

MAGNUM GOLD N.L.
ABN 70 003 170 376

MINING EXPLORATION ENTITY QUARTERLY REPORT
FOR THE THREE MONTHS ENDED
30 JUNE 2005

The Directors submit herewith the Mining Exploration Entity Quarterly Report in respect of the quarter ended 30 June 2005, furnished pursuant to Chapter 5 of the Australian Stock Exchange Limited Listing Rules.

J.B. Rodger
Director

**MINING EXPLORATION ENTITY QUARTERLY REPORT
FOR THE THREE MONTHS ENDED
30 JUNE 2005**

REVIEW OF OPERATIONS

Way Linggo Project, Indonesia

On 17 June 2005 Magnum announced that it had signed a Letter of Intent to acquire the Way Linggo Project, located in south eastern Sumatra, subject to a satisfactory result from due diligence studies which are underway.

The Project

The Way Linggo Project has been extensively explored with in excess of US\$9 million reputedly being spent on exploration, resource definition and mining, metallurgical and other studies. Magnum's assessment of the project is made easier by an extensive array of technical information including expert's reports and other details that have been made available to the Company by the vendors.

Way Linggo is part of a mineralised epithermal system containing gold and silver bearing quartz veins. Veins and alteration have been identified over approximately 800m strike length in dacite and andesite volcanic host rocks. Within this zone drilling and trenching have identified three main zones of quartz veining – the North Vein, the Southern Extension and the Central Vein Zone. Extensive drilling of the North Vein indicates that it is the best target for early mining. It has a strike length of 350m, dips at 85° and has an average width of approximately 4.5m. The North Vein is open at depth and down plunge to the north. Although the Southern Extension and the Central Vein Zone have many high grade drill intersections, they require further work, especially at depth, and remain as exploration targets.

Exploration at Way Linggo comprised a total of 11,283 metres of diamond core drilling, in 112 drill holes to a maximum vertical depth of 150 metres. The North Vein was drilled at 20 metre spacings. In addition, 11 trenches from surface were excavated and channel sampled. All technical work appears to have been conducted to high standards.

Several resource and reserve estimates have been made based on various geological and mining parameters. JORC compliant estimates were made by Advanced Mining and Exploration Technology Pty Ltd and are shown in the Tables 1 and 2. The Mineral Resources represent the North Vein and the Southern Extension whereas the Ore Reserves apply only to the North Vein zone. The Ore Reserves reflect an underground mining operation using a mixture of several stoping methods.

Category	Measured	Indicated	Inferred	Total
Tonnes	303,755	96,912	39,329	439,996
Grade Au (g/t)	11.3	8.0	5.2	10.1
Grade Ag (g/t)	173	126	81	154

Category	Proven	Probable	Total
Tonnes	332,554	75,918	408,472
Grade Au (g/t)	9.5	7.5	9.1
Grade Ag (g/t)	151	120	145

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REVIEW OF OPERATIONS (Continued)

As part of the due diligence study, Magnum will recalculate the Ore Reserves at Way Linggo using new parameters and mining methods. Therefore, the estimates in Tables 1 and 2, though JORC compliant, are considered to be a guide only. The new reserves will be based on narrow vein underground mining techniques that are more selective than those used in earlier studies, and that is expected to result in higher average grades and less dilution. The project's vendors have already successfully modelled this mining technique using a production rate of 60,000 tonnes per annum over a period of 6 years to produce totals of 135,000 ounces of gold and 1,350,000 ounces of silver at average operating costs of approximately US\$200 per ounce.

Additional metallurgical studies are in progress to check particular aspects of the ore. Discussions are also being held with a metallurgical consulting company that can provide a turnkey treatment facility on site and be responsible for funding, operating and maintaining it. Magnum would pay the metallurgical company a fee from cash flow.

Preliminary studies indicate that with an anticipated recovery of more than 20,000 oz Au per year the Company should be debt free within 18 months and, with costs below US\$200 per oz Au, show a profit in excess of US\$4 million per year – or more than 5 cents per share on current issued capital.

Exploration potential is considered high and the Directors are confident that additional resources can be found.

Joint venture details

The consideration for the purchase of Way Linggo will be US\$3 million cash and 9 million fully paid shares on the following terms:

\$US300,000 upon signing of a final Agreement following due diligence

\$US300,000 90 days after signing the Agreement

\$US400,000 12 months after signing of the Agreement

\$1,000,000 18 months after signing of the Agreement

\$1,000,000 24 months after signing of the Agreement

3,000,000 Fully Paid shares released upon signing of the Agreement

3,000,000 Fully Paid shares released after 12 months escrow

3,000,000 Fully Paid shares released after 24 months escrow

Once 100,000 oz Au have been extracted the Company will pay the vendors a royalty of US\$20 per oz Au on further production up to a maximum of 500,000 oz Au.

The terms of escrow applying to the share component of the consideration will be subject to the approval of the ASX and any of the other governing bodies.

The above is subject to a successful outcome of the due diligence studies that are being conducted by independent consultants appointed by the Company.

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REVIEW OF OPERATIONS (Continued)

Bunawan Project, Philippines

An aeromagnetic survey covering the Bunawan Project is scheduled to commence in the last week of July. The survey is part of a larger survey being conducted by joint venture partner, Philsaga Mining Corporation (“Philsaga”), over approximately 70 km strike extent of the Diwata Range which hosts many gold occurrences and is also considered prospective for porphyry copper-gold style mineralisation.

On 26th May the Company announced encouraging assay results from a stream sediment survey over the Bunawan Project. According to information available to the Company this area has been subjected to little or no modern exploration and this sampling program by the Magnum-Philsaga joint venture is the first systematic survey of its gold potential.

The results highlighted a gold anomalous area located south of the Bunawan River in the centre of the project. This anomalous area is centred about 7 km south of the Co-O gold mine and close to the southern extension of the Oriental Fault, which passes through the Co-O mine. The results were positive for gold with samples from two streams reporting high assays of 383 ppb Au and 476 ppb Au. More than half of the samples returned values greater than 5 ppb Au suggesting that the area has an elevated background gold content. Each sample was + 350g and represented the minus 80 mesh silt fraction. McPhar Geoservices (Phil.), Inc, an ISO accredited laboratory in Manila, assayed the samples.

The Bunawan Project is a joint venture between Magnum and 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 only 5 km to 10 km south of Philsaga’s Co-O gold mine and in the same belt of volcanic rocks.

Other Activities

The company continues to monitor opportunities to expand its activities.

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 30 June 2005 on the company’s various projects is set out below:-

Project	Amount Incurred
Philippines - Bunawan Gold Prospect	\$5,152 =====

Mining Exploration Entity Quarterly Report

Name of Entity

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Quarter Ended ("Current Quarter")

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CONSOLIDATED STATEMENT OF CASH FLOWS

		Current Quarter \$A	Year to Date (6 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	(40,277)	(40,277)
	(b) development		
	(c) production	(53,646)	(77,981)
	(d) administration		
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	3,047	15,050
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – GST	1,772	(1,618)
	Net operating cash flows	(89,104)	(104,826)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments	(26,500)	(33,000)
	(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		
1.11	Loans repaid by other entities		
1.12	Other		
	Net investing cash flows	(26,500)	(33,000)
Cash flows related to financing activities			
1.13	Proceeds from issue of shares, options, etc.	--	60,000
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 – share issue costs	--	(24,773)
	Net financing cash flows	--	35,227
	Net increase (decrease) in cash held	(115,604)	(102,599)
1.19	Cash at beginning of quarter/year to date	864,949	851,944
1.20	Exchange rate adjustments to Item 1.19 above		
1.21	Cash at end of quarter	749,345	749,345

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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	
1.23	Aggregate amount of loans to the parties included in item 1.10	
1.24	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.

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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	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

ESTIMATED CASH OUTFLOWS FOR NEXT QUARTER

		\$A
4.1	Exploration and evaluation	150,000
4.2	Development	
Total		150,000

Mining Exploration Entity Quarterly Report
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Quarter Ended ("Current Quarter")

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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	719,345	834,107
5.2 Deposits at call	--	842
5.3 Bank overdraft		
5.4 Other – Security Deposits	30,000	30,000
Total: cash at end of quarter (item 1.21)	749,345	864,949

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	PL 26/1965	Registered Holder	100%	Nil
	PL 26/1966	Registered Holder	100%	Nil
	PL 26/1967	Registered Holder	100%	Nil
	PL 26/1968	Registered Holder	100%	Nil
	PL 26/1969	Registered Holder	100%	Nil
	PL 26/1970	Registered Holder	100%	Nil
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.