



Magnum Mining and Exploration Limited

A.B.N. 70 003 170 376

Report

Half - year ended 30 June 2015

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Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of Magnum Mining and Exploration Limited (referred to hereafter as the "Company") and the entities it controlled at the end of, or during the half-year ended 30 June 2015.

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report:

G M Button	Chief Executive Officer
D F Lynton-Brown	Non-Executive Chairman
R Spencer	Executive Director

Operating results

The consolidated profit of the Group for the half-year after income tax was \$1,173,354 (2014 half-year: loss of \$218,292). The current half-year profit includes a gain of \$1,491,312 on deconsolidation of subsidiaries following the 60% sell-down of subsidiaries involved in the Tantalite Valley Project.

Review of operations

Gravelotte Project, South Africa

The Gravelotte Project is located close to the town of Gravelotte in the Limpopo province of South Africa. Emeralds were discovered in the Gravelotte area in 1927 and since then several companies have mined and explored the area for emeralds. From 1929 to 1982 the total recorded emerald production from the Gravelotte Project and areas surrounding the Gravelotte township was reported as nearly 113 million carats. It is reported that during the 1960s the Gravelotte Project was the largest mine of its type in the world, employing over 400 sorters.

The host rocks are 3.3 billion year old Archaean greenstone schists enclosed and intruded by younger Archaean granitic rock and late stage albite-quartz pegmatoids. Emerald mineralisation is closely related to the pegmatoids.

The mine area hosts schists that form a star-shaped outcrop pattern defined by two structural trends and northeast-trending and steep-sided granite bodies. The emerald-bearing zones and their sub-divisions are as follows:

- Cobra – comprising Cobra North, Cobra South and Cobra Underground;
- Discovery – comprising Discovery Pit, Discovery East and Discovery South;
- Beryl Kop – comprising Beryl Kop East and Beryl Kop West; and
- Sable Kop.

Since acquiring the project, the Company has completed a 300 line kilometre low level, ultra-high precision helicopter-based magnetic and radiometric survey over an area of 12km, centred on the old emerald workings. This is the first time that modern geophysics has been used over the project area and was undertaken in order to firstly locate the emerald workings in a geological context and secondly, to investigate whether additional, as yet unrecognised, mineralisation may exist within the tenement area. The survey was successfully concluded with some indication that the aims of the survey have been achieved. A drill programme to follow up certain geophysical and geological targets combining core and percussion drilling has been commenced.

Review of Operations and Activities (continued)**Gravelotte Project, South Africa (continued)**

During the period, a topographic survey of the North and South Cobra open pits has been completed and a survey of the tailings dump surrounding the open pits has been undertaken by an independent surveyor to identify first pass tailings targets. This work should establish a volume of prospective material that can be tested through the proposed processing plant.

Access tracks for the proposed tailings processing plant on a site adjacent to the open pits have been completed and 8 large concrete settling ponds adjacent to the proposed tailings treatment site are being cleaned out and repaired. A programme to collect a selection of emerald crystals from the Cobra North Open pit has been instituted.

The Company has also completed a trenching and pitting programme, primarily locating a number of pits and trenches around the northern area of the Cobra open pit and its extension north.

The Company will use the funds raised from the sale of the Tantalite Valley Project along with existing cash reserves to expand planned exploration, evaluation and development activities at the Gravelotte Emerald Project (including the Cobra mine) in South Africa. More specifically, the funds received will contribute to commence a drilling program initially consisting of 800 metres of RC drilling with a further 3,000 metres of combined RC and core drilling to be completed late in 2015; the purchase of an optical sorter; the construction of a plant eventually suitable for bulk sampling of both primary and dump material; and other associated exploration activities and infrastructure costs to support a bulk sampling operation.

Although the Company has obtained gross production records of exported emerald for the general area around and including the Gravelotte Project dating back to the late 1920's until 1982, due to inadequacies in information storage by previous licence holders, there is insufficient data to confirm production from the Gravelotte Project itself. Further, there is little detailed geological or other mining data available in respect of the Gravelotte Project. The Company thus has to create its own geological database for the mining area.

To this end, the Company has commissioned international consultants, ACA Howe International Ltd (**ACAH**), who has a background with the deposit including site visits, to prepare a technical review report on the Gravelotte Project. As noted above, the Company intends to conduct an initial 800m RC drilling programme at Cobra due to start in September, 2015. This work will be followed by a larger 3,000m RC/core programme at a later date. The ACAH report will incorporate the results of the 800 metres of RC work.

At this time it is therefore not possible to provide a JORC-compliant estimate for the Cobra deposit. It is anticipated that the report which ACAH has been asked to provide will be to JORC standards and will be ready by early in 2016.

In order to further augment the information that is currently available, the Company is also preparing to build a small modern emerald sampling and processing plant to process 4x1,000t samples from each of the 4 largest coarse emerald tailings dumps (570,000 m³ in total) identified earlier in 2015. The ultimate aim of this exercise will be to expand the plant to include a crushing section to be able to cope with hard rock feed in due course. It is expected that the small plant will be operational early in 2016. At this time it is not envisaged that the emeralds produced from this programme will be sold although they will be submitted for independent valuation.

Tantalite Valley Project, Namibia

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

Review of Operations and Activities (continued)**Tantalite Valley Project, Namibia (continued)**

On 31 July 2014, the Company announced the execution of a binding conditional heads of agreement with Namibian incorporated investment vehicle African Tantalum (Pty) Limited (Aftan) for sale of 60% of the Tantalite Valley Project (TV Project), and the formation of a joint venture in respect of, the TV Project located in Namibia.

The Company has now completed the 60% sell-down to Aftan. As a result, the Company has reduced its investments in its wholly-owned subsidiaries, Tameka Shelf Company Four (Pty) Ltd and Namibia Tantalite Investments (Pty) Ltd from 100% to 40%. Consideration for the sell-down, was R8,000,000 (\$A equivalent approximately \$845,000), of which a deposit of R2,000,000 (\$A equivalent approximately \$211,000) had been received as at 31 December 2014, and of which an amount of R550,000 was withheld to settle tax liabilities.

As announced on 31 July 2014, Aftan has sole responsibility for managing and funding the project in consideration for 100% of revenues until August 2017.

On 1 July 2015, the Company announced that Aftan has secured an offtake agreement with a leading manufacturer of electronic components for the sale of tantalite concentrates from the project.

On 31 August 2015, the Company announced that it had entered into a Sale and Purchase Agreement with Aftan in respect of the Company's remaining 40% interest in the TV Project in Namibia and outstanding loans to the companies comprising the TV Project for cash consideration of R7,000,000 (\$A equivalent approximately \$750,000). Completion of the sale occurred on 11 September 2015.

Corporate**Appointment of Joint Company Secretary**

During the period, the Company announced the appointment of Ms Jacqueline Barry as Joint Company Secretary. Ms Barry will share the company secretary duties with Mr Grant Button.

Events occurring after the balance date

There have not been any matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Group, the results of those operations, or the state of affairs of the Group in future financial periods other than those detailed below:

Sale of Remaining 40% Interest in the Tantalite Valley Project, Namibia

On 31 August 2015, the Company announced that it has entered into a Sale and Purchase Agreement with African Tantalum (Pty) Ltd in respect of the Company's remaining 40% interest in the Tantalite Valley Project in Namibia. Please refer to "Tantalite Valley Project, Namibia" in the review of operations and activities section for further details.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 5 and forms part of this Directors' Report for the half-year ended 30 June 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306 (3) of the Corporations Act 2001.

A handwritten signature in black ink that reads "G. Button". The signature is written in a cursive style with a large, looping initial "G".

Grant M Button
Chief Executive Officer
Perth, Australia

11 September 2015



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the interim financial report of Magnum Mining and Exploration Limited for the half-year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'L Di Giallonardo'.

Perth, Western Australia
11 September 2015

L Di Giallonardo
Partner, HLB Mann Judd

**Condensed Consolidated Statement of Comprehensive Income
for the half-year ended 30 June 2015**

	Note	2015 \$	2014 \$
Revenue			
Interest received		202	1,805
Gain on deconsolidation of subsidiaries	3	1,491,312	-
		<u>1,491,514</u>	1,805
Share of loss of associate accounted for using the equity method		(1,033)	(1,242)
Raw materials and consumables used		(15,052)	(1,422)
Depreciation expense		(1,798)	(7,264)
Exploration and evaluation expense		(150,470)	(73,743)
Other expenses		(149,807)	(136,426)
		<u>1,173,354</u>	(218,292)
Profit/(loss) before income tax expense		1,173,354	(218,292)
Income tax expense		-	-
Profit/(loss) for the period		<u>1,173,354</u>	<u>(218,292)</u>
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		(29,502)	(31,179)
<i>Reclassification adjustments</i>			
Reclassification to profit or loss on sale of subsidiaries		27,531	-
Total other comprehensive loss for the period		<u>(1,971)</u>	<u>(31,179)</u>
Total comprehensive income/(loss) for the period		<u>1,171,383</u>	<u>(249,471)</u>
Profit/(loss) for the period attributable to:			
Equity holders of the parent		1,213,568	(218,292)
Non-controlling interests		(40,214)	-
		<u>1,173,354</u>	<u>(218,292)</u>
Profit/(loss) for the period		<u>1,173,354</u>	<u>(218,292)</u>
Total comprehensive income/(loss) for the period attributable to:			
Equity holders of the parent		1,211,597	(249,471)
Non-controlling interests		(40,214)	-
		<u>1,171,383</u>	<u>(249,471)</u>
Total comprehensive income/(loss) for the period		<u>1,171,383</u>	<u>(249,471)</u>
Basic earnings/(loss) per share (cents)		0.53	(0.13)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position
as at 30 June 2015

	Note	30 June 2015 \$	31 December 2014 \$
Assets			
Current assets			
Cash and cash equivalents		697,216	448,441
Trade and other receivables		60,222	145,715
Total current assets		<u>757,438</u>	<u>594,156</u>
Non-current assets			
Investments accounted for using the equity method	4	859,082	114,497
Plant and equipment		8,469	7,361
Exploration and evaluation expenditure		2,060,834	2,060,834
Rehabilitation guarantee		36,902	36,902
Total non-current assets		<u>2,965,287</u>	<u>2,219,594</u>
Total assets		<u>3,722,725</u>	<u>2,813,750</u>
Liabilities			
Current liabilities			
Trade and other payables		156,059	418,467
Total current liabilities		<u>156,059</u>	<u>418,467</u>
Total liabilities		<u>156,059</u>	<u>418,467</u>
Net assets		<u>3,566,666</u>	<u>2,395,283</u>
Equity			
Issued capital		20,517,335	20,517,335
Reserves		72,638	18,450
Accumulated losses		(17,461,793)	(18,619,202)
Equity attributable to owners of the parent		<u>3,128,180</u>	<u>1,916,583</u>
Non-controlling interests		438,486	478,700
Total equity		<u>3,566,666</u>	<u>2,395,283</u>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Condensed Consolidated Statement of Changes in Equity
for the half-year ended 30 June 2015**

	Issued capital \$	Accumulated losses \$	Reserves \$	Non- controlling interests \$	Total \$
2015					
Balance as at 1 January 2015	20,517,335	(18,619,202)	18,450	478,700	2,395,283
Profit/(loss) for the period	-	1,213,568	-	(40,214)	1,173,354
Other comprehensive income:					
Reclassification to profit or loss on sale of subsidiaries	-	(56,159)	83,690	-	27,531
Currency translation differences	-	-	(29,502)	-	(29,502)
Total other comprehensive income/(loss)	-	(56,159)	54,188	-	(1,971)
Total comprehensive income/(loss)	-	1,157,409	54,188	(40,214)	1,171,383
Balance as at 30 June 2015	20,517,335	(17,461,793)	72,638	438,486	3,566,666
2014					
Balance as at 1 January 2014	19,182,068	(17,999,241)	75,248	-	1,258,075
Loss for the period	-	(218,292)	-	-	(218,292)
Other comprehensive income:					
Currency translation differences	-	-	(31,179)	-	(31,179)
Total comprehensive loss	-	(218,292)	(31,179)	-	(249,471)
Shares issued during the half-year	600,000	-	-	-	600,000
Costs associated with shares issued	(3,141)	-	-	-	(3,141)
Non-controlling interests:					
-on acquisition	-	-	-	544,427	544,427
-movements post-acquisition	-	-	-	80	80
Balance as at 30 June 2014	19,778,927	(18,217,533)	44,069	544,507	2,149,970

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Condensed Consolidated Statement of Cash Flows
for the half-year ended 30 June 2015**

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Payments for exploration and evaluation (exclusive of GST)		(160,960)	(41,615)
Payments to suppliers and employees (exclusive of GST)		(200,237)	(151,378)
Interest received		202	1,805
Net cash (outflow) from operating activities		(360,995)	(191,188)
Cash flows from investing activities			
Payments for purchase of Gem Venus Project		-	(949,524)
Proceeds from sell-down of subsidiaries (Note 3)	3	562,710	-
Payments for purchases of plant and equipment		(2,906)	-
Net repayments received from other entities		27,322	-
Net cash (outflow) from investing activities		587,126	(949,524)
Cash flows from financing activities			
Net cash inflow from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		226,131	(1,140,712)
Cash and cash equivalents at the beginning of the half-year		448,441	1,195,704
Effects of exchange rate changes on cash and cash equivalents		22,644	18,122
Cash and cash equivalents at the end of the half-year		697,216	73,114

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS**FOR THE HALF YEAR ENDED 30 JUNE 2015****1. Statement of Significant Accounting Policies**

These interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2014 and any public announcements made by the Company and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Basis of preparation

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2014.

New, revised or amended Accounting Standards and Interpretations

In the half-year ended 30 June 2015, the Directors have reviewed the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no material change is necessary to the Group's accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 30 June 2015. As a result of this review, the Directors have determined that there is no impact, material or otherwise of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2015

2. Segment information

For management purposes the chief operating decision maker, being the Board of Directors of Magnum Mining and Exploration Limited, reports its results per geographical segment.

The following table presents the financial information regarding these segments provided to the Board of Directors for the interim periods ended 30 June 2015 and 30 June 2014.

	Australia \$	Namibia \$	South Africa \$	Consolidated \$
30 June 2015				
Segment Revenue	202	1,491,312	-	1,491,514
Segment result	(159,937)	1,490,279	(156,988)	1,173,354
Unallocated Results from operating activities				-
				1,173,354
Segment assets	854,373	744,800	2,123,552	3,722,725
Segment liabilities	109,567	-	46,492	156,059
Included within segment results:				
Depreciation	1,798	-	-	1,798
Share of loss from investment in associates	-	(1,033)	-	(1,033)
Gain on deconsolidation of subsidiaries	-	1,491,312	-	1,491,312
30 June 2014				
Segment Revenue	1,804	-	1	1,805
Segment result	(166,322)	(49,407)	(2,563)	(218,292)
Unallocated Results from operating activities				-
				(218,292)
Segment assets (at 30 June 2014)	205,214	22	2,099,156	2,304,392
Segment liabilities (at 30 June 2014)	121,576	32,344	502	154,422
Included within segment results:				
Depreciation	7,264	-	-	7,264
Share of loss from investment in associates	-	1,242	-	1,242

NOTES TO THE CONDENSED FINANCIAL STATEMENTS**FOR THE HALF YEAR ENDED 30 JUNE 2015****3. Interest in subsidiaries**

Name	Country of Incorporation	Percentage of equity interest held by consolidated entity	
		30 June 2015	31 December 2014
Tameka Shelf Company Four (Pty) Ltd	Namibia	40%	100%
Namibia Tantalite Investment (Pty) Ltd	Namibia	40%	100%
Magnum Tantalite (Pty) Ltd	South Africa	100%	100%
GEM Venus Holdings (Pty) Ltd	South Africa	100%	100%
Venus Emeralds (Pty) Ltd	South Africa	74%	74%
Adit Mining Consultants & Trading (Pty) Ltd	South Africa	74%	74%

During the period, the Company completed the 60% Sell-Down and creation of a joint venture in respect of the Tantalite Valley Project. As a result the Company has reduced its investments in its wholly-owned subsidiaries Tameka Shelf Company Four (Pty) Ltd and Namibia Tantalite Investments (Pty) Ltd from 100% to 40% and in doing so, lost control of those entities.

The fair value of the remaining 40% of these entities has been deemed to be as follows:

	Half-year ended 30 June 2015 \$
Investment in Tameka Shelf Company Four (Pty) Ltd	370,464
Investment in Namibia Tantalite Investments (Pty) Ltd	374,336
Fair value	744,800

The fair value used in calculating the remaining 40% of these entities was based on the cash consideration receivable of R7,000,000 for this remaining holding as announced by the Company on 31 August 2015.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS**FOR THE HALF YEAR ENDED 30 JUNE 2015****3. Interest in subsidiaries (continued)**

The gain on deconsolidation of these subsidiaries has been determined as follows:

	Half-year ended 30 June 2015 \$
Proceeds from sale of the 60% interest	774,043
Fair value of the remaining 40% interest	744,800
	1,518,843
Reclassification of items of Comprehensive Income	(27,531)
	1,491,312
<u>Statement of Cash Flows reconciliation:</u>	
Proceeds above	774,043
Less: Deposit received in the previous period	(211,333)
Cash received during the current half-year	562,710

4. Investments accounting for using the equity method

	Half-year ended 30 June 2015 \$	Year-ended 31 December 2014 \$
Balance at the beginning of the period	114,497	104,206
Share of income/(loss) before income tax	(1,033)	12,287
Share of foreign currency translation reserve	818	(1,996)
Fair value of remaining 40% in former subsidiaries (Note 3)	744,800	-
Total current assets	859,082	114,497

5. Contingencies

There were no contingencies of the Group at 30 June 2015.

6. Events occurring after the balance date

There have not been any matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Group, the results of those operations, or the state of affairs of the Group in future financial periods other than those detailed below:

Sale of Remaining 40% Interest in the Tantalite Valley Project, Namibia

On 31 August 2015, the Company announced that it had entered into a Sale and Purchase Agreement with Aftan in respect of the Company's remaining 40% interest in the TV Project in Namibia and outstanding loans to the companies comprising the TV Project for cash consideration of R7,000,000 (\$A equivalent approximately \$750,000). Completion of the sale occurred on 11 September 2015.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS**FOR THE HALF YEAR ENDED 30 JUNE 2015****7. Tenements on hand**

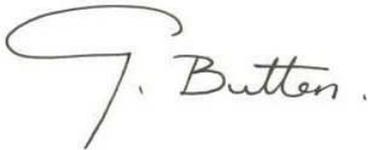
Location	Project	Tenement Type	Number	Interest	Status
Namibia	Tantalite Valley	Mining Lease	Mining License Number 77	40%	Granted
Limpopo Province South Africa	Gravelotte	Mining Right	MPT 85/2013	74%	Granted
Limpopo Province South Africa	Gravelotte	Prospecting Right	LP 204 PR	74%	Granted

Directors' Declaration

In the opinion of the directors of Magnum Mining and Exploration Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303 (5) of the Corporations Act 2001.

A handwritten signature in black ink that reads "G. Button". The signature is written in a cursive style with a large, sweeping initial "G".

Grant M Button
Chief Executive Officer
Perth, Australia

11 September 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Magnum Mining and Exploration Limited

Report on the Condensed Interim Financial Report

We have reviewed the accompanying interim financial report of Magnum Mining and Exploration Limited ("the company") which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Magnum Mining and Exploration Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo

L Di Giallonardo
Partner

Perth, Western Australia
11 September 2015