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GOLD GEOCHEMICAL TARGET ZONE GROWS TO SIGNIFICANT 2KM IN LENGTH AT HN9

After an extensive 602 soil sampling programme (441 samples in the current survey), a **significantly sized 2km long soil geochemical anomaly has been outlined being between 50 to 200m wide (Figure 1) and is open to the north and south and is currently being further investigated over a 3.6km length.** This highly prospective gold zone is only 15km NW of the Granny Smith Operations owned by Gold Fields Australia Pty Ltd and only 10km NE of the Jupiter Operations owned by Dacian Gold Ltd at Laverton, WA.

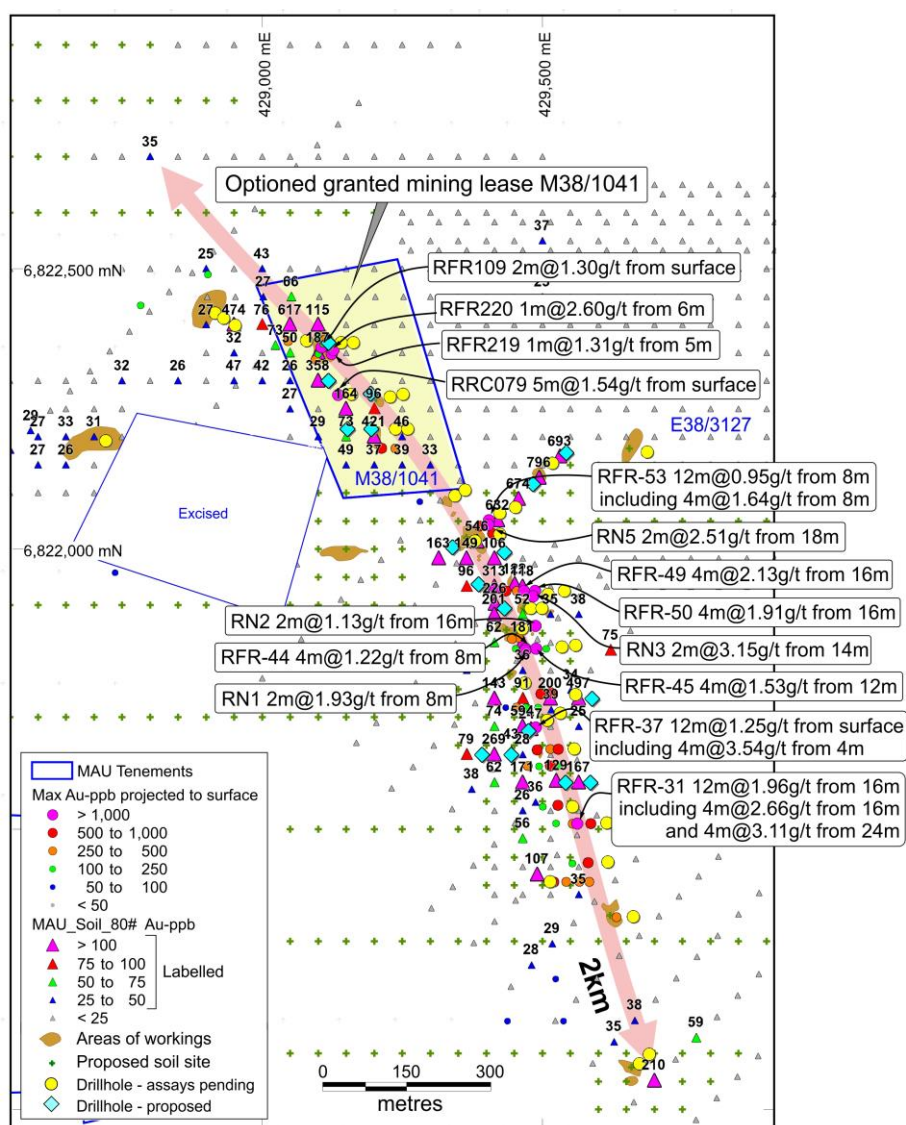


Figure 1. HN9 Historical Drilling and Workings, 40 RC Drill holes and 441 Soil Geochemical Samples Completed and Proposed 17 RC Drill Holes and 501 Soil Geochemical Samples mainly over 2km Shallow Mineralised Gold Zone Shown in Pink.

This 2km gold zone is associated with a favourable dilational bend from a NNW to NW direction and is associated with multiple sheared porphyries and sheared porphyry/mafic contacts, which come to surface where there are abundant workings and are discordant to the more common NS porphyries in the region and are flat dipping around 20 degrees to the east. This has analogies to the multiple flat shears and intrusives associated with the main nearby big mines Sunrise Dam (>10moz), Wallaby (7.1moz) and Jupiter (1.3moz).

The 2km zone contains numerous very anomalous soil sample results with 99 samples that are greater than 25ppb Au of which 32 samples are greater than 100ppb and 18 samples are greater than 200ppb (Table 4). A further 501 samples are being taken in January 2019, mainly endeavouring to extend this anomalous zone up to 800m to the north and 800m to the south, totaling 3.6km in length.

Results are pending for a 40-hole programme totaling 1655m that was designed to test shallow down-dip extensions of the drilled gold mineralised shears which show potential for near-surface bulk tonnage mineralization over a significant 1.5km (Table 1). A further 17 RC holes totaling 660m are planned based on additional positive results from the recently completed 441 infill soil geochemistry programme (Table 2 and Table 4), that forms part of an ongoing more extensive 842 soil sampling programme covering an enlarged 3.6km strike.

Magnetic has previously announced on the 20 November 2018 that it had optioned a granted mining lease M38/1041 which covers a 400m strike extension of the 1.1km HN9 drill-mineralised zone, as indicated by old gold diggings, which has encouraging very shallow gold intersections (Figure 1). **Over a significant combined 1.5km, there are now 45 gold intersections greater than 0.5g/t of which 17 are greater than 1g/t as shown in Figure 1 and Table 3, which are within the 2km gold target zone outlined by the soil geochemistry. Already there are very anomalous soil sample results obtained within the optioned Mining Lease including 115ppb, 164ppb, 187ppb, 358ppb, 421ppb and 617ppb.**

Managing Director George Sakalidis commented: "With the Australian gold price greater than \$1,800 as compared to much lower prices between \$400-\$550 from 1986 to 2001 when some parts of this HN9 gold zone were drilled by previous companies, it now makes strong sense to fast track drilling and potential economic studies of this significant 2km long gold target. In addition, a number of similar bulk tonnage deposits are successfully being mined including the Jupiter Deposit 14.7Mt at 1.4g/t (Proved and Probable Reserves) by Dacian Gold Ltd (AGM presentation ASX Release 26 November 2018) and the Group Ore Reserves for the Duketon Operations of 117.2Mt at 1.08g/t for Regis Resources (June 2018 Quarterly). This, augers well for the 40 RC holes totaling 1655m, which are awaiting assays and the upcoming 17 RC holes totaling 660m. The HN9 RC drilling and soil sampling programmes has now been further enlarged after a significant 2km long by 50 to 200m wide soil geochemical anomaly has been outlined, which contains 45 very shallow intersections greater than 0.5g/t."

Table 1. Completed HN9 RC Drilling (assays pending)

HoleID	MGA_East	MGA_North	Depth(m)	Dip	Azimuth
MHNRC121	428722	6822193	40	-60	300
MHNRC122	428917	6822421	20	-60	300
MHNRC123	428932	6822412	40	-60	300
MHNRC124	428953	6822399	40	-60	300
MHNRC125	429142	6822368	40	-60	270
MHNRC126	429164	6822368	40	-60	270
MHNRC127	429080	6822372	40	-60	270
MHNRC128	429160	6822276	40	-60	270
MHNRC129	429239	6822214	34	-60	270
MHNRC130	429261	6822214	40	-60	270
MHNRC131	429229	6822271	40	-60	270
MHNRC132	429252	6822276	40	-60	270
MHNRC133	429674	6821081	40	-60	230
MHNRC134	429692	6821098	40	-60	230
MHNRC135	429663	6821344	40	-60	270
MHNRC136	429515	6821406	40	-60	270
MHNRC137	429618	6821441	40	-60	270
MHNRC138	429616	6821511	55	-60	270
MHNRC139	429555	6821540	40	-60	270
MHNRC140	429558	6821643	40	-60	270
MHNRC141	429510	6821694	40	-60	240
MHNRC142	429533	6821707	40	-60	240
MHNRC143	429560	6821740	50	-60	270
MHNRC144	429536	6821825	40	-60	270
MHNRC145	429560	6821828	50	-60	270
MHNRC146	429470	6821761	40	-60	270
MHNRC147	429465	6821858	40	-60	270
MHNRC148	429480	6821894	40	-60	270
MHNRC149	429500	6821894	40	-60	270
MHNRC150	429511	6821919	40	-60	270
MHNRC151	429540	6821925	50	-60	270
MHNRC152	429425	6822026	40	-60	240
MHNRC153	429381	6822014	50	-60	240
MHNRC154	429425	6822064	40	-60	240
MHNRC155	429453	6822074	66	-60	240
MHNRC156	429519	6822153	40	-60	230
MHNRC157	429688	6822173	40	-60	270
MHNRC158	429653	6822126	40	-60	270
MHNRC159	429345	6822095	40	-60	240
MHNRC160	429363	6822105	40	-60	240
Total			1655m		

Table 2. **Proposed HN9 RC Drilling**

HoleID	MGA_East	MGA_North	Depth(m)	Dip	Azimuth
HN9-01	429586	6821583	40	-60	270
HN9-02	429393	6821633	40	-60	270
HN9-03	429445	6821633	40	-60	270
HN9-04	429589	6821733	40	-60	270
HN9-05	429387	6821937	40	-60	270
HN9-06	429340	6822003	40	-60	240
HN9-07	429484	6822116	40	-60	230
HN9-08	429543	6822172	40	-60	230
HN9-09	429195	6822214	40	-60	270
HN9-10	429153	6822214	40	-60	270
HN9-11	429194	6822277	40	-60	270
HN9-12	429119	6822300	40	-60	270
HN9-13	429119	6822368	40	-60	270
HN9-14	429542	6821583	40	-60	270
HN9-15	429476	6821675	40	-60	240
HN9-16	429433	6821894	40	-60	270
HN9-17	429433	6821994	40	-60	240

Table 3. **Historical Intercepts > 0.5g/t Au**

Hole_Id	Easting MGAz51	Northing MGAz51	From metres	To metres	Width metres	Gold ppm
<i>AC - Metex Resources Ltd 2001 A62445</i>						
RFAC357	429937	6820538	44	45	1	0.721
RFAC358	429937	6820618	69	70	1	0.824
RFAC402	429737	6820438	37	38	1	0.849
<i>RAB - Gwalia 1989 A29728</i>						
RFR-25	429535	6821406	28	32	4	0.577
RFR-31	429575	6821511	16	20	4	2.660
			24	28	4	3.110
RFR-32	429595	6821510	12	16	4	0.873
RFR-32			16	20	4	0.920
RFR-35	429515	6821614	0	4	4	0.797
RFR-37	429491	6821684	0	4	4	1.120
			4	8	4	3.540
			12	16	4	0.501
RFR-44	429475	6821823	8	12	4	1.220
RFR-45	429496	6821823	12	16	4	1.530
			16	20	4	0.858
RFR-47	429436	6821925	0	4	4	0.751
RFR-49	429476	6821925	16	20	4	2.130
RFR-50	429496	6821926	12	16	4	0.686
			16	20	4	1.910
RFR-51	429416	6822031	8	12	4	0.977
RFR-52	429391	6822044	8	12	4	0.923
			12	16	4	0.753
RFR-53	429409	6822054	8	12	4	1.640
			16	20	4	0.683

<i>RAB - Duketon/Golconda 1987 A22722</i>						
RFR-109	429106	6822361	0	2	2	1.300
RFR-219	429125	6822351	5	6	1	1.310
RFR-220	429128	6822358	6	7	1	2.600
<i>RC - Julia Mines 1986 A18060</i>						
RN1	429469	6821820	8	10	2	1.930
			10	12	2	0.700
			20	22	2	0.750
RN2	429487	6821863	16	18	2	1.130
			22	24	2	0.700
RN3	429483	6821916	14	16	2	3.150
RN5	429404	6822044	12	14	2	0.950
			18	20	2	2.510
<i>RC - Placer Exploration Ltd 1991 A34935</i>						
RRC065	429588	6821441	10	15	5	0.658
RRC067	429531	6821543	5	10	5	0.925
RRC069	429495	6821642	5	10	5	0.735
RRC071	429537	6821643	10	15	5	0.548
			15	20	5	0.664
RRC072	429503	6821742	5	10	5	0.637
			10	15	5	0.695
RRC073	429525	6821744	15	20	5	0.978
RRC077	429222	6822180	15	20	5	0.820
RRC079	429137	6822275	0	5	5	1.540

Table 4. **Soil Geochem Results > 100ppb Au**

MGA_East	MGA_North	Au-ppb
429495	6822127	796
429532	6822165	693
429458	6822089	674
429421	6822051	632
429050	6822400	617
429465	6821683	594
429384	6822013	546
429565	6821733	497
428950	6822400	474
429200	6822200	421
429100	6822300	358
429415	6821933	313
429415	6821633	269
429480	6821678	247
429416	6821902	226
429700	6821051	210
429415	6821883	201
429515	6821733	200
429100	6822350	187
429465	6821833	181
429465	6821583	171
429565	6821583	167
429150	6822250	164
429315	6821983	163

429365	6821983	149
429415	6821733	143
429525	6821586	129
429451	6821937	122
429465	6821933	118
429100	6822400	115
429491	6821419	107
429415	6821983	106

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

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.

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"> 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 RAB sampling, 1m completed by Duketon (A22722) For RAB sampling, 4m composites completed by Gwalia (A29728) For AC sampling, 4m composites and 1m splits completed by Metex (A62445, A72419) For RC sampling, 2m composites completed by Julia Mines (A18060) and 5m composites completed by Placer (A34935) All the reported drilling is historical and their relevant sampling procedures, QAQC and analytical methods etc. are refer to in the original WAMEX reports (references in the main text of ASX release of 7 November 2018).
Drilling techniques	<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"> Rotary air blast (RAB) drilling with a blade bit. Reverse Circulation (RC) drilling was carried out using a face sampling hammer with a nominal diameter of 140mm. Aircore (AC) drilling.
Drill sample recovery	<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 	<ul style="list-style-type: none"> RAB, RC & AC sample recoveries refer to the original reports (references in the main text of ASX release of 7 November 2018).

Criteria	JORC Code explanation	Commentary
	<i>preferential loss/gain of fine/coarse material.</i>	
Logging	<ul style="list-style-type: none"> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> Where available 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. Refer to the original reports (references in the main text of ASX release of 7 November 2018).
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Refer to the original reports (references in the main text of ASX release of 7 November 2018).
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> Refer to the original reports (references in the main text of ASX release of 7 November 2018).
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> 	<ul style="list-style-type: none"> No independent verification of drill intersections has yet been carried out. Twin holes are planned to be drilled. Primary data is stored in both physical and electronic format. Assay data has not been adjusted.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	
Location of data points	<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"> Drillholes were located from historical maps and locations confirmed by field inspection. Grid system: MGAz51 GDA94. Topographic control using regional DEM data.
Data spacing and distribution	<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"> RAB, RC and AC drilling was carried out at various spacing. RAB drilling 1m samples were composited into 4m composite samples for assay. RC drilling was carried out and 1m samples were composited into 2m and 5m composite samples for assay AC drilling was carried out and 1m samples were composited into 4m composite samples for assay.
Orientation of data in relation to geological structure	<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 HN9 historical geological mapping and the trends of old gold diggings indicate a general NNW to SSE trend to the geological structures. The historical drilling was carried out orthogonal to this trend.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> The measures taken to ensure the historical drilling sample security are not known.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits or reviews of the sampling techniques and data from historical drilling have been carried out.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<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 	<ul style="list-style-type: none"> The HN9 target area is situated on exploration Licence E38/3127 held 100% by Magnetic Resources NL. M38/1041 is owned 100% by Messrs Flesser and Hanna and subject to an option to purchase as described in this release. Both E38/3127 and M38/1041 are granted tenements with no known impediments to obtaining a licence to

Criteria	JORC Code explanation	Commentary
	<i>operate in the area.</i>	operate.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> The HN9 area has been subject to historical exploration as described in ASX release of 7 November 2018.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Two mineralization styles have been observed; quartz veining and stockworking in the porphyries and shear-hosted quartz veins on porphyry-amphibolite contacts.
<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 table in the text of ASX release of 7 November 2018.
<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"> The relationships between mineralization widths and intercept lengths at HN9 remain to be clarified.
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be</i> 	<ul style="list-style-type: none"> Refer to text.

Criteria	JORC Code explanation	Commentary
	<i>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>	
<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 0.5g/t Au intersections from the RAB, RC and AC drilling have been reported in ASX release of 7 November 2018.
<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"> Soil geochemistry has previously been reported in ASX release of 15 October 2018 release and are shown in a map in this release.
<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"> Infill soil geochemistry (441 samples) completed at HN9. 501 further soil geochemical samples planned, 17 RC drillholes (660m) is planned as outlined in this release. A map of the proposed drilling is shown in this release.