

30th May 2007

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

OPTION PLACEMENT

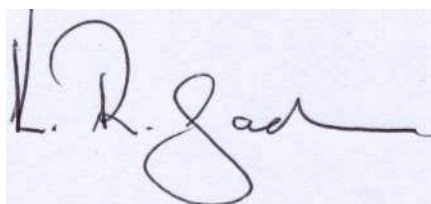
The Board of Magna Mining NL wishes to advise that they have agreed to place to non-related parties, 60,000,000 options at an issue price of 0.5 cents per option, with 2.0 cents payable upon exercise. The options will be unlisted and will expire on 30 June 2010. The funds raised will amount to \$300,000 less costs.

The issue of options is made under Listing Rule 7.1 and is not subject to shareholder approval. The placement will be fully underwritten by SA Capital Pty Ltd.

Proceeds from the placement will be used to progress Magna's mineral exploration activities and for working capital.

Appendix 3B New Issue Announcement will be lodged once allotment of the new options has been completed.

Yours faithfully,
Magna Mining NL



Kim Gardner
Director