

CLEANSING NOTICE UNDER SECTION 708A(12C)(e) OF THE CORPORATIONS ACT 2001

This cleansing notice (**Cleansing Notice**) is given by Magnum Mining and Exploration Limited (ASX: MGU) (**Issuer**), under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as amended by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instruments 2016/82 (**ASIC Instrument 2016/82**).

This Cleansing Notice is important and should be read in its entirety.

Neither ASIC nor the ASX take responsibility for the contents of this Cleansing Notice.

The Issuer hereby confirms that:

- (a) the Tranche 1 Convertible Notes (as defined below) are being issued without disclosure to an investor under Part 6D.2 of the Corporations Act;
- (b) this Cleansing Notice has been given in accordance with section 708A(12C)(e) of the Corporations Act for the Tranche 1 Convertible Notes; and
- (c) as at the date of this Cleansing Notice, the Issuer has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Issuer; and
 - (ii) section 674 of the Corporations Act; and
- (d) as at the date of this Cleansing Notice, there is no information that is "excluded information" within the meaning of Sections 708A(7) and 708(8) of the Corporations Act.

The issue of this Cleansing Notice enables the fully paid ordinary shares in the capital of the Issuer ("**Shares**") issued on the conversion of the Convertible Notes, as referred to further below, to be on-sold to retail investors without further disclosure.

1. BACKGROUND TO TRANSACTION

Convertible Note Agreement

As announced on 2 May 2022, the Company entered into a funding agreement (**Convertible Note Agreement**) with IRIS (Company Number 753 471 853) (**IRIS**) for up to \$20,000,000 of funding.

On 3 May 2022, the Issuer entered into a Deed of Assignment and Assumption with IRIS and Fabrice Evangelista, whereby IRIS assigned its interest in the Convertible Note Agreement to Fabrice Evangelista ("**Investor**"). Fabrice is the Chief Executive Officer and owner of IRIS, and the Agreement

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included a provision allowing IRIS to assign its interest in the Agreement to a related party of IRIS. All other material terms of the Convertible Note Agreement remain unchanged.

Under the Convertible Note Agreement, the Issuer may make a written request to the Investor to subscribe for the first tranche of convertible notes which comprise of 520 convertible notes (**Convertible Notes**) with a face value of A\$2,500 each raising \$1,300,000 before costs (**Tranche 1 Convertible Notes**).

Following the issue of the Tranche 1 Convertible Notes, the Issuer has the option to drawdown further funding by making a written request to the Investor to subscribe for subsequent tranches of Convertible Notes (each an **Additional Tranche**) up to a maximum aggregate of 8,120 Convertible Notes in total. Each Additional Tranche may comprise of up to \$1,000,000 (400 Convertible Notes).

The Issuer may not provide a written request for an Additional Tranche unless 22 trading days has passed between each tranche.

Adjustment of tranches

The Issuer is restricted on the amount of funding in any given Additional Tranche (except the Tranche 1 Convertible Notes) by the following:

- (a) if the average daily traded value of Shares traded on the ASX over a period of 20 consecutive trading days, preceding the date that a tranche request is given by the Issuer to the Investor (as applicable), has fallen below A\$250,000, the Investor may notify the Issuer in writing (at any time) that any proposed Additional Tranche will be no more than \$500,000; and
- (b) if the average daily traded value of Shares traded on the ASX over a period of 20 consecutive trading days, preceding the date that a tranche request is given by the Issuer to the Investor (as applicable), has fallen below A\$100,000, the Investor may notify the Issuer in writing (at any time) that any proposed Additional Tranche will be up to 20% of the average daily traded value of Shares traded on the ASX over a period of 20 consecutive trading days.

Conditions Precedent

The obligations of the Investor under the Convertible Note Agreement are conditional unless and until:

- (a) no material adverse effect has occurred;
- (b) the Issuer has provided the Investor with evidence that the board has resolved that execution of the Agreement and the transactions contemplated by the Agreement would not cause the Issuer to contravene the ASX Listing Rules or section 260A and Chapter 2E of the Corporations Act;
- (c) the Issuer has provided the Investor with evidence that the ASX has advised the Issuer that the ASX considers the terms of the Notes to be appropriate and equitable for the purposes of Listing Rule 6.1;
- (d) the Issuer has issued the Collateral Shares to the Investor;
- (e) the Issuer has issued the Facilitation Shares to Shape Capital (or its nominees);
- (f) the Issuer has paid A\$300,000 by way of structuring fee to Flex Capital Investment; and
- (g) the Issuer has provided the Investor with evidence that all relevant regulatory approvals (if any) have been obtained to implement the transactions contemplated within the Convertible Note Agreement.

(collectively, the **Conditions**).

The Issuer has satisfied all of the Conditions.

Issue of Tranche 1 Convertible Notes

Under the Convertible Notes Agreement, the Issuer is issuing the Tranche 1 Convertible Notes comprising 520 Convertible Notes with a Face Value of A\$2,500 each, raising \$1,300,000 before costs (**Tranche 1 Convertible Notes**).

The Issuer gives this cleansing notice in respect of the Tranche 1 Convertible Notes.

Collateral Shares and Facilitation Shares

The Issuer has also issued 24,096,386 Shares (**Collateral Shares**) to the Investor. If at any time the price of Shares quoted on ASX falls such that the value of all Shares currently held by the Investor and issued as Collateral Shares falls below A\$500,000, the Investor may by notice in writing to the Issuer and subject to shareholder approval require the Issuer to issue additional Shares so that the minimum value of Collateral Shares held by the Investor is at least A\$1,000,000 (**Additional Collateral Shares**). The total number of Additional Collateral Shares must not exceed 50,000,000 Shares.

As part of the entering into the Convertible Note Agreement with the Investor, Flex Capital Investment an entity associated with the Investor was paid A\$300,000 as a structuring fee.

The Issuer has also issued 8,433,735 fully paid ordinary shares at an issue price of \$0.083 per share (**Facilitation Shares**) to Shape Capital Pty Ltd (ACN 167 240 637) and its nominees for corporate advisory and facilitation fees in connection with the transaction.

Use of Funds

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

2. BACKGROUND TO THE ASIC RELIEF

As the Investor is a sophisticated investor for the purposes of section 708 of the Corporations Act, the Convertible Notes were issued without disclosure under Part 6D.2 of the Corporations Act.

Section 708A(12C)(e) of the Corporations Act (as notionally inserted by ASIC Instrument 2016/82) broadly allows for the on-sale of securities issued on conversion of convertible notes where, in part, the relevant entity issues a cleansing notice that complies with section 708A(12D) on the same day as, or within 2 business days before, the day on which the convertible notes were issued.

The issue of this Cleansing Notice therefore enables the Shares to be issued by the Issuer on the conversion of the Convertible Notes on the terms described below, to be on-sold to retail investors without further disclosure.

3. CONTENTS OF THIS CLEANSING NOTICE

This Cleansing Notice sets out the following:

- (a) In relation to the Convertible Notes:
 - (i) the effect of the issue on the Issuer;
 - (ii) a summary of the rights and liabilities attaching to the Convertible Notes; and
 - (iii) a summary of the rights and liabilities attaching to the Shares that will be issued on the conversion of the Convertible Notes; and
- (b) In relation to the Convertible Notes, any information that:

- (i) has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules; and
- (ii) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (1) the assets and liabilities, financial position and performance, profits and losses and prospects of the Issuer; and
 - (2) the rights and liabilities attaching to the Shares; and
- (iii) other information relating to the Issuer's status as a disclosing entity.

4. THE EFFECT OF THE ISSUE ON THE ISSUER

4.1. Effect of the Issue on the Issuer

The principal effect of the issue of the Tranche 1 Convertible Notes on the Issuer will be:

- (a) the satisfaction of the Issuer's obligations under the Convertible Notes;
- (b) increase the Issuer's cash reserves by A\$1,300,000 received by the Issuer pursuant to the issue of the Tranche 1 Convertible Notes;
- (c) an increase in the number of unquoted Convertible Notes on issue from nil to 520;
- (d) the Issuer having a liability of the aggregate amount of the Face Value of the Convertible Notes issued (A\$1,300,000), plus all accrued and unpaid interest (applicable in the event that the Tranche 1 Convertible Notes are redeemed); and
- (e) an increase in the number of Shares in the Issuer if the Investor elects to convert all or part of the Tranche 1 Convertible Notes in accordance with the Convertible Note Agreement.

4.2. Pro Forma Consolidated Statement of Financial Position as at 31 December 2021 taking into account the issue of the convertible notes

- (a) Set out in Annexure A is a pro forma consolidated Statement of Financial Position for the Issuer and its controlled entities ("consolidated entity") based on the audited financial statements of the consolidated entity as at 31 December 2021 adjusted to reflect the issue of the Tranche 1 Convertible Notes and has been prepared on the basis of the accounting policies normally adopted by the Issuer.
- (b) The pro forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements. The pro forma financial information is not audited. The classification of the allocations between debt and equity for the Convertible Notes may change in the future.

4.3. Potential effect on capital structure

- (a) As at the date of this Cleansing Notice, the total number of the issued Shares is 529,650,277 (including the 24,096,386 Collateral Shares and 8,433,735 Facilitation Shares issued on 4 May 2022).
- (b) As at the date of this Cleansing Notice, the total number of options is as follows:

Options	Number
Listed Options with exercise price \$0.05 expiring 30 September 2022	136,151,598
Unlisted Options with exercise price \$0.03 expiring 31/12/2023	6,500,000
Unlisted Options with exercise price \$0.05 expiring 31/12/2023	500,500
Unlisted Options with exercise price \$0.10 expiring 31/12/2023	3,000,000
Unlisted Options with exercise price \$0.20 expiring 31/12/2023	6,000,000
Unlisted Options with exercise price \$0.40 expiring 31/12/2023	6,000,000
Unlisted Options with exercise price \$0.25 expiring 20 July 2024	15,000,000
Unlisted Options with exercise price \$0.20 expiring 19 April 2024	47,000,000
Unlisted Options with exercise price \$0.20 expiring 20 July 2024	10,000,000
Unlisted Options with exercise price \$0.30 expiring 20 July 2024	10,000,000
Unlisted Options with exercise price \$0.40 expiring 20 July 2024	10,000,000
Total	250,152,098

- (c) The conversion price of the Tranche 1 Convertible Notes will be at a deemed issue price that equates to 95% of the 5 lowest daily volume weighted average prices (**VWAP**) of Shares of the 20 most recent trading days prior to the date of the conversion notice rounded where necessary to the lowest three decimal places (**Conversion Price**).

At the date of this Cleansing Notice it is not possible to determine the applicable Conversion Price until the conversion of Tranche 1 Convertible Notes and, consequently, it is not possible at this time to determine the maximum number of Shares to be issued on conversion of all Tranche 1 Convertible Notes.

Given there is no “floor” (or minimum) price with respect to the conversion price, shareholders should note that the issue of the Tranche 1 Convertible Notes could be highly dilutive to them if the market price of the Shares falls substantially over the period to when they are converted (assuming they are converted).

- (d) Assuming conversion of all Tranche 1 Convertible Notes and the applicable Conversion Price, please see the following table which sets out various working examples of pricing scenarios where the

Conversion Price is calculated based on half of, equal to and twice the close price of Shares traded on the ASX on 18 May 2022 which was **\$0.06**:

Various Conversion Price Scenarios	Conversion Price is calculated based on half of the closing Share price for 18/05/22 and calculated as \$0.029	Conversion Price is calculated based on the closing Share price for 18/05/22 and calculated as \$0.058	Conversion Price is calculated based on twice the closing Share price for 18/05/22 and calculated as \$0.116
Number of Shares to be issued on conversion	44,827,586	22,413,793	11,206,896

The actual effect on the Share capital of the Company will differ depending on how many Convertible Notes are converted, and the 5 lowest daily VWAP of Shares of the 20 most recent trading days prior to the date of the conversion notice.

5. RIGHTS AND LAIBILITIES ATTACHING TO THE CONVERTIBLE NOTES TO BE ISSUED UNDER THE CONVERTIBLE NOTE AGREEMENT

The following is a broad summary of the rights, privileges and restrictions attaching to the Convertible Notes. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Investor:

(a) Face Value

A\$2,500.00 per Convertible Note.

(b) Issue Date of Tranche 1 Convertible Notes

19 May 2022

(c) Maturity Date

The maturity date of the Convertible Notes is the date that is 24 months from the date of issue of the Convertible Note (**Maturity Date**).

(d) Term

The term of the Convertible Note Agreement means the period beginning at the date of the Convertible Note Agreement and ending on the date that is 24 months from the date of the Convertible Note Agreement, unless terminated earlier in accordance with the Convertible Note Agreement (**Term**).

(e) Conversion of Convertible Notes

The Investor may at any time between the issue date of the Convertible Notes and the Maturity Date, convert some or all of the Convertible Notes into Shares.

If the issue of any Shares would result in the Investor being in contravention of section 606 of the Corporations Act then the issue of the applicable Shares that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606 of the Corporations Act.

(f) Conversion Price

The conversion price of the Convertible Notes will be at a deemed issue price that equates to 95% of the 5 lowest daily volume weighted average prices (**VWAP**) of Shares for the 20 most recent trading days prior to the date of the conversion notice rounded where necessary to the lowest three decimal places (**Conversion Price**), provided that the conversion shall be subject to rounding and adjusted as reasonably required by the Investor in the event of any split, consolidation, reduction of capital or any other reorganisation of capital of the Issuer.

(g) Redemption of Convertible Notes

The Investor may elect by notice in writing to the Issuer, following the Maturity Date, to redeem some or all of the Convertible Notes (**Redemption**). On Redemption the Issuer must pay the Issuer the following redemption amount:

- (i) the total Face Value of the Convertible Note in respect of each Convertible Note being redeemed; and
- (ii) interest payable on the total Face Value of the Convertible Notes being redeemed at an interest rate of 5% per annum, which interest accrued daily and compounded monthly, from the date of issue of the Convertible Notes up to the date of payment,

(Redemption Amount).

The Investor may require the Issuer to redeem all of the Convertible Notes and pay the Redemption Amount at any time following the occurrence of any of the following:

- (i) a material adverse effect being an event, occurrence or change which individually or when aggregated with all such events, occurrences or changes has had or is reasonably likely to have a material adverse effect on the financial condition, assets, liabilities, results of operations, profitability or prospects of the Issuer or its business (**Material Adverse Effect**);
- (ii) a material adverse effect on the duties, obligations or liabilities of the Issuer or the Investor in connection with the Convertible Note Agreement or the Convertible Notes;
- (iii) a Default Event; or
- (iv) a change of control event.

The Issuer may at any time between the issue date of the Convertible Notes and the Maturity Date, redeem some or all of the Convertible Notes. On Redemption the Issuer must pay the issuer the Redemption Amount.

(h) Additional Collateral Shares

If at any time the price of the Issuer's Shares quoted on ASX falls such that the value of all Shares currently held by the Investor and issued as Collateral Shares falls below A\$500,000, the Investor may by notice in writing to the Issuer and subject to shareholder approval require the Issuer to immediately issue additional Shares up to A\$1,000,000 based on then current pricing, free of encumbrances, to the Investor. The total number of Additional Collateral Shares must not exceed 50,000,000 Shares.

(i) Default Event

Each of the following constitutes a Default event under the Convertible Note Agreement:

- (i) a breach by the Issuer of any obligations contained in, or related to, the Convertible Note Agreement that is not remedied within 5 business days' written notice to the Issuer or such other

reasonable longer period of time (as determined by the Investor in its sole discretion and notified to the Issuer);

- (ii) a breach by the Issuer of any obligations contained in, or related to, conversion of the Convertible Notes or in relation to a request for Additional Collateral Shares;
- (iii) the Issuer is subject to an 'insolvency event' (as variously defined);
- (iv) any member of the Issuer is served with a statutory demand or a foreign equivalent that is not set aside within 1 month;
- (v) the de-listing of the Shares from the ASX or a suspension of trading of the Shares on the ASX (other than temporary suspensions of no more than 5 Trading Days);
- (vi) any representation or warranty of the Issuer proves to have been materially incorrect or misleading when made;
- (vii) the Issuer ceases to hold all material Authorisations required for the proper conduct of business as it is being conducted, in a way which is reasonably likely to result in a Material Adverse Effect;
- (viii) the Issuer or any subsidiary of the Issuer fails to comply in any material respect with any laws, regulations (including the ASX Listing Rules or Corporations Act) or authorisations in a way which is reasonably likely to result in a Material Adverse Effect;
- (ix) the Issuer suspends or ceases to carry on (or threatens or takes any action to suspend or cease to carry on) all or a substantial part of its business; or
- (x) any act of fraud, dishonesty or improper conduct by the Issuer or any subsidiary of the Issuer, or its directors, officers, employees or agents (other than the Investor, its representatives or its appointees (including any appointee director nominated as the Investor's representative by the Investor, if any)),

(Collectively, **Default Events**).

On the occurrence of a Default Event, interest will be payable on the total Face Value of the Convertible Notes at an interest rate of 10% per annum, which interest accrued daily and compounded monthly, from the date of occurrence of the Default Event until the Issuer discharges the total amount owing to the Investor in full or remedies the default to the reasonable satisfaction of the Investor.

(j) Termination

The Investor may terminate the Convertible Note Agreement at any time following the occurrence of a Default Event or potential Default Event. Potential Default Events include events which, with notice of passage of time or both, would (i) constitute a Default Event, or (ii) have a material adverse effect on the duties, obligations or liabilities of the Issuer or the Investor in connection with this agreement or the Notes.

(k) Rights

Prior to conversion, the Investor has no rights as a shareholder of the Issuer, including any:

- (i) beneficial entitlement to or interest in any share of any class in the capital of the Issuer;
- (ii) right to vote at a meeting of members of the Issuer;
- (iii) beneficial or other right to be paid or credited a dividend declared or determined by the Issuer or any other right to participate in a distribution of profits of the Issuer; or

(iv) proprietary interest in any asset or cash flow of the Issuer.

(l) Representation and Warranties

The Issuer gives customary representations and warranties including in relation to registration, power and capacity, solvency, authorisations and compliance with law.

(m) Conduct of Business

From the date of the Convertible Note Agreement and until the last Convertible Note held by the Investor is converted or redeemed, except with the prior written consent of the Investor, the Issuer must:

- (i) conduct its business in the ordinary and usual course consistent with its usual business practices and must not make any significant change to the nature or scale of any activity comprised in its business;
- (ii) conduct their business in accordance with all applicable laws and regulations;
- (iii) remain admitted to the official list of ASX and maintain the quotation of its Shares on ASX;
- (iv) maintain and comply with the terms of all authorisations necessary to own and operate its assets and conduct its business;
- (v) keep and maintain proper records of all its dealings and transactions relating to its business;
- (vi) protect and maintain each of its assets and maintain appropriate and adequate insurance in respect of each asset which is insurable; and
- (vii) pay all amounts owing by it to trade or other creditors of its business in accordance with applicable payment terms.

(n) Transferability

The Convertible Notes are transferrable between the Investor and its related entities.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES ISSUED ON CONVERSION OF THE CONVERTIBLE NOTES

The Shares issued to the Investor on the conversion of the Convertible Notes under the Convertible Note Agreement will rank equally in all respects with all of the Issuer's existing Shares. The rights attaching to the Shares, including new Shares to be issued to the Investor on the conversion of the Convertible Notes, are set out in the Issuer's constitution, and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

The Issuer intends to apply to ASX for quotation of the Shares issued on conversion of any Convertible Notes.

Full details of the rights and liabilities attaching to Shares are set out in the Issuer's constitution, a copy of which can be inspected free of charge, at the Issuer's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

(a) General Meeting

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Issuer.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Issuer's constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Issuer. The Directors may set aside out of the profits of the Issuer any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Issuer may be properly applied.

(d) Winding-Up

If the Issuer is wound up, the liquidator may, with the authority of a special resolution of the Issuer, divide among the Shareholders in kind the whole or any part of the property of the Issuer, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Issuer, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) Shareholder Liability

As the Shares to be issued on the conversion of the Convertible Notes will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) Future Increase in Capital

The allotment and issue of any new Shares is under the control of the Directors. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Issuer's constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue securities as they shall, in their absolute discretion, determine.

(h) Variation of Rights

Pursuant to section 246B of the Corporations Act, the Issuer may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Issuer is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Issuer's constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. COMPLIANCE WITH DISCLOSURE OBLIGATIONS

The Issuer is a "disclosing entity" under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

These obligations require the Issuer to notify ASX of information about specific events and matters as they arise. In particular, the Issuer is obliged to continuously disclose to the market immediately any information which a reasonable person would expect to have a material effect on the price or the value of the Shares.

The Issuer is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. Copies of documents lodged with ASIC in relation to the Issuer may be obtained from, or inspected at, an ASIC office.

The Issuer will provide a copy of each of the following documents, free of charge, to any person on request:

- (a) the annual financial report most recently lodged by the Issuer with ASIC, being the financial report of the Issuer for the year ended 31 December 2021;
- (b) any half-year financial report lodged by the Issuer with ASIC after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Cleansing Notice with ASX; and
- (c) any continuous disclosure notices given by the Issuer to ASX after the lodgement of the annual financial report referred to in paragraph (a) and before the lodgement of this Cleansing Notice with ASX.

A list of the continuous disclosure notices given by the Issuer to ASX after lodgement of the financial report referred to in paragraph (a) above and before the lodgement of this Cleansing Notice with ASX is set out in the table below. All of these documents will be provided, free of charge, to any person on request.

Name of ASX announcement	Date of ASX announcement
Notification regarding unquoted securities - MGU	19/05/2022
Update – Proposed Issue of securities - MGU	17/05/2022
AGM withdrawal of resolutions	13/05/2022
Appendix 3X – Anoosh Manzoori	11/05/2022
Appendix 3X – Athan Lekkas	11/05/2022
Appendix 3X – Don Carroll	11/05/2022
Appendix 3Z John Dinan	11/05/2022
Appendix 3Z Dano Chan	11/05/2022
MGU Board changes	11/05/2022
Cleansing Notice	04/05/2022
Application for quotation of securities – MGU	04/05/2022
Magnum assigns funding facility	04/05/2022
Proposed Issue of Securities - MGU	02/05/2022
Proposed Issue of Securities - MGU	02/05/2022
Magnum Secures Funding Facility	02/05/2022
Notice of Annual General Meeting/Proxy Form	29/04/2022
Quarterly Activities Report	28/04/2022
Appendix 5B	28/04/2022
Broker Briefing Investor Webinar	26/04/2022
Change of Director's Interest Notice x 3	11/04/2022
Notification of cessation of securities – MGU	11/04/2022
Proposed Cancellation and Issue of New Performance Rights	11/04/2022
Investor Presentation	01/04/2022
Appendix 4G	31/03/2022

8. NO INFORMATION EXCLUDED FROM CONTINUOUS DISCLOSURE NOTICES

As at the date of this Cleansing Notice, the Issuer advises that it has fully complied with its disclosure obligations under the ASX Listing Rules and the Corporations Act, and, in particular, there is no information which the Issuer has excluded from any of its continuous disclosure notices given in accordance with the ASX Listing Rules and the Corporations Act as at the date of this Cleansing Notice which it would be reasonable for investors and their professional advisors to require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Issuer; and
- (b) the rights and liabilities attaching to the Convertible Notes and the Shares.

The release of this announcement has been authorised by the Company Secretary.

For further information, please contact:

John Dinan, Company Secretary
Magnum Mining and Exploration Limited
Ph: +61 438 014 304



John Dinan
Company Secretary

ANNEXURE A – CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Audited 31 December 2021	Impact of Proposed Convertible Notes Issued	Unaudited Pro Forma Adjusted Position
	\$ '000	\$ '000	\$ '000
Current assets			
Cash and cash equivalents	4,423	1,000	5,423
Trade and other receivables	79	-	79
Assets held for sale	186	-	186
Total current assets	4,688	1,000	5,688
Non- current assets			
Property, plant and equipment	894	-	894
Deferred exploration and evaluation expenditure	4,794	-	4,794
Total non-current assets	5,688	-	5,688
Total assets	10,376	1,000	11,376
Current liabilities		-	
Trade and other payables	396		396
Total current liabilities	396	-	396
Non-current liabilities		-	
Other payables	200		200
Convertible notes	-	1,300	1,300
Total non-current liabilities	200	1,300	1,500
Total liabilities	596	1,300	1,896
Net assets	9,780	(300)	9,480
Equity		-	
Issued capital	34,223	700	34,923
Reserves	7,150		7,150
Accumulated losses	(31,112)	(1,000)	(32,112)
Equity attributable to owners of the parent	10,261	(300)	9,961
Non-controlling interest	(481)	-	(481)
Total Equity	9,780	(300)	9,480