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MT JUMBO EAST BIF HIGH GRADE GOLD DRILLING TARGETS

After extensive data compilations by Magnetic Resources of historical data completed by WMC in 1990-1991, mainly involving an extensive WMC Lag programme (6577 samples) and an extensive Rock Chip programme (244 samples), **five highly prospective high-grade targets will be tested with a six hole RC programme** mainly within the 11.5 sq. km. Mt Jumbo East project (P38/4317, 4318, 4319, 4320, 4321, 4322, 4323 and P38/4324), which starts only 5km north of the operating 7moz Wallaby Deposit (Figure 1).

There are also at least 3 prospects within the Mt Jumbo East tenements including the Saddle, Horseshoe Pass and No Name Prospect with significant shallow historical drill intersections at the No Name prospect include 6m @ 5.8g/t Au from 10m in drill hole MJC09, including 3m @ 10.9g/t Au from 13m. (Figure 1). These prospects were previously reported in ASX Release 17 November 2016.

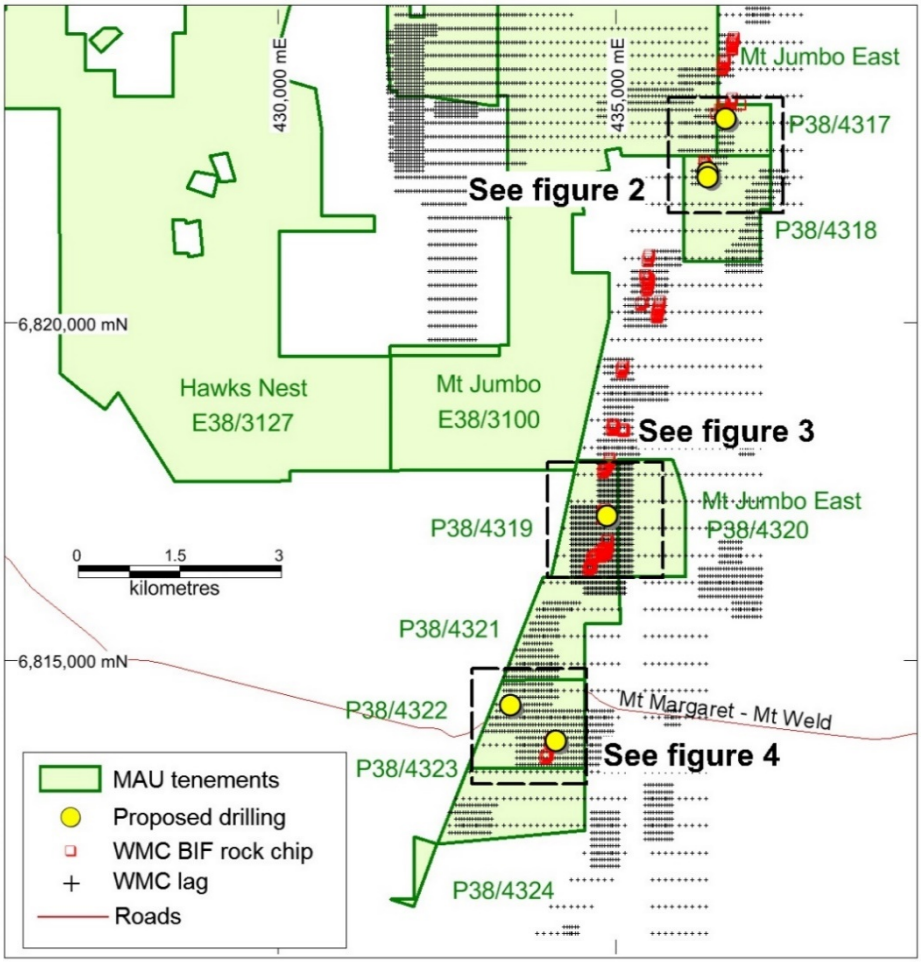

Figure 1. Mt Jumbo East tenements showing extensive WMC Historical Rock Chip and Lag Samples and planned RC holes.

The historical references include: WMC Mt Jumbo Project DMP Report Number A34380 by N.L. Godden, Kalgoorlie WA in September 1991 and Mt Jumbo Project DMP report number A32013N.L GoddenKalgoorlie WANovember 1990. Figures 2, 3 and 4 show the holes planned relative to highly anomalous rock chip, lag samples and prospective BIFs.

Two holes planned on Figure 2 are respectively testing a 6.5g/t lag sample and the second southern hole is testing a 7.2g/t and 1.0 g/t rock chip samples and 0.8g/t lag sample. In both cases these values are in close association with and eastern dipping BIF, which is often complexly folded.

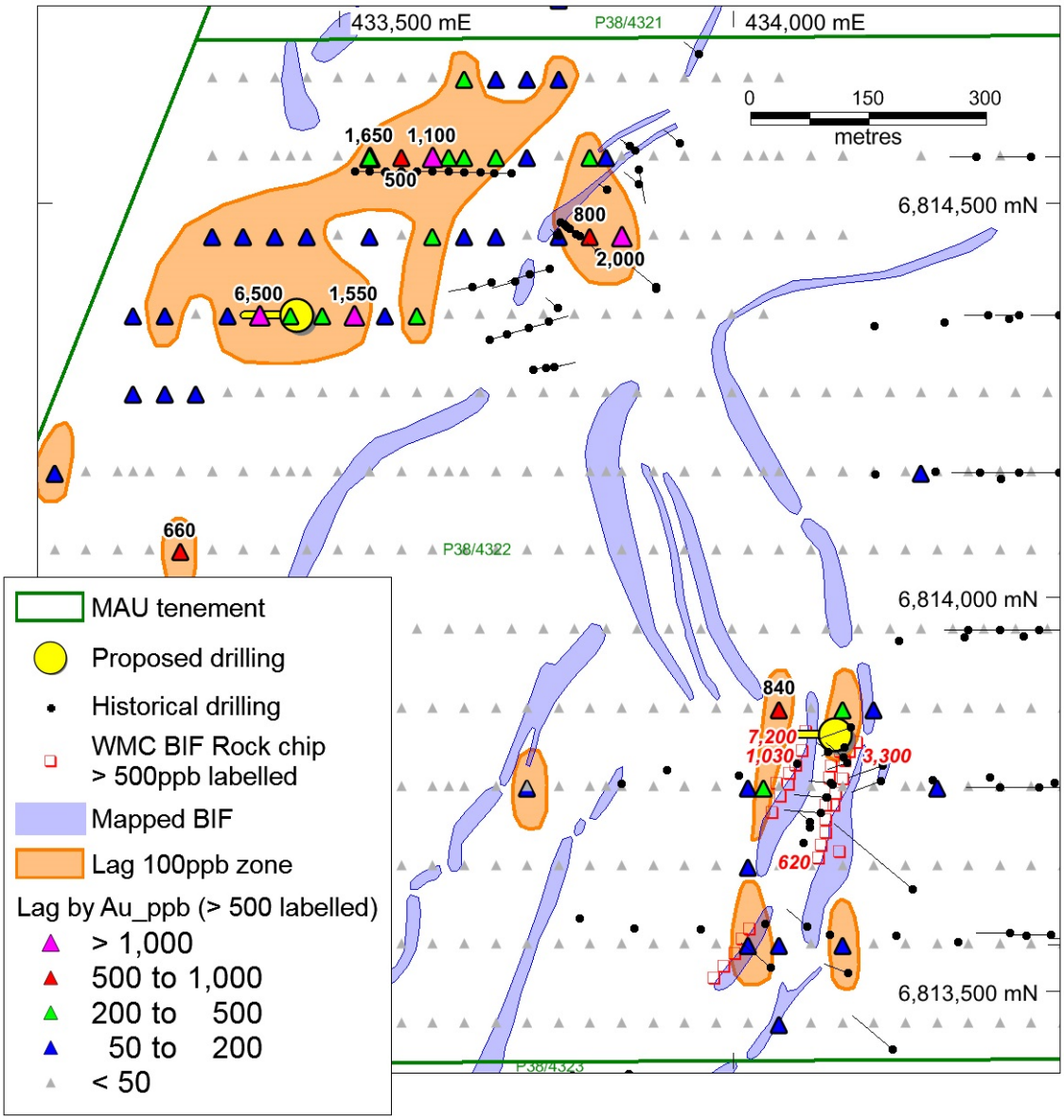

Figure 2. Two planned RC holes testing highly anomalous lag and rock chip samples.

Three holes on Figure 3 are testinghighly anomalous lag and rock chip samples. The northernmost hole is testing an 8g/t lag sample. While two holes to the south are respectively testing a 0.7g/t lag, and 1.9g/t and 2.3g/t rock chips, and a 1.7g/t lag and a 2.3g/t rock chip.

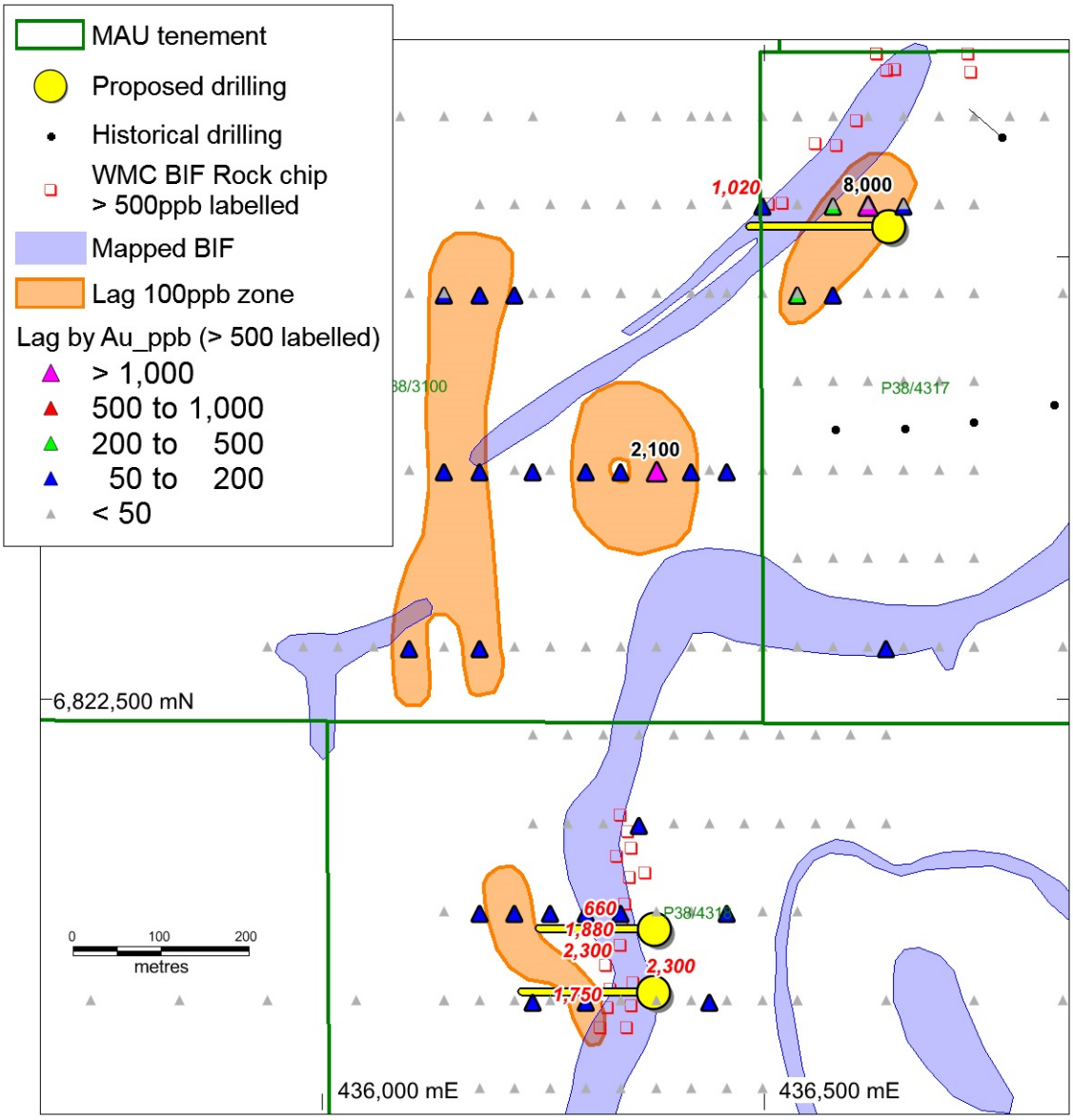

Figure 3. Three RC holes are testing highly anomalous lag samples and rock chips associated with a complex folded BIF.

One hole on Figure 4 is testing a 3.6g/t and 0.9g/t rock chip samples at an intersection with a NW trending lag trend up to 0.7g/t, which intersect a BIF.

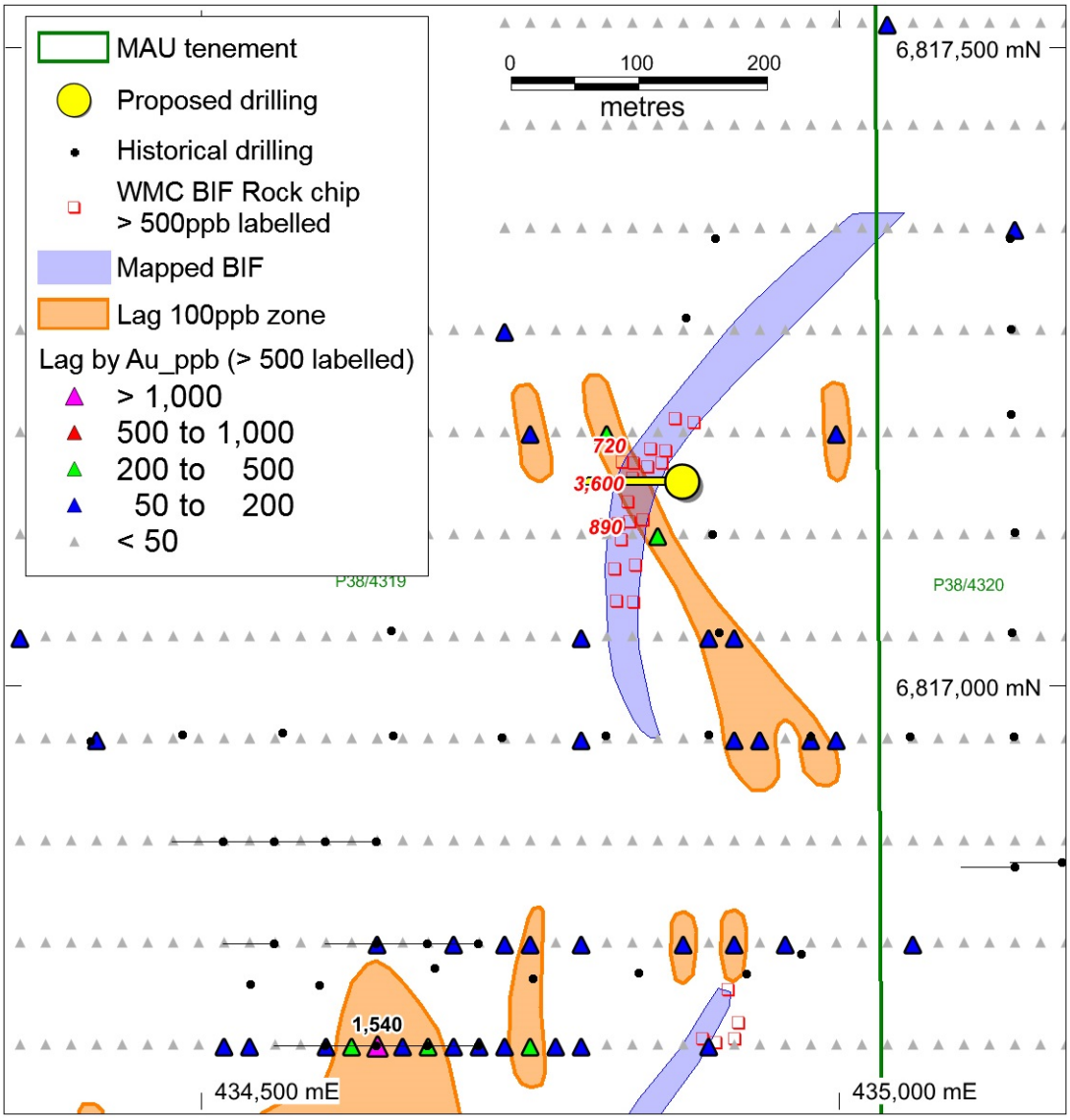

Figure 4. One RC hole testing and anomalous 3.6g/t rock sample and a 0.7g/t lag trend.

TABLE 1 RC DRILL HOLES PLANNED

Target	MGAz51_N	MGAz51_E	Depth(m)	Dip	Azimuth	See Figure
6.5g/t Au Lag	6814358	433447	100	-60	270	2
7.2g/t Au Rock Chip	6813825	434130	80	-60	270	2
8g/t Au Rock Chip	6823034	436642	80	-60	315	3
1.8g/t Au Rock Chip	6822240	436377	80	-60	270	3
1.75 & 2.3g/t Au Rock Chip	6822168	436376	80	-60	270	3
3.6g/t Au Rock Chip	6817160	434877	80	-60	270	4

George Sakalidis commented, “we are very encouraged by these five high-grade shallow targets, identified from the historical WMC extensive rock chip and lag sample database, which will be initially tested with six shallow RC holes. This drilling will be in addition to the RC drill holes planned at the Hawks Nest 5 prospect where we recently have completed a detailed 300 sample 25m by 25m sample spacing over the intersection of 8m at 4.2g/t from 4m inMHNRC048.This geochemical programme will assist in mapping the anomalous geochemistry and in siting of the RC drill holes as the previous widely spaced survey successfully peaked over the shallow intersection with a 369ppm soil geochemical anomaly.”

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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 Exploration Results for the Mt Jumbo East project is extracted from historical references :WMC Mt Jumbo Project DMP Report Number A34380 by N.L. Godden, Kalgoorlie WA in September 1991 and Mt Jumbo Project DMP report number A32013 N.L Godden Kalgoorlie WA November 1990 and was initially reported on in ASX release dated 17 November 2016 which is available on www.magres.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement. 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 materialise, 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.

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JORC Code, 2012 Edition – Table 1 report template

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.	• Gold nuggets were located using a hand-held metal detector on successive passes at 20cm depth intervals in shallow dozer trenches • Laterite samples comprise surface lateritic duricrust including lag and weathered ferruginised rock fragments. Samples are sieved and 1kg of the +6mm fraction taken for analysis. • Geochemical RAB drilling below hardpan to produce 1m samples laid out on the ground and sampled manually to produce 2-4m composite samples of approximately 2-3kg to be pulverized to produce a 10g charge for analysis. • For RC sampling, a 1 metre split is taken directly from a cone splitter mounted beneath the rig's cyclone. The cyclone and splitter are cleaned regularly to minimize contamination. • Sampling and QAQC procedures are carried out using Magnetic's protocols as per industry sound practice. • RC drilling was used to obtain bulk 1 metre samples from which composite 4m samples were prepared by spear sampling of the bulk 1m samples. 3kg of the composite sample was pulverized to produce a 50g charge for fire assay for gold. The assay results of the composite samples is used to determine which 1m samples from the rig's cyclone and splitter are selected for fire assay using the same method. Composite 4m samples were prepared from the 1m RC drill samples by trowel sampling to produce a 2-3kg sample for pulverizing to produce a 10g charge for ICPMS determination of gold and pathfinder elements.
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).	• Reverse circulation (RC) drilling was carried out using a face sampling hammer with a nominal diameter of 140mm. • RAB drilling was carried out using a blade bit.

Criteria	JORC Code explanation	Commentary
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.	• RC and RAB sample recoveries are visually estimated qualitatively on a metre basis. • Various drilling additive (including muds and foams) have been used to condition the RC holes to maximize recoveries and sample quality. • 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.
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.	• RAB chips samples of highly leached saprolite were not logged. • RC chips and chip trays are being geologically logged. • Lithology, alteration and veining is recorded and imported into the Magnetic Resources central database. The logging is considered to be of sufficient standard to support a geological resource. • Logging of RC drillholes records lithology, mineralogy, mineralisation, weathering and colour, and is qualitative in nature. • All drillholes were logged in full.
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.	• 1m RAB samples were subsampled using a trowel scoop. 2kg of initial sample was considered adequate to provide a representative sample. • RC chip samples were composited into 4m intervals except within the surface laterite where 1m samples were taken. • No field duplicates were taken. • Sample sizes are appropriate for the grain size being sampled. • Specimens containing nugget gold of various sizes from 1cm to 10cm were collected (approximately 70oz in total have been found) by prospectors in the northern part of the Mertondale tenement. • The weight of the largest nuggets was 11.5oz and 21oz. • The nuggets came primarily from several trenches approximately 100m apart at the nugget patch (where 64oz Au have been found). The large nugget

Criteria	JORC Code explanation	Commentary
		was found at 356218mE, 6842145mN.
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.	• Laterite, RC and RAB samples were dispatched to MinAnalytical laboratory in Perth where the samples were pulverized and a 10g sub sample analysed using an aqua regia digest and determination of Au (lower limit of detection 1ppb), Ag, As, Bi, Cu, Mo, Ni, Pb, Sb, Te, W and Zn by ICPMS. Aqua regia will dissolve most oxides, sulphides and carbonates but will not totally digest refractory and silicate minerals. In a weathered, oxidized environment aqua regia digestion is considered adequate for exploration purposes. QA/QC measures included repeat analyses and the use of internal lab standards which indicated acceptable levels of accuracy and precision although in rare cases there is some indication of the presence of coarse gold. • Industry standard standards 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 (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Where duplicate analyses of individual samples were made the analytical results were averaged. • Verification of gold nugget locations reported by prospectors has not been completed. • No twin holes have been drilled. • Primary data is entered into an in-house database and checked by the database manager. • No adjustment of assay data other than averaging of repeat and duplicate assays.
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.	• Laterite samplesand RAB & RC drill collars were located using a hand-held GPS with an accuracy of +- 4m. • Grid system: GDA94 • Topographic control using regional DEM data. • Gold nugget locations have been reported byHandheld GPS unit used to position sampling locations. • A specific listing of the nugget sites was compiled by the prospector (Fig. 2),using hand held GPS.

Criteria	JORC Code explanation	Commentary
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.	• Laterite sampling was carried out on 100m x 100m or 200m x 100m spacing. • RAB drilling was carried out at 50m spacing along drill lines. 1m RAB samples were manually composited into samples of 2-4m, aiming to sample below the hardpan. • RC drilling was carried out at40m spacings on lines 140m apart. • Metal detecting around 356218mE, 6842145mN • Not for ore resource estimation. • No compositing applied
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.	• Laterite sampling was carried out on E-W lines approximately orthogonal to mapped geological structures. • Drilling of vertical RAB holes was carried out perpendicular to target strike. • Drilling of inclined RC holes 60° to west orthogonal to the target strike. • Samples have been obtained via the dozer scrapings and metal detecting over a mafic saprolite. At this stage, no structural information is available.
Sample security	• The measures taken to ensure sample security.	• Samples were stored in a locked yard in Leonora prior to dispatch to Perth using a commercial freight company. • The gold samples remained in the custody of the prospector.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• The sampling techniques and results have not been subject to audit.

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.	• Mertondale is situated on exploration licence E37/1258 and Mertondale East is situated on E37/1177 and are held by Magnetic Resources NL.The licences are granted with no known impediments to obtaining a licence to operate.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Mertondale and Mertondale East has been subject to systematic surface sampling by previous explorers but with records of very little drilling being

Criteria	JORC Code explanation	Commentary
		completed.Available historical data has been compiled.
Geology	• Deposit type, geological setting and style of mineralisation.	• Mertondale is situated adjacent to and west of the Mertondale Shear Zone, a known gold-bearing structure with a history of open cut gold mines and the site of recent successful gold exploration by other parties. The area is interpreted to be underlain by Archean greenstone belt rock types including basalt, dolerite and meta-sediments. • Nuggets are in the lateritic zones 1-2m thick sitting on mafic saprolites
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.	• A total of 298 RAB holes (MRT295 to 592, total 1322m) were drilled at Mertondale. The details of material drillholes were previously reported in MAU "Quarterly Report for the Quarter Ended 30 September 2017". • A total of 26 RC holes for 1452m were drilled at Mertondale. The details of this shallow geochemical drilling are not considered material at this stage other than as shown in the figures in the text.
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. • 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.	• No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses. • No metal equivalents have been used. • No weighted grade results have been reported for the nuggets.
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,	• Not applicable.

Criteria	JORC Code explanation	Commentary
	true width not known').	
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Refer to text.
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 to avoid misleading reporting of Exploration Results.	• Anomalous ranges used are stated in the text.
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.	• Results of a previously reported soil sampling, RAB and RC drilling by Magnetic Resources are shown in the text.
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.	• Subject to field inspection,infill and step out shallow drilling, or other geochemical sampling, of the main gold anomalies is envisaged. Some trench sampling of the ironstones is also planned. • More drilling is planned over a 2km strike length on the structural target.