



QUARTERLY REPORT 31 MARCH 2013

MAGNUM MINING AND EXPLORATION LIMITED

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

OPERATIONS

Tantalite Valley Project, Namibia

The Tantalite Valley project is located on Mining Licence 77, near Karasburg and Warmbad, within the Magisterial district of Karas in the south of Namibia.

The Company continues to actively seek investment in the project from end users or other parties interested in developing the project.

Option to Acquire Brazilian Iron Ore Project

The Company announced on 26 September 2011, that it had entered into an option and exclusivity agreement (**Option Agreement**) pursuant to which OCRA Trustees (Seychelles) Limited (as trustee of Global Trust) has granted to Magnum an irrevocable exclusive option to acquire all of the fully paid issued shares in Irongates (Aust) Pty Ltd (**IAPL**).

IAPL holds 100% of the issued capital in Gates Minerals Pty Ltd (**GMPL**). IAPL also holds 99% of Irongates Brasil Recursos Minerais Ltda (a company registered in Sao Paulo) (**IBRML**) and GMPL holds the remaining 1% in IBRML.

IBRML holds contractual rights to acquire Emicon Mineracao Terraplenagem Ltda's (**Emicon**) iron ore project in Brazil (**Brazilian Iron Ore Project**).

The Company announced on 8 March 2013 that it has resolved to terminate negotiations and not to pursue the negotiation of a formal agreement for the acquisition of the shares in IAPL due to the following:

- Magnum has been unable to complete its due diligence investigations into IAPL, GMPL, IBRML and the Brazilian Iron Ore Project due to a dispute between IBRML and Emicon over IBRML's contractual rights to acquire the Brazilian Iron Ore Project; and
- the results of the due diligence investigations into IAPL, GMPL, IBRML and the Brazilian Iron Ore Project that Magnum has completed thus far have not been satisfactory.

OTHER ACTIVITIES

In addition the Company is continuing to search for and assess suitable acquisition opportunities. The Company will continue to pursue these opportunities during the forthcoming quarter.

Magnum Mining & Exploration Ltd

ABN: 70 003 170 376

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A handwritten signature in black ink that reads "G. Button". The signature is fluid and cursive, with a large, stylized initial "G" and a period at the end.

GRANT BUTTON
Chief Executive Officer/Company Secretary

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, 30/9/2001, 01/06/10.

Name of entity

Magnum Mining and Exploration Limited

ABN

70 003 170 376

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 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	(30)	(30)
1.3 Dividends received	(111)	(111)
1.4 Interest and other items of a similar nature received	10	10
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	8	8
Net Operating Cash Flows	(123)	(123)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets (d) financial assets (e) Businesses		
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		
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(123)	(123)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(123)	(123)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	106	106
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	106	106
	Net increase (decrease) in cash held	(17)	(17)
1.20	Cash at beginning of quarter/year to date	1,508	1,508
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,491	1,491

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	55
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

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	50
4.2 Development	-
4.3 Production	-
4.4 Administration	30
Total	80

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	1,491	244
5.2 Deposits at call	-	1,264
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,491	1,508

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	171,615,612	164,465,612	Various	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	3,300,000 Conversion of unquoted employee shares	\$0.032	Fully paid
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: 26 April 2013

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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