ASX code: MAU
ASX Release
29 September 2022

52m AT 1096ppmTREO IN SCOUT DRILLING AT TRAYNING

Initial aircore drilling in the wheatbelt region of Western Australia within the Trayning tenement (E70/3604) has intersected significant thicknesses of very anomalous shallow clay-hosted rare earth elements (REE) with thicker intersections of total rare earth oxides (TREO) including:

18m at 872ppm TREO from 52m in MTRAC007

40m at 1049ppm TREO from 28m in MTRAC009

52m at 1096ppm TREO from 12m IN MTRAC011

32m at 1379ppm TREO from 28m in MTRAC013

28m at 989ppm TREO from 4m in MTRAC055

REE grades are highest and thickest at the 2km-long EW trending aeromagnetic anomaly in the southwest part of the exploration licence (Figure 1). Wide spaced drilling has been carried out on holes 100m apart with a line spacing of 650m, with REE enrichments and thicknesses remaining open in most directions. Weathering at the magnetic anomalies 10km to the northeast is shallower with a thicker weathered zone in drillhole MTRAC055. As a result of these highly anomalous results and recognizing the potential for the Trayning region to be within a new REE province two tenements were applied for totaling 198 sq km (Figure 3).

These early results are very encouraging and compare favourably with other clay hosted REE mineralization currently being explored by Australian explorers with examples as follows:

- Australian Rare Earths (ASX: AR3): Koppamurra Mineral Resource 39.9Mt @ 725ppm TREO, including 179.3ppm MREO (AR3 Prospectus, 7 May 2021).
- Mount Ridley Mines (ASX: MRD): Mount Ridley project aircore drill intercepts TREO range 351-1346ppm, MREO range 75-476ppm, thickness range 3-40m (Table 1 MRD ASX release 2 August 2022).
- Ionic Rare Earths (ASX: IXR): Mukuutu Mineral Resource 532Mt @ 640ppm TREO, 480ppm LREO, 160ppm HREO and 220ppm CREO (IXR ASX release3 May 2022).

This initial shallow drilling of 29 holes for 956m (average 33m) targeted a series of linear, arcuate and domal aeromagnetic anomalies, including a prominent 2km long EW anomaly trending situated about 10km northwest of Trayning, some 200km northeast of Perth, initially to assess the area for its copper-nickel potential (Figure 1), which were sampled in 4m composites for copper, nickel and associated elements. The drilling intersected weathered magnetite and biotite-bearing granitic rocks after which selected drill samples were analysed for rare earth elements. The distribution of anomalous REE coincide with what appear to be flat-lying ferruginous zones within a residual saprolitic profile above the granite. Significant TREO intersections are summarized in Table 1. Drillhole details and analytical results for total rare earth elements (TREE2) >300ppm are shown in Tables 2 and 3 respectively.

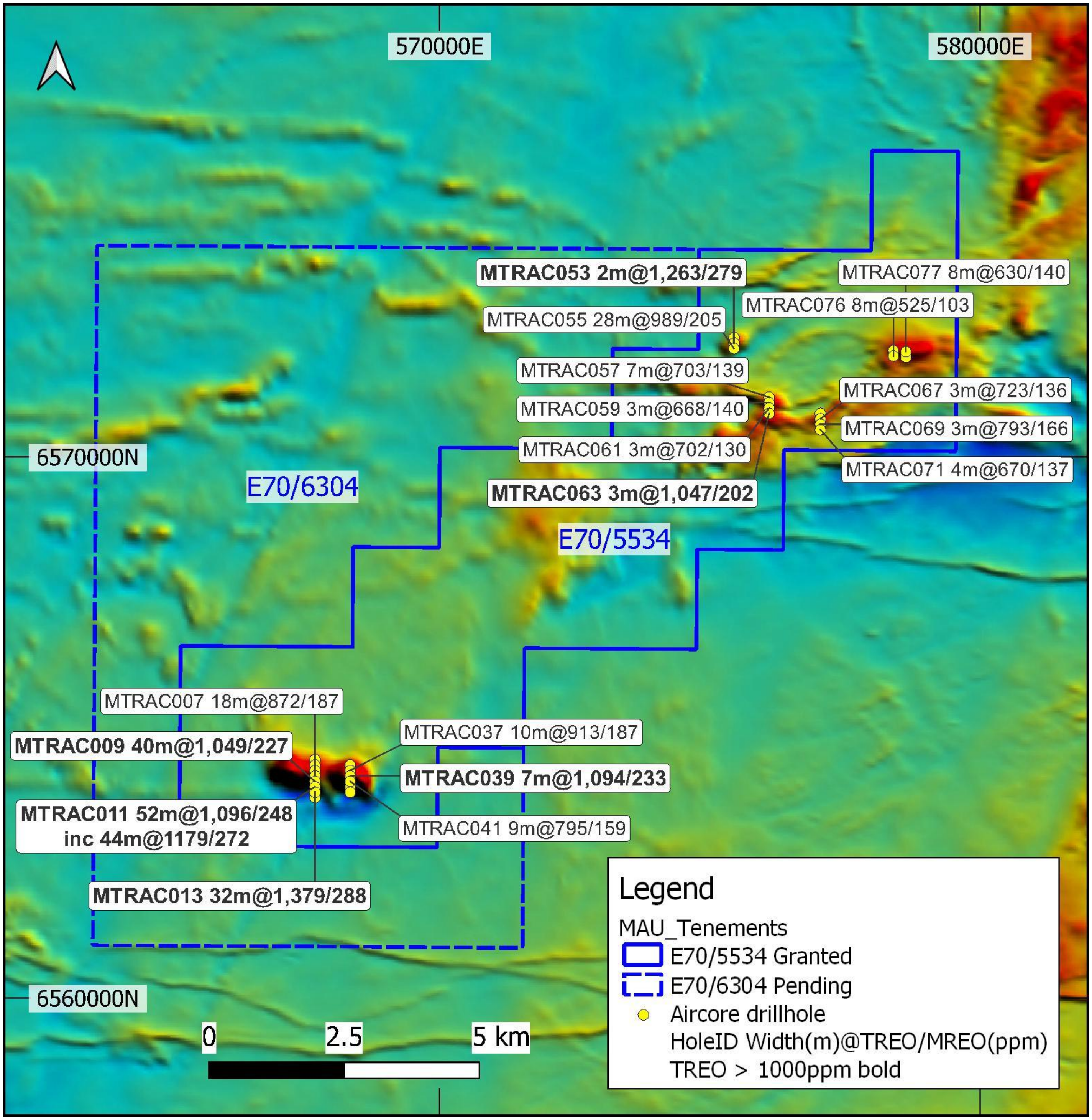

Figure 1. Trayning significant REE intersections showing Total Rare Earths (TREO) and Magnetic Rare earths (MREO).

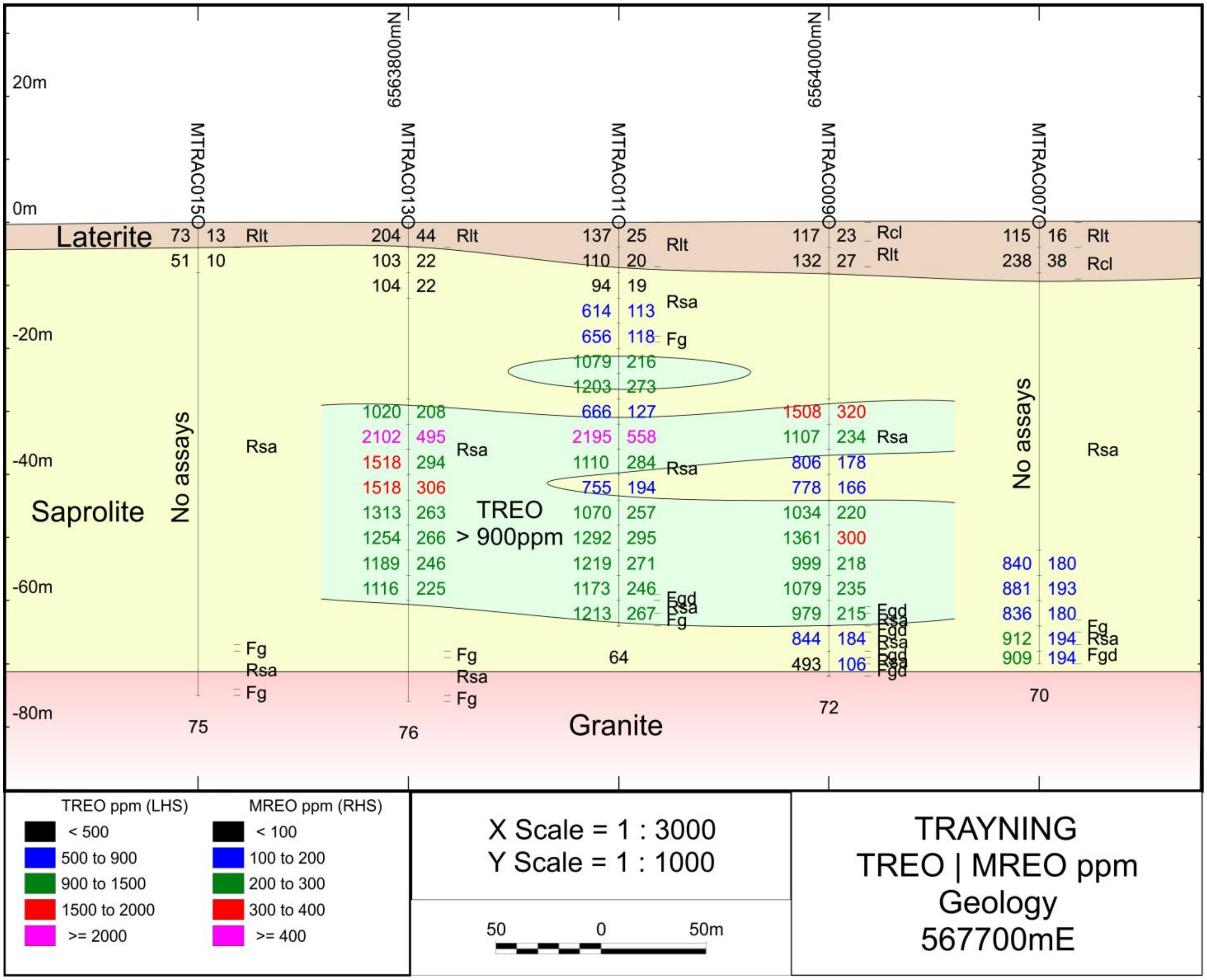

Figure 2. Trayning NS cross section showing thickened significant REE intersections, both TREO and MREO, within a greater than 900ppm zone that remain open to the North and South. Further assays are being carried out over a number of holes.

Light rare earths (LREO3) predominate over heavy rare earths (HREO4) in the anomalous zones. **Significantly, about 20% of the TREO are composed of the high value magnet rare earths (MREO5), particularly neodymium and praseodymium, which are used in high intensity magnets in electric motors. Critical rare earth oxides (CREO6) are present in similar amounts.** Copper is slightly enriched in the ferruginous zones generally ranging from 40-100ppm with a peak value of 749ppm from 48-52m in hole MTRAC013. Nickel values are low, as are uranium levels (around 10ppm).

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[1]TREO means the sum of CeO2, Dy2O3, Er2O3, Eu2O3, Gd2O3, Ho2O3, La2O3, Lu2O3, Nd2O3, Pr6O11, Sm2O3, Tb4O7,

Tm2O3, Y2O3 and Y2O3.

[2]TREE means the sum of Ce, Dy, Er, Eu, Gd, Ho, La, Lu, Nd, Pr, Sm, Tb, Tm, Y and Yb

[3]LREO means the sum of CeO2, La2O3, Nd2O3 and Pr6O11.

[4]HREO means the sum of Dy2O3, Er2O3, Eu2O3, Gd2O3, Ho2O3, Lu2O3, Sm2O3, Tb4O7, Tm2O3, Y2O3 and Yb2O3.

[5]MREO means the sum of Dy2O3, Nd2O3, Pr6O11 and Tb4O7.

[6]CREO means the sum of Dy2O3, Eu2O3, Nd2O3, Tb4O7 and Y2O3.

Table 1. Significant Rare Earth Oxide Intersections (500ppm TREO cut-off)

Hole ID	MGAZ50E	MGAz50N	From	To	Interval	TREO	LREO	HREO	MREO	M/TREO	CREO
			m	m	m	ppm	ppm	ppm	ppm	%	ppm
MTRAC007	567700	6564100	52	70	18	872	762	110	187	21	214
MTRAC009	567700	6564000	28	68	40	1049	895	154	227	22	275
MTRAC011	567700	6563900	12	64	52	1096	966	130	248	23	248
including			20	64	44	1179	1034	146	272	23	299
MTRAC013	567700	6563800	28	60	32	1379	1180	199	288	21	349
MTRAC037	568350	6564200	44	54	10	913	778	135	187	21	233
MTRAC039	568350	6564100	32	39	7	1094	936	158	233	21	282
MTRAC041	568350	6564000	32	41	9	795	675	120	159	20	200
MTRAC053	575450	6572100	40	42	2	1263	1127	136	279	22	290
MTRAC055	575450	6572000	4	32	28	989	879	110	205	21	224
MTRAC057	576100	6571100	0	7	7	703	603	100	139	20	166
MTRAC059	576100	6571000	4	7	3	668	571	96	140	21	168
MTRAC061	576100	6570900	8	11	3	702	621	81	130	19	148
MTRAC063	576100	6570800	8	11	3	1047	948	99	202	19	210
MTRAC067	577050	6570700	0	3	3	723	632	90	136	19	161
MTRAC069	577050	6570600	0	3	3	793	683	111	166	21	196
MTRAC071	577050	6570500	0	4	4	670	583	87	137	20	159
MTRAC076	578400	6571860	0	8	8	525	443	82	103	20	128
MTRAC077	578630	6571940	4	12	8	630	494	136	140	22	198

Analysis of the remaining 4m composite samples for REE is in progress together with planning of further drilling when cropping of this farmland is complete, towards the end of the calendar year. In the meantime, Magnetic has applied for two exploration licences in nearby areas with a view to expanding the search for shallow clay hosted REE mineralization (Figure 3). The highest amplitude aeromagnetic anomalies appear to be favourable features for REE, with shallow clay zones, in this district. The Koorda tenement has a significant 12km arcuate EW aeromagnetic anomaly and Trayning and Korrelocking have 2km long linear EW aeromagnetic anomalies. In addition, Magnetic is planning preliminary test work on drill samples to examine the leaching characteristics and mineralogy of the REE enrichments.

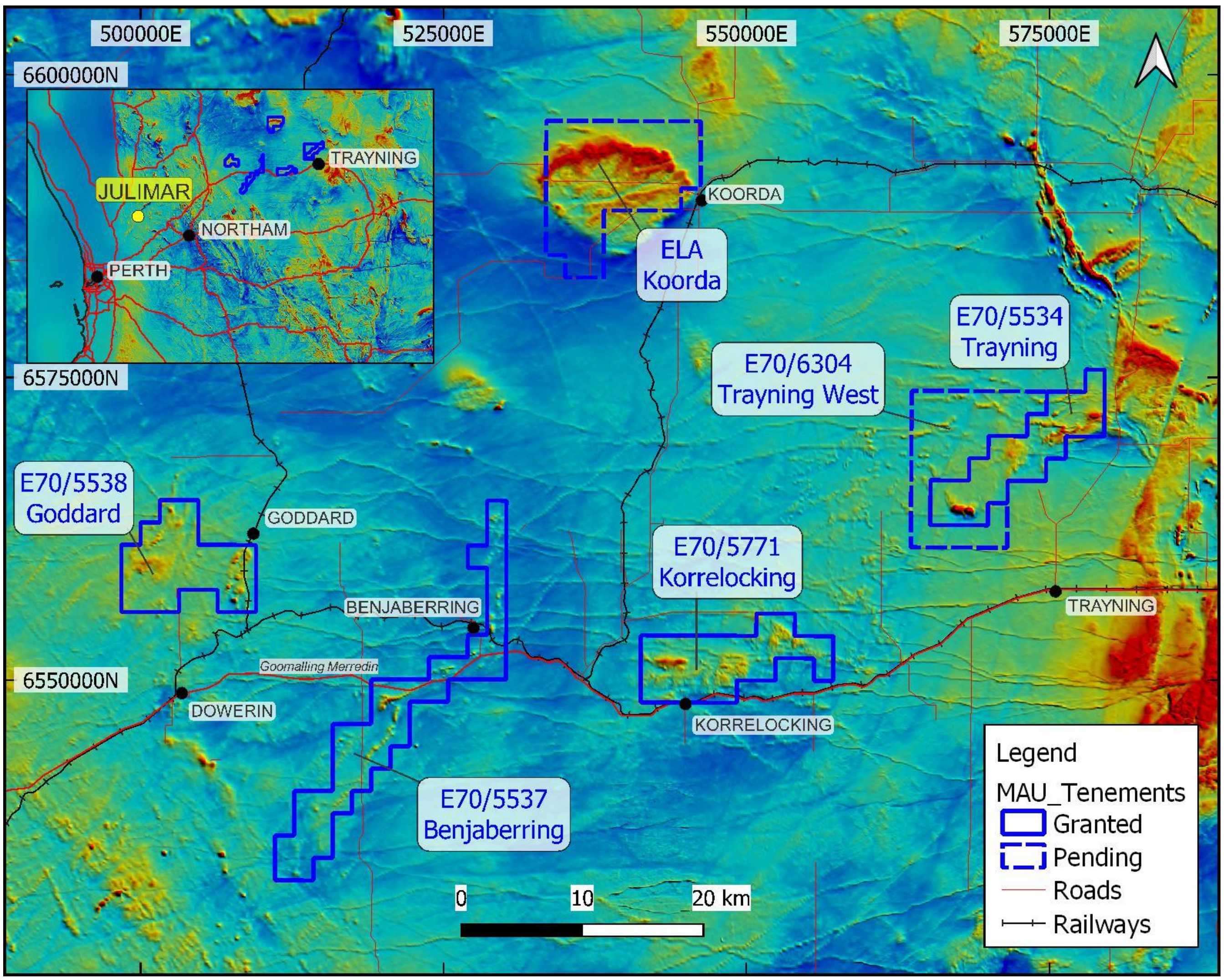

Figure 3 Location plan showing granted tenements (325 sq km) and newly applied for tenements (198 sq km).

Table 2. Aircore Drillhole Locations

Hole ID	MGAz50N	MGAz50E	Depth	Dip	Azimuth	RL
MTRAC01	6564400	567700	55	90	0	
MTRAC03	6564300	567700	66	90	0	
MTRAC05	6564200	567700	73	90	0	
MTRAC07	6564100	567700	70	90	0	
MTRAC09	6564000	567700	72	90	0	
MTRAC11	6563900	567700	64	90	0	
MTRAC13	6563800	567700	76	90	0	
MTRAC15	6563700	567700	75	90	0	
MTRAC35	6564300	568350	42	90	0	
MTRAC37	6564200	568350	54	90	0	
MTRAC39	6564100	568350	39	90	0	
MTRAC41	6564000	568350	41	90	0	
MTRAC43	6563900	568350	30	90	0	
MTRAC45	6563800	568350	16	90	0	
MTRAC51	6572200	575450	23	90	0	
MTRAC53	6572100	575450	42	90	0	
MTRAC55	6572000	575450	32	90	0	
MTRAC57	6571100	576100	7	90	0	
MTRAC59	6571000	576100	7	90	0	
MTRAC61	6570900	576100	12	90	0	
MTRAC63	6570800	576100	11	90	0	
MTRAC65	6570800	577050	4	90	0	
MTRAC67	6570700	577050	3	90	0	
MTRAC69	6570600	577050	3	90	0	
MTRAC71	6570500	577050	5	90	0	
MTRAC74	6571960	578400	5	90	0	
MTRAC76	6571860	578400	9	90	0	
MTRAC77	6571940	578630	13	90	0	
MTRAC79	6571840	578630	7	90	0	

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Table 3. Analysis for Samples with Total Rare Earth Element (TREE)>500ppm TREO

Hole ID	From	To	Sample	Eu	Gd	Dy	Ho	Er	Ce	Sm	Tb	Tm	Yb	Lu	La	Pr	Nd	Y
	m	m		ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
MTRAC007	52	56	T10064	3.76	15.5	10.2	2.0	6.0	291	18.7	2.13	0.83	5.4	0.85	143	32.8	108	58
MTRAC007	56	60	T10065	4.06	14.8	9.1	1.67	4.9	319	19	2.01	0.65	4.0	0.63	155	35.9	117	45.1
MTRAC007	60	64	T10066	4.02	14.6	9.0	1.68	5.0	300	18	1.95	0.64	3.9	0.59	146	32.9	109	47.6
MTRAC007	64	68	T10067	3.71	16.4	10.4	1.9	5.5	327	20.3	2.24	0.72	4.3	0.62	163	35.9	117	50
MTRAC007	68	70	T10068	3.78	15.8	9.9	1.84	5.5	323	19.6	2.15	0.7	4.3	0.63	165	36.0	117	50.6
MTRAC009	28	32	T10076	7.27	28.0	19.0	3.92	12.3	513	32.5	3.82	1.69	9.5	1.22	248	57.5	192	123
MTRAC009	32	36	T10077	5.07	19.1	13.2	2.63	8.0	387	22.8	2.66	1.1	6.3	0.83	189	42.7	141	78.3
MTRAC009	36	40	T10078	3.97	16.8	12.0	2.32	6.7	277	18	2.36	0.88	5.1	0.64	129	31.5	106	57.6
MTRAC009	40	44	T10079	3.26	16.4	12.6	2.43	6.9	265	16.7	2.41	0.9	5.5	0.77	126	29.5	96.9	61
MTRAC009	44	48	T10080	4.32	20.5	14.6	2.84	8.8	353	22.5	2.9	1.23	7.8	1.16	171	39.1	131	78.5
MTRAC009	48	52	T10081	6.63	27.1	17.6	3.32	9.7	479	30.9	3.75	1.3	7.7	1.11	221	54.1	180	88.5
MTRAC009	52	56	T10082	4.48	18.8	12.5	2.34	6.9	358	22.3	2.6	0.9	5.4	0.8	166	39.7	131	59.1
MTRAC009	56	60	T10083	5.01	18.9	11.7	2.2	6.4	388	23.6	2.54	0.82	4.9	0.71	182	43.1	143	64.3
MTRAC009	60	64	T10084	4.77	18.4	11.9	2.33	7.1	342	21.9	2.53	0.97	6.0	0.96	162	38.9	130	64.1
MTRAC009	64	68	T10085	3.68	15.0	9.6	1.81	5.3	304	18.2	2.06	0.67	4.1	0.59	146	33.8	111	46.6
MTRAC009	68	72	T10086	2.13	9.2	6.0	1.12	3.3	176	11.1	1.24	0.45	2.7	0.42	83.5	19.5	63.6	29.4
MTRAC011	12	16	T10091	1.95	6.9	4.0	0.68	1.9	247	9.2	0.94	0.2	1.1	0.14	132	23.8	67.4	13.6
MTRAC011	16	20	T10092	2.26	8.3	4.9	0.86	2.5	262	10.7	1.15	0.27	1.5	0.21	136	23.8	70.4	20.6
MTRAC011	20	24	T10093	3.98	14.5	8.3	1.41	3.9	429	18.8	2.0	0.42	2.3	0.31	210	43.1	130	29.5
MTRAC011	24	28	T10094	6.22	23.3	13.9	2.35	6.1	444	28	3.06	0.66	3.5	0.43	207	48.9	167	47
MTRAC011	28	32	T10095	2.6	9.2	5.8	1.11	3.2	254	11	1.25	0.38	2.3	0.31	135	25.2	75.7	26.7
MTRAC011	32	36	T10096	15.2	62.1	38.7	6.47	17.2	719	66.5	8.18	2.13	12.4	1.49	309	89.8	339	142
MTRAC011	36	40	T10097	5.9	22.8	13.6	2.39	6.9	388	30.9	3.04	0.86	5.2	0.7	164	49.3	176	54.9
MTRAC011	40	44	T10098	3.83	16.0	10.0	1.8	5.3	255	21.3	2.15	0.72	4.5	0.6	110	34.0	119	44.4
MTRAC011	44	48	T10099	5.81	21.0	11.5	1.96	5.6	378	27.4	2.72	0.69	4.4	0.6	184	44.8	160	43.5
MTRAC011	48	52	T10100	7.16	26.7	16.9	3.11	8.9	449	32	3.63	1.16	6.9	1.0	210	51.7	179	78.2
MTRAC011	52	56	T10101	6.47	24.1	15.1	2.8	8.2	436	28	3.28	1.13	7.5	1.14	203	49.3	163	65.2
MTRAC011	56	60	T10102	5.6	19.7	12.7	2.6	8.5	406	24.4	2.65	1.27	8.0	1.38	195	45.2	149	92
MTRAC011	60	64	T10103	6.15	21.7	12.5	2.25	6.6	444	27.6	2.87	0.82	4.9	0.73	211	50.2	162	55.9
MTRAC013	28	32	T10111	4.11	17.6	12.3	2.43	7.1	366	20.5	2.52	0.93	5.5	0.81	182	39.3	123	63.7
MTRAC013	32	36	T10112	11.3	50.6	31.5	5.38	14.2	717	54.9	6.82	1.63	8.9	1.1	349	83.3	300	115
MTRAC013	36	40	T10113	5.53	25.6	18.3	4.01	12.9	514	29	3.54	1.74	10.0	1.27	268	54.9	174	137
MTRAC013	40	44	T10114	5.5	24.9	16.5	3.47	11.2	538	30.2	3.45	1.55	9.0	1.16	266	57.8	183	109
MTRAC013	44	48	T10115	4.37	24.1	17.9	3.56	10.2	458	26.7	3.46	1.34	7.8	1.08	237	48.9	154	92.6
MTRAC013	48	52	T10116	3.59	23.1	15.8	2.93	8.4	451	27.8	3.29	1.09	6.4	0.93	215	49.6	158	75.6
MTRAC013	52	56	T10117	3.47	18.9	12.7	2.36	6.9	419	24.3	2.71	0.94	6.0	0.93	233	46.6	147	64.3
MTRAC013	56	60	T10118	3.56	20.4	15.3	3.0	8.8	390	23.4	2.96	1.24	7.7	1.2	187	40.8	133	88.5
MTRAC041	32	36	T10150	2.22	15.3	11.9	2.4	7.3	282	17.1	2.22	1.11	7.0	1.04	146	30.3	95.5	74
MTRAC041	36	40	T10151	2.12	11.7	7.7	1.42	4.4	252	14.3	1.64	0.61	3.9	0.57	132	26.8	84.8	42.4

Hole ID	From	To	Sample	Eu	Gd	Dy	Ho	Er	Ce	Sm	Tb	Tm	Yb	Lu	La	Pr	Nd	Y
	m	m		ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
MTRAC041	40	41	T10152	4.02	17.3	10.9	2.05	6.1	350	21.3	2.36	0.78	4.6	0.68	180	38.2	124	57.4
MTRAC039	32	36	T10173	5.19	21.8	13.9	2.73	8.4	399	25.8	2.94	1.15	7.4	1.2	201	44.5	149	80.8
MTRAC039	36	39	T10174	4.77	18.4	12.2	2.41	7.2	348	21.6	2.56	0.97	6.1	0.95	178	38.9	129	64.9
MTRAC037	44	48	T10186	1.93	11.6	8.5	1.69	5.1	223	12.6	1.68	0.71	4.3	0.63	128	23.3	72.6	52
MTRAC037	48	52	T10187	5.26	20.6	13.8	2.72	8.2	391	24	2.82	1.07	6.5	0.99	195	43.2	143	82
MTRAC037	52	54	T10188	4.09	16.6	10.7	2.08	6.2	351	20.4	2.28	0.84	5.1	0.78	173	39.4	127	58.7
MTRAC053	24	28	T10212	0.58	5.3	3.0	0.49	1.4	162	7.1	0.72	0.2	1.4	0.2	70.2	13.5	39	12.1
MTRAC053	28	32	T10213	0.68	4.9	2.9	0.49	1.4	142	6.2	0.68	0.18	1.2	0.18	69.7	12.1	34.1	12
MTRAC053	40	42	T10216	3.06	23.5	13.2	2.2	6.0	404	30.2	3.15	0.72	4.2	0.61	283	55.2	166	58.6
MTRAC055	4	8	T10218	1.78	7.7	4.6	0.73	2.0	260	9.8	1.07	0.2	1.1	0.13	171	23.7	66.1	15.7
MTRAC055	8	12	T10219	3.28	14.3	8.9	1.46	3.9	320	18.4	1.98	0.43	2.5	0.29	179	34.3	108	32.9
MTRAC055	12	16	T10220	2.11	8.1	5.2	0.91	2.6	180	10.2	1.12	0.33	2.2	0.28	98.7	19.5	60.1	20.3
MTRAC055	16	20	T10221	3.25	12.8	8.1	1.39	4.0	288	17.4	1.8	0.54	3.3	0.44	133	33.5	104	32.2
MTRAC055	20	24	T10222	5.67	22.8	13.8	2.41	7.1	407	28.1	3.09	0.85	5.0	0.67	259	52.8	168	58.9
MTRAC055	24	28	T10223	5.79	21.8	13.7	2.39	6.8	430	27.2	3.03	0.86	5.3	0.73	253	51.9	164	54.1
MTRAC055	28	32	T10224	7.11	28.7	21.2	4.17	12.6	573	32.3	4.16	1.72	10.6	1.53	271	58.3	188	121
MTRAC063	8	11	T10227	2.54	14.9	9.6	1.75	5.2	391	20.1	2.2	0.63	4.6	0.68	216	40.1	120	42.3
MTRAC061	8	11	T10230	1.72	11.2	7.5	1.39	4.0	259	12.8	1.6	0.45	3.1	0.44	142	25.8	75.7	36.9
MTRAC059	4	7	T10232	2.08	12.5	8.5	1.62	4.9	232	14.7	1.81	0.56	3.9	0.58	118	26.2	83.1	44.7
MTRAC057	0	4	T10233	1.17	8.5	6.2	1.13	3.3	184	10.3	1.3	0.37	2.6	0.35	99.8	19.1	56.6	26.2
MTRAC057	4	7	T10234	2.18	18.7	14.3	2.71	7.9	333	20.7	2.84	0.9	6.2	0.85	173	36.3	112	70.4
MTRAC067	0	3	T10236	2.21	12.0	8.1	1.55	4.6	283	14.2	1.72	0.53	3.8	0.54	120	25.5	80.8	41.5
MTRAC069	0	3	T10237	2.59	14.8	9.9	1.89	5.5	270	17.3	2.08	0.63	4.5	0.64	150	31.2	98.2	50.9
MTRAC071	0	4	T10238	1.7	11.4	7.7	1.46	4.2	223	13.6	1.62	0.47	3.4	0.48	141	26.4	80.5	41
MTRAC076	0	4	T10242	1.09	8.6	6.6	1.21	3.5	173	10.4	1.33	0.44	3.0	0.44	94.7	18.5	54.7	32.6
MTRAC076	4	8	T10243	1.16	10.5	8.7	1.67	5.1	188	12.1	1.65	0.66	4.9	0.72	102	20.9	62.2	42.6
MTRAC077	4	8	T10248	2.62	12.9	8.7	1.53	4.3	195	15.5	1.85	0.48	3.2	0.44	85.3	23.3	80.2	35.4
MTRAC077	8	12	T10249	2.88	17.5	14.8	3.11	9.5	201	16.7	2.6	1.16	8.0	1.2	94.7	24.0	82.7	96.2

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Managing Director George Sakalidis commented, “These initial AC results are very positive considering the broad spacing used. The thicknesses are substantial and the grades compare favourably with existing REE ASX companies, including 52m at 1096ppm TREO from 12m in MTRAC011. Most of these intersections are open to the North and South. The recognition of these prominent EW aeromagnetic highs associated with shallow clay zones within a new potential REE region has allowed Magnetic to apply for two extra tenements (198 sq km) with total size of the tenements being 523 sq km. Further drilling is being planned with numerous assays awaited.”

This announcement has been authorised for release by Managing Director George Sakalidis.
For more information on the company visit www.magres.com.au

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The information in this report is based on information compiled by George Sakalidis BSc (Hons), who is a member of the Australasian Institute of Mining and Metallurgy. George Sakalidis is a Director of Magnetic Resources NL. George Sakalidis 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 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. George Sakalidis consents to the inclusion of this information in the form and context in which it appears in this report.

The Information in this report that relates to:

1. Exploration to commence at nickel project east of Julimar. MAU Release 29 April 2021

All of which are available on www.magres.com.au

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	• *Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	• Magnetic Resources (ASX:MAU) completed 29 vertical aircore (AC) holes totalling 955m. Samples of drill chips were collected through a cyclone as 1m piles laid out consecutively on the ground then trowel sampled as 1m and 4m composites. Some 1m sample piles were washed away by heavy rain during the drilling prior to 1m samples being collected. • Trowel sampling of sample piles is considered is considered to provide adequate representivity at this early stage of the program. • Aircore drilling to deliver 1m interval samples. Composite 4m samples taken for analysis. Some 1m samples were retained for possible future analysis. Samples of 2-3kg of were submitted to SGS Australia. Samples were dried and pulverized and a sub-sample analysed. • Samples were digested using a four-acid digest (SGS method DIG40Q) and analysed for Cu, Ni and associated elements by ICP-OES (SGS method ICP40Q). • Selected samples were also assayed for Au, Pt and Pd using a lead collection technique with a 50g charge and an ICP-MS instrument finish. • Subsequently, sample pulps were analysed for 15 rare earth elements (REE) plus Sc, U, Pb and Zn using a four-acid digest and ICP-MS.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	• Aircore. A type of reverse circulation drilling using slim rods and a 100mm blade bit drilled to refusal.
Drill sample recovery	• *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.*	• Recovery was visually assessed and considered to be acceptable within normal industry standards. • Samples were visually checked for recovery and moisture content. A cyclone was used to deliver the sample into buckets. • Insufficient drilling and geochemical data is available at the present stage to evaluate potential sample bias. Drill samples are sometimes wet which may result in sample bias because of preferential loss/gain of fine/coarse material.

Criteria	JORC Code explanation	Commentary
Logging	• *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 studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geological logging appropriate for this style of drilling and the stage of the project. Bottom-of-hole chip samples were retained as a chip tray record. • Geological logging is inherently qualitative. More specific logging may be undertaken if warranted by analyses. • All drill holes were logged for the full length of the hole and sample piles photographed.
Sub-sampling techniques and sample preparation	• *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.*	• Not applicable, no core drilling was completed. • Aircore samples were collected via cyclone into a bucket and laid out in rows as single 1m piles. 1m samples were trowel sampled to provide 2-3kg 4m composite samples. 2-3kg 1m samples were subsequently collected for possible future assay (where samples remained intact). • The sampling technique is considered to be appropriate for the drilling method and stage of the project. • Care was taken to obtain a full trowel cut through sample piles. • No field duplicates were taken. • Sample sizes are appropriate for the grain size being sampled.
Quality of assay data and laboratory tests	• *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 (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The four-acid digest and laboratory process used by SGS Australia is considered to be appropriate for use in weathered or oxidized rocks. The technique is close to total digestion for the elements analysed with the possible exception of chromite. The fire assay method used is expected to give the total content of Au, Pt and Pd in the sample. • No geophysical or petrophysical tools were used. • Industry-standard certified reference material and duplicates are used by the NATA registered laboratory conducting the analyses.
Verification of sampling and assaying	• *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*	• No independent verification of drill intersections has yet been carried out. • No twin holes have yet been drilled. • Primary data is entered into an in-house database and checked by the database manager. • Raw assays are stored in the company's database

Criteria	JORC Code explanation	Commentary
	(physical and electronic) protocols. • *Discuss any adjustment to assay data.*	with each REE value converted to the respective rare earth oxide (REO) value using the conversion factors in "Section 2 – Data Aggregation Methods".
Location of data points	• *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.*	• Drill collars located by hand- held GPS with an accuracy of +/- 5m. • Grid system: MGAz50 GDA94. • Topographic control using regional DEM data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Variable, generally 100m between holes, on north-south lines ranging from 220m to 950m apart. • There is insufficient data to estimate a Mineral Resource. • 1m samples have been composited into 4m samples for analysis.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Not determined yet. Likely to be unbiased as vertical holes are interpreted to be sampling sub-horizontal mineralization. • Unlikely to be biased.
Sample security	• *The measures taken to ensure sample security.*	• Standard industry practice is used when collecting, transporting and storing samples for analysis. Drilling pulps are retained and stored off site in a designated storage facility.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of the sampling techniques have yet been carried out.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• Granted exploration licence E70/5534, situated 10km northwest of the township of Trayning, Western Australia, is held 100% by Magnetic Resources NL. The tenement is situated on private land with an exploration compensation agreement in place for the areas drilled. • The tenement is in good standing. There is a requirement to negotiate a mining compensation agreement with the landowner in the event of a mining development. There are no other known impediments to obtaining a licence to operate in the targeted area other than requirements of the DMIRS, DBCA and Heritage Protection Agreements, all of which are industry-standard.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Astro Mining NL explored the area for diamonds and gold in 1998. Wide-spaced surface sampling was carried out. No drilling is recorded.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Clay-hosted rare earth mineralization.
Drill hole Information	• *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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *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.*	• All relevant data for the drilling is tabulated in this announcement.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Significant intersections are calculated using a minimum 1m thickness, nominal minimum 500ppm TREO cut-off, maximum internal dilution of 4m, no external dilution. No top cut has been applied. Conversions from elements (ppm) to oxides (ppm):

Criteria	JORC Code explanation	Commentary
	• *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Ce 1.2284 CeO2 Dy 1.1477 Dy2O3 Er 1.1435 Er2O3 Eu 1.1579 Eu2O3 Gd 1.1526 Gd2O3 Ho 1.1455 Ho2O3 La 1.1728 La2O3 Lu 1.1371 Lu2O3 Nd 1.1664 Nd2O3 Pr 1.2082 Pr6O11 Sm 1.1596 Sm2O3 Tb 1.1762 Tb4O7 Tm 1.1421 Tm2O3 Y 1.2699 Y2O3 Yb 1.1387 Yb2O3 • TREO: sum of CeO2, Dy2O3, Er2O3, Eu2O3, Gd2O3, Ho2O3, La2O3, Lu2O3, Nd2O3, Pr6O11, Sm2O3, Tb4O7, Tm2O3, Y2O3 and Y2O3. • LREO: sum of CeO2, La2O3, Nd2O3 and Pr6O11. • HREO: sum of Dy2O3, Er2O3, Eu2O3, Gd2O3, Ho2O3, Lu2O3, Sm2O3, Tb4O7, Tm2O3, Y2O3 and Yb2O3. • MREO: sum of Dy2O3, Nd2O3, Pr6O11 and Tb4O7. • CREO: sum of Dy2O3, Eu2O3, Nd2O3, Tb4O7 and Y2O3. • Grades are weighted by drill hole intercept length. • No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• At this stage the mineralization is interpreted to be flat lying, so vertical drilling suggests true width is similar to downhole intersection width. The mineralization margins have not yet been determined
Diagrams	• *Appropriate maps and sections (with scales) and*	• Refer to text.

Criteria	JORC Code explanation	Commentary
	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.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.*	• Analysis results for TREE >300ppm are reported in this release.
Other substantive exploration data	• *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.*	• All new meaningful and material exploration data has been reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Analysis of additional samples is in progress. Further drilling is planned. Preliminary tests to characterize the nature of the mineralization are planned.

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