



QUARTERLY REPORT 30 June 2015

MAGNUM MINING AND EXPLORATION LIMITED

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

OPERATIONS

Gravelotte Project, South Africa

The Gravelotte Project is located close to the town of Gravelotte in the Limpopo province of South Africa. The Gravelotte Project shares a boundary with the Consolidated Murchison Mine, the oldest known antimony deposit in the world. 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 mineralization 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 subdivisions 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.

During the quarter the Company completed a trenching and pitting programme, primarily locating a number of pits and trenches around the northern extent of the Cobra open pit and its extension north. A total of 33 pits were dug to an average of about 1.5m and a hard quartz cobble horizon was encountered in most excavations just above deeply weathered bedrock. In addition, approximately 100m of shallow trenches were dug around the northern head of the Cobra pit. It seems that the average 30-35 metre width of the target Talc schist zone within which the narrower quartz-associated emeralds are located in the Cobra Hill workings, widens significantly at the northern end of the pit to some 90+ metres. It remains to be seen whether the mineralisation also extends this far away from the Cobra Hill.

The shallow pits dug further north of the pit were inconclusive in as much that although some talcose material was found, all pits encountered a very well developed saprolite horizon generally from 1-2m below surface, indicating that weathering of bedrock in this region away from Cobra Hill is deep and extensive.

Magnum Mining & Exploration Ltd

ABN: 70 003 170 376

Suite 6, Ground Floor, South Mill Centre, 9 Bowman Street, South Perth WA 6151 PO Box 189, South Perth WA 6951

Tel: +61 8 9474 2956 Fax: +61 8 9474 2937 Email: info@mmel.com.au Web: www.mmel.com.au

Subject to the signing of an agreement with a drilling contractor this week, the Company will commence an RC drill programme of approximately 22 holes totalling 800m, on 31 August 2015.

The Company is still in the process of obtaining quotes for the various parts of a recovery plant using state of the art technology, in particular an Optical Sorter. A site for the Pilot Plant has been identified and preparation of the site has commenced.

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.

Subsequent to the end of the Quarter, Magnum announced on 1 July 2015 that African Tantalum (Pty) Limited (**Aftan**) has secured an offtake agreement with a leading manufacturer of electronic components for the sale of tantalite concentrates from the project.

As first announced on 31 July 2014, Aftan has sole responsibility for managing and funding the project in consideration for 100% of revenues until August 2017. Aftan continues to make progress towards obtaining funding for project development. Magnum retains a minority interest in the Project.

CORPORATE MATTERS

Appointment of Joint Company Secretary

During the Quarter 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.

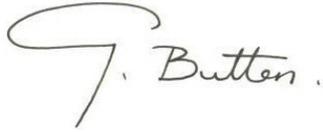
EXPLORATION INTERESTS

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 30 June 2015:

1. Listing of tenements held:

Location	Project	Tenement Type	Number	Interest	Status
Namibia	Tantalite Valley	Mining Licence	Mining Licence 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

No tenements were acquired or relinquished during the quarter.

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

GRANT BUTTON
Chief Executive Officer/Joint Company Secretary

Further information please contact:

Magnum Mining and Exploration Limited
Grant Button
+61 8 9474 2956
email: info@mmel.com.au

Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Roy Spencer, a Competent Person and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Spencer is a director and employee of the Company and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Spencer consents to inclusion in this document of the information in the form and context in which it appears.

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")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 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	(124)	(160)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other	6	16
Net Operating Cash Flows	(183)	(361)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets (d) G.E.M Project acquisition		(3)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		585
1.10 Loans to other entities	(19)	(25)
1.11 Loans repaid by other entities		52
1.12 Other (provide details if material)		
Net investing cash flows	(19)	609
1.13 Total operating and investing cash flows (carried forward)	(202)	248

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(202)	248
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
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	-	-
	Net increase (decrease) in cash held	(202)	248
1.20	Cash at beginning of quarter/year to date	899	448
1.21	Exchange rate adjustments to item 1.20	-	1
1.22	Cash at end of quarter	697	697

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	0
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.

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	200,000
4.2 Development	-
4.3 Production	-
4.4 Administration	30,000
Total	230,000

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	143	86
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (restricted cash)	554	813
Total: cash at end of quarter (item 1.22)	697	899

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	229,578,812	223,628,812	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 <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: 30 July 2015

Print name: Grant Button
Joint 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.

=====

+ See chapter 19 for defined terms.