



Company Announcements
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

By Electronic Lodgement

13 April 2011

Magnum Mining and Exploration Limited
**EXERCISE OF OPTION TO ACQUIRE BRAZILIAN IRON ORE
PROJECT**

As announced to ASX on 26 September 2011, Magnum Mining and Exploration Limited (**Magnum** or the **Company**) (ASX: MGU) entered into an option and exclusivity agreement (**Option Agreement**) pursuant to which OCRA Trustees (Seychelles) Limited as trustee of Global Trust (**OCRA**) granted to Magnum an irrevocable exclusive option (**Option**) to acquire all of the fully paid issued shares (**Shares**) in Irongates (Aust) Pty Ltd (**IAPL**). As announced to ASX on 22 December 2011, the Company successfully negotiated an extension of the exercise period for the Option to 16 April 2012.

IAPL holds 100% of the issued capital in Gates Minerals Pty Ltd (**GMPL**). IAPL also holds 99% of Irongates Brasil Recursos Mineraiis Ltda (a company registered in Sao Paulo) (**IBRML**) and GMPL holds the remaining 1% in IBRML. IBRML holds contractual rights to acquire Emicon Mineracao Terraplenagem Ltda's (**Emicon**) iron ore project in Brazil (**Brazilian Iron Ore Project**).

The Company has exercised the Option in accordance with the terms of the Option Agreement. However, notwithstanding exercise of the Option, the acquisition remains subject to Magnum being satisfied (in its sole and absolute discretion) with the results of its due diligence investigations into IAPL, GMPL, IBRML and the Brazilian Iron Ore Project.

The Company has conducted some due diligence inquiries into IAPL, GMPL, IBRML and the Brazilian Iron Ore Project. However, Magnum has not yet been able to satisfactorily complete its due diligence investigations. Accordingly, Magnum will continue its due diligence investigations in conjunction with its negotiations with OCRA over the terms of a formal agreement for the acquisition of the Shares.

The Company will provide updates to the market as and when it completes its due diligence enquiries.

For further information please contact:

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