



QUARTERLY REPORT 30 SEPTEMBER 2007

MAGNUM MINING AND EXPLORATION LIMITED (ASX:MGU.AX)

HIGHLIGHTS

- **Settlement on the acquisition of the Tantalite Valley project**
 - **Permanent presence established at Tantalite Valley**
 - **Infrastructure being refurbished and re-established at site**
 - **Extensive drilling and bulk sampling program under design**
 - **Changes to the Board**
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OPERATIONS

Tantalite Valley Project, Namibia

During the quarter it was announced that Magnum completed the acquisition of the Tantalite Valley project.

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.

Magnum acquired the Tantalite Valley project under the terms set out in the announcement dated 11 May 2006 and as at the General Meeting of shareholders dated 31 July 2006. Magnum paid an amount of N\$8 million in cash and issued 15 million fully paid shares in Magnum as consideration.

Since settlement of the acquisition 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 during the quarter 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.

During the quarter, various independent advisors have visited site to finalise the proposed drilling program and to re-establish and improve the plant on site which will be used for the bulk sampling program that is planned to run in conjunction with the proposed drill program.

The design of the drilling program will be finalised shortly, when aerial photographs of the area are received, and it is anticipated that drilling will commence in the current quarter.

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CORPORATE

Board Changes

During the quarter, Mr Grant Button, who is based in Perth, Australia, was appointed Chief Executive Officer ("CEO") for Magnum. Mr Button has held the position of Non-Executive Director of Magnum since February 2006.

In addition Mr Gerard Anthony Nealon, formerly an Executive Director, was appointed as Non-Executive Chairman of Magnum.

A handwritten signature in black ink that reads "G. Button". The signature is written in a cursive, flowing style.

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")

30 September 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) exploration and evaluation	(9)	(94)
(b) development	(89)	(89)
(c) production		
(d) administration	(246)	(644)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	43	92
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	16	16
Other		
Net Operating Cash Flows	(285)	(719)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(974)	(974)
(b) equity investments	(555)	(555)
(c) other fixed assets	(218)	(279)
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	(1,747)	(1,860)
1.13 Total operating and investing cash flows (carried forward)	(2,032)	(2,579)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,032)	(2,579)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	4,095	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)	(100)
	Net financing cash flows	3,995	3,995
	Net increase (decrease) in cash held	1,963	1,416
1.20	Cash at beginning of quarter/year to date	2,480	3,002
1.21	Exchange rate adjustments to item 1.20	(68)	(43)
1.22	Cash at end of quarter	4,375	4,375

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	108
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	4,375	2,480
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,375	2,480

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	19,500,000	19,500,000	\$0.21	
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 October 2007

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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