

MAGNUM MINING AND EXPLORATION LIMITED
ABN 70 003 170 376

MINING EXPLORATION ENTITY QUARTERLY REPORT
FOR THE THREE MONTHS ENDED
31 DECEMBER 2006

The Directors submit herewith the Mining Exploration Entity Quarterly Report in respect of the quarter ended 31 December 2006, furnished pursuant to Chapter 5 of the Australian Stock Exchange Limited Listing Rules.

John B. Rodger
Director

MAGNUM MINING AND EXPLORATION LIMITED
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REVIEW OF OPERATIONS

Tantalite Valley Project, Namibia

During the quarter, the Company continued to evaluate the potential regards to the Tantalite Valley “Tantalum” Project in the Karasburg area of southern Namibia.

The Company is still awaiting confirmation regards to our Application for Transfer of the Mining Licence.

The Company has been limited regards to the actual level of Operational Activities permitted at Site, pending the said Grant of Approval for the formal Transfer of Licence.

Bunawan Project, Philippines

Diamond drill hole BUN-001 was completed without intersecting further mineralization, other than that reported last quarter. The drill hole was designed to test the Maboyo Prospect for epithermal quartz vein mineralisation in the upper part of the hole and possible indications of porphyry copper-gold mineralisation in the lower part of the hole. Between 117.5 – 124.0m down-hole a zone was intersected with quartz veins and low grade gold mineralization between 0.20 – 0.50 gpt Au.

Magnum’s joint venture partner and the manager of the drilling program, Philsaga Mining Corporation, reported that a possible second hole, which was to be drilled subject to satisfactory results of the first hole, will not proceed.

Magnum is currently reviewing previous results and discussing with Philsaga further exploration within the Bunawan Project.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr. Jeffrey Christopher Schiller BSc (Hons), PhD, who is a Member of The Australasian Institute of Mining and Metallurgy. Dr. Schiller is a self-employed consultant. Dr. Schiller has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Dr. Schiller consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Exploration Expenditure Incurred

Exploration expenditure incurred during the quarter ended 31 December 2006 on the company’s various projects is set out below:-

Project	Amount Incurred
Philippines - Bunawan Project	52,380
Namibia – Tantalite Valley Project	—
	<u>\$ 52,380</u>
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Quarter Ended ("Current Quarter")

31 DECEMBER 2006

CONSOLIDATED STATEMENT OF CASH FLOWS

		Current Quarter \$A	Year to Date (12 Months) \$A
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for: (a) exploration and evaluation	--	(12,094)
	(b) development		
	(c) production		
	(d) administration	(157,487)	(370,035)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	32,991	55,919
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – GST	13,407	294
	Net operating cash flows	(111,089)	(325,916)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(25,304)	(33,703)
1.9	Proceeds from sales of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities	(18,932)	(20,876)
1.11	Loans repaid by other entities		
1.12	Other	--	(1,432)
	Net investing cash flows	(44,236)	(56,011)
Cash flows related to financing activities			
1.13	Proceeds from issue of shares, options, etc.	--	2,900,000
1.14	Proceeds from sale of forfeited shares		
1.15	Proceeds from borrowings		
1.16	Repayments of borrowings		
1.17	Dividends paid		
1.18	Other		
	Net financing cash flows	--	2,900,000
	Net increase (decrease) in cash held	(155,325)	2,518,073
1.19	Cash at beginning of quarter/year to date	3,157,875	483,499
1.20	Exchange rate adjustments to Item 1.19 above	(492)	486
1.21	Cash at end of quarter	3,002,058	3,002,058

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**PAYMENTS TO DIRECTORS OF THE ENTITY AND ASSOCIATES OF THE DIRECTORS
PAYMENTS TO RELATED ENTITIES OF THE ENTITY AND ASSOCIATES OF THE
RELATED ENTITIES**

		Current Quarter \$A
1.22	Aggregate amount of payments to the parties included in item 1.2	60,188
1.23	Aggregate amount of loans to the parties included in item 1.10	
1.24	Explanation necessary for an understanding of the transactions	
	Item 1.22 includes directors fees paid of \$60,188	

NON-CASH FINANCING AND INVESTING ACTIVITIES

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

During the quarter an unrelated entity paid \$32,713 on behalf of a subsidiary entity for operating expenses, creating a liability of \$32,713 to that entity.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

FINANCING FACILITIES AVAILABLE

		Amount Available \$A	Amount Used \$A
3.1	Loan facilities		
3.2	Credit standby arrangements		

ESTIMATED CASH OUTFLOWS FOR NEXT QUARTER

		\$A
4.1	Exploration and evaluation	1,500,000
4.2	Development	
Total		1,500,000

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RECONCILIATION OF CASH

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current Quarter \$A	Previous Quarter \$A
5.1 Cash on hand and at bank	3,002,058	3,157,875
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other		
Total: cash at end of quarter (item 1.21)	3,002,058	3,157,875

CHANGES IN INTERESTS IN MINING TENEMENTS

	Tenement Reference	Nature of Interest	Interest at Beginning Of Quarter	Interest at End of Quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

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ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

	Total Number	Number Quoted	Issue Price per Security (see note 1) (cents)	Amount paid up per security (see note 1) (cents)
7.1 Preference securities				
7.2 Changes during quarter				
a) Increases through issues				
b) Decreases Through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities	126,165,617	126,165,612	Various	Fully Paid
7.4 Changes during quarter				
a) Increases through issues				
b) Decreases through returns of capital, buy-backs				
7.5 Convertible debt securities				
7.6 Changes during quarter				
a) Increases through issues				
b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures				
7.12 Unsecured notes				

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COMPLIANCE STATEMENT

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to the ASX.
2. This statement does give a true and fair view of the matters disclosed.

Signed by

John B. Rodger – Director

Date: 31 January 2007

Notes

- 1 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.