



magnetic resources^{NL}

Level 1

44A Kings Park Road

PO Box1388

West Perth WA 6872

Telephone 08 9226 1777

www.magres.com.au

ABN 34 121 370 232

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Mt Jumbo East Maiden RC Drill programme Delivers 4m @ 4g/t Gold from 8m in Hole MMJRC04

Mount Jumbo East, Laverton

The Mt Jumbo East Prospect comprises eight 100%-owned prospecting licences P38/4317 to P38/4324 (11.5sq km) located 16km SSW from Laverton and immediately covering an 8km strike length of prospective iron formations, ultramafics, mafics and black shales (Fig. 1).

This maiden drill programme consisted of 6 RC drillholes for 544m targeting shallow easterly dipping banded iron formations (BIF) with anomalous historical (WMC) lag and rock chip results, which respectively ranged from 0.2g/t to 6.5g/t and 1g/t to 7.2g/t.

Early results are promising after 4m composites were taken for all holes showing anomalous gold in hole MMJERC04 of 4m @ 4g/t from 16m targeting an anomalous 3.6g/t rock chip sample and 220-320ppb lag geochemical samples (Figs 1, 2 and 3); 8m @ 0.4g/t from 8m, in hole MMJERC03, targeting 1750ppb and 2300ppb rock chips (Figs1, 4 and 5) and 4m @ 0.12g/t from surface in hole MMJERC05 targeting 6500ppb and 480ppb in lag (Fig.1). These results are considered significant due to the strong alteration and associated anomalous gold in a favourable shallow east -dipping altered BIF sequence. Check assaying of the relevant 1m samples is in progress.

Historical exploration and drilling on the ground has identified three areas of gold mineralisation termed No Name, Horseshoe Pass and Saddle. These prospects also comprise quartz veined and sulfidic BIF in areas of cross faulting and structural complexity. Significant historical drill intersections at No Name include 10m @ 1.2g/t Au from 10m in drill hole MJC04, 8m @ 2.0g/t Au from 36m in hole MJC03 and 3m @ 10.9g/t Au from 13m in hole MJC09.

The significant intersection in MMJERC04 of 4m@4g/t from 16m is approximately 600m north in the same BIF horizon, with these intersections within the No Name prospect creating significant exploration potential.

The BIF sequence covered by the tenements is the same sequence which hosts the old Gladiator, Gladiator South and Morrissey's open pits situated some 10km to the north. This sequence is interpreted to host the 2Moz Lancefield deposit about 18km north of Mt Jumbo East. The southern part of the tenements is just 5km along trend from the +7Moz Wallaby gold mine and about 10km NW of the +2Moz Granny Smith mine, highlighting the prospectively of this area.

A number of circular magnetic lows have been identified adjacent to the BIF sequence which are interpreted to be granite intrusions, indicating potential for Granny Smith-Windich style gold mineralisation in both BIF and granite.

Managing Director George Sakalidis commented; “these new intersections highlight the potential of the 8km long Mt Jumbo East BIF sequence, which starts only 4km north of the 7Moz Wallaby Mine Further drilling is being planned to step out and test the down-dip extensions of the recent intersections and also to test several other areas targeted, using historical geochemical and drilling data. In addition, Magnetic is waiting for drill results from a number of promising gold projects that have been drill tested recently, In the Laverton-Leonora. Area.”

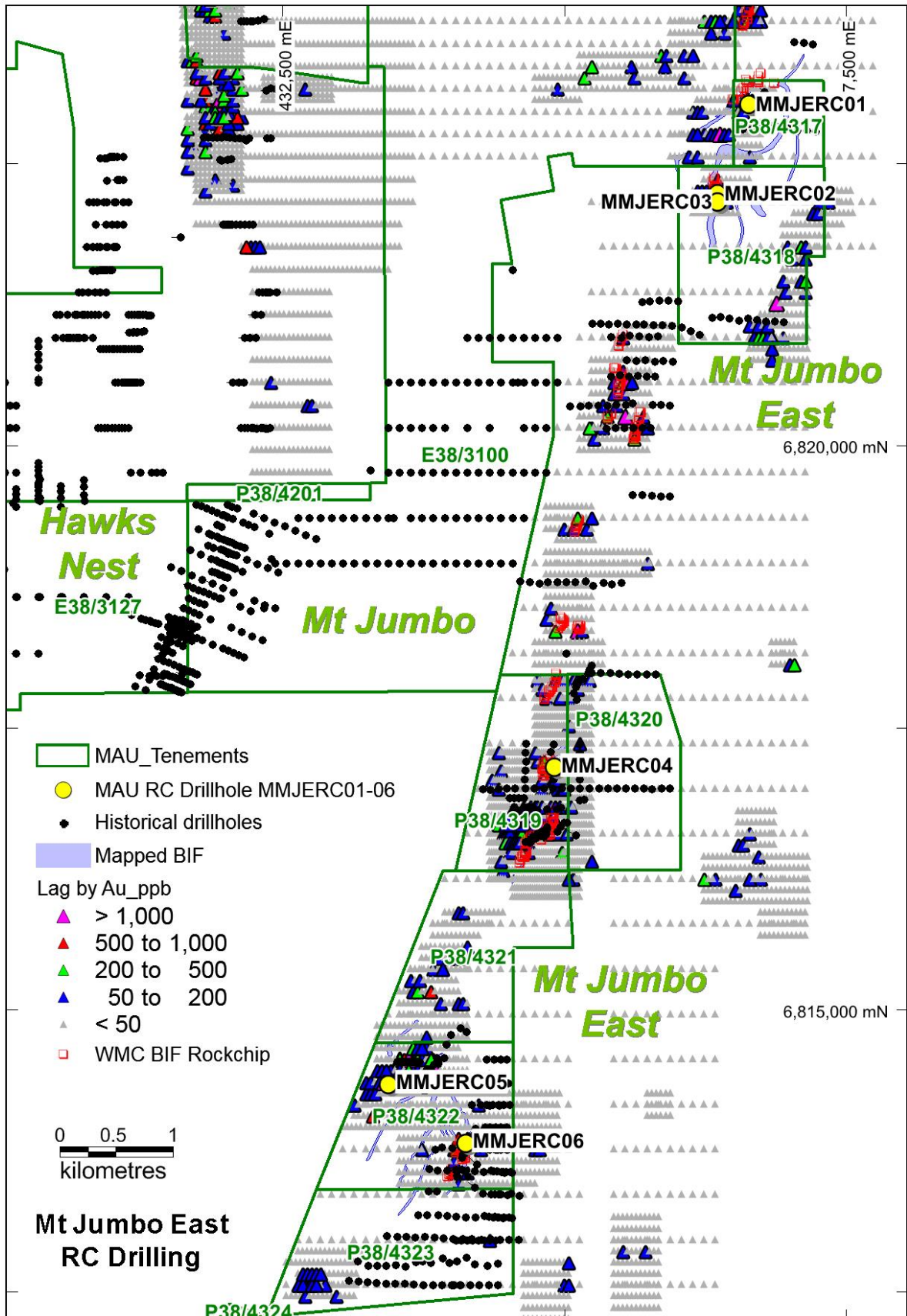


Figure 1. Mt Jumbo East RC

Table 1. Drill Hole Locations

Hole_ID	East MGAz51	North MGAz51	RL m	Depth m	Dip degrees	Azimuth degrees
MMJERC01	436642	6823034	484.1	108	-60	315
MMJERC02	436361	6822240	479.2	78	-60	270
MMJERC03	436366	6822168	479.3	78	-60	270
MMJERC04	434914	6817160	454.2	96	-60	270
MMJERC05	433445	6814350	439.7	84	-60	270
MMJERC06	434129	6813826	449.6	100	-60	270

Table 2. Drill Intercepts > 0.1g/t Au

Hole_Id	From m	To m	Width m	Au (FA50AAS) ppm
MMJERC02	0	4	4	0.192
MMJERC03	8	12	4	0.401
MMJERC03	12	16	4	0.399
MMJERC03	24	28	4	0.187
MMJERC03	28	32	4	0.165
MMJERC04	16	20	4	4.013
MMJERC04	20	24	4	0.310
MMJERC04	28	32	4	0.111
MMJERC05	0	4	4	0.119

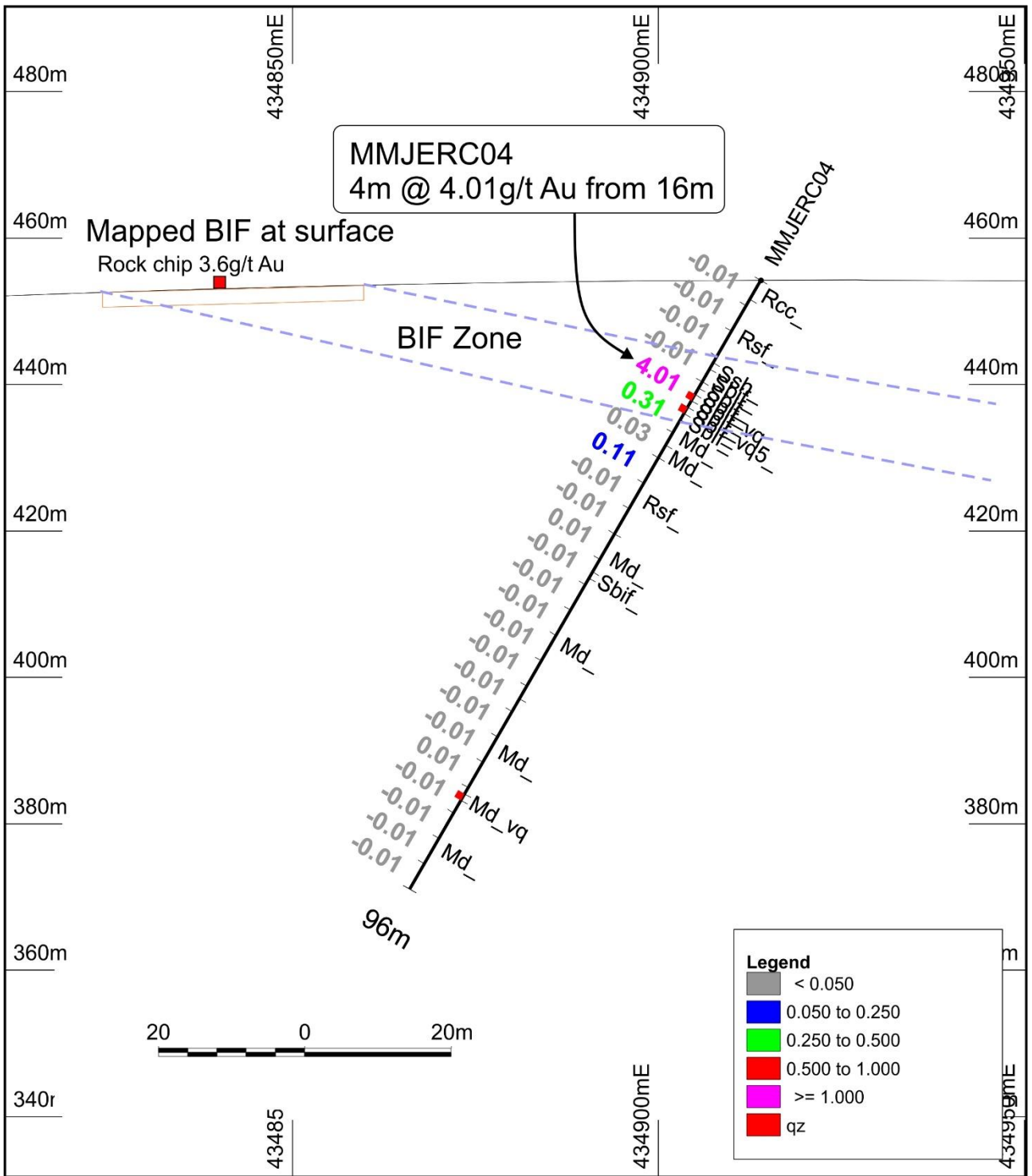


Figure 2. MMJRC04 Cross Section

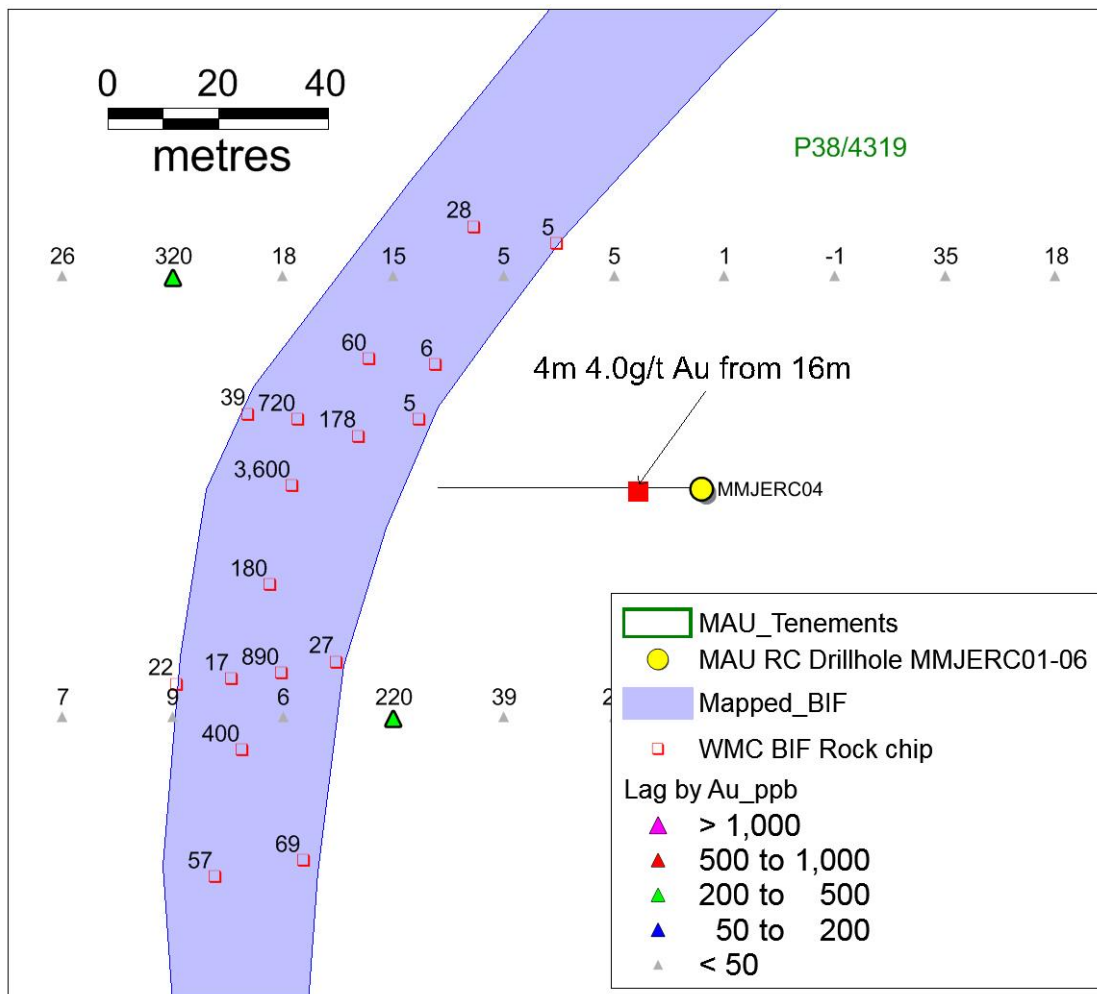


Figure 3. MMJRC04 plan

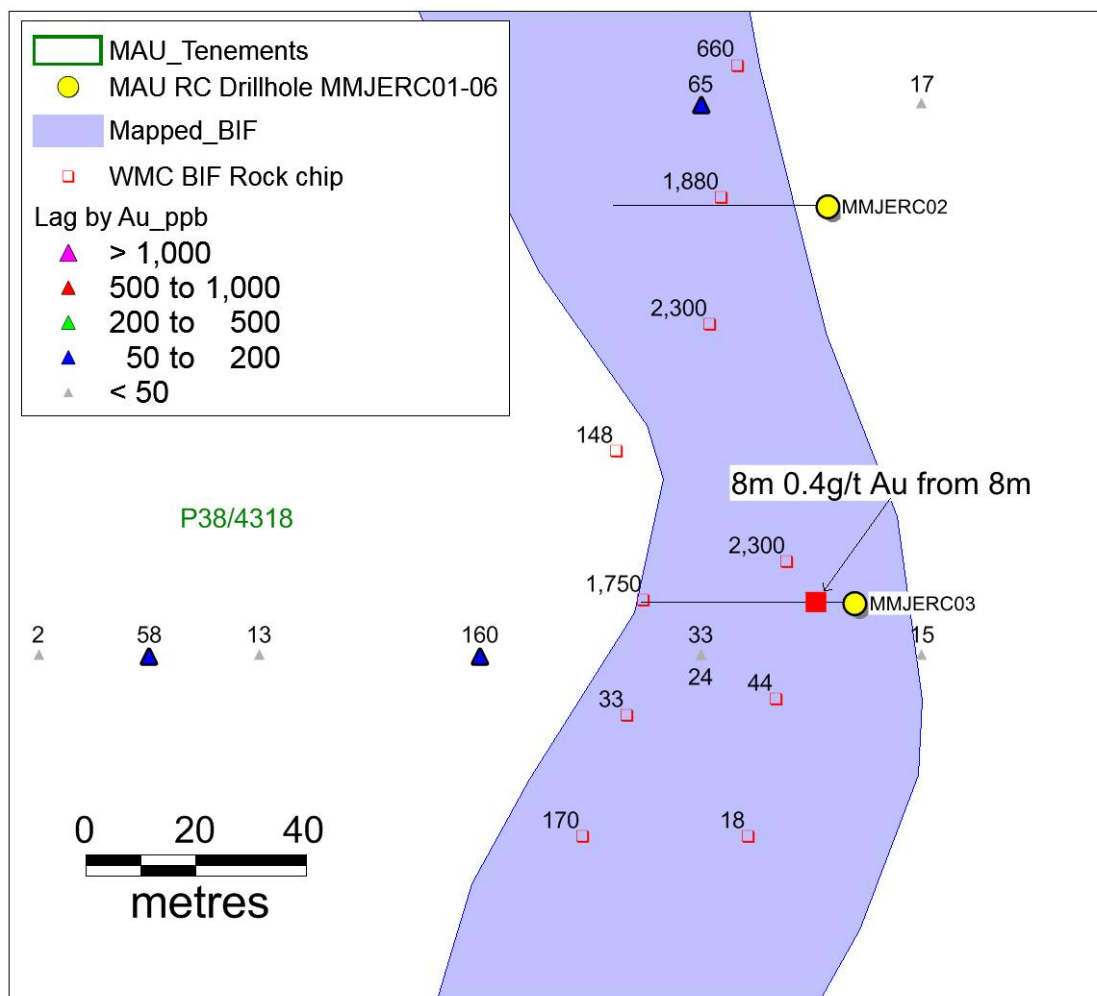


Figure 5. MMJRC03 plan

For more information on the company visit www.magres.com.au

George Sakalidis
 Managing Director
 Phone (08) 9226 1777
 Mobile 0411 640 337
 Email george@magres.com.au

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. Open file Report A32013 "Mt Jumbo Project (Including The west Laverton JV) Report for the Period 8 June 1989 to 30 Sept 1990"

All of which are available on www.dmirs.wa.gov.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 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 1 report

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The targets at Mt Jumbo East have been tested by RC drilling. 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.
Drilling techniques	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • Reverse circulation (RC) drilling was carried out using a face sampling hammer with a nominal diameter of 140mm.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • RC 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.

Criteria	JORC Code explanation	Commentary
Logging	<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"> • 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 drill holes records lithology, mineralogy, mineralisation, weathering and colour, and is qualitative in nature. • All drill holes were logged in full.
Sub-sampling techniques and sample preparation	<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"> • RC samples are cyclone split to produce a 2-3kg sample. 4m composite samples are prepared by tube sampling bulk 1m samples. • No field duplicates were taken. • Sample sizes are appropriate for the grain size being sampled
Quality of assay data and laboratory tests	<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 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. 	<ul style="list-style-type: none"> • RC samples are assayed using a 50g charge and a fire assay method with an AAS finish which is regarded as appropriate. The technique provides an estimate of the total gold content. • Industry standard standards and duplicates are used by the NATA registered laboratory conducting the analyses.
Verification of sampling and assaying	<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"> • No independent verification of intersections has been carried out. • 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 • No verification of historically reported drilling has been carried

Criteria	JORC Code explanation	Commentary
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<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"> • Drill collars located by hand held GPS with an accuracy of +/- 5m. • Grid system: 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 5 targeted sites. 1m samples were composited into 4m composite samples for assay.
<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"> • At Mt Jumbo East geological interpretation indicate a general NS trend to geological structures. The drilling was carried out orthogonal to this trend.
<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 the field 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"> • The Mt Jumbo East prospect is situated on 8 prospecting licences P38/4317 to P38/4324 held 100% by Magnetic Resources NL. • The tenements are subject a 2% overriding gross royalty to the vendor, exempting the first 20,000ozs of gold production. • The licences are granted with no known impediments to obtaining a licence to operate.
<i>Exploration</i>	<ul style="list-style-type: none"> • Acknowledgment and appraisal of 	<ul style="list-style-type: none"> • The Mt Jumbo East area has been

Criteria	JORC Code explanation	Commentary
<i>done by other parties</i>	<i>exploration by other parties.</i>	subject to extensive historical lag sampling, rock chip sampling and drilling.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	The Mt Jumbo East target area is situated within a sequence of Archean BIF, ultramafics, mafics and black shales..The mineralisation is interpreted as generally BIF-hosted in flat easterly dipping structures.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>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.</i> 	<ul style="list-style-type: none"> Refer to tables in the text.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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’).</i> 	<ul style="list-style-type: none"> Refer to figures in the text.
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Refer to text.

Criteria	JORC Code explanation	Commentary
<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"> Plus 0.1g/t Au intersections from the RC drilling have been reported.
<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"> Refer to text.
<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 commercially sensitive. 	<ul style="list-style-type: none"> Refer to text.