



QUARTERLY REPORT 31 DECEMBER 2007

MAGNUM MINING AND EXPLORATION LIMITED

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

HIGHLIGHTS

- Preparation for exploration program continues
 - Changes to the Board
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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.

During the quarter the Company has undertaken various activities to plan and commission an extensive drilling and bulk sampling program. The extensive exploration program is being designed to increase the understanding of the mineral resource and to generate samples to be sent to potential end-users for analysis.

The Company has established a permanent presence on site and work is underway to re-establish and refurbish the extensive infrastructure already on site. The Company has purchased various capital items which are being utilised to re-establish roads on site, refurbish pipelines to provide water to the plant site and general refurbishment of plant and accommodation facilities to prepare for an extensive exploration program over the next 12 months.

The design of the drilling and bulk sampling programs have been finalised and the Company is currently compiling final quotations for the work to be undertaken.

Magnum Mining & Exploration Ltd ABN: 70 003 170 376

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CORPORATE

Board Changes

During the quarter, the directors of Magnum announced that Mr Darryl Lynton-Brown was appointed as a non-executive director of the Company.

The Board also advised the resignation of Mr Jeffrey Schiller as a non-executive director of the Company.

A handwritten signature in black ink that reads "G. Button".

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")

31 December 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation		(94)
(b) development	(15)	(104)
(c) production		
(d) administration	(380)	(1,024)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	47	139
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	(5)	11
Net Operating Cash Flows	(353)	(1,072)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		(974)
(b) equity investments		(555)
(c) other fixed assets	(7)	(286)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		(71)
1.11 Loans repaid by other entities		19
1.12 Other (provide details if material)		
Net investing cash flows	(7)	(1,867)
1.13 Total operating and investing cash flows (carried forward)	(360)	(2,939)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(360)	(2,939)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		4,095
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		(100)
	Net financing cash flows	-	3,995
	Net increase (decrease) in cash held	(360)	1,056
1.20	Cash at beginning of quarter/year to date	4,375	3,002
1.21	Exchange rate adjustments to item 1.20	4	(39)
1.22	Cash at end of quarter	4,019	4,019

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	91
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	100
4.2 Development	100
Total	200

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	4,019	4,375
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,019	4,375

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	151,165,617	151,165,612	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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: 30 January 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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