



## QUARTERLY REPORT 30 JUNE 2007

*MAGNUM MINING AND EXPLORATION LIMITED (ASX:MGU.AX)*

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### *HIGHLIGHTS*

- Placement of 19,642,857 shares to raise approximately AUD\$4.125 million announced
  - Tantalite Valley Mining Licence transfer approved
  - Settlement on the acquisition of the Tantalite Valley project
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### OPERATIONS

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

During the quarter Magnum Mining and Exploration Limited ("Magnum" or the "Company") announced that it had been advised in writing that the Honourable Minister of Mines and Energy for Namibia had approved the application for the transferral of Mining Licence 77 from Tantalite Valley Estates (Pty) Ltd to Tameka Shelf Company Four (Pty) Ltd ("Tameka"), a fully owned subsidiary of Magnum.

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.

On 5 July 2007, subsequent to the end of this quarter, the Company announced that it had settled on the acquisition of the Tantalite Valley project.

Magnum acquired the Tantalite Valley project under the terms set out in the announcement dated 11 May 2006 and as at the General Meeting of shareholders dated 31 July 2006. Magnum has paid an amount of N\$8 million (A\$1.46 million) in cash and has previously issued 15 million fully paid ordinary shares in Magnum as consideration. The shares issued pursuant to the purchase have been held in voluntary escrow and have been delivered to the counterparties now that the settlement has been completed.

#### **Bunawan Project, Philippines**

The results of diamond drill hole BUN-001 were reviewed. Drill hole BUN-001 is located in the Maboyo Prospect where outcropping epithermal quartz veins are associated with copper and gold anomalism in stream sediments. The hole was designed to test for epithermal quartz vein mineralization in the upper part of the hole and possible indications of porphyry copper-gold mineralization in the lower part of the hole. Between 117.5 - 124.0m down-hole a zone was intersected with quartz veins and low grade gold mineralization between 0.20 - 0.50 gpt Au.

**Magnum Mining & Exploration Ltd ABN: 70 003 170 376**

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## QUARTERLY REPORT 30 JUNE 2007

### CORPORATE

#### Private Placement

On 29 June 2007, the Company announced that it would undertake a placement of up to 19,642,857 fully paid ordinary shares with sophisticated investors at a price of AUD\$0.21 per share. The placement will raise approximately AUD\$4.125 million.

Magnum will utilise the proceeds from the placing to undertake evaluation and developmental activities at the Company's Tantalite Valley tantalum project in Namibia, to assess and pursue potential new projects and for working capital purposes.

#### Board Changes

During the quarter, Mr John Rodger and Mr Peter Richard retired as directors of the Company. Mr Steven Danielson retired as Company Secretary and was replaced by the appointment of Mr Richard Jarvis and Mr Michael Langoulant as joint Company Secretary.

The Magnum board now comprises of the following:

Mr Grant Button - Chief Executive Officer  
Mr Gerard Nealon - Non-Executive Chairman  
Dr Jeffrey Schiller - Non- Executive Director  
Mr Richard Jarvis / Mr Michael Langoulant - joint Company Secretary

#### Company Share Plan

In accordance with the shareholder approval received on 31 May 2007, the Company issued 5,500,000 shares under the terms of the Magnum Mining and Exploration Share Plan (the "Plan") to directors and employees of the Company.

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 (22 June 2008) ; and
  - (ii) the remaining one half of the shares issued under this Offer, 24 months after the date of issue of the shares (22 June 2009).

#### Change to Registered Address

The Company's registered office and principal place of business has changed to Level 4 HPPL House, 28-42 Ventnor Avenue, West Perth, WA, 6005. The new telephone number is (08) 9481 5099 and the new facsimile number is (08) 9481 5044.

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### Change of Share Registry

The Company's new share registry is now Computershare Investor Services Pty Ltd.

A handwritten signature in black ink that reads "G. Button". The signature is written in a cursive, flowing style.

### GRANT BUTTON Chief Executive Officer

*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 mineralization 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 'Australian 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.*

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 2007

### 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	(285)	(398)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	17	49
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Other		
<b>Net Operating Cash Flows</b>	<b>(268)</b>	<b>(434)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(61)	(61)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities	(2)	(71)
1.11 Loans repaid by other entities		19
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>(63)</b>	<b>(113)</b>
1.13 Total operating and investing cash flows (carried forward)	(331)	(547)
1.13 Total operating and investing cash flows (brought forward)	(331)	(547)

+ See chapter 19 for defined terms.

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

<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>		(331)	(547)
1.20	Cash at beginning of quarter/year to date	2811	3,002
1.21	Exchange rate adjustments to item 1.20		25
1.22	Cash at end of quarter	2,480	2,480

**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	42
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.

**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

+ 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	100
4.2 Development	-
<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	2,480	2,811
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,480</b>	<b>2,811</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			
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 (description)	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	131,665,615	131,665,615	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	5,500,000	5,500,000	\$0.30	
7.5 +Convertible debt securities (description)	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			<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 (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

+ 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: 30 July 2007

Print name: Richard Jarvis  
Company Secretary

## Notes

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- 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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