

**MAGNUM GOLD N.L.**  
**ABN 70 003 170 376**

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Company Announcements Office  
Australian Stock Exchange  
By electronic transmission

Dear Sirs,

**Announcement to ASX**

**MAGNUM GOLD NL PURSUES DUE DILIGENCE FOR WAY LINGGO**

In an earlier ASX announcement the Company had advised the market of its intention to purchase, subject to due diligence, the Way Linggo gold project in Sumatra, Indonesia. The project has a defined gold resource and has had approximately US\$9 million spent on exploration and resource definition as well as mining, metallurgical and other studies.

The Directors of Magnum Gold NL now wish to advise they have appointed Ted Mein & Associates of Perth and PricewaterhouseCoopers of Sydney and Jakarta in an effort to accelerate the due diligence process in relation to the proposed purchase.

Mr Ted Mein of Ted Mein & Associates will manage the technical due diligence that, among other things, will review existing material including:

- Mineral resource estimation
- Metallurgical testwork completion
- Process design
- Ore reserve estimation
- Capital and operational expenditure estimations
- Geological modeling for narrow vein mining

PricewaterhouseCoopers will conduct the commercial due diligence that will initially include:

- Review of the existing Contract of Work (“COW”)
- Examine the conditions attached to the COW
- Examine the royalty stream
- Advise on taxation and other local implications
- Review the structures and financial considerations of the companies being acquired
- Advise on key risks for Stage 2 of the due diligence

Previous exploration work comprised, among other things, 11,283m of diamond drilling from 112 holes all drilled to a maximum depth of 150m. It is an epithermal system containing gold and silver bearing quartz veins identified to extend over approximately 800m of strike open at depth and down plunge to the north.

The ASX report also advised that the project covers an area of 12,790 hectares with all approvals in place to start mining. These approvals include camp sites, mill sites and tailings dams. Underground narrow vein mining is proposed to produce in excess of 60,000 tonnes of ore per annum for an anticipated 20,000 plus ounces of gold produced.

Upon completing the purchase of the Way Linggo project Magnum Gold NL will immediately put in place an exploration program in an effort to considerably increase the existing gold reserves.

*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,

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John B. Rodger  
Director