



QUARTERLY REPORT 30 SEPTEMBER 2017

MAGNUM MINING AND EXPLORATION LIMITED

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

31 October 2017

HIGHLIGHTS

Gravelotte Emerald Project

- Technical review to optimise proposed bulk sample near finalisation
- Regulatory approvals expected near term.
- Gravelotte provides Magnum with exposure to near term mining opportunity

Cloncurry East Cu-Au-Co Project

- High priority exploration targets identified
- Drilling programme scheduled to commence week commencing 30 October
- Review of historic drilling data identifies cobalt (Co) mineralisation potential
- Cloncurry East Project provides Magnum with immediate exposure to a highly mineralised province within Queensland with an extensive data base to fast track exploration

OPERATIONS

Gravelotte Project, South Africa

Magnum's 74% owned Gravelotte Project is located in the Limpopo province of South Africa. Emeralds were discovered in the province in 1927 and since then several companies have explored for and mined within the broader region for emeralds. From 1929 to 1982 the total recorded emerald production from the Gravelotte Project as well as the area surrounding the nearby Gravelotte township was nearly 113 million carats with a current market valuation of in excess of \$US1 billion.

It is reported that during the 1960's the Gravelotte Project itself was the largest mine of its type in the world, employing over 400 sorters.

Geology

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

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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

During the September quarter, the core activities remained focused on the independent review and interpretation of all the available geological data, the identification of the various processing methodologies and sorting options to optimise the production of the emeralds and the finalising of outstanding regulatory issues with regards to permitting compliance with the respective government departments.

Representatives of the Department of Water and Sanitation conducted a site visit in August, in order to familiarise themselves with the current water reticulation system as part of the approval process for our Water Usage Licence. Minor corrective actions were suggested, however these suggested amendments will not have any impact on operations.

The available geological data was plotted in situ by an independent geologist and survey points were established for further reference in both the Discovery and Cobra North pits. Further geological modelling will be ongoing as the bulk mining locations are finalised.

Access to Discovery and Cobra North pits has been enhanced and improved to assist with the planned bulk sampling program.

Various processing options with regards to crushing were investigated and will form part of the trial mining during the bulk sample, in order to ensure that damage to emeralds is limited as far as is possible in the process.

The Company has engaged a company specialising in optical sorting and submitted samples for testing. Initial results appear to be very encouraging and further research and development continues. Optical sorting would allow for better recovery efficiencies by negating human error.

Applications required to commence operations have all been submitted and the Company will continue to follow through on authorisation progress.

Subject to regulatory approvals and availability of mining contractors the bulk sampling is scheduled to commence in the March quarter of 2018.

Cloncurry East Project, Queensland, Australia

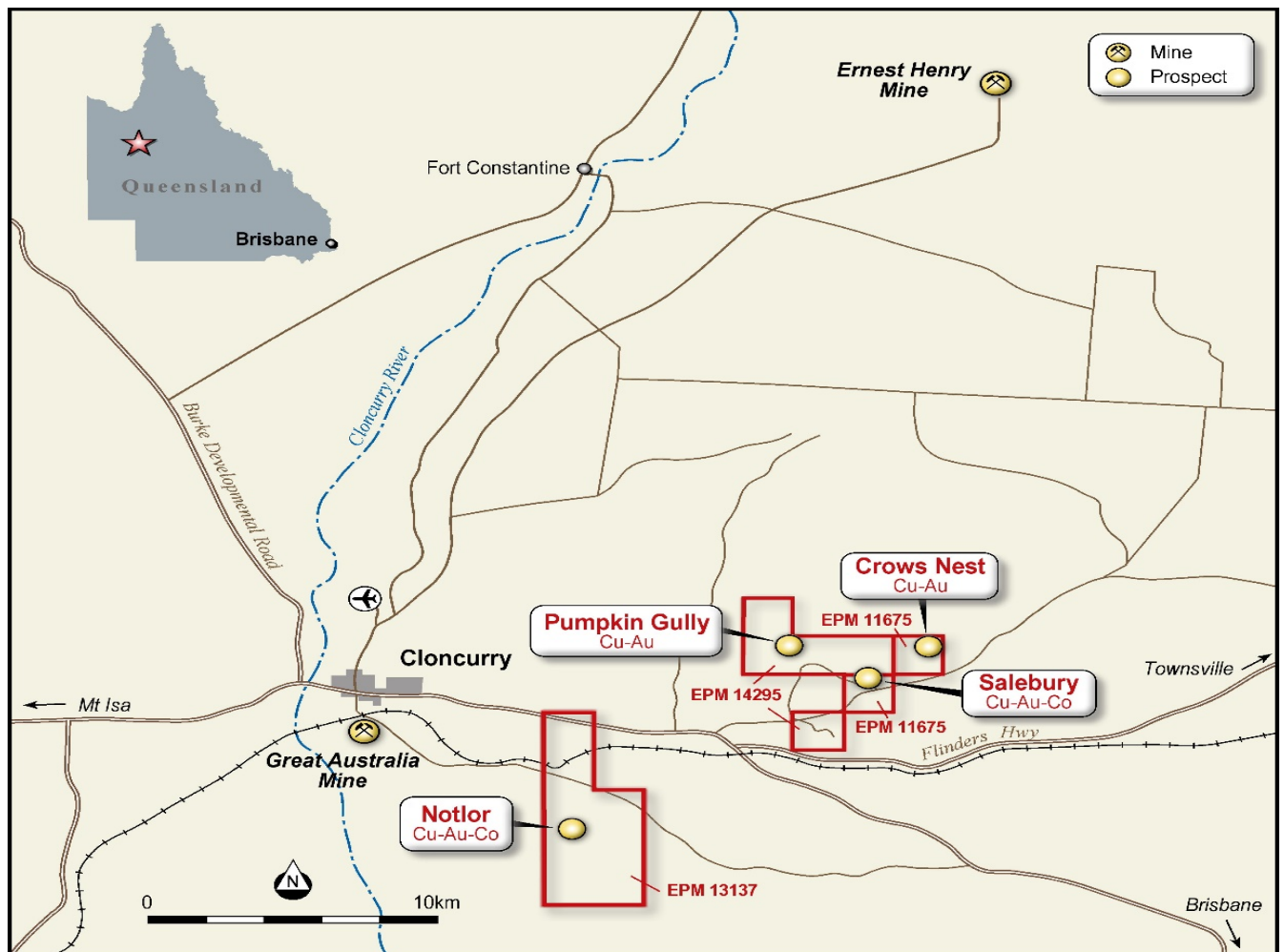
Magnum's Cloncurry East project consists of two tenements groups and is located between 10-20 kilometres east of Cloncurry in North West Queensland.

The project lies within the highly mineralised Mt Isa Eastern succession of rocks with nearby mining operations and advanced projects including Ernest Henry (Cu-Au), Monakoff (Cu-Au-Pb-U), Great Australia (Cu-Au), Rocklands (Cu-Au) and Dugald River (Zn-Pb-Ag).

The Cloncurry East project area is at an advanced stage of exploration and is considered by the Company to be highly prospective for iron oxide copper gold ("IOCG") +/- cobalt mineralisation and variants of this style of mineralisation.

The project area contains two advanced resource targets – Salebury, which already has initial (2004 JORC) indicated and inferred resource of 1.3 million tonnes grading 0.9% Cu and 0.5g/t Au and Notlor where previous exploration has outlined a zone of coherent mineralisation at similar grades to Salebury and which is also open at depth and along strike.

The Cloncurry East project also contains a number of advanced exploration targets where a combination of geochemical surveys, historic mining and in some cases limited drilling has defined drilling targets. These targets include Pumpkin Gully, Prince Edward, King Edward and Crow's Nest.



Tenement Location Plan

As previously advised to the market there is an extensive data base available over the Cloncurry East project.

During the past three months Magnum has undertaken a detailed review of this data base. This review has included a 3D analysis of previous drilling over Salebury and Notlor by Maptek Pty Ltd using deep learning algorithms to better understand the stratigraphic and structural controls on the mineralisation. In addition, detailed field studies including the ground truthing of both existing and potential exploration targets has also been carried out.

This review has determined that both the Salebury and Notlor resource targets are structurally complex and has indicated that fold repetition of the known mineralisation at both of these prospects is possible at depth and along strike. There could also be repetitions' located under cover up and down dip.

The drilling programme will test for these possible repetitions' within these target areas.

At the Pumpkin Gully prospect previous drilling intersected zones of mineralisation which showed poor continuity down dip and along strike. The data review has determined that this lack of continuity is likely the result of some structural complexity as the Pumpkin Gully prospect lies within and adjacent to a large fold axis.

As a consequence, the mineralisation could be structurally controlled and a number of drilling targets have been selected to test this hypothesis.

The Crow's Nest and Prince Edward and King Edward exploration targets represent early stage targets with surface geochemistry and in some cases historic workings indication the presence of anomalous Cu.

The Salebury and Notlor targets also have zones of Co enrichment although information from the existing data package is limited. These zones be explored through the drilling also.

Previously released drill intersections at Salebury that are anomalous in Co include:

Hole No.	From (m)	To (m)	Interval (m)	Cu	Au	Co
ECDD002	69	135	66	1.82%	1.55 g/t	515 ppm
ECRC 307	78	108	30	1.93%	1.25 g/t	1128 ppm
ECRC 045	0	14	14	1.67%	0.91 g/t	841 ppm

Previously released drill intersections at Notlor that are anomalous in Co include:

Hole No.	From (m)	To (m)	Interval (m)	Cu	Au	Co
ENRC 029	0	84	84	1.72%	1.12 g/t	1000 ppm
ENRC 023	18	81	63	0.81%	0.41 g/t	2305 ppm
ENRC 004	22	68	46	2.33%	1.0 g/t	2642 ppm

As part of the drilling metallurgical test work will be carried out on selected drill samples to determine the most favourable treatment options.

About the Cloncurry East Project

The Cloncurry East Project is a farm in between Magnum Mining and Exploration Ltd ("Magnum" or the "Company") and Exco Resources Ltd ("Exco") and CopperChem Limited ("CCL") (together the "CopperChem Group" or "CCG") in which Magnum is farming in to three exploration tenements located in the Cloncurry region of Queensland.

These tenements, are Exploration Permits for Minerals ("EPM"), EPM 13137 containing the Notlor Prospect (held by CCL), EPM11675 containing the Salebury Deposit (held by Exco) and EPM14295 which contains the Pumpkin Gully and Crow's Nest Prospects (held by Exco).

Pursuant to the terms of the farm-in, Magnum can earn a 50% equity stake in the CEP by expending \$2 million over a three year period with a minimum of \$350,000 to be expended in year one. Magnum can withdraw from the farm-in at any time after its year one expenditure obligation has been fulfilled.

The Company can earn an additional 25% equity stake in the CEP through the expenditure of an additional \$2 million in year four. CCG retains the right to claw back to 50% ownership in consideration of the payment of \$2.66 million to Magnum.

POST QUARTER END

Corporate

On 3 October 2017, Magnum announced the appointment of Mr Scott Robertson to the Company's Board of Directors as a non-executive director.

Scott has 9 years of capital markets experience having most recently worked as Director of Corporate Finance with a prominent West Australian corporate advisory and stockbroking firm focusing on emerging company advisory, M&A advisory, equity capital markets transactions and financing strategy across a wide range of sectors. Scott holds a Bachelor of Economics and Finance from Curtin University and is currently studying towards an MBA at the University of Western Australia.

The Company also advised that Mr Darryl Lynton-Brown had resigned as non-executive Chairman of the Company.

Further, Mr Howard Dawson assumed the role of non-executive Chairman of the Company.

EXPLORATION INTERESTS

The following information is provided in accordance with ASX Listing Rule 5.3 for the quarter ended 30 September 2017:

1. Listing of tenements held:

Location	Project	Tenement Type	Number	Interest	Status
Limpopo Province, South Africa	Gravelotte	Mining Right	LP 153 CMR	74%	Granted
Limpopo Province, South Africa	Gravelotte	Prospecting Right	LP 30/5/1/1/3/2/1/20 4PR	74%	Granted

No tenements were acquired or relinquished during the quarter.



GRANT BUTTON
Chief Executive Officer/Joint Company Secretary

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Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Stephen Konecny, who is engaged as a consultant by the Company. Mr Konecny is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the style of mineralisation, the type of deposit under consideration and the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results. The resources quoted in this announcement were estimated in accordance with the JORC Code 2004. They have not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Konecny consents to the inclusion of the information in the form and context in which it appears.

This is annexure A of 1 page

Hole	Prospect	Hole Type	Depth	Dip	Azimuth	Grid	East	North	RL	EPM	Completed
ECRC044	Salebury	RC	60	-60	181	MGA94_54	466170	7711215	187	EPM14295	29-Aug-07
ECRC163	Salebury	RC	60	-60	360	MGA94_54	465921	7710907	194	EPM11675	05-Feb-08
ECRC307	Salebury	RC	108	-60	360	MGA94_54	466221	7711087	190	EPM11675	18-Sep-08
ECRC397	Salebury	RC	120	-60	360	MGA94_54	465921	7710888	192	EPM11675	03-Sep-10
ECRC517	Salebury	RC	111	-60	0	MGA94_54	465867	7710914	192	EPM11675	23-Jun-11
ECRC596	Salebury	RC	126	-60	0	MGA94_54	466024	7711076	190	EPM11675	02-Apr-12
ECRC612	Salebury	RC	147	-60	0	MGA94_54	465870	7710876	188	EPM11675	21-Apr-12
ECRC620	Salebury	RC	108	-60	0	MGA94_54	466217	7711139	188	EPM11675	08-May-12
ECDD002	Salebury	DDH	170	-60	1	MGA94_54	466218	7711077	191	EPM11675	22-Jul-10
ECDD007	Salebury	DDH	217	-60	181	MGA94_54	466219	7711192	188	EPM14295	15-Sep-10
ECDD015	Salebury	DDH	159.6	-55	91	MGA94_54	466152	7711132	192	EPM11675	10-Aug-12
ENDD002	Notlor	DDH	98.7	-60	256	MGA94_54	455923	7703332	222	EPM13137	06-Dec-06
ENRC002	Notlor	RC	50	-90	0	MGA94_54	455907	7703336	222	EPM13137	12-Apr-05
ENRC004	Notlor	RC	68	-90	0	MGA94_54	455900	7703330	223	EPM13137	12-Oct-05
ENRC029	Notlor	RC	118	-60	180	MGA94_54	455900	7703354	221	EPM13137	26-Nov-05
ENRC053	Notlor	RC	52	-90	0	MGA94_54	455922	7703351	221	EPM13137	22-May-06
ENRC060	Notlor	RC	40	-90	0	MGA94_54	455898	7703264	228	EPM13137	27-May-06
NTRC030	Notlor	RC	82	-90	0	MGA94_54	455897	7703328	223	EPM13137	09-Nov-13

This is annexure B of 5 pages

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Diamond Drillholes are cut into 1 metre half core samples for analysis. Reverse Circulation drilling was used to collect 1 and 2 metre samples via a cyclone mounted on the drill Rig. A 2-3kg composite sample was obtained and where Cu was above 0.1% the intervals were resampled at 1 and 2 metre intervals.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> Diamond (NQ2) standard tube and Reverse Circulation drilling was conducted by a reputable contractor.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Diamond core recovery within the Salebury resource area averaged 92%, with 88% of samples having a sample recovery greater than 80% and 12% of samples having a recovery less than 80%. • RC sample recovery was good with no issues encountered. Similar recoveries were obtained from the Notlor Drilling.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical 	<ul style="list-style-type: none"> Diamond core and RC chips were logged into a validated Excel spread sheet logging system. • All core was photographed. • All core is stored at Exco's Cloncurry yard.

Criteria	JORC Code explanation	Commentary
	<p>studies.</p> <ul style="list-style-type: none"> • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged. 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Core is oriented along the bottom of the hole. All samples were taken as half core using a diamond core saw. • RC chips were sampled using a spear to create a 2-3kg, 6m composite. All composites with a copper grade greater than 0.1% were re-split. • Prior to 2011 re-splitting was carried out with a riffle splitter. • From 2011, 1m samples were collected from the cyclone of the rig and stored for later sample submission. Wet samples were sub-sampled with a scoop and air dried on site prior to dispatch to the laboratory.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • Quality control for all drilling was carried out involving certified reference standards (1:36), field duplicates (1:26) and blank samples (1:46) to monitor the accuracy and precision of the laboratory data. • Copper and Cobalt grades were determined using Aqua Regia digest ICP Atomic Emission Spectrometry by ALS Townsville. • Gold grades were determined by 50g Fire Assay with AAS finish by ALS Townsville.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • No umpire assay completed.
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Holes were surveyed by differential mode GPS (DGPS) with sub metre accuracy

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • At Salebury drilling has been completed on nominal north-south sections with 50m spacing. • A total of 6 Diamond holes and 87 RC holes intersect the mineralisation. • At Notlor Drill Spacing is variable but generally on lines 100m apart over a 2km strike length with approximately 20m spacing's in several zones of higher grade mineralization.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Drill lines are generally at 90 degrees to the regional geological strike, and have both angled (60 degrees) and vertical holes. In areas of high grade mineralization holes have been drilled in multiple directions to confirm geometry of mineralization.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Reputable Labs and transport companies were used and field sampling was carried out by trusted Employees.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • A high level audit of the interpretation, compositing, top cuts, estimations, modelling parameters and classifications was carried out by Cube Consulting for the Salebury Resource Estimate. No matters were noted that would impair the validity of the Mineral Resource Estimate.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The drilling and geophysical data were collected within EPM 11675 EPM13137 and EPM14295 which are 100% owned by Exco Resources Ltd. A registered native title claim exists over EPM 25389 (Mitakoodi and Mayi People #5). Native title site clearances were conducted at each drill site prior to drilling. Conduct and Compensation Agreements are in place with the relevant landholders. • The Abovementioned EPMs are secure and compliant with the Conditions of Grant. There are no known impediments to operate in the area.

Criteria	JORC Code explanation	Commentary
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Prior to Exco's drilling, previous exploration was carried out by a number of companies including RC and Percussion Drilling at the Notlor Prospect. This and other known drilling data is contained within Excoco's database. Open file airborne magnetic surveys also cover the area of these EPMs
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Within the eastern portion of Mt Isa Block targeted mineralisation styles include: <ul style="list-style-type: none"> iron oxide Cu-Au (IOCG) mineralisation and variants of this style (e.g. Ernest Henry, Eloise), as well as sediment-hosted Zn+Pb+Ag deposits e.g. Mt Isa, Cannington.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> Collar easting and northing plus drillhole azimuth, dip and final depth for Holes mentioned in the report are appended. These drill results are not new and have been previously reported by Exco except for Cobalt assays which haven't previously been systematically reported. No data deemed material to the understanding of the exploration results have been excluded from this document.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> The weighted average of the mineralised intervals was calculated by multiplying the assay of each drill sample by the length of each sample, adding those products and dividing the product sum by the entire downhole length of the mineralised interval. No minimum or maximum cut-off has been applied to any of the assay data presented in this document. No short lengths of high-grade copper-gold mineralisation have been aggregated with longer lengths of low-grade copper-gold mineralisation. All assays included in the quoted weighted average for the mineralised intervals were 1 or 2 metre lengths. No metal equivalent values have been reported.

Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Drillholes have been drilled as close as possible to perpendicular to the regional geological strike and particularly the strike of mineralized zones or geophysical target trends. • The geometry of the mineralisation with respect to the drillhole angle is uncertain in some areas with further drilling planned to resolve this. • All depths and intervals referenced are downhole depths.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • The locations of the EPMs and prospects are shown in Figure 1 in the body of this document.
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • The selective drill hole results reported are stated as being higher grade and some of the better results. The resource has been reported which indicates the overall grade of the mineralized zone.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • No other substantive data has been omitted in the context of this report. The extensive data is currently being reviewed and any material observations will be reported in due course.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The Exploration program is currently being planned and will include further drilling and metallurgical test work.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Magnum Mining and Exploration Limited

ABN

70 003 170 376

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(42)	(146)
(b) development		
(c) production		
(d) staff costs	(20)	(54)
(e) administration and corporate costs	(103)	(220)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(165)	(420)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans from other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	(3)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,500
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(7)	(97)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	-	(200)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(7)	1,203

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,158	206
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(165)	(420)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	1,203
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	986	986

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	986	1,158
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	986	1,158

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

25

Consulting fees paid to Wilberforce Pty Ltd, where Mr G Button is a director.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	200
9.2 Development	
9.3 Production	
9.4 Staff costs	20
9.5 Administration and corporate costs	80
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	300

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Date: 31 October 2017

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.