



**MAGNUM**  
MINING & EXPLORATION LIMITED

## QUARTERLY REPORT 31 March 2015

*MAGNUM MINING AND EXPLORATION LIMITED*

*("Magnum" or the "Company") (ASX:MGU)*

---

### **CORPORATE MATTERS**

#### **Completion of Tantalite Valley Project Sell-Down and Joint Venture**

During the quarter, the Company announced the completion of the 60% sell-down to African Tantalum (Pty) Limited of, and creation of a joint venture in respect of, Magnum's Tantalite Valley Project located in Namibia, first announced on 31 July 2014.

The Transaction provides a way forward for the development of the Project and strengthens Magnum's cash position.

For further information on the Project and the transaction please see Magnum's announcement of 31 July 2014.

### **OPERATIONS**

#### **Tantalite Valley Project, Namibia**

The Tantalite Valley project is located on Mining Licence 77, near Karasburg and Warmbad, within the Magisterial district of Karas in the south of Namibia.

The Company has now completed the 60% sell-down to African Tantalum (Pty) Limited of, and creation of a joint venture in respect of the Tantalite Valley Project, details of which was first announced on 31 July 2014.

#### **Gravelotte Project, South Africa**

The Gravelotte Project is located close to the town of Gravelotte in the Limpopo province of South Africa. The Gravelotte Project shares a boundary with the Consolidated Murchison Mine, the oldest known antimony deposit in the world. Emeralds were discovered in the Gravelotte area in 1927 and since then several companies have mined and explored the area for emeralds. From 1929 to 1982 the total recorded emerald production from the Gravelotte Project and areas surrounding the Gravelotte township was reported as nearly 113 million carats. It is reported that during the 1960s the Gravelotte Project was the largest mine of its type in the world, employing over 400 sorters.

During the period from 1978 to 1982 the following Plant Throughput, Consigned Emerald rough and Grades were reported for the plant at the Gravelotte Mine:

**Magnum Mining & Exploration Ltd**

ABN: 70 003 170 376

Level 4, Suite 5, South Shore Centre, 85 The Esplanade, South Perth WA 6151 PO Box 189, South Perth WA 6951  
Tel: +61 8 9367 5327 Fax: +61 8 9238 0722 Email: [info@mmel.com.au](mailto:info@mmel.com.au) Web: [www.mmel.com.au](http://www.mmel.com.au)

**Figure 1**

Year	Source	Plant Throughput (tonne)	Consigned Emerald Grade (gram)	Grade (gram/tonnes)
1978-1982	Production from primary ore	394,686	3,252,152	8.24
1978-1982	Production from tailings and dumps only	73,798	508,423	6.89
1978-1982	Total Production	468,484	3,760,575	8.03

The host rocks are 3.3 billion year old Archaean greenstone schists enclosed and intruded by younger Archaean granitic rock and late stage albite-quartz pegmatoids. Emerald mineralization is closely related to the pegmatoids.

The mine area hosts schists that form a star-shaped outcrop pattern defined by two structural trends and northeast-trending and steep-sided granite bodies. The emerald-bearing zones and their subdivisions are as follows:

- Cobra – comprising Cobra North, Cobra South and Cobra Underground;
- Discovery – comprising Discovery Pit, Discovery East and Discovery South;
- Beryl Kop – comprising Beryl Kop East and Beryl Kop West; and
- Sable Kop.

The work undertaken during the quarter has included a review of the 2014 high resolution magnetic & radiometric survey which has identified several geophysical targets for follow-up. A drill programme to follow-up certain geophysical and geological targets combining core and percussion drilling has been planned and costed.

A topographic survey of the North and South Cobra open pits has been completed. In addition, a number of historical mine plans from when the Cobra mining operation ceased in the eighties have been recovered and submitted for potential digitisation in order to create a 3-d geological model of the mine area.

A topographic survey of tailings dumps surrounding the open pits has been undertaken by an independent surveyor to identify first pass tailings targets. This work should establish a volume of prospective material that can be tested through the proposed processing plant.

Access tracks for the proposed tailings processing plant on a site adjacent to the open pits have been completed. 8 large concrete settling ponds adjacent to the proposed tailings treatment site are in the process of being cleaned out and repaired. The site is being cleaned of accumulated debris and prepared for use. The Company has obtained quotes for the various parts of a recovery plant using state of the art technology, in particular an Optical Sorter.

A programme to collect a selection of emerald crystals from the Cobra North open pit has been instituted.

Contact has been made with the DMR in Polokwane with a view to putting the mine site into a compliant condition. An inspection visit by the DMR to site has recently been hosted and a start made on attending to the compliance items raised by the DMR. The Company has upgraded the mining infrastructure in preparation for increased activities and has an ongoing programme to rehabilitate historical issues.

## EXPLORATION INTERESTS

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 31 March 2015:

### 1. Listing of tenements held:

Location	Project	Tenement Type	Number	Interest	Status
Namibia	Tantalite Valley	Mining Licence	Mining Licence Number 77	40%	Granted
Limpopo Province, South Africa	Gravelotte	Mining Right	MPT 85/2013	74%	Granted
Limpopo Province, South Africa	Gravelotte	Prospecting Right	LP 204 PR	74%	Granted

No tenements were acquired during the quarter. The Company sold a 60% interest in the Tantalite Valley Project to African Tantalum (Pty) Limited.



**GRANT BUTTON**  
**Chief Executive Officer/Company Secretary**

Further information please contact:

Magnum Mining and Exploration Limited  
 Grant Button  
 +61 8 9481 5099  
 email: info@mmel.com.au

Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Roy Spencer, a Competent Person and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Spencer is a director and employee of the Company and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Spencer consents to inclusion in this document of the information in the form and context in which it appears.

**Appendix 5B**

**Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Magnum Mining and Exploration Limited

ABN

70 003 170 376

Quarter ended ("current quarter")

31 March 2015

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(36)	(36)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	10	10
<b>Net Operating Cash Flows</b>	<b>(178)</b>	<b>(178)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets (d) G.E.M Project acquisition	(3)	(3)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	585	585
1.10 Loans to other entities	(6)	(6)
1.11 Loans repaid by other entities	52	52
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>628</b>	<b>628</b>
1.13 Total operating and investing cash flows (carried forward)	450	450

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	450	450
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – capital raising costs		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	450	450
1.20	Cash at beginning of quarter/year to date	448	448
1.21	Exchange rate adjustments to item 1.20	1	1
1.22	<b>Cash at end of quarter</b>	899	899

**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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	39
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

**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

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**

*Add notes as necessary for an understanding of the position.*

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
4.3 Production	-
4.4 Administration	50
<b>Total</b>	<b>100</b>

**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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	86	237
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (restricted cash)	813	211
<b>Total: cash at end of quarter (item 1.22)</b>	<b>899</b>	<b>448</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Mining Licence Number 77	Mining Licence at Tantalite Valley Project	100%	40%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	229,578,812	223,628,812	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<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 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

**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 ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 April 2015

Print name: Grant Button  
Company Secretary

**Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **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.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flow* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

=====

---

+ See chapter 19 for defined terms.