

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

Magnum Mining and Exploration Limited

ABN

70 003 170 376

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(278)	(1,082)
(b) development		
(c) production		
(d) staff costs	(57)	(158)
(e) administration and corporate costs	(226)	(482)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (GST/ VAT Refund)	3	42
1.9 Net cash from / (used in) operating activities	(558)	(1,680)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(84)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)	-	10
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details)		
2.6	Net cash from / (used in) investing activities	(3)	(74)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options	1	1
3.4	Transaction costs related to issues of shares, convertible notes or options	(59)	(62)
3.5	Proceeds from borrowings	-	300
3.6	Repayment of borrowings	(300)	(300)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Proceeds from issues of options)	389	1,016
3.10	Net cash from / (used in) financing activities	31	955

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	632	901
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(558)	(1,680)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(74)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	31	955
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	102	102

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	102	632
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	102	632

6. Payments to directors of the entity and their associates

**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	500	-
8.2 Credit standby arrangements		
8.3 Other (convertible notes)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.1

\$75,000 loan facility from Discovery Capital Ltd, a company of which Mr Howard Dawson is a director. The loan is unsecured with interest payable calculated at 10% per annum on the daily aggregate amount outstanding and compounded monthly. This facility has not been drawn down as at quarter end.

\$125,000 loan facility from Wilberforce Trust, a trust of which Mr Grant Button is a trustee. The loan is unsecured with interest payable calculated at 10% per annum on the daily aggregate amount outstanding and compounded monthly. This facility has not been drawn down as at quarter end.

\$300,000 loan facility from a non-related lending party. The loan is unsecured with interest payable calculated at 10% per annum on the daily aggregate amount outstanding and compounded monthly. This facility has not been drawn down as at quarter end.

The above loans have been issued with a 12-month maturity date from commencement date of the loan facility agreements, dated 27th June 2019. However, repayment of the loans must be made within 14 days following receipt by Magnum of a minimum of \$500,000 from the sale of emeralds from the Gravelotte project.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	60
9.2 Development	
9.3 Production	
9.4 Staff costs	10
9.5 Administration and corporate costs	30
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	100*
*The Company anticipates receiving a VAT refund of AU\$80,000 from the South African Revenue Service (SARS) during the March quarter.	

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 31 January 2020

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.