



QUARTERLY REPORT 31 March 2016

MAGNUM MINING AND EXPLORATION LIMITED

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

HIGHLIGHTS

- Pitting programme – a further 12 pits excavated to map the eastern contact with the Quarry Granite
- Drill Hole sampling and geological logging completed
- A.C.A. Howe International (ACAH) continue to digitise the Cobra drill data
- Commissioning of Aerial Survey Africa (ASA) to undertake a 300ha drone-based topographic survey of the mining area

OPERATIONS

Gravelotte Project, South Africa

The Gravelotte Project is located close to the town of Gravelotte in the Limpopo province of South Africa. Emeralds were discovered in the Gravelotte area in 1927 and since then several companies have mined and explored the area for emeralds. From 1929 to 1982 the total recorded emerald production from the Gravelotte Project and areas surrounding the Gravelotte township was reported as nearly 113 million carats. It is reported that during the 1960s the Gravelotte Project was the largest mine of its type in the world, employing over 400 sorters.

The host rocks are 3.3 billion year old Archaean greenstone schists enclosed and intruded by younger Archaean granitic rock and late stage albite-quartz pegmatoids. Emerald mineralization is closely related to the pegmatoids.

The mine area hosts schists that form a star-shaped outcrop pattern defined by two structural trends and northeast-trending steep-sided granite bodies. The emerald-bearing zones and their sub-divisions are as follows:

- Cobra – comprising Cobra North, Cobra South and Cobra Underground;
- Discovery – comprising Discovery Pit, Discovery East and Discovery South;
- Beryl Kop – comprising Beryl Kop East and Beryl Kop West; and
- Sable Kop

Magnum Mining & Exploration Ltd

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Pitting Programme

During the quarter, a further 12 pits were excavated on site in order to map the eastern contact with the Quarry Granite.

Drill Hole Sampling

The sample preparation work has been completed with all geological logging completed.

Topographic Survey

The Company has commissioned ASA to undertake a 300ha drone-based topographic survey of the mining area. It is anticipated that the survey will be undertaken in June and once completed, the topographic plan will be combined with the digitisation of the historic drill data to produce a first stage 3-d model of the mine workings.

Data Search & ACA Howe

ACAH continue to work on the digitisation of the historic Cobra drill data. It is anticipated that this work will be completed by the end of June. Thereafter the Company will proceed to digitise the much larger historic Discovery drilling database.

The drill data will be matched with the airborne topographical survey which will be undertaken by ASA in June.

Geological Mapping

SRK have completed the geological/structural mapping of the 3 open pits and have submitted their report. The SRK plan is now in a condition to be added to the 3-d model with ACAH is preparing. The Company intends to expand the geological/structural mapping to the east of the Cobra North and north of Discovery to Beryl Kop later in the year.

Compliance Issues

The MSA Group has continued with their work with the DMR on finalising the outstanding compliance issues.

The Company awaits update or comment on the Section 11 document from the ministry.

Property Maintenance

During the quarter the Company commenced a number of general maintenance projects to the buildings on site. As part of the on-going work programme work was also undertaken on keeping boundaries and other tracks clear of vegetation for use as fire breaks. Access roads and tracks have also been cleared and opened up and also sufficient drainage has been established to prevent water erosion during heavy downpours.

EXPLORATION INTERESTS

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 31 March 2016:

1. Listing of tenements held:

Location	Project	Tenement Type	Number	Interest	Status
Limpopo Province, South Africa	Gravelotte	Mining Right	MPT 85/2013	74%	Granted
Limpopo Province, South Africa	Gravelotte	Prospecting Right	LP 204 PR	74%	Granted

No tenements were acquired or relinquished during the quarter.



GRANT BUTTON
Chief Executive Officer/Joint Company Secretary

Further information please contact:

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Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Roy Spencer, a Competent Person and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Spencer is a director and employee of the Company and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Spencer consents to inclusion in this document of the information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Magnum Mining and Exploration Limited

ABN

70 003 170 376

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 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	(78)	(78)
(b) development		
(c) production		
(d) administration	(88)	(88)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(166)	(166)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(1)	(1)
(d) G.E.M Project acquisition		
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	(1)	(1)
1.13 Total operating and investing cash flows (carried forward)	(167)	(167)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(167)	(167)
	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		
1.18	Dividends paid		
1.19	Other – capital raising costs		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(167)	(167)
1.20	Cash at beginning of quarter/year to date	772	772
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	605	605

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	\$0
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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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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Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	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	80
4.2 Development	-
4.3 Production	-
4.4 Administration	60
Total	140

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	605	772
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Others	-	-
Total: cash at end of quarter (item 1.22)	605	772

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

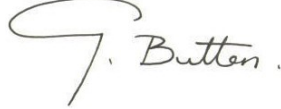
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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	229,578,812	223,628,812	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 Act 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: Date: 29 April 2016

Print name: Grant Button
Company Secretary

Notes

- 1 The 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 Flow* 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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