



QUARTERLY REPORT 30 JUNE 2008

MAGNUM MINING AND EXPLORATION LIMITED

("Magnum" or the "Company") (ASX:MGU.AX)

HIGHLIGHTS

- **Development Partner being sought for Tantalite Valley Project**
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OPERATIONS

Tantalite Valley Project, Namibia

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

Over the past eight months the Company has established a permanent presence on site and has re-established and refurbished the extensive infrastructure already on site.

During this period the Company has had external consultants undertake various activities to plan and cost an extensive drilling and bulk sampling program. These activities highlighted the difficulty and excessive cost of getting a drilling rig to a remote location, due in large part to the competing demands of the current mineral boom.

These difficulties have lead the Company to re-evaluate its strategy for developing the Tantalite Valley project. The Company is looking to forge an alliance with a tantalite mining house or end-user to assist in the development of the project and mitigate the marketing risks of the operation. The Company is developing the concept of a joint venture to assist with the establishment of mining activities at the earliest time possible. The Company has held initial discussions with interested parties and will explore all avenues to expedite the development of the project.

CORPORATE

Company Share Plan

The Company announced that in accordance with the shareholders approval received on 30 May 2008, it issued 3,900,000 shares under the terms of the Magnum Share Plan (the "Plan") Rules to the directors of the Company on 4 of June 2008. The issue price of the shares was \$0.18 each.

Magnum Mining & Exploration Ltd ABN: 70 003 170 376

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The shares issued under the terms of the Plan may not be sold or otherwise dealt with until the later to occur of the following:

- (a) any loan in respect of the share is repaid; and
- (b) in respect of:
 - (i) one half of the shares issued under this Offer, 12 months after the date of issue of the shares (4 June 2009) ; and
 - (ii) the remaining one half of the shares issued under this Offer, 24 months after the date of issue of the shares (4 June 2010).

A handwritten signature in black ink that reads "G. Button". The signature is fluid and cursive, with a large initial "G" and a period at the end.

GRANT BUTTON
Chief Executive Officer

Further information please contact:

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

MAGNUM MINING AND EXPLORATION LIMITED

ACN or ABN

70 003 170 376

Quarter ended ("current quarter")

30 June 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 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	(248)	(551)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	21	68
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		15
Net Operating Cash Flows	(227)	(468)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets		(2)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows		(2)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(227)	(470)
Cash flows related to financing activities			
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	(57)	(57)
1.18	Dividends paid		
1.19	Other – capital raising costs		
	Net financing cash flows	(57)	(57)
	Net increase (decrease) in cash held	(284)	(527)
1.20	Cash at beginning of quarter/year to date	3,749	4,009
1.21	Exchange rate adjustments to item 1.20	(62)	(79)
1.22	Cash at end of quarter	3,403	3,403

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	66
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 relates to Directors Remuneration, Fees and Superannuation contributions.

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

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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

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	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	-
4.2 Development	50
Total	50

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	903	3,749
5.2 Deposits at call	2,500	
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	3,403	3,749

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		
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 Preference +securities <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	160,315,617	151,165,612	various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	9,150,000	-	18	Fully Paid – Issued pursuant to Magnum Share Plan
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <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 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <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 Law 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: Richard Jarvis

Date: 28 July 2008

Print name: Richard Jarvis
Company Secretary

Notes

- 1 This 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 Flows* 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.

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