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LARGE GOLD MINERALISED SHEAR ZONE GREATER THAN 250M AT HAWKS NEST 5

*Magnetic Resources NL are very pleased to announce the discovery of a **significant shear zone of near surface mineralisation greater than 250m which is only 15km away from the Dacian Gold Jupiter Operation.***

*This RC drill programme of 28 holes of 991m has successfully extended the area of near surface mineralisation defined by previous drilling over a 50m long NW shear zone that contained a strong intersection of 7m @ 4.5 g/t Au from 5m, to a mineralised zone that is **greater than 250m in length. Additional infill drilling is anticipated to find more near surface mineralisation along this mineralised shear and at depth.***

Managing Director George Sakalidis was quoted “this is an exciting time for Magnetic, we’ve really just started drilling this shear zone and it’s starting to show potential for near surface gold mineralisation over a considerable length.”

Further to the NW of the HN5 workings, approximately 160m, drillholes MHNRC58 and MHNRC59 are collared at the southern end of a second NNW trending line of extensive workings, in a shear zone in weathered sediments in contact with mixed mafic - sediment sequences. Hole MHNRC58 produced a wide 10m intersection of quartz (from 2-12m) with the 10-11m assaying 1m @ 1.2 g/t Au. Significantly the last 8m of this hole, from 16-24m ended in mineralisation average 0.8 g/t Au within altered amphibolite, including 4m @ 1.0 g/t Au from 20-24m (Table 1 and Figure 2). **These intersections and the presence of a 50m long WNW historic line of surface workings including deep shafts with quartz reefs indicate the potential for significant intersections along this shear parallel to the main mineralised shear at the HN5 workings.**

The mullock collaring the shafts and pits appear to be weathered “iron-rich” sediments including black shales which possibly reflect the NNW shear zone and gold mineralisation. Quartz “iron rich fibres” reef style veining is present representing a host for gold mineralisation. Also, the discrete mineralised quartz reefs (seen in a shallow working) appear to crosscut the NNW shear zone (80 deg.).

Recent drilling has shown where a NW shear intersecting the HN5 prospect workings is anomalous in gold mineralisation over a strike distance of approximately 250 metres. Drillholes MHNRC50, 51, 55 and geologic mapping indicate a significant mineralised shear zone and central to this extended zone of mineralisation is the HN5 historic workings where stronger mineralisation has been encountered at shallow depths in drill holes MHNRC48, 52, 54, 70 and 71 (*Refer: Table 1, Figures 3 and 4 and ASX Releases 20 March 2018 and 10 May 2018*).

HN5 is within a geologic setting of NS trending porphyry dykes and mafic amphibolites. Shears in the amphibolites appear to be interbedded with black shales, and significant gold mineralisation is interpreted to occur where shearing is in contact with the north trending porphyry dykes.

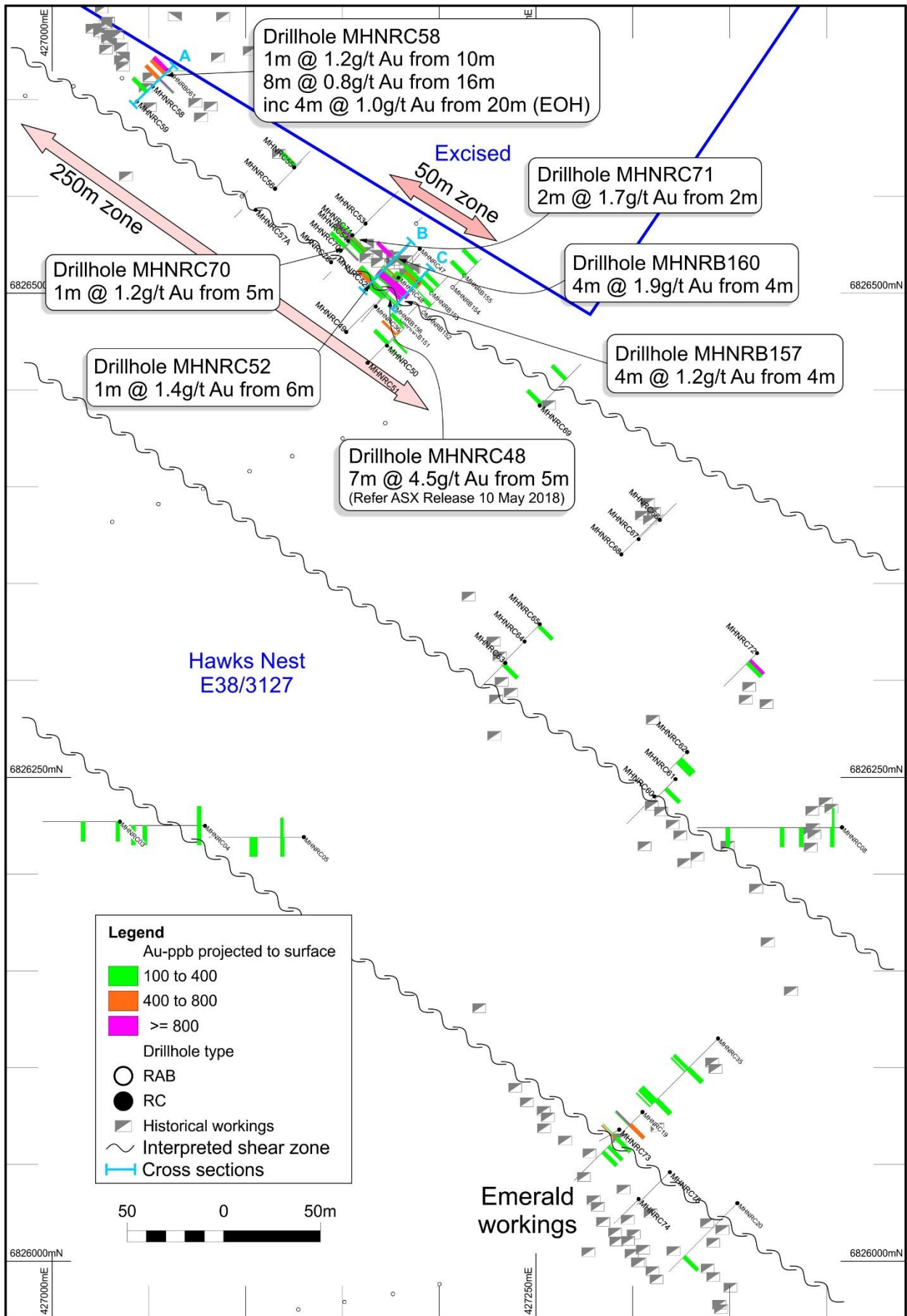


Figure 1. Recent RC drilling showing anomalous gold intercepts, 250m mineralised shear zone and historical workings.

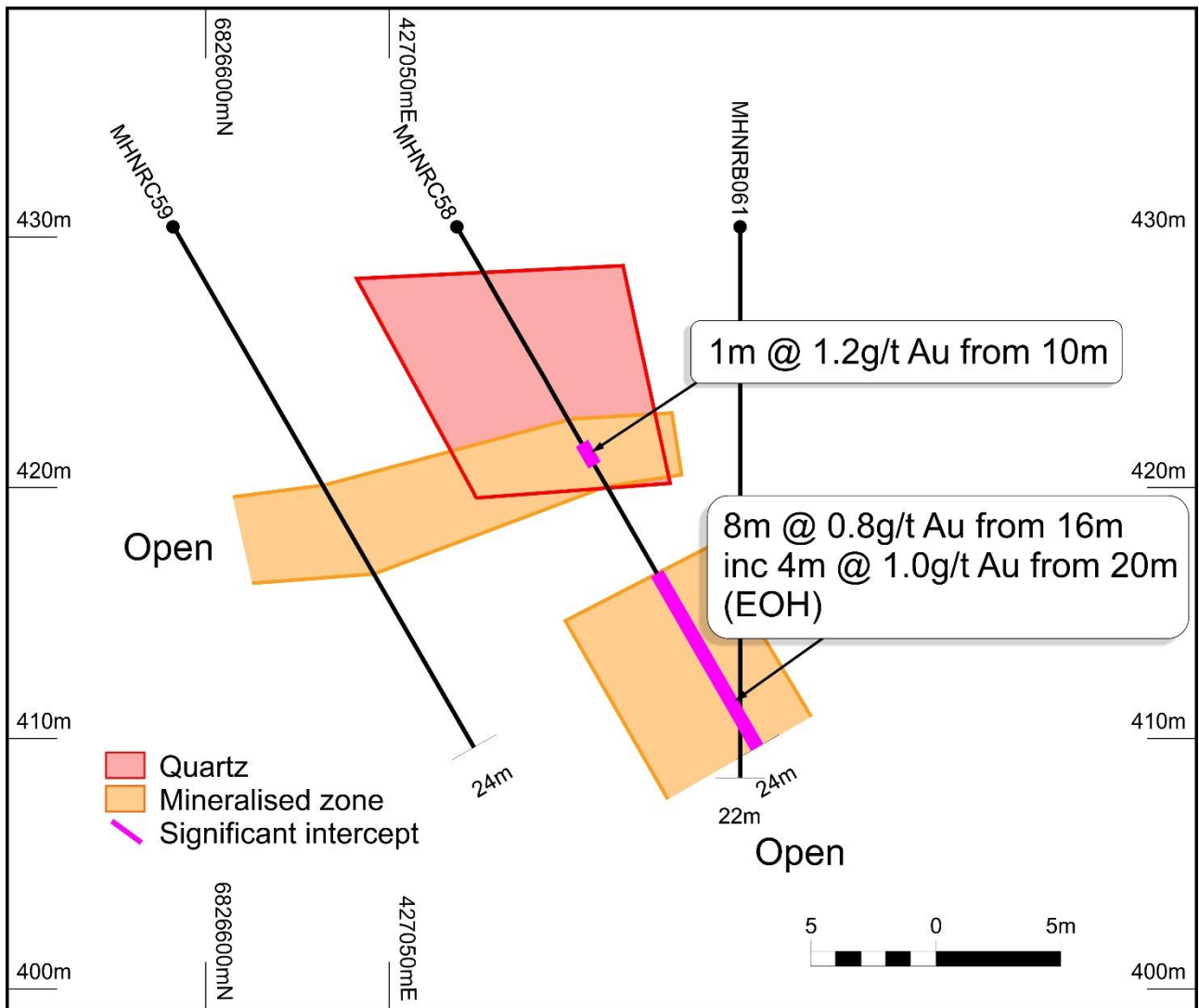


Figure 2. Section "A" Recent RC drilling showing anomalous mineralised zones, gold intercepts and quartz veins.

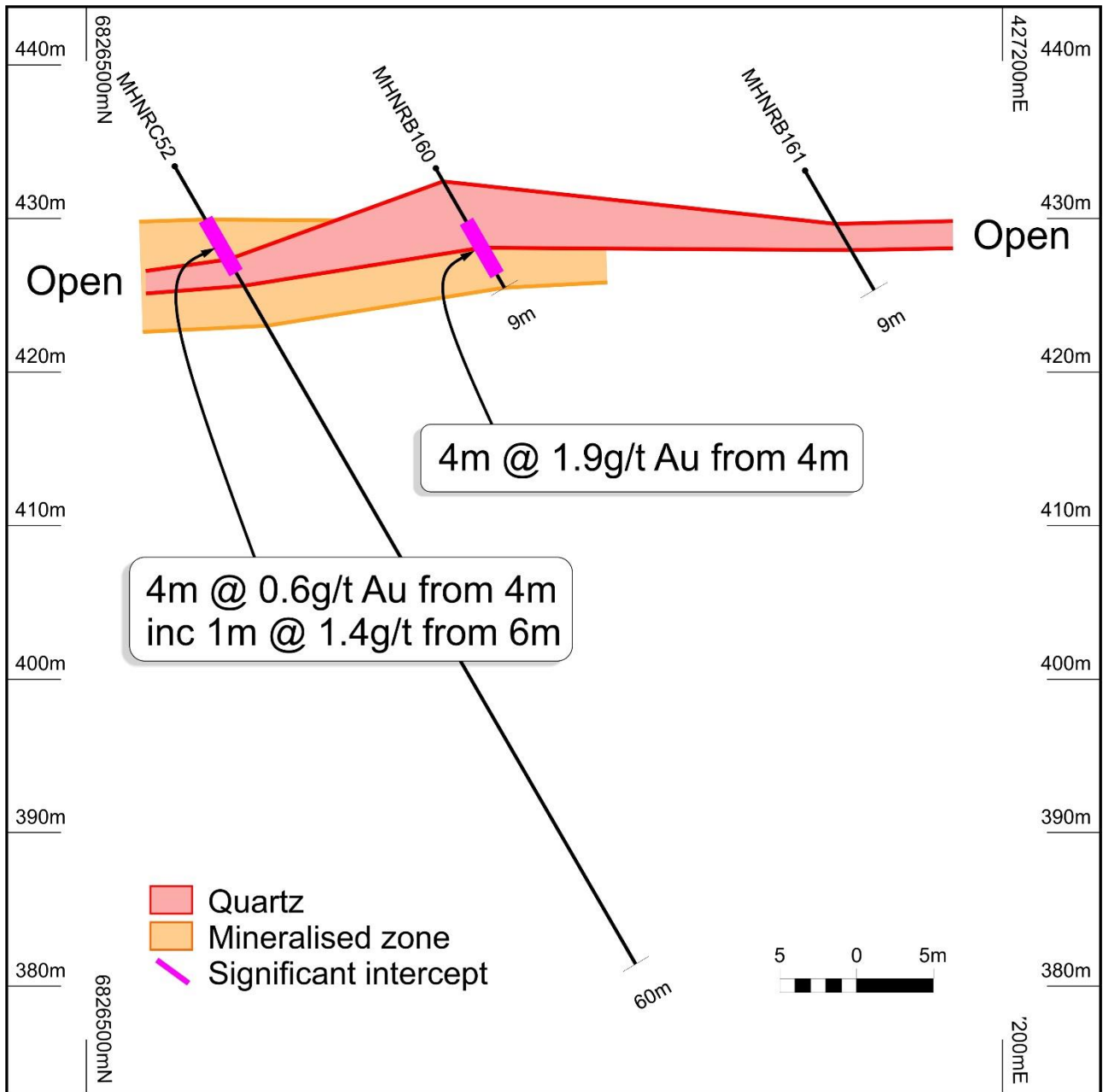


Figure 3. Section “B” Recent RC and RAB drilling showing anomalous mineralised zones, gold intercepts and quartz veins.

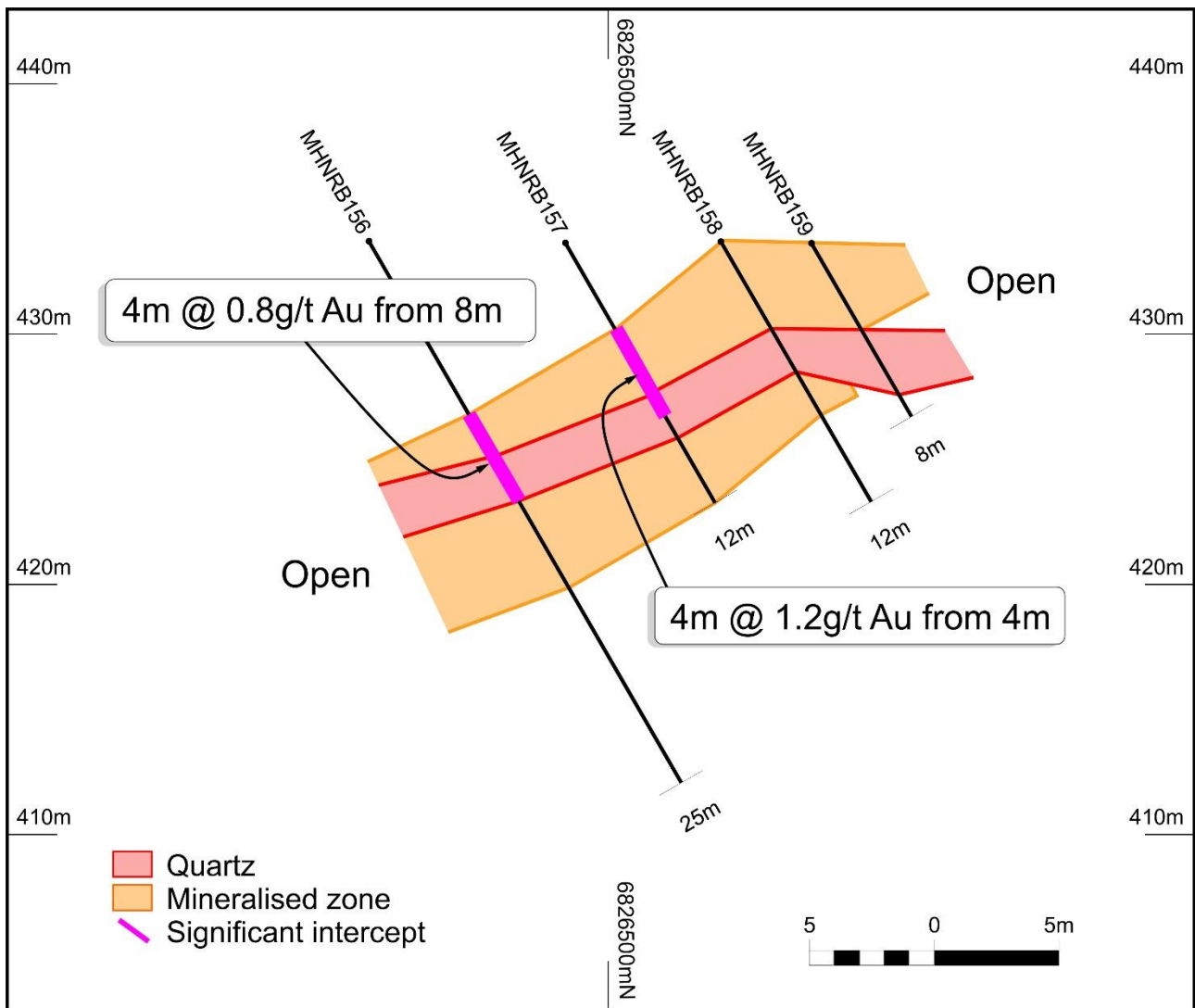


Figure 4. Section “C” RAB drilling showing anomalous mineralised zones, gold intercepts and quartz veins.

These quartz veins, assays and sediment zones all have flattish dips, which are similar to some of the major Mines in the area including Jupiter 1.3Moz (Dacian Gold), Wallaby 7Moz (Barrick), Sunrise Dam 10Moz (Anglo-Ashanti).

Many further 1m sample splits (134) have been sent to the laboratory for analysis mainly from the recent promising drilling programmes.

Drillhole MHNRC72 located approximately 260m SE of the main mineralised zone (including MHNRC48 7m @ 4.5 g/t Au from 5m) intersected anomalous gold, 4m @ 0.8 g/t Au from 8m (Refer: Table 1 and Figure 1) adjacent to surface workings.

The existence of an anomalous gold mineralised system associated with shearing from the NNW line of historic workings in the north to the Emerald workings in the south covering a strike distance of approximately 500 metres enhances the probability of locating an economic gold source at Hawk Nest.

Table 1. Significant Intercepts $\geq 0.1\text{g/t}$ Gold, $> 0.5\text{g/t}$ highlighted in red

Hole_Id	Easting MGAz51	North MGAz51	From m	To m	Width m	Gold g/t
MHNRC50	427173	6826473	0	4	4	0.10
MHNRC50			8	9	1	0.13
MHNRC50			9	10	1	0.16
MHNRC50			16	20	4	0.42
MHNRC50			24	28	4	0.15
MHNRC51	427163	6826464	27	28	1	0.16
MHNRC51			40	44	4	0.48
MHNRC51			44	48	4	0.28
MHNRC52	427163	6826503	4	8	4	0.60
MHNRC52			4	5	1	0.11
MHNRC52			5	6	1	0.14
MHNRC52			6	7	1	1.39
MHNRC52			7	8	1	0.29
MHNRC52			8	12	4	0.17
MHNRC52			8	9	1	0.29
MHNRC52			9	10	1	0.20
MHNRC54			427153	6826527	4	8
MHNRC54	4	5			1	0.240
MHNRC54	5	6			1	0.66
MHNRC54	6	7			1	0.15
MHNRC55	427125	6826565	0	4	4	0.10
MHNRC58	427052	6826607	8	12	4	0.65
MHNRC58			9	10	1	0.23
MHNRC58			10	11	1	1.21
MHNRC58			16	20	4	0.60
MHNRC58			20	24	4	1.00
MHNRC59	427044	6826599	12	16	4	0.12
MHNRC61	427322	6826249	12	16	4	0.19
MHNRC62	427328	6826263	8	12	4	0.24
MHNRC62			12	16	4	0.14
MHNRC63	427234	6826309	0	4	4	0.21
MHNRC65	427252	6826329	0	4	4	0.14
MHNRC69	427252	6826442	0	4	4	0.24
MHNRC69			36	40	4	0.13
MHNRC70	427149	6826522	4	8	4	0.37
MHNRC70			5	6	1	1.17
MHNRC70			6	7	1	0.11
MHNRC71	427155	6826530	0	4	4	0.81
MHNRC71			0	1	1	0.140
MHNRC71			2	3	1	2.31
MHNRC71			3	4	1	1.01
MHNRC71			4	8	4	0.27
MHNRC71			4	5	1	0.19
MHNRC71			5	6	1	0.30
MHNRC71			6	7	1	0.40
MHNRC71			7	8	1	0.16
MHNRC72	427364	6826314	8	12	4	0.84
MHNRC72			12	16	4	0.296

Magnetic Resources Managing Director commented, “The NW shear zone at HN5 has been extended to greater than 250m and contains two sets of historical workings making this HN5 area very significant for Magnetic. Further shallow infill RC is planned here to help outline the mineralisation in more detail. *It is very interesting that the gold zones and quartz veins are flat dipping, showing similarity to some of the major operating mines in the region including, Wallaby Sunrise Dam and Jupiter.* Drillhole MHNRC58, a newly identified zone ended in mineralisation of 8m @ 0.8 g/t Au from 16-24m, including 4m @ 1g/t Au at the end of the hole in altered amphibolites. This hole will be deepened and the 50m of workings just west of here will also be followed up in this next RC programme and will help pave the way for our search for a significant mineral deposit at Hawks Nest.”

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 Hawks Nest project is extracted from the ASX announcement entitled “ Robust near surface high grade zone of 7m at 4.5g/t gold from 5min hole MHNRC48 from 1m splits dated 5 March 2018, “ An 865m RC drilling started testing promising 7m at 4.5g/t gold and eight separate anomalous soil geochemical targets at HN5” and is dated 10 June 2018, all of which are 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.

JORC Code, 2012 Edition – Table 2 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Reverse circulation (RC) drilling was carried out using a face sampling hammer with a nominal diameter of 140mm.

Criteria	JORC Code explanation	Commentary
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> RC 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.
<i>Logging</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> RC 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

Criteria	JORC Code explanation	Commentary
	<p>factors applied and their derivation, etc.</p> <ul style="list-style-type: none"> 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. 	<p>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.</p> <ul style="list-style-type: none"> Industry standard standards and duplicates are used by the NATA registered laboratory conducting the analyses.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Where duplicate analyses of individual samples were made the analytical results were averaged. 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.
<i>Location of data points</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> RC drill collars were located using a hand-held GPS with an accuracy of +/- 4m. Grid system: MGA51 GDA94 Topographic control using regional DEM data.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> RC drilling was carried out at 10-20m spacings on lines 50-80m apart. Not for ore resource estimation. 4m compositing was applied
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drilling of inclined RC holes 60° to 315°.

Criteria	JORC Code explanation	Commentary
<i>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were stored in a locked yard in Laverton prior to dispatch to Perth using a commercial freight company.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> 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
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Hawks Nest is situated on exploration licence E38/3127 and is held by Magnetic Resources NL. The licenses are granted with no known impediments to obtaining a licence to operate.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Hawks Nest has been subject to systematic surface sampling by previous explorers but with records of very little drilling being completed. Available historical data has been compiled.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Hawks Nest is 19km NNW of the Wallaby deposit and associated NS structure 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.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<p>A total of 28 RC holes (MHNRC49 to MHNRC76 totaling 991m were drilled at Hawks Nest and the 1 m splits were selected from 4m composites after visual inspection of favorable rocks. Table 1 summarises all significant intersections greater than 0.1g/t gold. A total of 250 4m composites and 89 1m split assays have been taken. A further 134 1m splits have been sent off to the laboratory.</p>

Criteria	JORC Code explanation	Commentary
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses. No metal equivalents have been used.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> Not applicable.
<i>Diagrams</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Refer to text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Anomalous ranges used are stated in the text.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Results of a previously reported RAB and RC drilling by Magnetic Resources are shown on Fig 1.
<i>Further work</i>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> More drilling is planned over a 300m strike length on the NW structural target shown on Figure 1.

Criteria	JORC Code explanation	Commentary
	commercially sensitive.	