

ASX code: MAU

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HN9 PROSPECTIVE ZONE ENLARGED BY 170% WITH LADY JULIE TENEMENTS.

Magnetic Resources NL is pleased to announce that it expanded its prospective land holding directly east of HN9, following an option to purchase 7.1sg.km of tenements at the Lady Julie Project. The prospective land position at HN9 has increased from 4.2 sq.km to 11.4 sq.km. The new tenements comprise 7 granted prospecting licenses P38/4346, P38/4379 to P38/4384 and covers 3 separate NS gold mineralised shear zones totaling 6 km in strike length, which are only 1km, 1.5km and 2.5km east of the main 3.1km boomerang shaped trending strongly mineralised HN9 Project shown in Fig. 1.

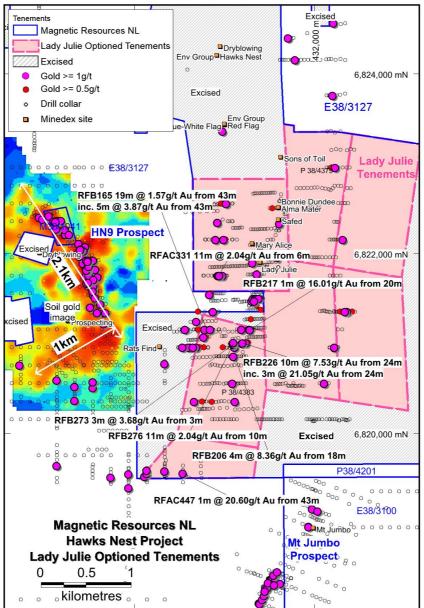


Figure 1 Optioned Lady Julie tenements and adjacent HN9 Project showing significant intersections.

The area covering the Lady Julie and HN9 is well endowed and is a focus of gold mineralisation over 11.4 sq.km and has potential for a mining centre after more drilling is completed (Figures 1 and 2). These 3 shears trending NS through Lady Julie are strongly mineralised with some excellent very high-grade and some thicker shallow intersections including:

RFB226 10m @ 7.53g/t Au from 24m including. 3m @ 21.05g/t Au from 24m. RFB206 4m @ 8.36g/t Au from 18m. RFAC447 1m @ 20.60g/t Au from 43m. RFB217 1m @ 16.01g/t Au from 20m. RFB165 19m @ 1.57g/t Au from 43m including. 5m @ 3.87g/t Au from 43m. RFB276 11m @ 2.04g/t Au from 10m. RFAC331 11m @ 2.04g/t Au from 6m. RFB273 3m @ 3.68g/t Au from 3m.

Some of these intersections are not closed off at depth or along strike and will be investigated initially with some deeper and extension drilling both to the N and S to ascertain the strike extent. Several of these mineralised zones are like HN9 and occur within altered porphyry and altered porphyry and mafic contacts and in some case with sediment zones. The Lady Julie tenements are strongly mineralised with 140 gold intercepts greater than 0.5g/t, which includes 70 greater than 1g/t, 37 greater than 2g/t, 27 greater than 3 g/t and 19 greater than 4 g/t (Table 1).

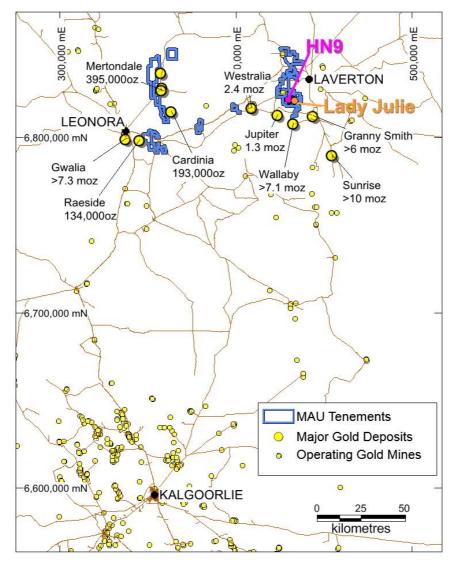


Figure 2 Location map of Optioned Lady Julie tenements adjacent to HN9 project at Laverton, WA.

The western half of the Lady Julie Project is typified by shallow dipping and sub horizontal mineralised zones and is proximal to the contact of mafic and intruding porphyry. Drilling has concluded that there was a likely presence of tight recumbent parasitic folds, with resultant low angle ductile shearing and mineralisation in mafic rocks proximal to porphyry margins. The style of mineralisation on the eastern part of the Lady Julie Project is hosted within a north-south striking sequence of sheared and intensely weathered ultramafic, felsic volcanics and fine to medium grained thollites. Quartz feldspar and feldspar tuffaceous volcanics appear to be the major component with strong goethite alteration often associated with intrusive porphyry contacts.

Hole_Id	Easting	Northing	From	То	Width	Gold
noio_iu	MGAz51	MGAz51	metres	metres	metres	ppm
RFAC117	432230	6822958	66	67	1	1.91
RFAC123	432316	6822158	43	44	1	1.49
RFAC323	430564	6821158	68	69	1	1.74
RFAC331	430934	6821758	6	8	2	4.79
RFAC331	430933	6821758	9	10	1	2.69
RFAC331	430930	6821758	16	17	1	7.42
RFAC340	430904	6822158	27	28	1	8.79
RFAC369	430876	6821358	23	24	1	3.69
RFAC380	430836	6821548	44	45	1	1.35
RFAC382	431019	6822558	37	38	1	1.38
RFAC422	430113	6819524	62	63	1	2.35
RFAC423	430138	6819554	60	61	1	1.53
RFAC423	430138	6819555	63	64	1	4.43
RFAC424	430138	6819593	48	50	2	1.10
RFAC434	430338	6819585	53	54	1	1.14
RFAC447	430538	6819560	43	44	1	20.60
RFB119	432362	6821358	10	12	2	2.60
RFB120	432347	6821358	1	3	2	1.54
RFB120	432340	6821358	15	17	2	1.05
RFB120	432339	6821358	18	19	1	3.79
RFB141	431088	6820558	19	21	2	3.24
RFB165	430779	6821158	43	50	7	3.16
RFB172	430689	6820958	27	28	1	3.38
RFB174	430625	6820958	45	46	1	2.28
RFB175	430600	6820958	35	36	1	1.39
RFB175	430598	6820958	39	40	1	1.06
RFB177	430534	6820958	37	38	1	1.31
RFB181	430925	6822348	45	46	1	1.25
RFB206	431103	6820858	18	22	4	8.36
RFB214	431191	6821158	44	45	1	3.13
RFB217	431278	6821158	20	21	1	16.09
RFB217	431276	6821158	23	24	1	2.87
RFB220	431285	6821156	28	29	1	1.55
RFB222	431238	6821010	30	31	1	1.27
RFB223	431203	6821007	30	31	1	1.01
RFB226	431104	6821003	6	8	2	1.87
RFB226	431095	6821003	24	28	4	16.35
RFB226	431092	6821003	31	32	1	6.50
RFB240	431116	6820357	43	44	1	3.97
RFB253	430666	6820359	53	54	1	12.56

Table 1. Lady Julie Historical Significant Drilling Intercepts (> 1g/t)

RFB271	431113	6820958	20	22	2	3.95
RFB271	431102	6820958	44	45	1	1.11
RFB272	431103	6820993	2	5	3	3.02
RFB273	431098	6820993	1	4	3	3.68
RFB276	431100	6820998	10	13	3	2.23
RFB276	431100	6820998	14	21	7	2.18
RFB279	431103	6820998	1	5	4	1.68
RFB286	431103	6821013	1	2	1	1.00
RFR224	431588	6821961	57	60	3	6.01
RFR237	431609	6822336	38	40	2	1.40
RFR451	431310	6821897	0	5	5	1.06
RFR474	431314	6821499	33	34	1	25.40
RFR475	431340	6821500	19	20	1	1.99
RFR476	431359	6821501	21	22	1	2.54
RFR477	431379	6821502	20	22	2	2.38
RFR494	430768	6821073	7	8	1	1.06
RFR564	430688	6821246	30	35	5	1.84
RFR639	431359	6821775	35	40	5	1.37
RFRC022	430841	6821158	63	64	1	1.27
RFRC025	430653	6820959	40	41	1	2.30
RFRC025	430650	6820959	46	47	1	1.18
RFRC025	430648	6820959	48	50	2	1.50
RFRC027	430981	6821758	74	75	1	1.43
RFRC028	430992	6822158	31	32	1	1.64
RFRC028	430969	6822158	77	79	2	1.09
RFRC029	430943	6821758	17	21	4	2.02
RFRC029	430942	6821758	22	23	1	1.28
RFRC042	432224	6820958	77	78	1	1.07
RFRC045	432110	6820558	96	97	1	1.29
RRC060	431332	6821473	10	15	5	1.42

References:

Combined Annual Technical Report Period 01/02/1999 to 31/01/2000 Laverton Project, Metex Resources NL, July 2000 (open file report a60731).

Combined Annual Technical Report Period 1 February 2000 to 31 January 2001. Laverton Project, Metex Resources NL, May 2001 (open file report a62445).

Combined Annual Technical Report, Laverton Project, Metex Resources NL, July 2002 (open file report a65027).

Both detailed ground magnetics and soil geochemical surveys will be carried out over the Lady Julie tenements followed up with shallow RC drilling to test for anomalous zones outlined and to also test the numerous high-grade historical intersections already defined.

Under the terms of the Lady Julie option agreement Magnetic will pay a \$20,000 fee for an option till 17 March 2020, during which time it may purchase a 100% interest in the tenements for a consideration of \$50,000 and 300,000 fully paid shares in Magnetic.

Managing director George Sakalidis commented, "The Lady Julie optioned tenements provides Magnetic with tremendous scope and a cost-effective opportunity to test for additions to the emerging HN9 Project with an enlarged very prospective area of 11.4 sq.km. The Lady Julie tenements have strongly mineralized shears with some excellent shallow high-grade intersections including 3m at 21g/t from 24m, 4m at 8.4g/t from 18m to name a few and some thicker shallow intersections including 11m at 2g/t from both 6m and from10m and 19m at 1.6g/t from 43m. All these shallow intersections and

numerous others will be followed up initially to test for both shallow down dip and strike extensions with shallow RC drilling along the 3 mineralised shear zones totaling 6km in length."

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

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The information in this report is based on information compiled by George Sakalidis BSc (Hons), who is a member of the Australasian Institute of Mining and Metallurgy. George Sakalidis is a Director of Magnetic Resources NL. George Sakalidis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. George Sakalidis consents to the inclusion of this information in the form and context in which it appears in this report.

The Information in this report that relates to:

- 1. Promising 200m wide 0.7g/t soil geochemistry associated with extensive 1km long NS porphyries at newly named Hawks Nest 9. MAU ASX Release 15 October 2018.
- 2. 1.1km NNW Mineralised Gold Intersections at HN9. MAU ASX Release 7 November 2018.
- 3. Surface drilled Mineralisation extends to significant 1.5km at HN9. MAU Release 20 November 2018.
- 4. Hawks Nest Delivers with 8m@4.2g/t Gold from 4m05/03/2018 MAU Release 29 January 2018.
- 5. Robust Near Surface High-grade Zone of 7m @ 4.5g/t Gold from 5m from 1m splits. MAU Release 5 March 2018.
- 6. Hawks Nest Geochemical Survey Outlines Potential Extensions to the Prospective 7m @ 4.5g/t Gold Intersected. MAU Release 20 March 2018.
- 7. An 865m RC drilling programme started testing promising 7m at 4.5g/t gold and eight separate anomalous soil geochemical targets at HN5. MAU Release 10 May 2018.
- 8. Large Gold Mineralised Shear Zone Greater Than 250m at Hawks Nest 5. MAU Release 9 June 2018.
- 9. Gold Geochemical Target Zone Grows to Significant 2km in Length at HN9. MAU Release 7 January 2019.
- 10. Significant 2km Gold Target is open to the East on 83% of the 24 Lines Drilled at HN9. MAU Release 4 February 2019.
- 11. Significant 2.1km Gold Target Still open to North, South, East and at Depth. MAU Release 25 March 2019.
- 12. Gold Target Enlarged by 47% to Significant 3.1km and is Still Open to The North, East And at Depth. MAU release 22 May 2019.

All of which are available on <u>www.magres.com.au</u>

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	 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. 	 At the Lady Julie Project for RAB sampling, 4m composites and 1m splits completed by Metex (A60731, A62445, A65027, A66477) At the Lady Julie Project for AC sampling, 4m composites and 1m splits completed by Metex (A62445) At the Lady Julie Project for RC sampling, 4m composites and 1m splits completed by Metex (A62445) At the Lady Julie Project for Diamond, 1m samples completed by Metex (A65027) At the Lady Julie Project for Diamond, 1m samples completed by Metex (A65027) At the Lady Julie Project for Diamond, 1m samples completed by Metex (A65027) At HN9 for RAB sampling, 1m completed by Duketon (A22722) AT HN9 for RAB sampling, 4m composites completed by Gwalia (A29728) At HN9 for RC sampling, 4m composites and 1m splits completed by Metex (A62445, A72419) At HN9 for RC sampling, 2m composites completed by Julia Mines (A18060) and 5m composites completed by Placer (A34935) All the reported historical drilling and their relevant sampling procedures, QAQC and analytical methods etc. are referred to in the original WAMEX reports reported in the main text of this ASX release for the Lady Julie tenements and for the HNP project (ASX release of 7 November 2018). The targets at HN9 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 Magnetics' protocols as per industry sound practice. RC drilling was used to obtain bulk 1 metre samples from which composite samplies ware prepared by spear sampling of the bulk 1m samples. 3kg of the composite of fire assay for gold. The assay results of the

method.

composite samples is used to determine which 1m samples from the rig's cyclone and splitter are selected for fire assay using the same

Criteria	JORC Code explanation	Commentary
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). 	 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	 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 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. 	 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. All drill holes 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. 	 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	 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 	 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

Criteria	JORC Code explanation	Commentary
	 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. 	
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. 	 No independent verification of drill intersections has yet been carried out. Twin holes are planned to be 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 out
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. 	 Drill collars located by hand- held GPS with an accuracy of +/- 5m. Grid system: MGAz51 GDA94. Topographic control using regional DEM data.
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. 	 RC drilling was carried out at HN9 prospect. 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
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. 	 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	• The measures taken to ensure sample security.	• Samples were stored in the field prior to dispatch to Perth using a commercial freight company.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	 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	 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. 	 The Lady Julie targets is situated on The HN9 target area is situated on Prospecting Licenses P38/4346, P38/4379 to P38/4384 and are subject to an option to purchase as described in this release. The HN9 targets are 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 with a \$10,000 option fee and a \$20,000 and 200,000 Magnetic Shares as a purchase fee before one year has elapsed. E38/3127, M38/1041 and P38/4346, P38/4379 to P38/4384 are granted tenements with no known impediments to obtaining a licence to operate. 		
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	 The HN9 and Lady Julie areas have been subject to historical exploration refer to text 		
Geology	• Deposit type, geological setting and style of mineralisation.	 HN9 Two mineralization styles have been observed; quartz veining and stockworking in the porphyries and shear-hosted quartz veins on porphyry-amphibolite contacts. 		
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. 	Refer to table in the text of this release.		

Criteria	JORC Code explanation	Commentary
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. 	 No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses.
	• 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.	
Relationship between mineralisatio n 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. 	 The relationships between mineralization widths and intercept lengths at HN9 and Lady Julie remain to be clarified.
	 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'). 	
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.	 Plus 0.5g/t Au intersections from the historical drilling have been reported in this release.
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. 	• Not applicable.

Criteria	JORC Code explanation	Commentary		
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	 Infill soil geochemistry, ground magnetics and drilling is being currently planned yet not finalized and subject to historical review of Lady Julie Project. 		
	• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.			