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Company Announcements Office
Australian Stock Exchange
By electronic transmission

Dear Sirs,

Announcement to ASX

POSITIVE STREAM SEDIMENT ASSAYS

Magnum Gold NL (“Company”) has now completed a successful first round of stream sediment sampling conducted over its Bunawan Project (“Project”), Mindanao, the Philippines. Immediate follow up work will include more detailed stream sediment sampling in the area surrounding all anomalous samples as well as geological mapping where applicable.

The results have highlighted a gold anomalous area located south of the Bunawan River in the centre of the Project and between existing gold mining operations to the immediate north and south. An initial 35 samples were collected from the area. The results achieved were positive for gold with two streams reporting high assays of 383 ppb Au and 476 ppb Au. More than half of the samples returned values greater than 5 ppb Au suggesting that the area has a high background gold content. Each sample was +350g and represented minus 80 mesh silt fraction. McPhar Geoservices (Phil) Inc, and ISO accredited laboratory in Manila assayed the samples.

The Bunawan Project in central Mindanao is approximately 5km south of the operating Co-O gold mine controlled by Philsaga Mining Corporation (“Philsaga”), the subject of a recently approved acquisition by Medusa Mining Limited (“Medusa”) shareholders. Co-O has a high resource base that currently stands at a reported 241,000 ounces Au at an average grade of 29.7 g/t Au. It currently produces in excess of 20,000 ounces Au per annum at a cash operating cost of US\$200 per ounce. South of Bunawan is the Saugon Joint Venture where Philsaga and Medusa are producing gold ore as part of an underground development of the First Hit Vein.

The Bunawan Project is a Joint Venture between Magnum, and Philsaga with Philsaga managing all exploration work for the partners.

The Project occurs in a belt of volcanic rocks that host several gold bearing epithermal quartz veins, including the high grade vein at Co-O. Other local gold occurrences include First Hit, Mabas, Paradise Ridge and the Cabaohan Prospect. The Cabaohan Prospect is on the south eastern corner of the Magnum’s Bunawan Project.

The Directors believe that the Bunawan Project area has strong potential for a gold discovery following initial results and given its location among known gold deposits in the same geological setting. The Directors also believe that these early results more than justify their confidence in the area and that the second exploration program, currently underway, will build upon this initial success.

For further information contact the Directors of Magnum Gold NL:
Sydney: John Rodger, telephone (02) 9360 0080
Perth: Dr Jeff Schiller, mobile 0417 912273

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.

Yours faithfully,

Steven J. Danielson
Company Secretary

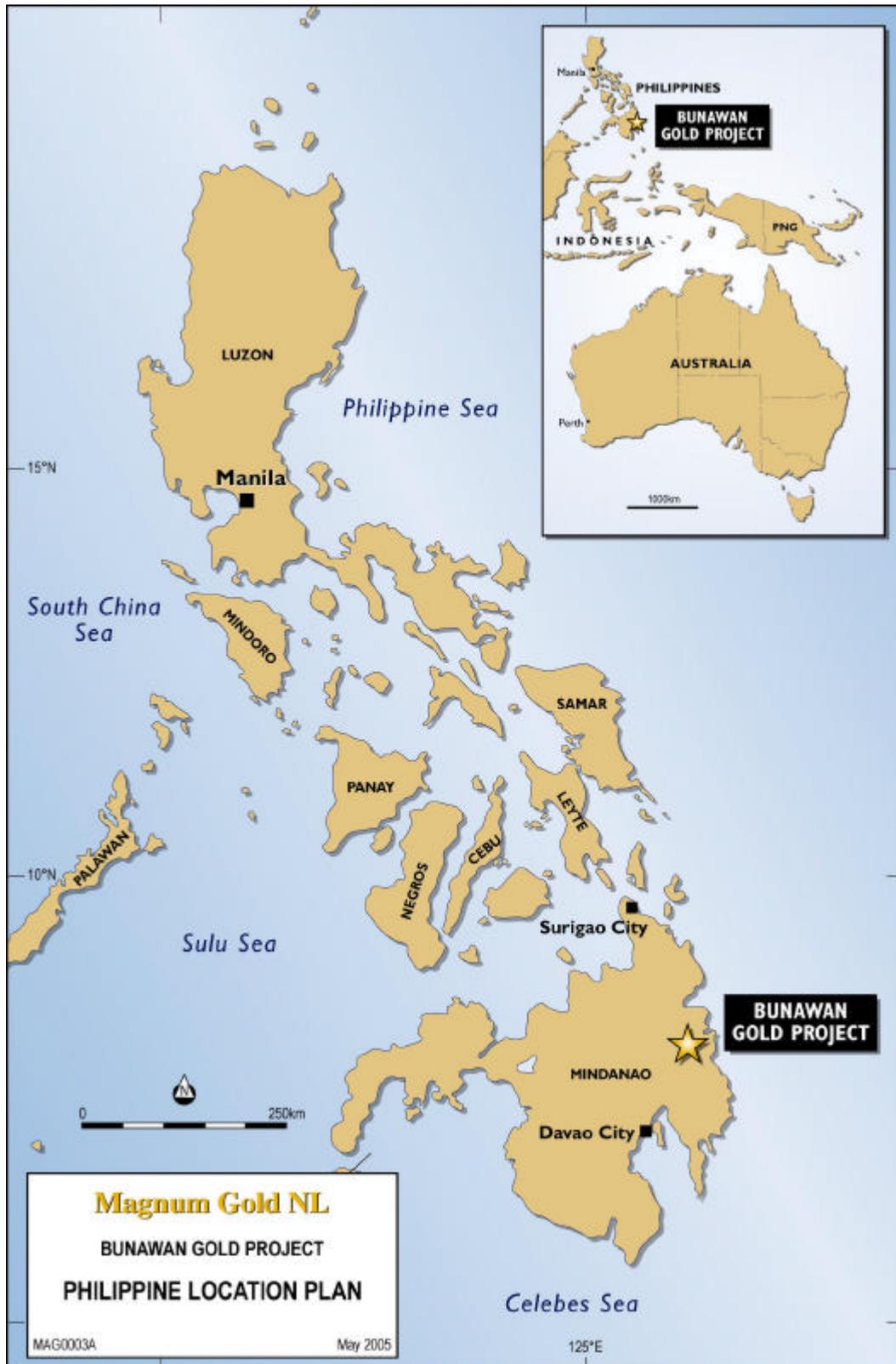


Figure 1

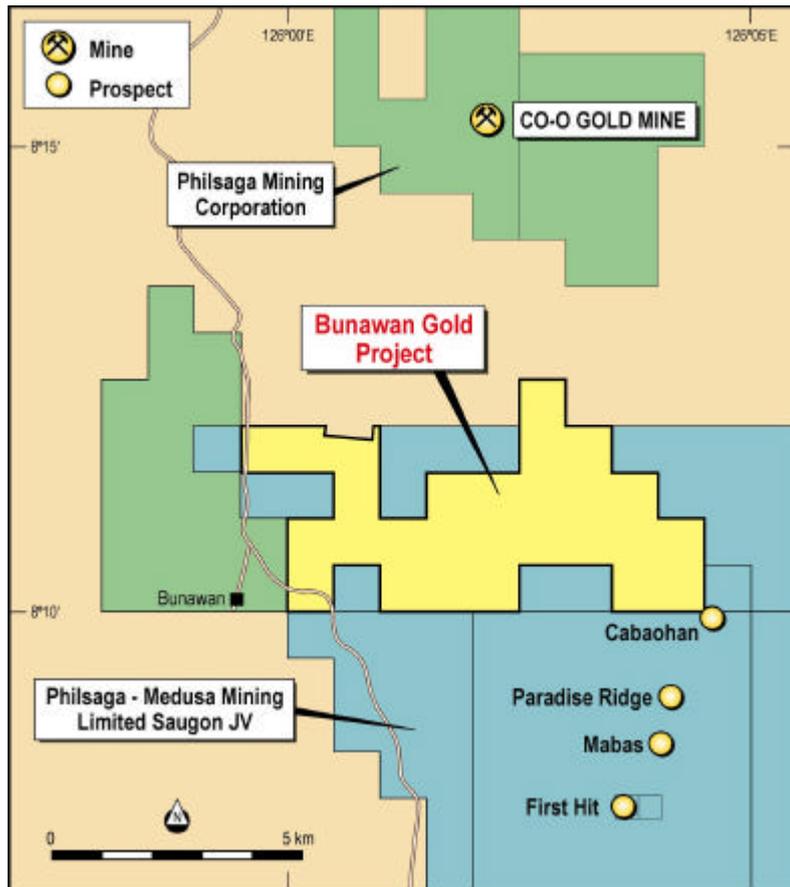


Figure 2

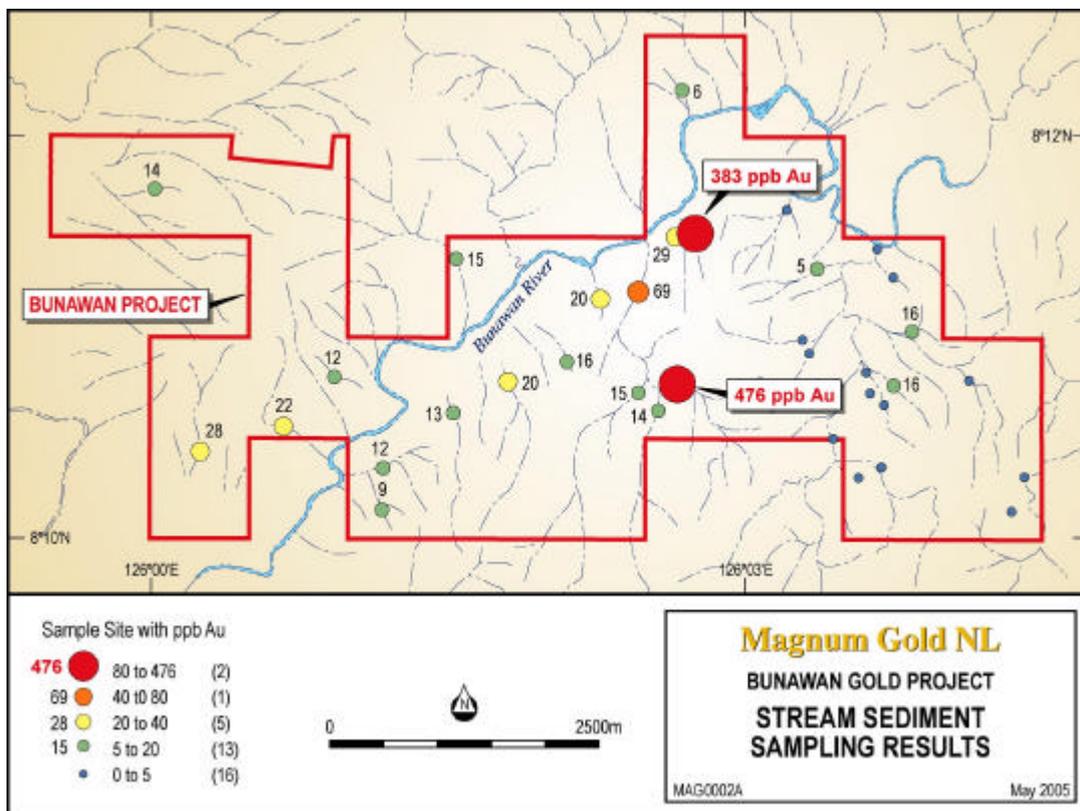


Figure 3