

MAGNUM GOLD N.L.
ABN 70 003 170 376

MINING EXPLORATION ENTITY QUARTERLY REPORT
FOR THE THREE MONTHS ENDED
31 DECEMBER 2005

The Directors submit herewith the Mining Exploration Entity Quarterly Report in respect of the quarter ended 31 December 2005, furnished pursuant to Chapter 5 of the Australian Stock Exchange Limited Listing Rules.

J.B. Rodger
Director

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REVIEW OF OPERATIONS

Bunawan Project, Philippines

The Bunawan Project is a joint venture between Magnum Gold N.L. (Magnum) and Philsaga Mining Corporation (“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 operating Co-O gold mine within the Diwata Range of Eastern Mindanao.

Results from an aeromagnetic survey completed last quarter have been assessed and preliminary images of the data have been received from the joint venture manager. Interpretation of the aeromagnetic data is nearing completion and the results of the interpretation are expected in early February. The Diwata Range hosts many gold and porphyry copper deposits and the Bunawan tenements are also considered prospective for these styles of mineralisation. Limited field work continued during the wet season on the Bunawan Project. Several areas adjacent to the current project area are being assessed prior to possible addition to the project.

New Projects

The Company has assessed several new project opportunities, principally gold projects.

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 31 December 2005 on the company’s various projects is set out below:-

Project		Amount Incurred
Philippines	Bunawan Gold Prospect	41,579
Indonesia	Way Linggo	<u>9,798</u>
		\$ 51,377
		=====

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Quarter Ended ("Current Quarter")

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CONSOLIDATED STATEMENT OF CASH FLOWS

		Current Quarter \$A	Year to Date (12 Months) \$A
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	--	3,720
1.2	Payments for: (a) exploration and evaluation (b) development (c) production (d) administration	(51,377)	(217,279)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	5,643	27,968
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – GST	4,167	(3,095)
	Net operating cash flows	(91,480)	(373,747)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	--	(33,000)
1.9	Proceeds from sales of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities	--	(30,088)
1.11	Loans repaid by other entities		
1.12	Other – cash acquired on acquisition of subsidiaries	--	61,811
	Net investing cash flows	--	(1,277)
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 – deposits reclassified as non-cash & share issue costs	--	(54,773)
	Net financing cash flows	--	5,227
	Net increase (decrease) in cash held	(91,480)	(369,797)
1.19	Cash at beginning of quarter/year to date	573,618	851,944
1.20	Exchange rate adjustments to Item 1.19 above	1,361	1,352
1.21	Cash at end of quarter	483,499	483,499

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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.

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

	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	50,000
4.2 Development	
Total	50,000

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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	483,499	573,618
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other – Security Deposits		
Total: cash at end of quarter (item 1.21)	483,499	573,618

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			
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.