



magnetic resources^{NL}

QUARTERLY REPORT for the Quarter Ended 31 December 2022

Magnetic Resources NL
ABN 34 121 370 232

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MAUCA

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PO Box 1388
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Issued Capital:
Shares - Quoted:

229,512,381 ordinary shares.
20,418,862 partly paid shares
(\$0.20 unpaid).

Options – Unquoted

4,900,000 options
exercisable at \$1.515 on or
by 31 December 2024

3,750,000 options
exercisable at \$1.20 on or by
6 December 2025

Cash: \$4.2m

Directors:

George Sakalidis
Managing Director

Eric Lim
Non-Executive Chairman

Hiang Sian Chan
Ben Donovan
Non-Executive Directors

Company Secretary
Ben Donovan

HIGHLIGHTS

- **Significant thick intersections at Lady Julie North 4 continue in the December Quarter with some of the intersections include 17m at 1.97g/t from 47m in MLJRC641, 8m at 6.91g/t from 77m in MLJRC686, 18m at 4.98g/t from 89m in MLJRC687, 67m at 1.80g/t from 101m in MLJRC689A and 56m at 1.52g/t from 92m in MLJRC679 (Table 2). Importantly, most of the drilling results are outside the calculated Indicated and Inferred Resource, which augers well for the resource upgrade.**
- **These promising drilling results show the Lady Julie 4 Deposit mineralisation extends over an 850m length and is up to 200m wide and consists of two shallowly dipping east lodges that are both open at depth and will be investigated further by the next deeper RC drilling programme of 13 RC holes for 2528m.**
- **Blue Cap Mining commenced early works at the Hawks Nest - Lady Julie gold deposits in September 2022. Significant progress has already been made with numerous studies having commenced. The work being undertaken by Blue Cap Mining is designed to cover the key approvals and to confirm the economic viability of the deposits.**
- **Initial wide-spaced AC drilling in the wheatbelt region within the Trayning tenement has intersected significant thicknesses of very anomalous shallow clay-hosted rare earth elements (REE) with thick intersections of total rare earth oxides (TREO) including:

58m at 904ppm TREO from 12m in MTRAC007
60m at 990ppm TREO from 8m in MTRAC009
52m at 1096ppm TREO from 12m IN MTRAC011**
- ***Magnetic Resources has decided to spin off the Ni and Rare Earth Assets in the Trayning Region as stand-alone assets while we focus on the development of our Laverton gold assets. The nickel and rare earth assets have significant potential for a major discovery which Magnetic shareholders will hold through the large shareholding that Magnetic will continue to hold.***

Laverton Area

Magnetic Resources NL has 261km² in the Laverton region comprising E38/3127 Hawks Nest, E37/3100 Mt Jumbo, E38/3205 Hawks Nest East, E38/3209 Mt Ajax, P38/4317–24 Mt Jumbo East, E39/2125, P39/6134-44 Little Well and P38/4346, P38/4379-84, P38/4170 Lady Julie (Figure 1). Table 1 shows the exploration completed to date and recent/proposed exploration.

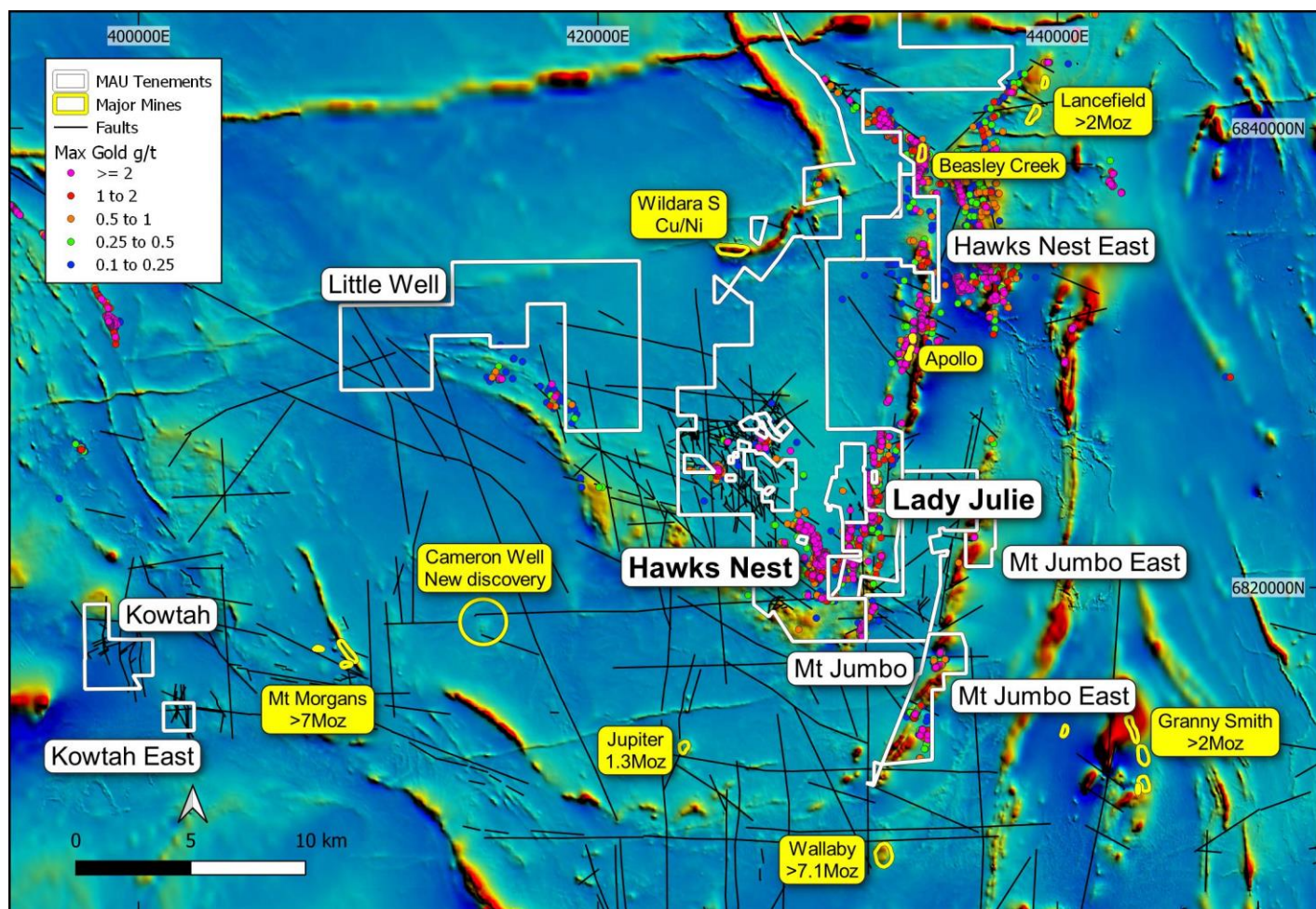


Figure 1. Hawks Nest, Hawks Nest East, Lady Julie, Little Well, Mt Ajax, Mt Jumbo, Mt Jumbo East and Kowtah projects, showing tenements, major shear zones, targets and gold deposits and historic workings

Table 1. Laverton region drilling summary

Project/Tenements	Surface sampling completed	Drilling & ground magnetics completed	Proposed exploration
Hawks Nest	5,411 soils	1,120 RC holes for 71,098m	
E38/3127, M38/1041	117 rock chips	201 RAB holes for 2,726m	
		4 Diamond holes for 431m	
		67 AC holes for 2,348m	
		507km ground magnetics	
Lady Julie	2,148 soils	674 RC holes for 58,948m	13 RC holes for 2,528m
P38/4346, P38/4379-84, E38/3127, P38/4170	15 rock chips	290 shallow RAB for 1,691m	
		3 Diamond holes for 320m	
		2 Diamond tails for 132m	
		237 AC holes for 9,807m	
		125km ground magnetics	

Project/Tenements	Surface sampling completed	Drilling & ground magnetics completed	Proposed exploration
Mt Jumbo E38/3100, E38/3127	3 rock chips	3 RC holes for 563m	
	43 lags	2 Diamond holes for 457m	
		143km ground magnetics	
Mt Jumbo East P38/4317–24	23 rock chips	33 RC holes for 2,527m	
	155 lags	229km ground magnetics	
Kowtah P39/5594–97, 5617	484 soils	186km ground magnetics	
	1 rock chip		

Lady Julie area (P38/4346, P38/4379–4384, E38/3127, P38/4170)

The Lady Julie North 4 gold mineralisation is expanding in size and depth and there are new high-grade drill hole intersections as shown in the highlights in Table 2 below.

Two new holes have the thickest intersections to date, including 67m at 1.8g/t Au from 101m in MLJRC689A and 56m at 1.52g/t Au from 92m in MLJRC679 and are both thickened at depth as a nearby western hole intersected 17m at 1.92g/t Au from 52m in MLJRC678. Because MLJRC689A is a vertical hole the intersection length is exaggerated by 1.3.(Figure 2). Both these intersections are outside the resource and ended in mineralisation which augers well for the enlargement of the Lady Julie North 4 Resource (Indicated and Inferred) of 2.7Mt at 1.27g/t Au for 109,000oz (Figure 2). This forms part of the Lady Julie Combined Resources (Indicated and Inferred) of 5.4Mt at 1.27g/t Au for 224,000oz (Figure 3 and Table 3).

In addition, further north we see a thickening from 8m at 6.94g/t Au in MLJRC686 to 12m at 1.92g/t from 68m in MLJRC674 and 18m at 4.98g/t Au from 89m in MLJRC687 also outside the current resource. Follow up drilling of 10 RC holes for 1,580m is initially planned with diamond tails for the deepest holes. These deeper holes will be testing two stacked zones at depth where we see thickening occurring. Assays are pending for 2 Diamond tails (MLJRC636 & 675) for 132m, 6 RC holes for 569m, 18 AC holes for 1,023m and 3 Diamond holes for 302m.

Also, and importantly, a deeper intersection of 24m at 2.03g/t from 14m depth in MLJRC629, just north of the centre of the deposit, is thicker and outside the calculated resources to the west. Further drilling has been completed and is designed to expand this promising zone at depth and results are awaited.

In addition, a strong silica-pyrite-fuchsite alteration has been noted in logging in MLJRC631 and MLJRC642 and correlates with the gold intersections. The extent of this alteration within the surrounding holes will be examined when the RC chip logging has been completed.

The Lady Julie North 4 deposit is only 2.5km north of the Lady Julie Central deposit, which in turn is 2.5km NE of the HN9 deposit (Figure 3). These three areas are all shallow deposits and, in some cases, starting from surface providing low strip ratios and potential for economic ore that is open-cuttable and are effectively part of one mining centre.

An AC programme was also completed and includes 38 holes for 2023m and was designed to test the southern extension of the Lady Julie North 4 shear structure that is mapped and is expected to continue south towards the Mt Jumbo gold resource, looking to find new satellite deposits in areas that have not been drilled. Half the drill programme results are pending but an intersection of 2m at 2.4g/t Au from 48m at the end of the MLJAC141 is encouraging and is being followed up with deeper RC drilling (Figure 3).

In addition, new infill drill intersections at Lady Julie Central have outlined robust high-grade intersections starting from surface, including MLJRC663 (23m at 3.29g/t Au from 0m) and MLJRC665 (28m at 2.17g/t Au from 0m).

Table 2. Highlights of the drilling at Lady Julie North 4

Hole No.	Easting	Northing	From	To	Width	Gold	Sample	
	MGAz51	MGAz51	metres	metres	metres	g/t	Type	
Lady Julie North 4								
MLJRC624	432428	6826830	55	70	15	1.44	1m splits	*
MLJRC625	432428	6826760	91	103	12	1.87	1m splits	*
MLJRC626	432410	6826660	102	107	5	3.45	1m splits	*
MLJRC629	432460	6826560	147	171	24	2.03	1m splits	
MLJRC630	432430	6826510	132	139	7	2.30	1m splits	
MLJRC631	432433	6826460	134	144	10	2.37	1m splits	
MLJRC641	432433	6826312	49	66	17	1.92	1m splits	
MLJRC642	432387	6826510	92	114	22	1.33	1m splits	
MLJRC643	432478	6826610	162	177	15	2.89	1m splits	
MLJRC644	432400	6826166	88	98	10	3.01	1m splits	
MLJRC674	432428	6826870	68	80	12	1.98	1m splits	*
MLJRC675	432468	6826760	48	52	4	2.38	4m Composites	*
MLJRC679	432513	6826312	92	148	56	1.52	4m composite	*
MLJRC686	432345	6826710	77	85	8	6.91	1m splits	*
MLJRC687	432410	6826710	89	107	18	4.98	1m splits	*
MLJRC688	432355	6826337	89	99	10	2.18	1m splits	*
MLJRC689A	432425	6826334	101	168	67	1.80	1m splits	*
Lady Julie Central								
MLJRC663	431785	6823908	0	23	23	3.29	1m splits	
		including	11	19	8	6.52	1m splits	
MLJRC664	431757	6823932	0	19	19	1.96	1m splits	
		including	11	19	8	4.12	1m splits	
MLJRC665	431775	6823932	0	28	28	2.17	1m splits	
		including	0	7	7	7.14	1m splits	
MLJRC666	431790	6823932	17	46	29	1.10	1m splits	

* Outside current resource

This shear zone is a complex N to NNE-trending, east-dipping structural corridor, which can be traced for some 22km extending from Magnetic Resources' southern boundary at Mt Jumbo and through Lady Julie North 4 and as far north as the Beasley Creek gold deposit on Magnetic's NE boundary. Within Magnetic's tenements the shear zone can be traced for a distance of 12km. The shear zone is interpreted to comprise a series of braided faults and shears within a corridor ranging from 100m to 250m wide and is interpreted to have formed as a reverse fault on the limb of the regional Margaret Anticline during the latter stages of its folding.

Importantly, this shear zone is closely associated with gold mineralisation at several locations along its length including Magnetic's LJV4 deposit and gold deposits further north of Magnetic's tenements including the Beasley Creek deposit. It is evident in aeromagnetic imagery and in gravity images. Within the structural corridor the shear zone is characterised by a sheared package of mafic and ultramafic rocks, sediments and an unusual massive carbonate rock, all intruded by felsic porphyries. Magnetic is targeting with its AC drill programme several zones where the depth of cover is not prohibitive and where historical drilling has indicated gold mineralisation adjacent to undrilled or under-drilled areas which have the potential to host further gold resources.

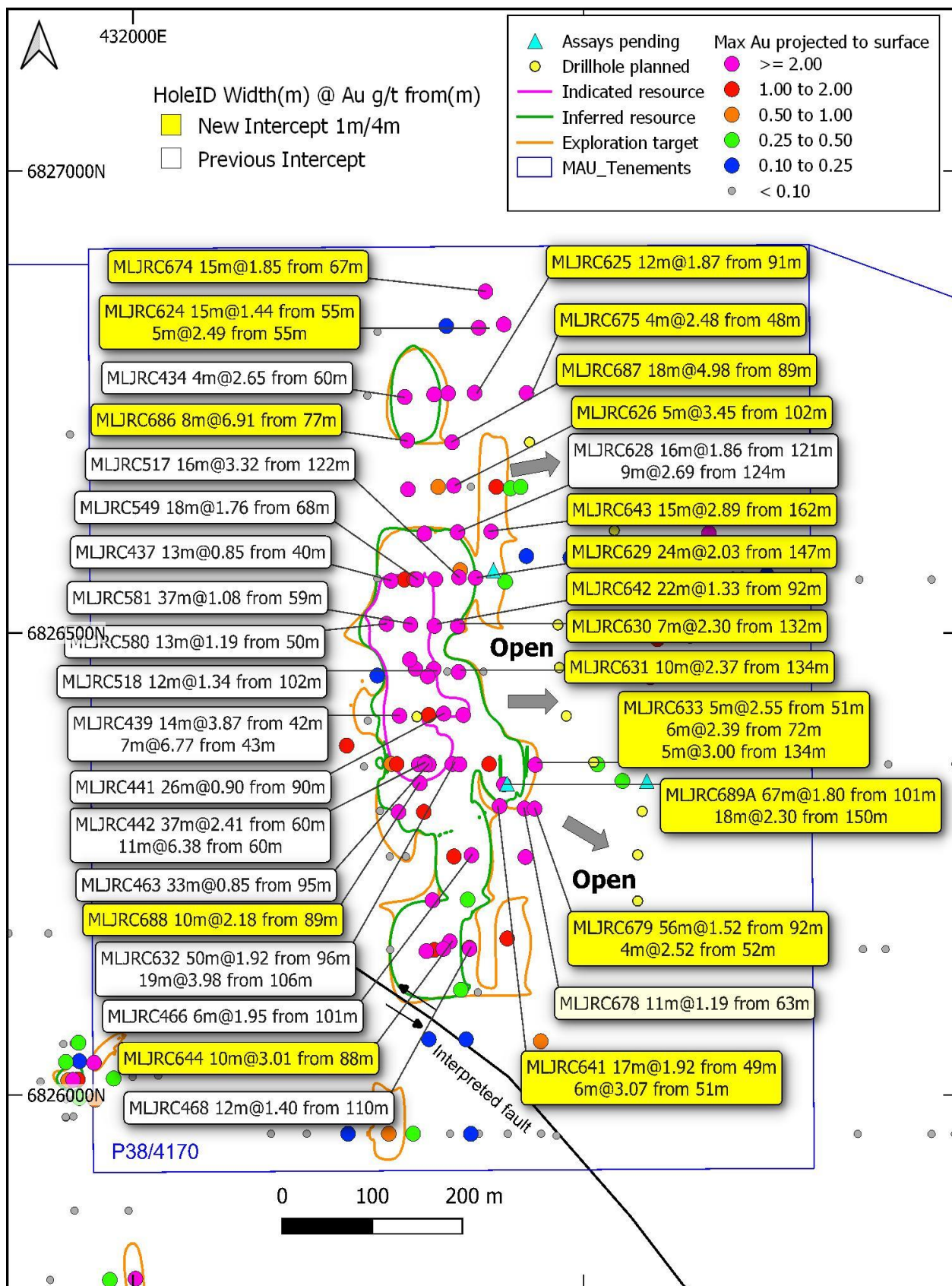


Figure 2. The Lady Julie North 4 deposit has numerous significant thick intersections from the latest drill programme (yellow large rectangular label) and previous drilling (white label) with maximum gold projected to surface and planned deeper drillholes (in yellow) and holes with assays awaited. The Indicated Resource outlines are shown in purple, the Inferred Resources outlines are shown in green and the Exploration Target in brown

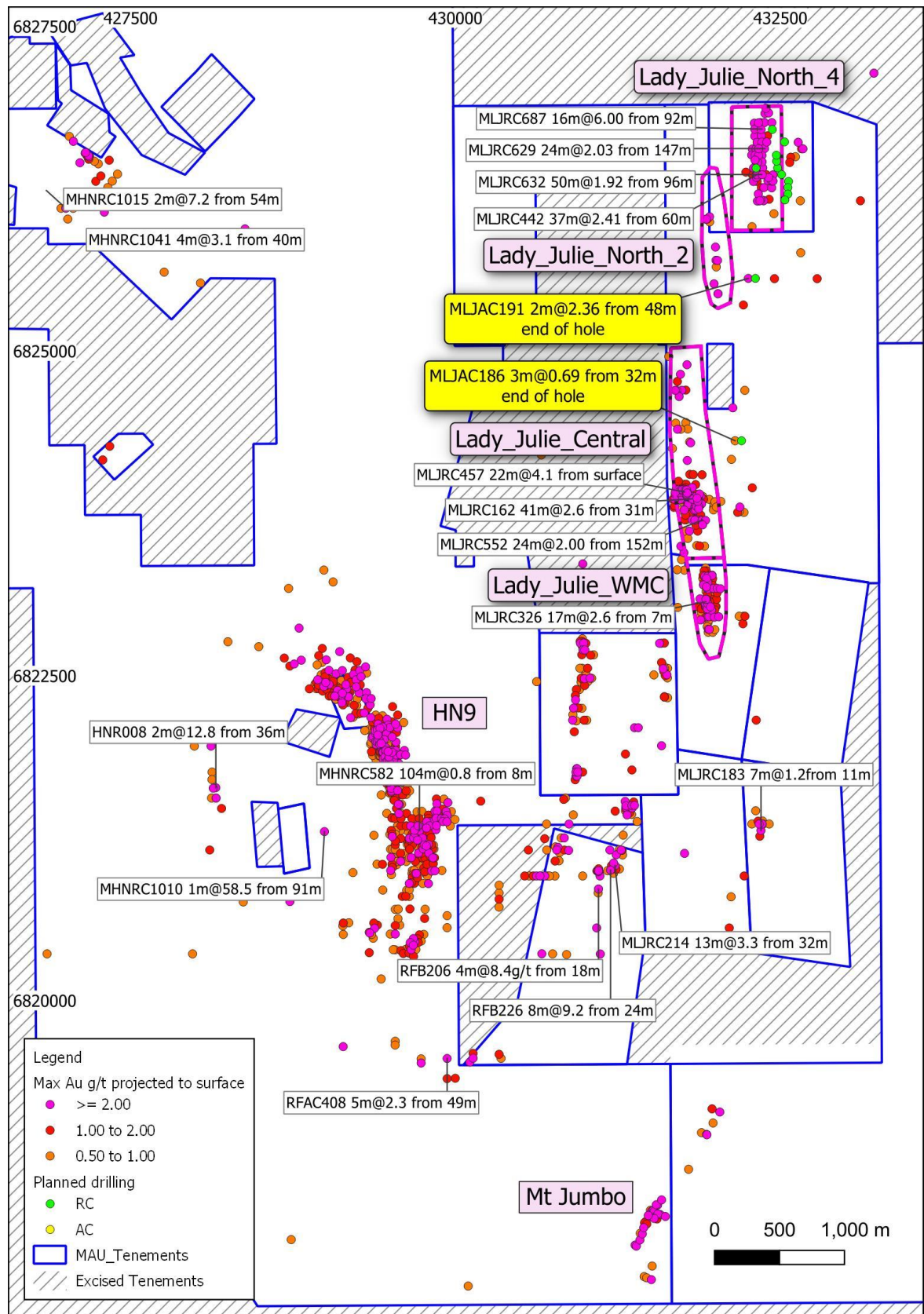


Figure 3 Gold intersection overview covering the HN5, HN6, HN9 and adjacent Lady Julie Projects showing ten additional gold targets (green outlines) with highlighted intersections (white label). Significant historical and Magnetic intercepts (maximum Au projected to surface) and planned AC holes in yellow.

Maiden Combined Resources of 13.1Mt @ 1.22g/t Au totaling 511,000oz of gold at a 0.5g/t for the Laverton Project was announced on 27 June 2022. The Lady Julie North 4 (Indicated and Inferred) Resource of 2.7Mt at 1.27g/t Au for 109,000oz forms part of the Lady Julie Combined Resources (Indicated and Inferred) of 5.4Mt at 1.27g/t Au for 224,000oz (Table 3).

Table 3. Total Mineral Resource by Deposit at 0.5 g/t Au Cutoff

Deposit	Classification	Au Cutoff	Volume	Tonnes	Density	Au	Ounces
HN9	Indicated	0.50	792,000	1,995,000	2.52	1.29	82,800
Lady Julie	Indicated	0.50	1,084,000	2,816,000	2.60	1.32	119,700
HN3	Indicated	0.50	139,000	357,000	2.58	0.72	8,300
HN5	Indicated	0.50	3,800	8,400	2.23	1.59	430
Mt Jumbo	Indicated	0.50	168,000	429,000	2.55	1.05	14,500
Homeward Bound South	Indicated	0.50	0	0	0.00	0.00	0
HN9	Inferred	0.50	460,000	1,182,000	2.57	1.25	47,600
Lady Julie	Inferred	0.50	1,021,000	2,670,000	2.62	1.21	104,100
HN3	Inferred	0.50	95,000	243,000	2.57	0.85	6,600
HN5	Inferred	0.50	17,900	43,700	2.44	0.76	1,060
Mt Jumbo	Inferred	0.50	736,000	1,887,000	2.57	1.16	70,500
Homeward Bound South	Inferred	0.50	563,000	1,442,000	2.56	1.20	55,600
HN9	Total	0.50	1,252,000	3,176,000	2.54	1.28	130,000
Lady Julie	Total	0.50	2,105,000	5,486,000	2.61	1.27	224,000
HN3	Total	0.50	233,000	600,000	2.57	0.77	15,000
HN5	Total	0.50	21,600	52,100	2.41	0.89	1,500
Mt Jumbo	Total	0.50	904,000	2,316,000	2.56	1.14	85,000
Homeward Bound South	Total	0.50	563,000	1,442,000	2.56	1.20	56,000

* Source table from MAU ASX release "Maiden Mineral Resources Estimate 27 June 2022.

Within the HN5, HN6, HN9 and Lady Julie areas there are many new shallow intersections (Figure 2 and Table 2), with a total of 2028 intersections (ranging from 1 to 30m) greater than 0.5g/t Au, which includes 914 greater than 1g/t Au, 340 greater than 2g/t Au, 177 greater than 3g/t Au and 110 greater than 4g/t Au.

At Hawks Nest 5, 6, 9 and Lady Julie extensive drilling programmes have been completed, including 1,763 RC/DD holes totalling 127,949m (average 73m depth), 31,951 2–5m composites and 21,054 1m splits, 302 AC holes totalling 12,123m, 2,783 2–6m composites and 214 1m splits and 7 Diamond holes totalling 751m. Assays are pending for 2 Diamond tails (MLJRC636 & 675) for 132m, 6 RC holes for 569m, 18 AC holes for 1,023m and 3 Diamond holes for 302m.

Blue Cap Mining Undertake Early Work Programmes

Magnetic Resources NL (ASX:MAU) (“**Magnetic**” or the **Company**) is pleased to advise that Blue Cap Mining commenced early works at the Hawks Nest - Lady Julie gold deposits in September 2022 (ASX Release 14/09/2022). Significant progress has already been made with numerous studies having commenced.

The Early Works agreement must be completed within 12 months (September 2023).

A broad scale study area encompassing the key ore zones across many of the Magnetic tenements was delineated for ongoing study purposes. Scopes of work were prepared and distributed to suitably qualified consultants for quotation.

The work being undertaken by Blue Cap Mining is designed to cover the key approvals and to confirm the economic viability of the deposits, with the current status as follows:

Study Status

- a. Flora – contract awarded focusing on the Lady Julie deposits and potential access route for ore haulage. Work to start in early November 2022.
- b. Fauna – quote received for a broad regional assessment.
- c. Hydrology – contract awarded for a broad regional assessment of surface water. Work commencing late October 2022.
- d. Groundwater - awaiting quote
- e. Soil – awaiting final quote.
- f. DTM (digital terrain model) – quote being finalized. Five areas encompassing the best economic potential are subject to detailed survey.
- g. Optimisation – quote received – work to commence on completion of resource review and drilling at Lady Julie North 4 which is open at depth and to the east.
- h. Native Title – pending further discussions
- i. Heritage Survey – pending further discussions.

Metallurgical testing

- j. Metallurgical testing of Lady Julie Central ore and Lady Julie 4 ore (oxide/trans/fresh) to commence shortly
- k. Ore/waste characterization – samples collected and metallurgical testing to commence shortly.

Resource review

- l. A review of key resources has commenced. BCM will expand on previous work to ensure the data and modelling are suitably detailed for mining purposes.

Commenting on the Early Works, Managing Director George Sakalidis said “we have hit the ground running and a number of studies are commencing. This momentum is expected to continue with the ability to fast track work associated with proving the economics of the Hawks Nest 9 and Lady Julie Deposits by using a very experienced team at Blue Cap. The studies are advancing the project towards determining economic viability and ultimately production.”

The agreement can be terminated with 3 months’ notice by either party.

Nickel-Cu-PGE and REE Projects

Six separate projects totaling 523sq.km including Benjaberring E70/5537, Trayning E70/5534, Goddard E70/5538, Korrelocking EL70/5771, ELA70/6304 Trayning West and Koorda EL70/6305 (Figure 4) are held 100% by Magnetic Resources starting from 90km out to 150km northeast of Chalice Gold Mines Limited's Julimar Ni-Pd Discovery.

These projects were selected based on aeromagnetic interpretation after noting the structural setting of the Julimar complex and the Gonneville mineralised discrete magnetic mineralised Ni-Cu-PGE rich intrusion. The Julimar discovery in March 2020 has led to a massive pegging rush covering 30,000 sq. km. The Julimar Intrusive Complex flags the existence of a new and unexplored West Yilgarn Ni-Cu-PGE Province along the western margin of the Archean Yilgarn Craton. Access to various targets throughout the four tenements is ongoing and currently there is access to the Trayning Project.

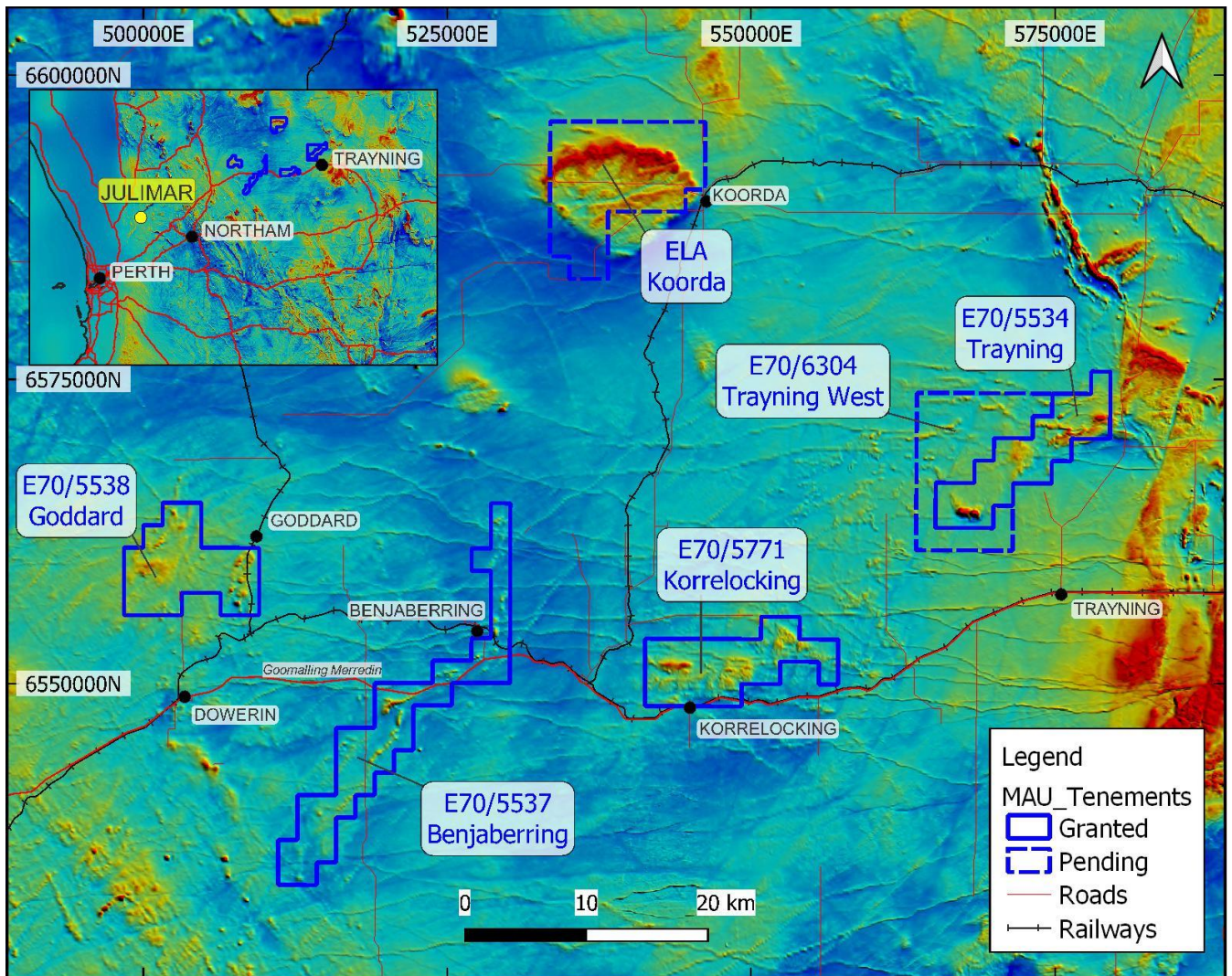


Figure 4. Coverage of Magnetics six projects NE of Julimar overlaid on the regional aeromagnetics

Trayning E70/5534

Further assaying from an initial aircore drilling in the wheatbelt region of Western Australia within the Trayning tenement (E70/5534) has intersected significant thicknesses of very anomalous

shallow clay-hosted rare earth elements (REE) with thicker intersections of total rare earth oxides (TREO) including (*previous assays):

- 58m at 904ppm TREO from 12m in MTRAC007
- 60m at 990ppm TREO from 8m in MTRAC009
- 52m at 1096ppm TREO from 12m IN MTRAC011*
- 52m at 1343ppm TREO from 12m in MTRAC013
- 46m at 1061ppm TREO from 8m in MTRAC037
- 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 5).

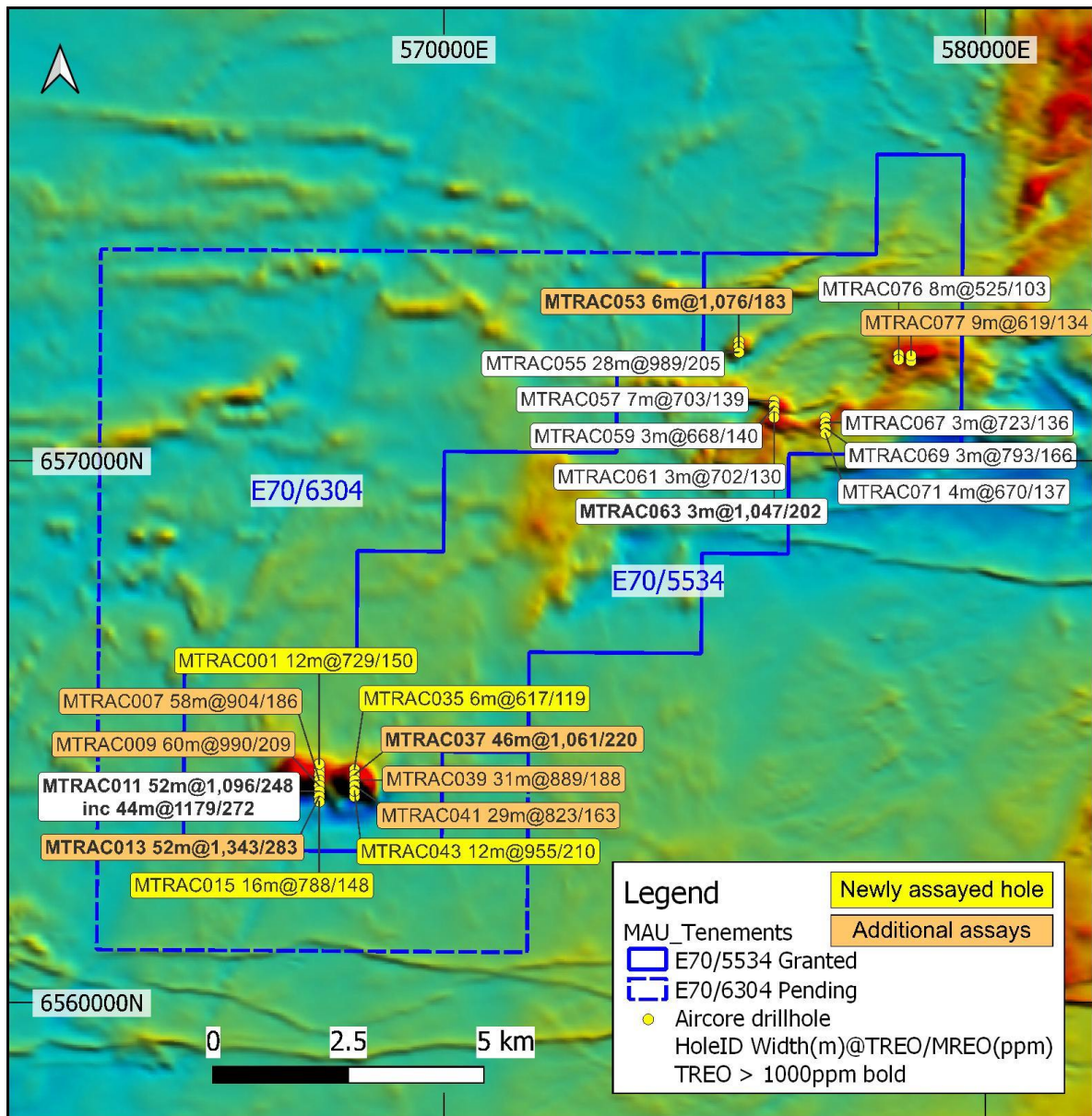


Figure 5. E70/5534 Trayning significant REE intersections showing Total Rare Earths (TREO) and Magnetic Rare Earths (MREO)

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 an EW direction. This core zone over this 650m length, is very thick and starts from shallow depths and is very anomalous with an average of 823-1343ppm TREO with the best intersection of 52m at 1343ppm TREO from 12m in MTRAC013 (Figures 5 and 6).

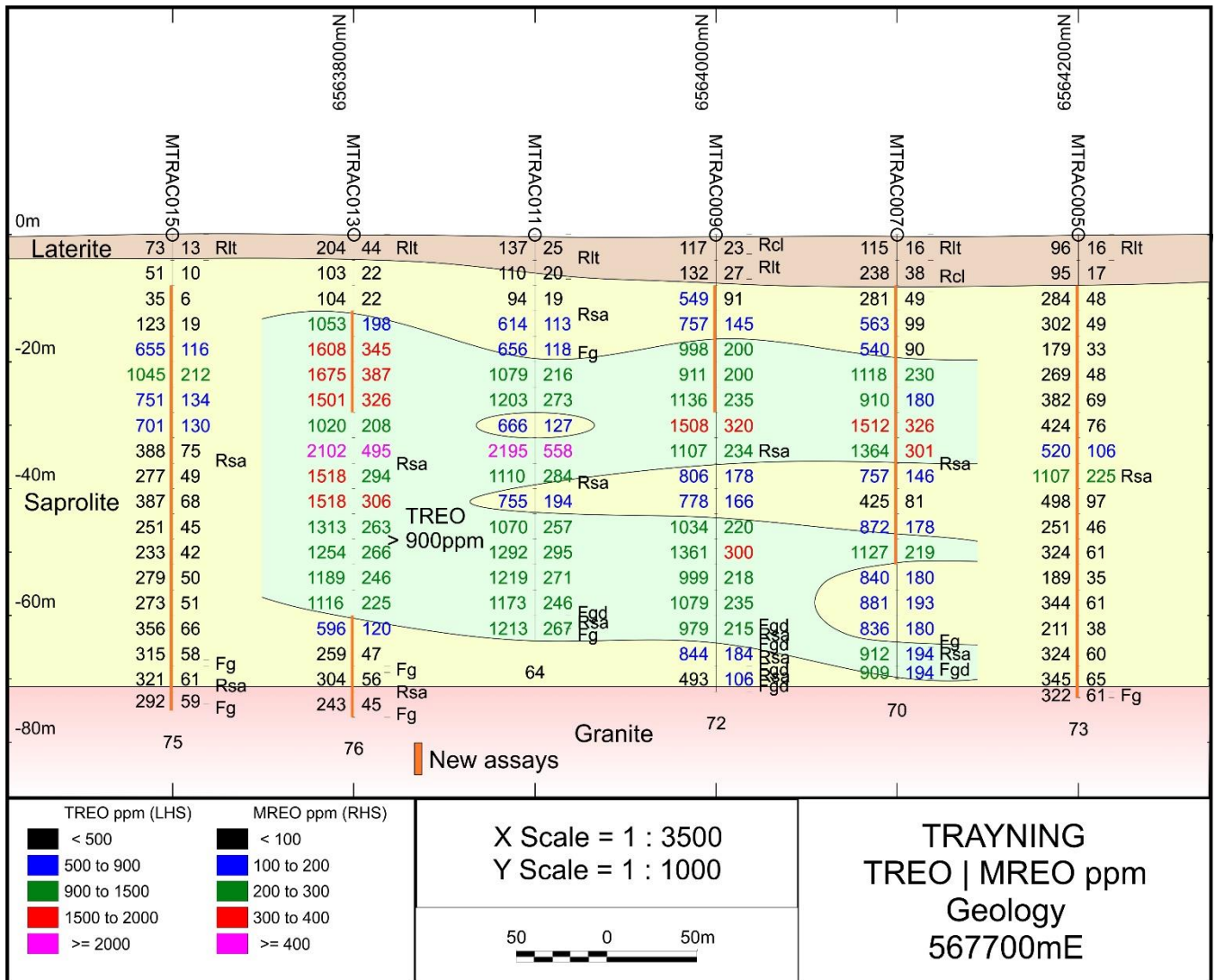


Figure 2. Trayning NS cross section showing thickened significant REE intersections, both TREO and MREO, within a greater than 900ppm zone that remain open to the East and West

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 4).

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 release 3 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 and 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 with >500ppm are summarized in Table 4.

Table 4. 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	
MTRAC001	567700	6564400	16	28	12	729	662	66	150	20	151	*
MTRAC007	567700	6564100	12	70	58	904	798	106	186	20	207	*
MTRAC009	567700	6564000	8	68	60	990	855	135	209	21	247	*
MTRAC011	567700	6563900	12	64	52	1096	966	130	248	22	270	
including			20	64	44	1179	1034	146	272	23	299	
MTRAC013	567700	6563800	12	64	52	1343	1181	162	283	21	318	*
MTRAC015	567700	6563700	16	32	16	788	715	73	148	19	154	*
MTRAC035	568350	6564300	36	42	6	617	571	46	119	19	115	*
MTRAC037	568350	6564200	8	54	46	1061	934	127	220	20	247	*
MTRAC039	568350	6564100	8	39	31	889	778	111	188	21	213	*
MTRAC041	568350	6564000	12	41	29	823	716	107	163	20	191	*
MTRAC043	568350	6563900	12	24	12	955	825	130	210	22	243	*
MTRAC053	575450	6572100	36	42	6	1076	998	77	183	17	181	*
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	13	9	619	470	148	134	22	204	*

NOTES:

* New assay

¹TREO means the sum of CeO₂, Dy₂O₃, Er₂O₃, Eu₂O₃, Gd₂O₃, Ho₂O₃, La₂O₃, Lu₂O₃, Nd₂O₃, Pr₆O₁₁, Sm₂O₃, Tb₄O₇, Tm₂O₃, Y₂O₃ and Y₂O₃.

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

³LREO means the sum of CeO₂, Eu₂O₃, Sm₂O₃, La₂O₃, Nd₂O₃ and Pr₆O₁₁.

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

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

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

Drillhole details and analytical results for total rare earth elements (TREE) with >500ppm TREE are shown in Tables 5 and 6 respectively.

Table 5. Aircore Drillhole Locations

Hole ID	MGAz50N	MGAz50E	Depth	Dip	Azimuth	RL
MTRAC01	6564400	567700	55	90	0	313.3
MTRAC03	6564300	567700	66	90	0	313.3
MTRAC05	6564200	567700	73	90	0	313.7
MTRAC07	6564100	567700	70	90	0	314.1
MTRAC09	6564000	567700	72	90	0	314.2
MTRAC11	6563900	567700	64	90	0	313.6
MTRAC13	6563800	567700	76	90	0	313.3
MTRAC15	6563700	567700	75	90	0	313
MTRAC35	6564300	568350	42	90	0	309.2
MTRAC37	6564200	568350	54	90	0	310.1
MTRAC39	6564100	568350	39	90	0	311.1
MTRAC41	6564000	568350	41	90	0	312.3
MTRAC43	6563900	568350	30	90	0	314.5
MTRAC45	6563800	568350	16	90	0	316.3
MTRAC51	6572200	575450	23	90	0	388.7
MTRAC53	6572100	575450	42	90	0	387.8
MTRAC55	6572000	575450	32	90	0	386.6
MTRAC57	6571100	576100	7	90	0	364.5
MTRAC59	6571000	576100	7	90	0	364
MTRAC61	6570900	576100	12	90	0	364.2
MTRAC63	6570800	576100	11	90	0	363.6
MTRAC65	6570800	577050	4	90	0	333.2
MTRAC67	6570700	577050	3	90	0	333.5
MTRAC69	6570600	577050	3	90	0	334.5
MTRAC71	6570500	577050	5	90	0	334.9
MTRAC74	6571960	578400	5	90	0	341.4
MTRAC76	6571860	578400	9	90	0	344.7
MTRAC77	6571940	578630	13	90	0	339.6
MTRAC79	6571840	578630	7	90	0	340.7

Light rare earths (LREO3) predominate over heavy rare earths (HREO4) in the anomalous zones. Significantly, about 20% of the TREE 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.

Further drilling is planned 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 4).

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.

Managing Director George Sakalidis commented, “These initial AC results and extra assays 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 1343ppm TREO from 12m in MTRAC013. Most of these intersections are thick and start from shallow depths and are open to the East and West. 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.”

Table 6. Analysis for Samples with Total Rare Earth Element (TREE) with TREO>500ppm

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	
MTRAC001	16	20	T10005	1.04	9.2	5.5	0.94	2.8	208	13.3	1.22	0.42	2.6	0.4	111	24.5	73.3	22.8	*
MTRAC001	20	24	T10006	1.19	9.1	5.3	0.97	3	268	14	1.24	0.43	2.7	0.43	137	28.6	86	24.2	*
MTRAC001	24	28	T10007	1.98	14.3	8.3	1.47	4.2	354	19.4	1.88	0.58	3.5	0.54	164	36.5	112	36.8	*
MTRAC001	36	40	T10010	1.39	9.3	5.5	0.94	2.7	250	11.9	1.25	0.36	2.2	0.36	117	22.1	66.5	24.7	*
MTRAC005	32	36	T10040	1.76	9.9	7.1	1.28	3.7	192	11.9	1.42	0.52	3.1	0.44	84.7	19.4	62.2	33	*
MTRAC005	36	40	T10041	3.26	17.6	11.9	2.04	5.6	425	22.9	2.52	0.72	4.1	0.56	196	44.8	132	51.3	*
MTRAC007	12	16	T10054	0.69	6.2	3.6	0.62	1.8	234	9.4	0.85	0.23	1.3	0.2	116	21.2	58.6	13.4	*
MTRAC007	16	20	T10055	0.74	6.6	5.1	0.88	2.5	221	10.1	1.07	0.34	2.1	0.29	110	18.8	51.9	17.7	*
MTRAC007	20	24	T10056	2.31	16.8	12	2.08	6.1	419	26.4	2.6	0.84	5.2	0.73	205	44.8	136	49.9	*
MTRAC007	24	28	T10057	2.09	16.3	13.2	2.41	7.2	321	22.3	2.62	1.03	6.1	0.87	161	33.1	104	62.9	*
MTRAC007	28	32	T10058	5.94	24.6	16.3	2.83	7.9	543	36.4	3.62	0.97	5.4	0.72	276	61.2	196	77.5	*
MTRAC007	32	36	T10059	5.47	22.3	15.3	2.53	7	501	33.7	3.44	0.88	4.9	0.62	241	56.6	181	59.3	*
MTRAC007	36	40	T10060	1.35	11.3	8.2	1.42	4.2	284	17.1	1.78	0.58	3.6	0.5	146	28.4	85.7	35.4	*
MTRAC007	44	48	T10062	3.43	14.5	10.7	1.98	5.7	309	20.5	2.25	0.8	4.9	0.7	159	32.8	106	52.6	*
MTRAC007	48	52	T10063	3.76	16.6	12.5	2.39	7.3	399	23.4	2.56	1.1	7	1.1	223	42.7	129	65.7	*
MTRAC007	52	56	T10064	3.76	15.5	10.2	2	6	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	0.63	155	35.9	117	45.1	*
MTRAC007	60	64	T10066	4.02	14.6	9	1.68	5	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	117	50.6	*
MTRAC009	8	12	T10071	1.15	5.2	3.5	0.64	1.9	223	8.6	0.81	0.23	1.4	0.18	123	19.7	53.6	13.5	*
MTRAC009	12	16	T10072	2.37	9.3	6	0.98	2.7	290	15.4	1.41	0.29	1.6	0.21	164	29.3	86.8	19.8	*
MTRAC009	16	20	T10073	3.35	13.7	9.2	1.58	4.6	377	21.3	2.03	0.54	2.8	0.39	194	39.8	119	41	*
MTRAC009	20	24	T10074	4	19.3	14.1	2.47	6.8	304	25.4	2.9	0.86	4.5	0.51	165	33.8	120	55	*
MTRAC009	24	28	T10075	4.42	18.6	14	2.74	8.7	383	25.8	2.84	1.23	7.1	0.88	206	42.9	140	86.4	*
MTRAC009	28	32	T10076	7.27	28	19	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	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	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	*

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
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	0.96	162	38.9	130	64.1
MTRAC009	64	68	T10085	3.68	15	9.6	1.81	5.3	304	18.2	2.06	0.67	4.1	0.59	146	33.8	111	46.6
MTRAC011	12	16	T10091	1.95	6.9	4	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	0.42	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	10	1.8	5.3	255	21.3	2.15	0.72	4.5	0.6	110	34	119	44.4
MTRAC011	44	48	T10099	5.81	21	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	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	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	12	16	T10107	3.49	12.3	7	1.12	3.1	410	19.9	1.79	0.31	1.6	0.19	232	41.4	118	24
MTRAC013	16	20	T10108	5.96	22.9	14	2.2	5.9	616	36.4	3.39	0.58	3.1	0.35	310	66.4	210	41.8
MTRAC013	20	24	T10109	7.26	25.3	14.1	2.11	5.7	626	42.7	3.54	0.59	3.2	0.4	317	71.7	240	36.6
MTRAC013	24	28	T10110	6.45	25.1	16.4	2.71	7.3	544	36.4	3.63	0.87	5	0.65	284	60.6	197	60.1
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	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	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	0.93	233	46.6	147	64.3
MTRAC013	56	60	T10118	3.56	20.4	15.3	3	8.8	390	23.4	2.96	1.24	7.7	1.2	187	40.8	133	88.5
MTRAC013	60	64	T10119	1.82	9.9	7.9	1.49	4.6	211	13.7	1.57	0.66	4	0.62	108	22.3	70.1	38
MTRAC015	16	20	T10127	0.9	7.8	4.9	0.79	2.3	259	12.7	1.16	0.29	1.8	0.25	143	24	68.7	17.4
MTRAC015	20	24	T10128	1.66	15.7	10.8	1.88	5.3	369	23.3	2.37	0.68	4.1	0.56	221	42.5	125	46.3
MTRAC015	24	28	T10129	1.1	10.4	7.3	1.35	3.9	290	14.8	1.58	0.52	3.1	0.47	150	26.5	78.7	34.4
MTRAC015	28	32	T10130	1.06	9.5	6.4	1.15	3.3	269	14.5	1.44	0.45	2.8	0.39	141	25.9	77	29.1
MTRAC041	12	16	T10145	2.2	9	5.9	0.96	2.6	241	13.4	1.37	0.31	1.7	0.24	133	24.2	73.4	22.2
MTRAC041	16	20	T10146	5	19.4	12.7	2.14	5.8	467	28.7	2.92	0.67	3.6	0.47	238	50.4	160	55.1
MTRAC041	20	24	T10147	1.39	10.8	8.4	1.57	4.7	246	15.3	1.71	0.66	4.1	0.6	134	25.7	77.9	40.7
MTRAC041	24	28	T10148	1.81	12.6	10	1.99	6.5	319	18.6	2.02	1.07	7	1.14	165	32.4	97.7	64
MTRAC041	28	32	T10149	1.38	10.8	9.1	1.78	5.6	242	14.6	1.74	0.86	5.4	0.8	130	25	75.3	51.2
MTRAC041	32	36	T10150	2.22	15.3	11.9	2.4	7.3	282	17.1	2.22	1.11	7	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
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

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	
MTRAC043	12	16	T10156	4.54	16	9.4	1.58	4.3	426	24.6	2.26	0.41	2.5	0.3	198	46.8	144	33	*
MTRAC043	16	20	T10157	5.77	23	15.6	2.8	8	398	30.7	3.33	0.97	6.9	1.02	176	46.2	161	70	*
MTRAC043	20	24	T10158	2.52	14.3	11.7	2.35	7.3	197	16.2	2.21	0.99	7.2	1.09	89.7	21.3	73.3	72.4	*
MTRAC039	8	12	T10167	2.36	10.1	6.8	1.2	3.3	282	13.7	1.52	0.37	2.4	0.31	145	28.2	86	28.6	*
MTRAC039	12	16	T10168	4.41	18.3	10.7	1.81	5.2	462	25.4	2.48	0.6	3.4	0.43	228	49.2	155	44	*
MTRAC039	16	20	T10169	1.25	9.2	7.2	1.31	3.7	209	12.5	1.49	0.46	3.3	0.48	99.4	20.7	65.1	28.4	*
MTRAC039	20	24	T10170	5.83	25	17.5	3.12	8.5	478	33.4	3.77	0.97	6.4	0.86	205	54.2	182	77.4	*
MTRAC039	28	32	T10172	3.53	14.7	11	2.05	5.9	314	19.6	2.23	0.73	4.9	0.69	150	33	109	55	*
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	8	12	T10177	1.59	7.4	4.9	0.83	2.2	205	10.1	1.1	0.23	1.6	0.23	120	20.3	61.2	16.9	*
MTRAC037	12	16	T10178	2.33	11	7.7	1.36	3.9	340	16.4	1.69	0.44	3	0.41	154	31.8	96.4	31.1	*
MTRAC037	16	20	T10179	2.66	13.3	9.2	1.59	4.5	386	19	2.02	0.5	3.4	0.46	177	37.9	110	36.1	*
MTRAC037	20	24	T10180	4.13	19.1	13.4	2.4	6.8	459	26.8	2.9	0.81	5.4	0.75	214	50.3	158	59.1	*
MTRAC037	24	28	T10181	4.12	16.9	12.2	2.2	6.1	402	23.2	2.57	0.72	4.9	0.67	191	43.8	138	54.1	*
MTRAC037	28	32	T10182	3.8	14.9	11.5	2.12	6	316	20	2.32	0.71	4.9	0.65	135	34	113	46.4	*
MTRAC037	32	36	T10183	6.29	28.1	20.6	3.81	10.7	625	36.8	4.32	1.24	8.1	1.08	287	67.4	217	101	*
MTRAC037	36	40	T10184	6.3	25.2	18.5	3.37	9.4	553	34.5	3.87	1.11	7.5	1.01	255	61.4	198	85.2	*
MTRAC037	40	44	T10185	3.68	19.1	14.5	2.71	7.9	426	25.2	2.97	0.97	6.7	0.91	207	45.3	138	68.3	*
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	*
MTRAC035	36	40	T10198	1.02	7.1	4.1	0.72	2.2	238	11.1	1.01	0.26	1.9	0.29	118	23.1	68.2	16.1	*
MTRAC035	40	42	T10199	1.45	8.9	5.7	1.03	3.1	264	13.5	1.28	0.38	2.7	0.39	123	26.2	79.5	23	*
MTRAC053	36	40	T10215	1.37	9.3	5.6	0.89	2.5	529	15.6	1.42	0.28	2	0.3	117	27.1	80.9	17.5	*
MTRAC053	40	42	T10216	3.06	23.5	13.2	2.2	6	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	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	16	20	T10221	3.25	12.8	8.1	1.39	4	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	0.67	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	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	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	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	1.2	94.7	24	82.7	96.2	*

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
MTRAC077	12	13	T10250	1.91	12.7	15.8	3.95	13.1	111	10.8	2.32	1.78	12.3	1.87	49.7	13.2	48.1	137

* New assay

Nickel and REE Spin-Off to form Aureole Resources

Magnetic Resources has decided to spin out its non-gold assets being predominantly the nickel and rare earth tenements held around the Julimar are of Western Australia, into a new listed, Aureole Resources Ltd (“Aureole”).

The spin-out will enable Magnetic to focus its attention on the ongoing development of its gold assets located around the Laverton region of Western Australia, while simultaneously providing an opportunity for investors to gain increased exposure to the Company’s earlier-stage nickel and rare earth exploration projects in Western Australia.

The proposed spin-off assets include 6 projects covering 523 sq. km of ground including, Benjabbering E70/5537, Goddard E70/5538, Trayning E70/5534, Trayning West (E70/6304), and Korrellocking EL70/5771 and Koorda. All tenements are within 90km out to 150km northeast of Chalice Gold Mines Limited’s Julimar Ni-Pd Discovery.

All tenements have been selected based on aeromagnetic interpretation after noting the structural setting of the Julimar complex and the Gonneville mineralised discrete magnetic mineralised Ni-Cu-PGE rich intrusion.

Magnetic will seek shareholder approval for the disposal of the nickel and rare earths to Aureole at an upcoming General Meeting to be held shortly.

Aureole proposes to undertake an IPO to raise a minimum of \$5m and up to \$7m at an issue price of \$0.20 per share. The proposed IPO will include a priority offer to eligible Magnetic shareholders as well as a public offer to new investors (see Table 1 below).

Commenting on the spin off, Managing Director George Sakalidis said “*we have decided to spin off these assets to allow for their development as stand-alone assets while we focus on the development of our gold assets. The nickel and rare earth assets have significant potential for a major discovery which Magnetic shareholders will continue to maintain exposure to through the large shareholding that Magnetic will continue to hold.*”

Ventnor Securities Pty Ltd have been appointed Lead Managers to the IPO.

Table 1: Indicative capital structure of Aureole following completion of IPO

	Number of Shares	
	Min \$5,000,000	Max \$7,000,000

Magnetic Resources	13,400,000	13,400,000
Directors	1,500,000	1,500,000
Advisers, seed and others	5,000,000	5,000,000
IPO (with priority entitlement to MAU shareholders)	25,000,000	35,000,000
TOTAL (undiluted)	44,900,000	54,900,000
Market Cap (undiluted)	\$8,980,000	\$10,980,000
Options ¹	12,500,000	12,500,000
Performance Rights ²	3,000,000	3,000,000
TOTAL (diluted)	60,400,000	70,400,000
Market Cap (diluted)	\$12,080,000	\$14,080,000

- Options exercisable at \$0.25 on or before 3 years from listing and options exercisable at \$0.30 on or before 3 years from listing.
- Performance rights based on a \$0.30 and \$0.40 share price hurdle.

Other Projects

The Company actively reviews other projects and tenements for acquisition and development within the Leonora–Laverton region.

Iron Ore

The Company has an agreement signed with Northam Iron Pty Ltd (now Northam Resources Pty Ltd) regarding the sale of the Company's iron ore assets, with the agreement providing for further payments totalling \$500,000 and a sliding scale royalty with payments starting at \$0.25/t for a sale price of \$80.00/t or less, and thereafter, for every increase in the sale price of \$10.00/t

Corporate

During the quarter, Magnetic issued shares in lieu of drilling invoices.

Following shareholder approval, shares associated with director participation in placements were issued.

For the purpose of Section 6 of the Appendix 5B, all payments made to related parties have been paid in relation to director fees.

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. Promising 200m wide 0.7g/t soil geochemistry associated with extensive 1km long NS porphyries at newly named Hawks Nest 9. MAU ASX Release 15 October 2018
2. 1.1km NNW Mineralised Gold Intersections at HN9. MAU ASX Release 7 November 2018
3. Surface drilled Mineralisation extends to significant 1.5km at HN9. MAU Release 20 November 2018
4. Hawks Nest Delivers with 8m@4.2g/t Gold from 4m MAU Release 29 January 2018
5. Robust Near Surface High-grade Zone of 7m @ 4.5g/t Gold from 5m from 1m splits. MAU Release 5 March 2018
6. Hawks Nest Geochemical Survey Outlines Potential Extensions to the Prospective 7m @ 4.5g/t Gold Intersected. MAU Release 20 March 2018
7. An 865m RC drilling programme started testing promising 7m at 4.5g/t gold and eight separate anomalous soil geochemical targets at HN5. MAU Release 10 May 2018
8. Large Gold Mineralised Shear Zone Greater Than 250m at Hawks Nest 5. MAU Release 9 June 2018
9. Gold Geochemical Target Zone Grows to Significant 2km in Length at HN9. MAU Release 7 January 2019
10. Significant 2km Gold Target is open to the East on 83% of the 24 Lines Drilled at HN9. MAU Release 4 February 2019
11. Significant 2.1km Gold Target Still open to North, South, East and at Depth. MAU Release 25 March 2019
12. Gold Target Enlarged By 47% to Significant 3.1km and is still open to the North, East and at Depth. MAU Release 22 May 2019
13. HN9 Prospective Zone Enlarged by 170% with Lady Julie Tenements. MAU Release 24 June 2019
14. 200m-Wide Gold Zone Open to The Northeast and Very Extensive Surface Gold Mineralisation Confirmed at HN9 Laverton. MAU Release 27 June 2019
15. 200m Wide Gold Zone Open to the North and New 800m Anomalous Gold Zone defined at HN9 Laverton. MAU Release 4 September 2019
16. Highest Grades Outlined at HN9 and are being Followed Up and Lady Julie Shallow Drilling Commencing Shortly. MAU Release 14 October 2019
17. Central Part of HN9 Shows Significant Thickening of The Mineralised Zone to 28m. MAU Release 28 November 2019
18. Multiple Silicified Porphyry Horizons from Deep Drilling and 57m Mineralised Feeder Zone at MAU Release 17 January 2020
19. Very High-Grade Intersection of 4m at 49g/t Adjacent to 70m Thick Mineralised Feeder Zone MAU Release 5 February 2020
20. 20 km of thickened porphyry units outlined by ground magnetic interpretation at Hawks Nest 9. MAU Release 9 March 2020
21. Further Thick Down Plunge Extensions and NW Extension Shown up at HN9. MAU Release 18 May 2020
22. Four Stacked Thickened Porphyry Lodes at HN9. MAU Release 3 August 2020

23. High-Grade Intersections in Thickened Zone at HN9. MAU Release 18 September 2020
24. Follow up of 16m at 1.16g/t gold from 64m at Lady Julie MAU Release 2 November 2020
25. Shallow Seismic searching for multiple thickened lodes MAU Release 16 November 2020
26. New thickened zone in southern part of Hawks Nest 9. MAU Release 1 December 2020
27. Two RC rigs now operating at HN9 and Lady Julie. MAU Release 11 January 2021
28. Nine gold targets defined over 14km at HN5, HN6, HN9 and Lady Julie MAU Release 3 June 2021
29. Lady Julie Delivers with best wide intersection of 38m at 3.6g/t gold from 32m MAU Release 23 June 2021
30. Lady Julie North expanded to 4.6km with addition of P38/4170 MAU Release 8 July 2021.
31. Multiple thick and high-grade zones located at Lay Julie MAU Release 16 August 2021
32. Multiple thick high-grade intersections from surface located at Lady Julie MAU Release 14 September 2021
33. Thick high-grade intersections are open to the SE at Lady Julie MAU Release 22 October 2021
34. Thick high-grade intersections at Lady Julie4 MAU Release 17 November 2021
35. Homeward Bound South shapes up with 20m at 3g/t from 64m MAU Release 28 November 2021
36. Thick high-grade intersections and very high-grade vertical shoots at Lady Julie MAU Release 10 January 2022
37. Strategic Review MAU Release 27 January 2022
38. Thicker intersections continue to grow Lady Julie 1 and 4 and Homeward Bound MAU Release 21 February 2022
39. Ten new high priority targets and thick intersections at Lady Julie MAU Release 12 April 2022
40. Second parallel mineralised structure at Lady Julie Central MAU release 11 May 2022
41. Lady Julie North 4 delivers with thick intersections. MAU release 30 May 2022.
42. Maiden Mineral Resource Estimate. MAU Release 27 June 2022.
43. Thick intersection 56m at 2.2g/t Au from 96m at Lady Julie North 4. MAU release 20 July 2022.
44. Drilling commences at Lady Julie North 4. MAU Release 15 August 2022
45. Mineralisation expands both to north and south at Lady Julie North 4. MAU Release 27 September 2022
46. 52m at 1.096ppm TREO in scout drilling at Trayning. MAU Release 29 September 2022
47. High Grade Thick Intersections at Lady Julie North 4 and Lady Julie Central. MAU Release 17 November 2022
48. 52m at 1343 TREO in Scout Drilling at Trayning. MMAU Release. 24 November 2022
49. Thickest Intersections to date at Lady Julie North 4 MAU Release. 21 December 2022
50. Spin-Off of Western Australian Nickel and REE Asset to form Aureole Resources. MAU Release. 28 December 2022..

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

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Tenement Schedule in accordance with ASX Listing Rule 5.3.3

Tenements held at the end of the Quarter

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E70/3536	Granted	JUBUK	-	Royalty Retained
WA	E70/4243	Granted	RAGGED ROCK	-	Royalty Retained
WA	E70/4508	Granted	KAURING	-	Royalty Retained
WA	E70/4692	Granted	MT JOY	-	Royalty Retained
WA	E70/5276	Granted	KAURING	-	Royalty Retained
WA	E70/5277	Granted	KAURING	-	Royalty Retained
WA	E37/1331	Granted	MALCOLM	100%	2% Royalty Retained
WA	E37/1419	Granted	MALCOLM	100%	2% Royalty Retained
WA	E37/1367	Granted	MELITA	100%	2% Royalty Retained
WA	P37/8905	Granted	RAESIDE EAST	100%	2% Royalty Retained
WA	P37/8906	Granted	RAESIDE EAST	100%	2% Royalty Retained
WA	P37/8907	Granted	RAESIDE EAST	100%	2% Royalty Retained
WA	P37/8908	Granted	RAESIDE EAST	100%	2% Royalty Retained
WA	P37/8909	Granted	BRAISER	100%	2% Royalty Retained
WA	P37/8910	Granted	BRAISER	100%	2% Royalty Retained
WA	P37/8911	Granted	BRAISER	100%	2% Royalty Retained
WA	P37/8912	Granted	BRAISER	100%	2% Royalty Retained
WA	P37/9204	Granted	MALCOLM	100%	2% Royalty Retained
WA	P37/9205	Granted	MALCOLM	100%	2% Royalty Retained
WA	P37/9206	Granted	MALCOLM	100%	2% Royalty Retained
WA	P37/9207	Granted	MALCOLM	100%	2% Royalty Retained
WA	E37/1177	Granted	MERTONDALE	100%	100%
WA	E37/1258	Granted	MERTONDALE	100%	100%
WA	P37/8687	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8688	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8689	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8690	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8692	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8693	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8694	Granted	CHRISTMAS WELL	100%	100%
WA	E38/3100	Granted	MT JUMBO	100%	100%
WA	E38/3127	Granted	HAWKS NEST	100%	100%
WA	E38/3205	Granted	HAWKS NEST EAST	100%	100%
WA	E38/3209	Granted	MT AJAX	100%	100%
WA	M38/1041	Granted	NICHOLSON WELL	100%	100%
WA	P38/4126	Granted	HN9 WEST	100%	100%
WA	P38/4170	Granted	DEFIANT BORE	100%	100%
WA	P38/4317	Granted	MT JUMBO EAST	100%	100%
WA	P38/4318	Granted	MT JUMBO EAST	100%	100%
WA	P38/4319	Granted	MT JUMBO EAST	100%	100%
WA	P38/4320	Granted	MT JUMBO EAST	100%	100%
WA	P38/4321	Granted	MT JUMBO EAST	100%	100%

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	P38/4322	Granted	MT JUMBO EAST	100%	100%
WA	P38/4323	Granted	MT JUMBO EAST	100%	100%
WA	P38/4324	Granted	MT JUMBO EAST	100%	100%
WA	P38/4346	Granted	LADY JULIE	100%	100%
WA	P38/4379	Granted	LADY JULIE	100%	100%
WA	P38/4380	Granted	LADY JULIE	100%	100%
WA	P38/4381	Granted	LADY JULIE	100%	100%
WA	P38/4382	Granted	LADY JULIE	100%	100%
WA	P38/4383	Granted	LADY JULIE	100%	100%
WA	P38/4384	Granted	LADY JULIE	100%	100%
WA	P39/5594	Granted	KOWTAH	100%	0%
WA	P39/5595	Granted	KOWTAH	100%	0%
WA	P39/5596	Granted	KOWTAH	100%	0%
WA	P39/5597	Granted	KOWTAH	100%	0%
WA	P39/5617	Granted	KOWTAH EAST	100%	0%
WA	P37/9144	Granted	HOMEWARD BOUND SOUTH	100%	100%
WA	P39/5455	Granted	HOMEWARD BOUND SOUTH	100%	100%
WA	P39/5928	Granted	HOMEWARD BOUND SOUTH	100%	100%
WA	P39/5929	Granted	HOMEWARD BOUND SOUTH	100%	100%
WA	P39/5932	Granted	HOMEWARD BOUND SOUTH	100%	100%
WA	P39/5933	Granted	HOMEWARD BOUND SOUTH	100%	100%
WA	P39/5934	Granted	HOMEWARD BOUND SOUTH	100%	100%
WA	P39/6175	Granted	HOMEWARD BOUND SOUTH	100%	100%
WA	E39/2125	Granted	LITTLE WELL	100%	100%
WA	P39/6134	Granted	LITTLE WELL	100%	100%
WA	P39/6135	Granted	LITTLE WELL	100%	100%
WA	P39/6136	Granted	LITTLE WELL	100%	100%
WA	P39/6137	Granted	LITTLE WELL	100%	100%
WA	P39/6138	Granted	LITTLE WELL	100%	100%
WA	P39/6139	Granted	LITTLE WELL	100%	100%
WA	P39/6140	Granted	LITTLE WELL	100%	100%
WA	P39/6141	Granted	LITTLE WELL	100%	100%
WA	P39/6142	Granted	LITTLE WELL	100%	100%
WA	P39/6143	Granted	LITTLE WELL	100%	100%
WA	P39/6144	Granted	LITTLE WELL	100%	100%
WA	P39/6195	Granted	MINARA	100%	0%
WA	P39/6196	Granted	MINARA	100%	0%
WA	P39/6197	Granted	MINARA	100%	0%
WA	P39/6198	Granted	MINARA	100%	0%
WA	P39/6218	Granted	MINARA	100%	0%
WA	E70/5534	Granted	TRAYNING	100%	100%
WA	E70/5537	Granted	BENJABERRING	100%	100%
WA	E70/5538	Granted	GODDARD	100%	100%
WA	E70/5771	Granted	KORRELOCKING	100%	100%

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E70/6304	Granted	TRAYNING WEST	0%	100%
WA	E70/6305	Granted	KOORDA	0%	100%
Tenements acquired in the quarter					
WA	E70/6304	Granted	TRAYNING WEST	0%	100%
WA	E70/6305	Granted	KOORDA	0%	100%
Tenements surrendered in the quarter					
WA	P39/5594	Granted	KOWTAH	100%	0%
WA	P39/5595	Granted	KOWTAH	100%	0%
WA	P39/5596	Granted	KOWTAH	100%	0%
WA	P39/5597	Granted	KOWTAH	100%	0%
WA	P39/5617	Granted	KOWTAH EAST	100%	0%
WA	P39/6195	Granted	MINARA	100%	0%
WA	P39/6196	Granted	MINARA	100%	0%
WA	P39/6197	Granted	MINARA	100%	0%
WA	P39/6198	Granted	MINARA	100%	0%
WA	P39/6218	Granted	MINARA	100%	0%