

MAGNUM GOLD N.L.
ABN 70 003 170 376

MINING EXPLORATION ENTITY QUARTERLY REPORT
FOR THE THREE MONTHS ENDED
31 MARCH 2006

The Directors submit herewith the Mining Exploration Entity Quarterly Report in respect of the quarter ended 31 March 2006, furnished pursuant to Chapter 5 of the Australian Stock Exchange Limited Listing Rules.

J.B. Rodger
Director

MINING EXPLORATION ENTITY QUARTERLY REPORT
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REVIEW OF OPERATIONS

Bunawan Project, Philippines

The Bunawan Project is a joint venture between Magnum Gold N.L. (“Magnum”) and Philsaga Mining Corporation (“Philsaga”), and Philsaga manages all exploration work. Magnum can earn 50% equity in the project from Philsaga by the expenditure of US\$1.5 million. The Bunawan Project is located 5 km to 10 km south of Philsaga’s operating Co-O gold mine within the Diwata Range of Eastern Mindanao.

A program to drill test geological and geochemical targets was presented by the joint venture manager. This program will test for epithermal veins and porphyry copper-gold targets below anomalous geochemical results and hydrothermally altered andesitic volcanic rocks. The target areas are located in the northern part of the Bunawan Project area, north of the Bunawan River. Regionally, the Diwata Range hosts many epithermal gold deposits and porphyry copper deposits and the Bunawan Project is also considered prospective for these styles of mineralisation.

Results from an aeromagnetic survey have been assessed and preliminary images of the data have been received from the joint venture manager. The results of an interpretation study over the project are still awaited.

New Projects

The Company has continued its efforts to acquire new exploration and mining projects, for gold and other commodities. An emphasis is placed on projects that have the potential to produce a cash flow from mining within one or two years.

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.

Exploration Expenditure Incurred

Exploration expenditure incurred during the quarter ended 31 March 2006 on the company’s various projects is set out below:-

Project	Amount Incurred
Philippines Bunawan Gold Prospect	3,989
Exploration expensed	<u>8,105</u>
	\$ 12,094
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Quarter Ended ("Current Quarter")

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CONSOLIDATED STATEMENT OF CASH FLOWS

		Current Quarter \$A	Year to Date (3 Months) \$A
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for: (a) exploration and evaluation	(12,094)	(12,094)
	(b) development		
	(c) production	(62,693)	(62,693)
	(d) administration		
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	4,527	4,527
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – GST	(371)	(371)
	Net operating cash flows	(70,631)	(70,631)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sales of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities	(1,944)	(1,944)
1.11	Loans repaid by other entities		
1.12	Other	(1,432)	(1,432)
	Net investing cash flows	(3,376)	(3,376)
Cash flows related to financing activities			
1.13	Proceeds from issue of shares, options, etc.		
1.14	Proceeds from sale of forfeited shares		
1.15	Proceeds from borrowings		
1.16	Repayments of borrowings		
1.17	Dividends paid		
1.18	Other		
	Net financing cash flows		
	Net increase (decrease) in cash held	(74,007)	(74,007)
1.19	Cash at beginning of quarter/year to date	483,499	483,499
1.20	Exchange rate adjustments to Item 1.19 above	1,712	1,712
1.21	Cash at end of quarter	411,204	411,204

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**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
1.22	Aggregate amount of payments to the parties included in item 1.2	13,808
1.23	Aggregate amount of loans to the parties included in item 1.10	
1.24	Explanation necessary for an understanding of the transactions Item 1.22 includes directors fees paid of \$13,808	

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

		Amount Available \$A	Amount Used \$A
3.1	Loan facilities		
3.2	Credit standby arrangements		

ESTIMATED CASH OUTFLOWS FOR NEXT QUARTER

		\$A
4.1	Exploration and evaluation	100,000
4.2	Development	
	Total	100,000

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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	Previous Quarter \$A
5.1 Cash on hand and at bank	411,204	483,499
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other		
Total: cash at end of quarter (item 1.21)	411,204	483,499

CHANGES IN INTERESTS IN MINING TENEMENTS

	Tenement Reference	Nature of Interest	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		

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ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

	Total Number	Number Quoted	Issue Price per Security (see note 1) (cents)	Amount paid up per security (see note 1) (cents)
7.1 Preference securities				
7.2 Changes during quarter				
a) Increases through issues				
b) Decreases Through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities	81,165,617	81,165,612	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				
7.6 Changes during quarter				
a) Increases through issues				
b) Decreases through securities matured, converted				
7.7 Options			<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				
7.12 Unsecured notes				

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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 the ASX.
2. This statement does give a true and fair view of the matters disclosed.

Signed by _____
John Brian Rodger – Director

Date _____

Notes

- 1 **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.