

## QUARTERLY REPORT for the Quarter Ended 30 June 2019

**Magnetic Resources NL**  
ABN 34 121 370 232

**ASX Codes:** MAU and MAUCA

Level 1  
44A Kings Park Road,  
West Perth, WA 6005

T +61 8 9226 1777  
F +61 8 9321 6571

PO Box 1388  
West Perth WA 6872

**Issued Capital:**  
**Shares - Quoted:**

202,026,870 ordinary shares.  
20,418,862 partly paid shares  
(\$0.20 unpaid).

**Options – Unquoted**

- 2,986,667 options  
exercisable at \$0.138 on or  
by 11 October 2020

- 3,000,000 options  
exercisable at \$0.377 on or  
by 31 December 2021

- 3,000,000 options  
exercisable at \$0.218 on or  
by 31 December 2021

**Cash:** \$4.7m

**Directors:**

**George Sakalidis**  
Managing Director

**Eric Lim**  
Non-Executive Chairman

**Julien Sanderson**  
Non-Executive Director

**Company Secretary**  
Ben Donovan

## HIGHLIGHTS

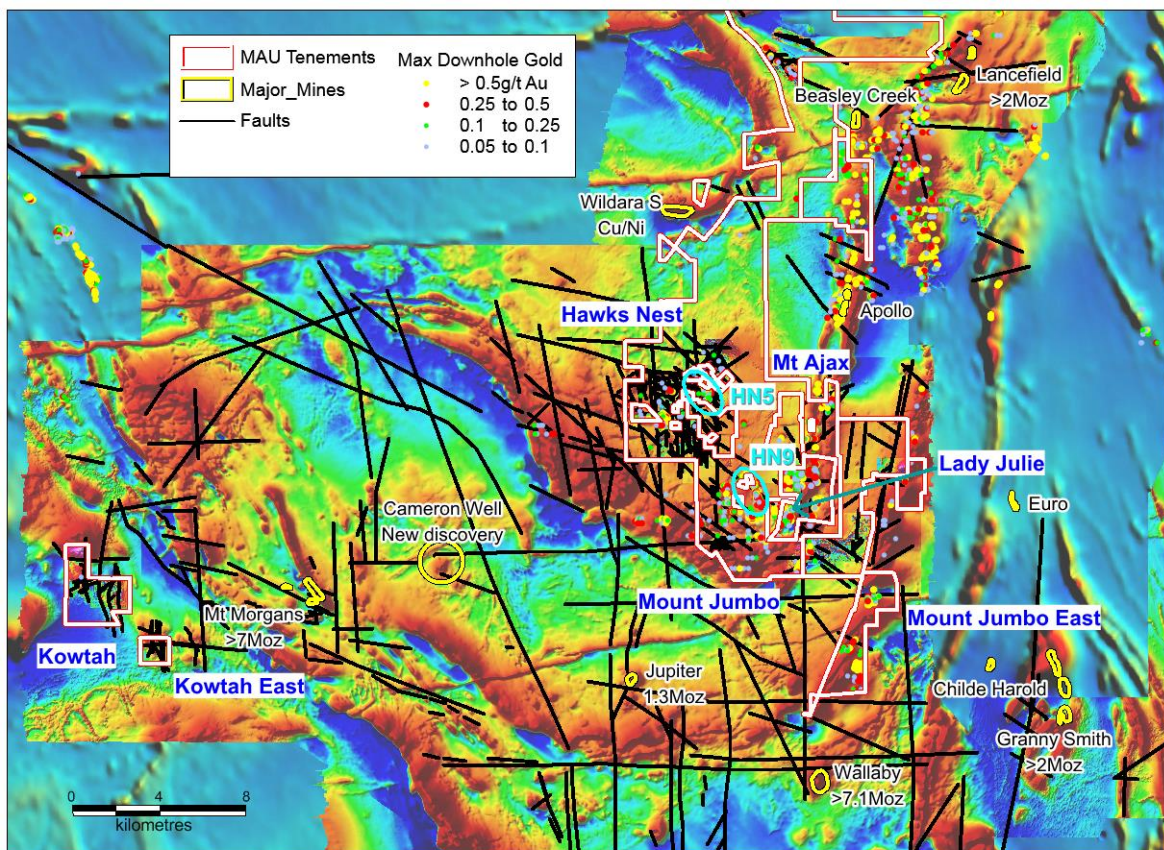
- 2.1km gold target has been confirmed by drilling with many new shallow intersections all within the first 50m of surface that are open to the N, S and down dip. There are 148 intersections greater than 0.5g/t Au, which includes 93 greater than 1g/t Au, 33 greater than 2g/t Au, 20 greater than 3g/t Au and 16 greater than 4g/t Au. An extensive 76 RC holes programme totaling 3605 m is planned initially starting in July to follow up these promising results.
- This highly prospective HN9 and adjacent Lady Julie centre cover an 11.4 sq.km area and contain in aggregate at least 8kms of gold rich shear zones, which are 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.
- At Lady Julie there are 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). An 18 RC drill hole programme totalling 1050m is planned initially for the September quarter following up shallow and down dip gold intersections
- At Mt Jumbo East the No Name Prospect is gaining significance with a 600m zone containing 15 shallow intersections greater than 1g/t Au, which is only 5km north of the 7Moz Wallaby Deposit. A 5-hole 454m RC programme planned is mainly designed to test for a mineralised core zone beneath the shallow intersections.
- At the Homeward Bound and Birthday Patch Projects an extensive geochemical programme of 302 and 759 samples respectively have been completed and gold assay results are awaited.

## Laverton Area

Magnetic Resources NL has 207km<sup>2</sup> in the Laverton region comprising E38/3127 Hawks Nest, E37/3100 & P38/4201 Mt Jumbo, E38/3205 Hawks Nest East, E38/3209 Mt Ajax and P38/4317–24 Mt Jumbo East and P38/4346, P38/4379 to P38/4384 Lady Julie (Figure 1). Table 1 shows the exploration completed to date and proposed exploration.

**Table 1. Summary of work completed and proposed in the Laverton Region**

Tenement	Surface sampling completed	Drilling & ground magnetics completed	Proposed exploration
Hawks Nest E38/3127 M38/1041(Optional)	4099 soils 121 rock chips	164 RAB holes for 1814m 380 RC for 17475m 2 AC holes for 66m 507km ground magnetics	HN9 – 79 RC holes for 3605m WoF - 28 RAB holes for 1400m
Mt Ajax E38/3209	3 rock chips		
Mt Jumbo E38/3100	67 lags 7 rock chips	2 RC holes for 336m 2 DDH for 465m 143km ground magnetics	
Mt Jumbo East P38/4317–24	19 rock chips 131 lags	17 RC holes for 1196m 229km ground magnetics	5 RC holes 450m
Kowtah P39/5594–97, 5617	1 rock chip	186km ground magnetics	RAB drilling planned

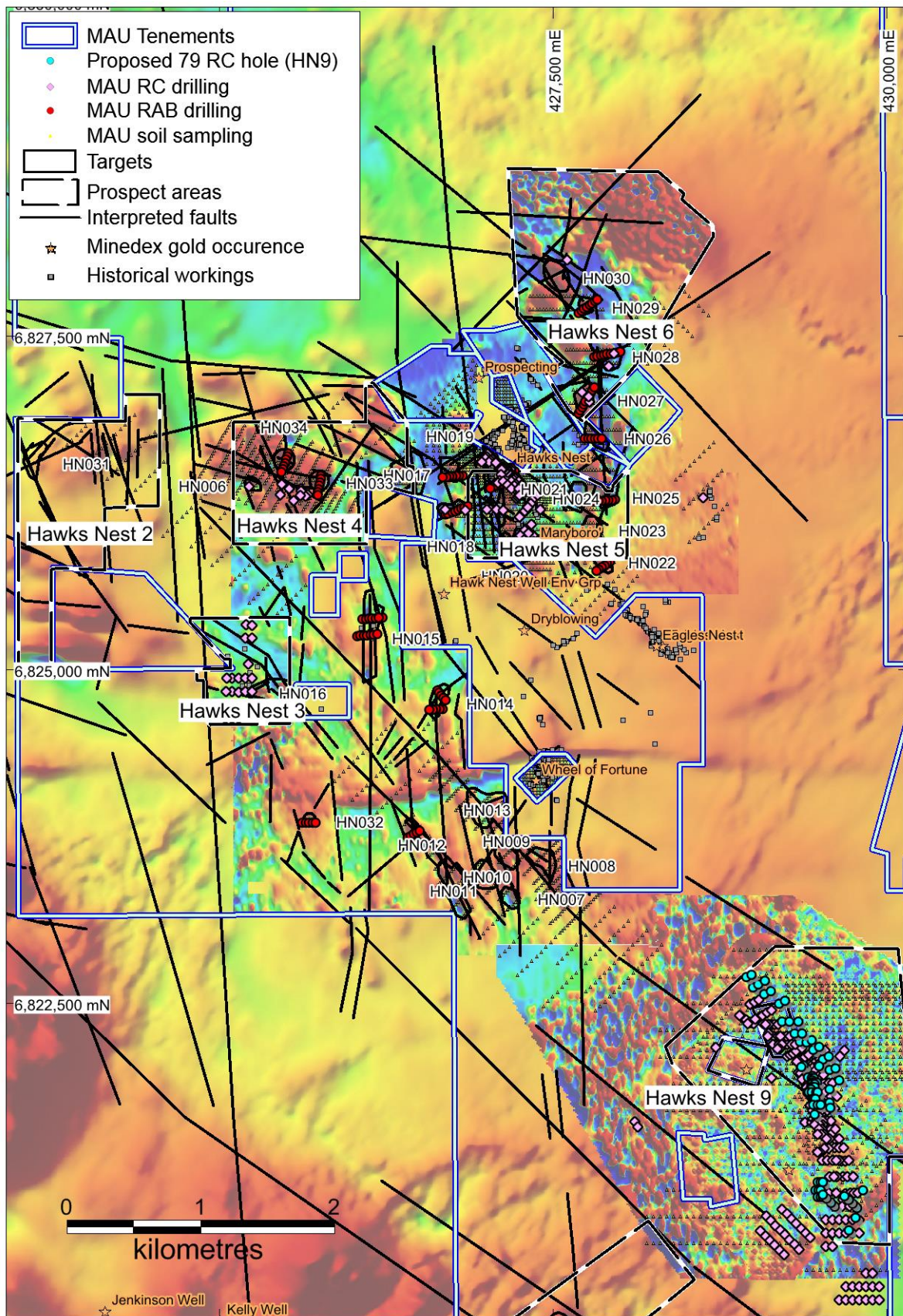


**Figure 1. Hawks Nest, Hawks Nest East, Mt Ajax, Mt Jumbo, Mt Jumbo East, Lady Julie and Kowtah projects, showing major shear zones, targets and gold deposits and historic workings**

### Hawks Nest E38/3127

At Hawks Nest, approximately 15km SW of Laverton, several targets (HN2–6, HN9) have been identified as shown in Figure 2. An initial programme of soil sampling, shallow vertical RAB drilling and RC drilling showed anomalous results at the HN5, HN6 and Wheel of Fortune targets.





**Figure 2. E38/3127 Hawks Nest ground and aeromagnetic interpretation showing major NW faults and Targets HN3–6 & HN9, showing drill and soil programmes completed and proposed 79 RC holes**

Extensive RC drilling (379 holes for 17,246m) and RAB drilling (141 holes for 1,205m), and 4,089 soil samples has been completed at HN2–6 and HN9.

At Hawks Nest 9 (HN9) historical drilling results for 21 RC holes for 780m and 43 RAB holes for 1,182m have been compiled from historic reports. Magnetic Resources has completed 250 RC holes for 9,813m. A total of 1583 soil samples have been assayed over a 4.2km<sup>2</sup> area.

### **Hawks Nest 9 target**

A 3.1km boomerang-shaped gold anomaly with a maximum width of 150m with 53 values above 100ppb is open to the north, east and at depth and is currently being further investigated over a 4.5km length (Figure 3).

Within the 3.1km gold geochemical target the 2.1km gold target has been confirmed by the drilling with many new shallow intersections (Figure 3). **There are 148 intersections (ranging from 1 to 11m) greater than 0.5g/t Au, which includes 93 greater than 1g/t Au, 33 greater than 2g/t Au, 20 greater than 3g/t Au and 16 greater than 4g/t Au.** It should be noted that all the intersections are very shallow and within the first 50m of the surface.

The target is associated with quartz veins and stockworks in both sheared porphyry and porphyry–mafic contacts with potential for bulk tonnage. All mineralisation is less than 50m and the dips are 20° to 30° to the east.

A further 79-hole 3605m RC drilling programme will test shallow surface gold mineralisation associated with the surface workings and the down-dip extensions of up to 200m from the workings and drill-mineralised shears (Figure 3).

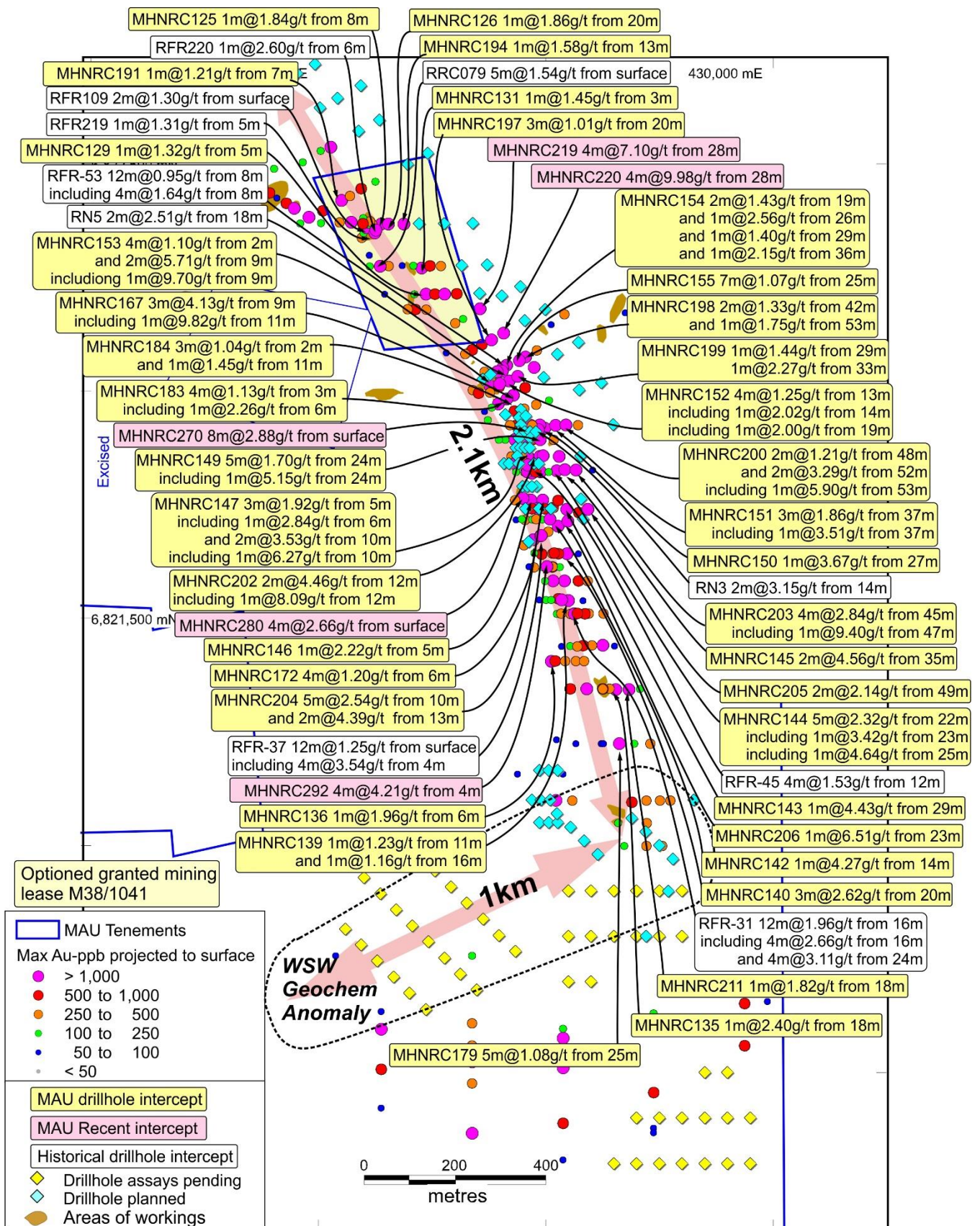
A total of 1583 soil samples have been completed. The total geochemical coverage area is 4.2km<sup>2</sup> (Figure 4).

After extensive drilling of 250 RC holes totaling 9,813m at HN9, a plus 200m-wide gold zone is emerging on the north-eastern part of HN9 which remains open down-dip and to the north (Figure 3). The best shallow grades to date have been intersected in this north-eastern zone, including 4m at 10g/t Au from 28m in MHNRC220 and 4m at 7.1g/t Au from 28m in hole MHNRC219. Nine new holes totaling 500m are planned for this zone to test for further down-dip extensions of this highly promising gold-mineralised area (Figure 3).

Also, very interesting shallow intersections of 8m at 2.9g/t Au from surface in MHNRC270 and 4m at 2.7g/t Au from surface in MHNRC280 have confirmed a very extensive surface gold zone on the western side as shown by the plethora of surface and near-surface intersections and surface workings that are present in altered porphyry and altered porphyry/mafic contacts (Figure 3). An additional 31 infill holes are planned for this area totaling 515m to further define these thicker zones (Figure 3).

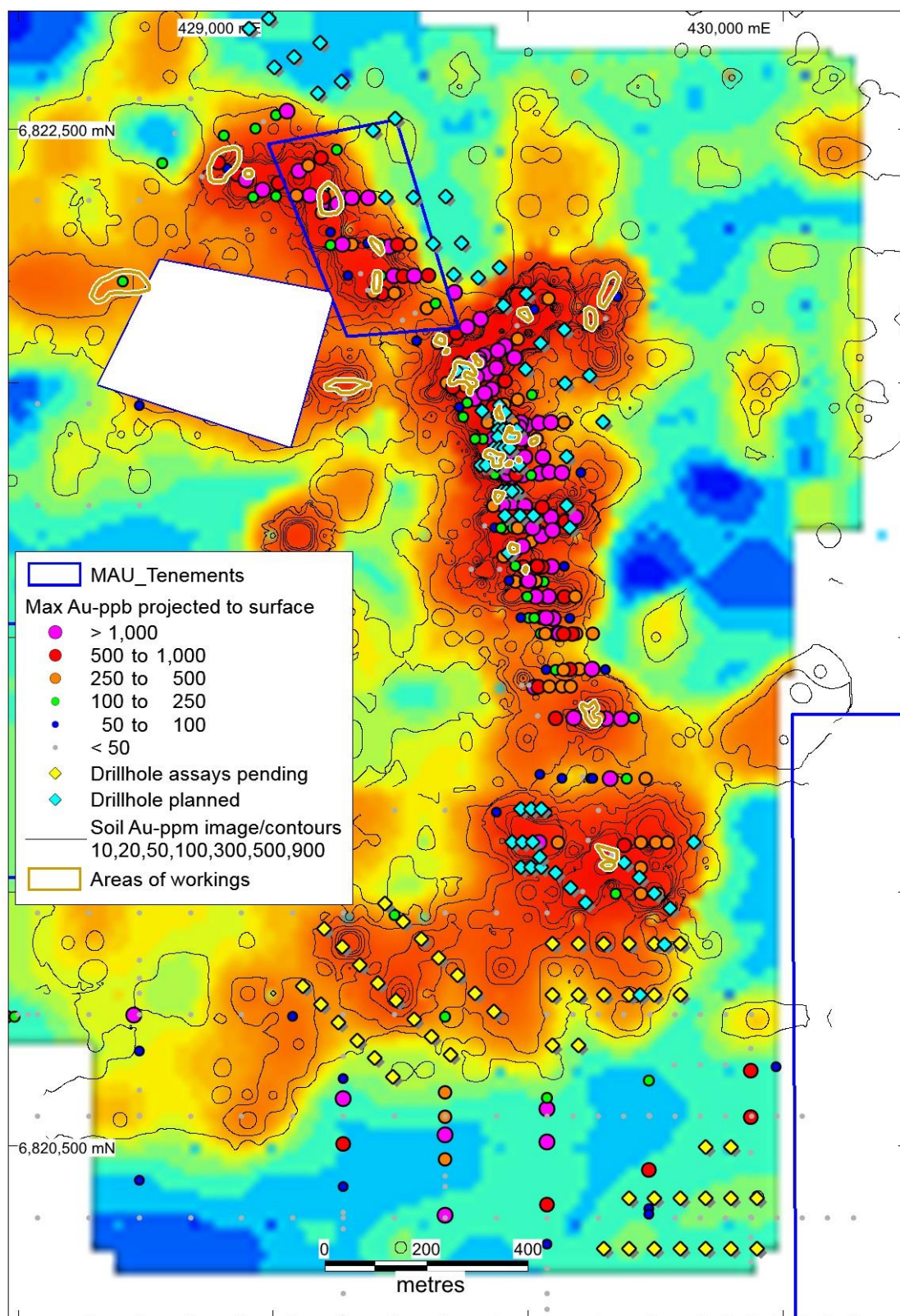
In the June 2019 quarter a total of 148 RC holes for 5227m were drilled at the HN9 target on E38/3127 and 605 soil samples assayed. A further 9 RC holes for 305m were drilled at the HN9 target on M38/1041. A busy drilling schedule is planned in the September Quarter with an initial 79 RC holes for 3605m planned in July and August.





**Figure 3. HN9 historical drilling (64 RAB/RC) and workings, MAU 250 RC drillholes (61 holes assays pending in yellow) and 79 planned RC drillholes (blue) within the 2.1km mineralised gold zone and the new 1km WSW extension defined by soil geochemistry**





**Figure 4. HN9 soil geochemical contoured image of 2.1km mineralised gold zone and new 1km WSW extension showing all drillholes with max gold and planned 79 holes and assays pending for another 61 holes**

Magnetic Resources has expanded its prospective land holding directly east of HN9, following an option to purchase 7.1sq.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. 5.

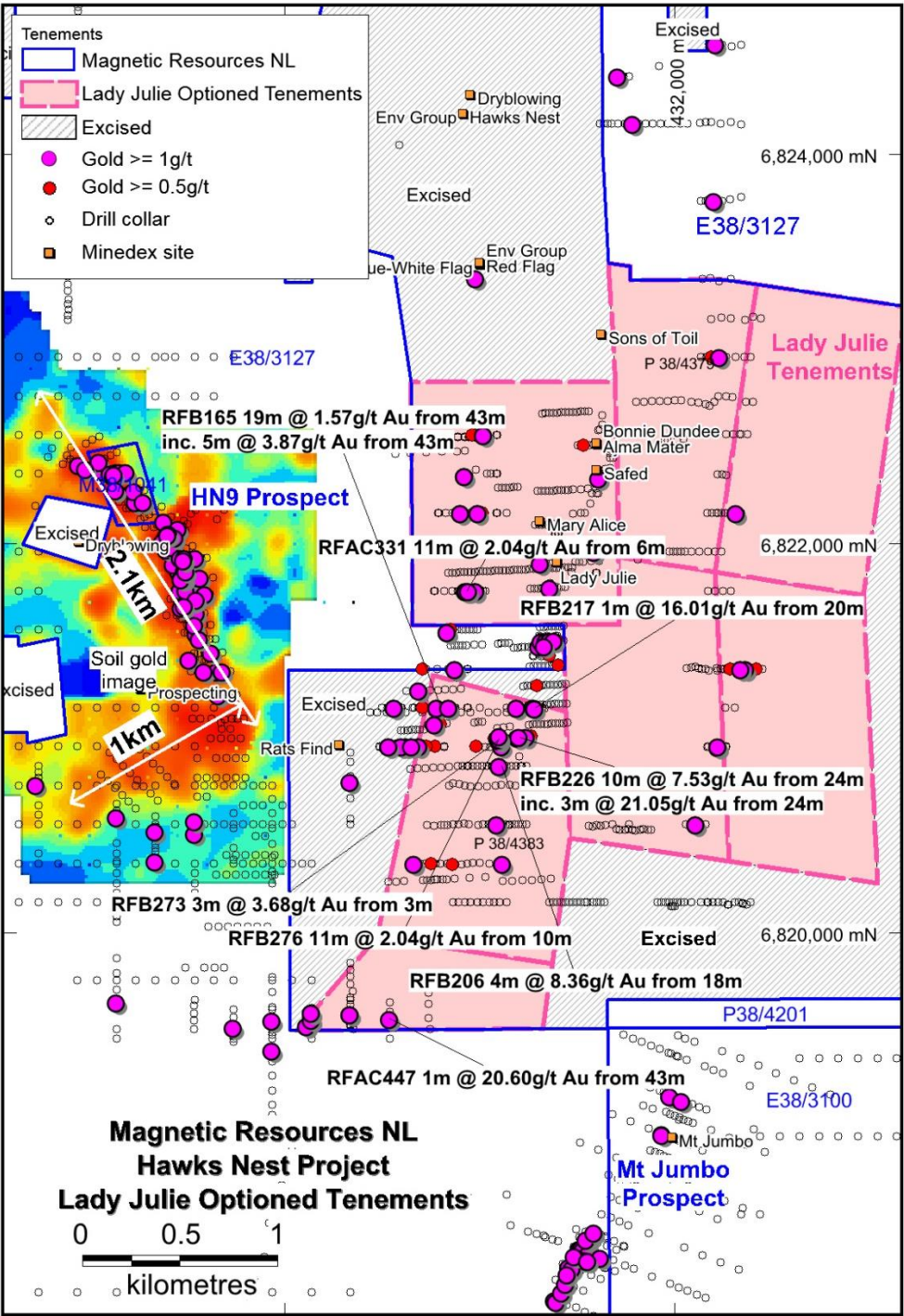


Figure 5 Optioned Lady Julie tenements and adjacent HN9 Project showing significant intersections.



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 5 and 6). 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)**. An 18 RC drill hole programme totalling 1050m is planned for the September quarter following up shallow and down dip gold intersections.

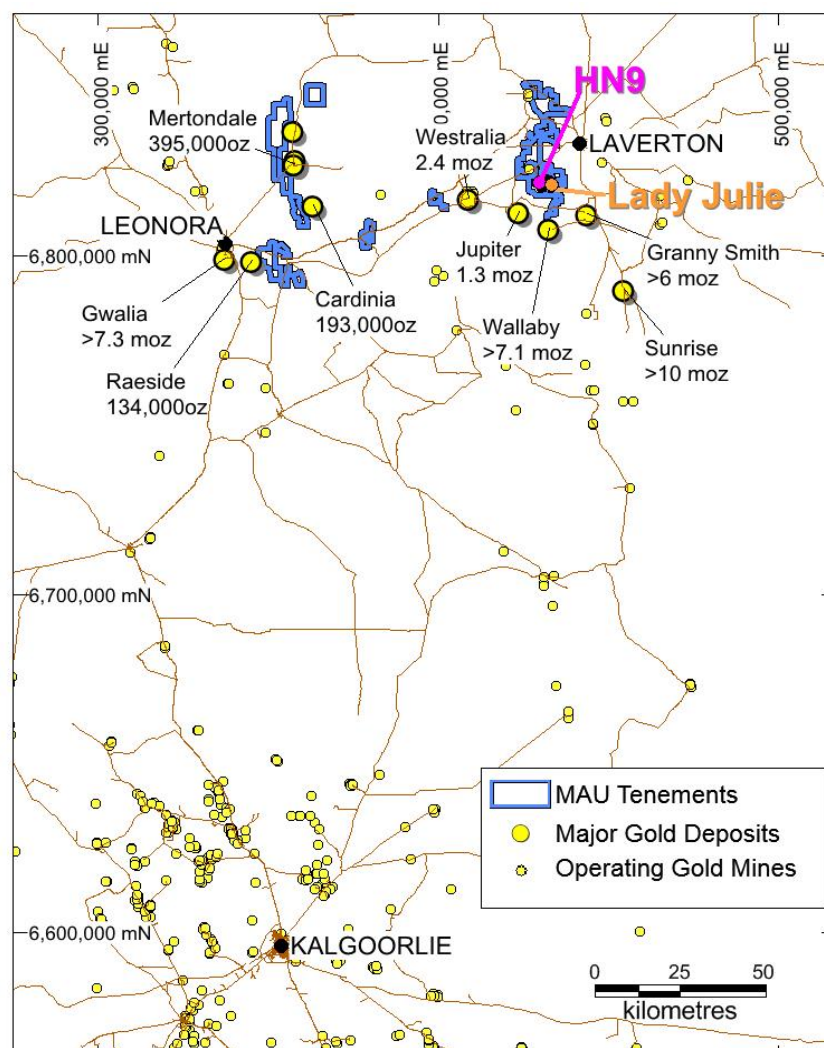


Figure 6 Location map of Optioned Lady Julie tenements adjacent to HN9 project at Laverton, WA.



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.

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

Hole_Id	Easting MGaz51	Northing MGaz51	From metres	To metres	Width metres	Gold 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
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 March 17 2019, 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 from 10m and 19m at 1.6g/t from 43m. All these shallow intersections and numerous others will be followed up initially with 18 RC drill holes totaling 1050m testing for both shallow down dip and strike extensions with shallow RC drilling along the 3 mineralised shear zones totaling 6km in length."



## Mt Jumbo East P38/4317–4324

The Mt Jumbo East area consists of approximately 11km<sup>2</sup> of new tenements with at least 3 prospects (Figure 7) within P38/4317–24.

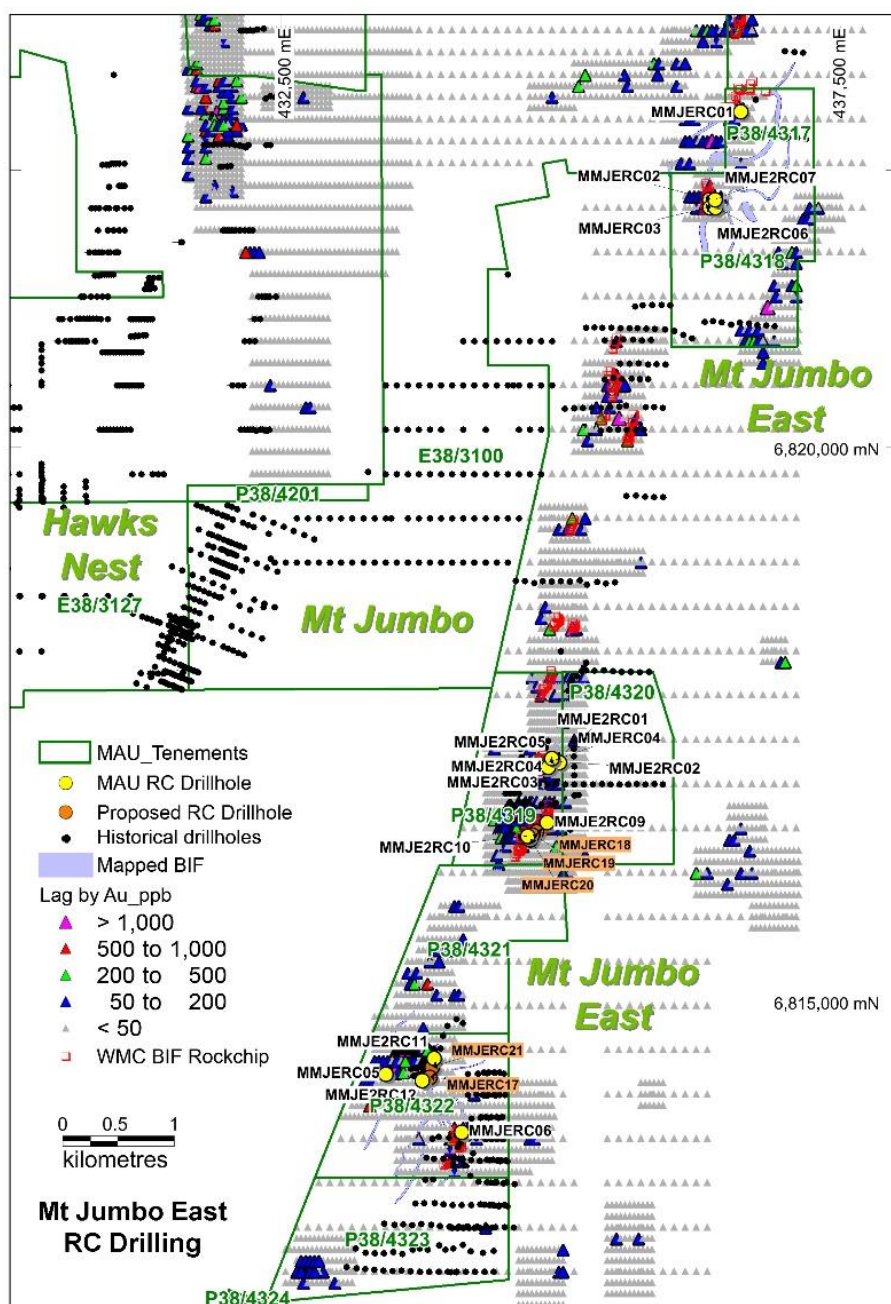


Figure 7. Mt Jumbo East (P38/4317–24) target area

The area is 5km north of Wallaby and 10km west of Granny Smith. Structurally complex BIF is disrupted by northeast faults with several interpreted intrusions. WMC suggested that northwest fault intersections of the BIF are important for gold localization.

Significant shallow historical drill intersections at the No Name prospect include 6m @ 5.8g/t Au from 10m in drill hole MJC09 in quartz-veined and sulphidic BIF.

Early results in hole MMJERC04 of 4m at 4g/t Au from 16m target an anomalous 3.6g/t Au rock chip sample and 220–320ppb Au lag geochemical samples (Figure 8).

These results were followed up with an 11 RC hole programme totalling 652m with promising results of 4m at 2.3g/t Au from 60m in hole MMJE2RC09 and 12m at 1.1g/t Au from 40m including 1m at 5.0g/t from 40m in hole MMJE2RC10 (Figure 8).

A 600m zone is showing up with significant exploration potential with 15 intersections greater than 1g/t Au.

5 RC holes for 450m depth are proposed to follow up promising gold zones already outlined by previous drilling.

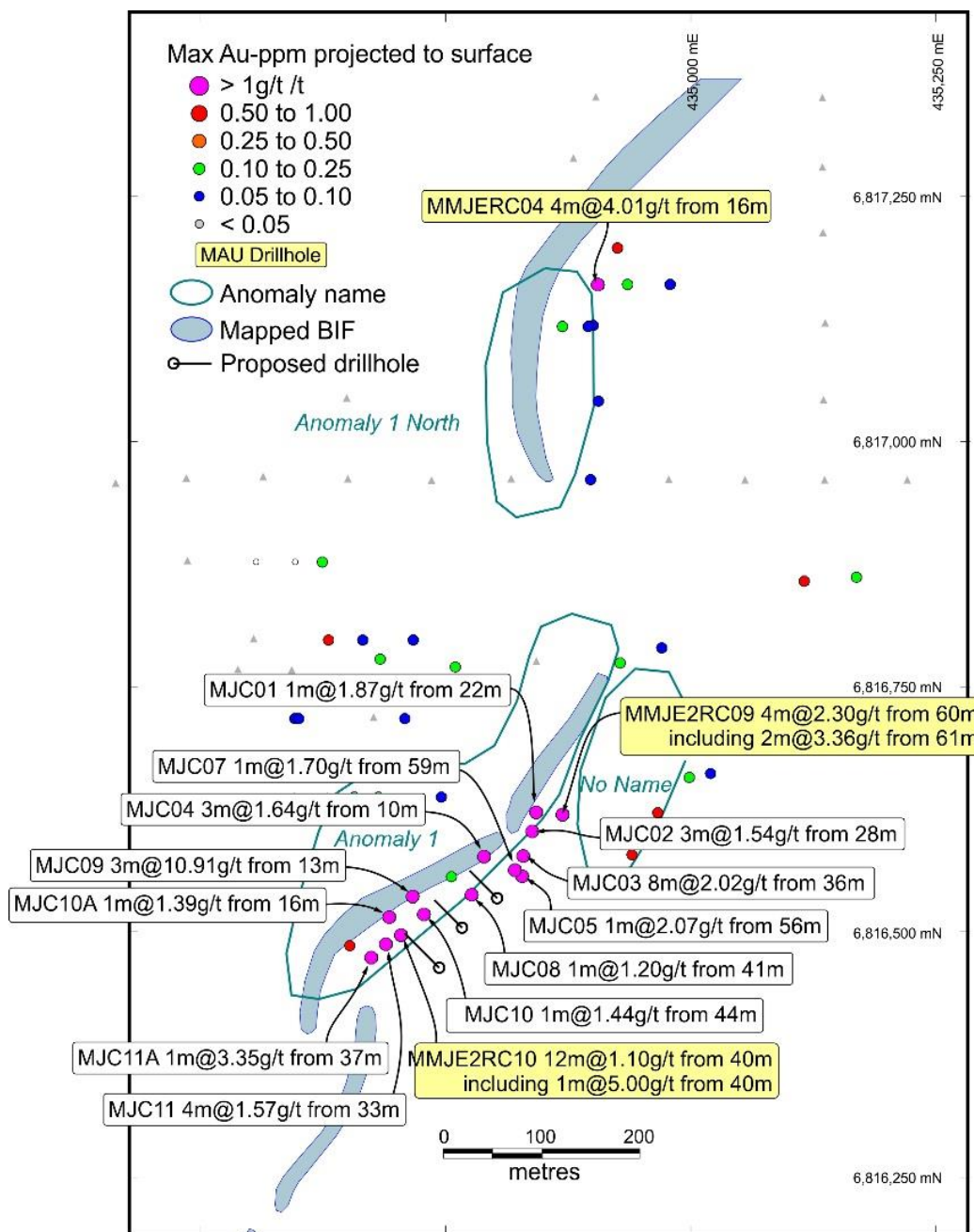


Figure 8. Mt Jumbo East (P38/4317-24) drilling results



## Leonora Area

Magnetic Resources NL has 183km<sup>2</sup> of tenure in the Mertondale Region, which includes the following granted tenements: E37/1258 Mertondale, E37/1177 Mertondale East, E37/1303 Nambi, P37/8687–94 Christmas Well, P37/8913,14,21 Trigg, P37/8905–08 Raeside East and P37/8909–12 Braiser as shown in Figure 9.

Most of the work to date (Table 2) has been at the Mertondale and Christmas Well areas, which are 20km NW of the Cardinia Gold Project (193,000oz) and only 5km west of the Mertondale Deposit (395,000oz).

The numerous targets are at changes in orientation of the Mertondale Shear and parallel shears, which were identified from interpretation of 100m-spaced detailed aeromagnetic surveys.

**Table 2. Summary of work done in the Leonora region**

Tenement	Surface sampling completed	Drilling & ground magnetics completed	Proposed exploration
Mertondale E37/1258	599 soils 493 laterites 22 costeans 72 rock chips 500t (prospectors)	899 RAB holes for 5313m 26 RC holes for 1452m 233km ground magnetics	Mini bulk testing of gold bearing ironstone.
Mertondale East E37/1177	51 rock chips 1 clay 148 laterites 144 soils		
Nambi E37/1303	1 rock chip	47km ground magnetics	Ground magnetic modelling
Christmas Well P37/8687–94	4 rock chips	492 RAB holes for 4000m 12 RC holes for 730m 25km ground magnetics	Review all drilling to date.
Raeside East P37/8905–08		85 RAB holes for 627m 26km ground magnetics	25 RC holes for 1250m
Braiser P37/8909–12		127km Ground magnetics	97 shallow RAB for 485m 25 RC holes for 1250m
Trigg P37/8913,14,21			150 shallow RAB for 745m 25 RC holes for 1250m

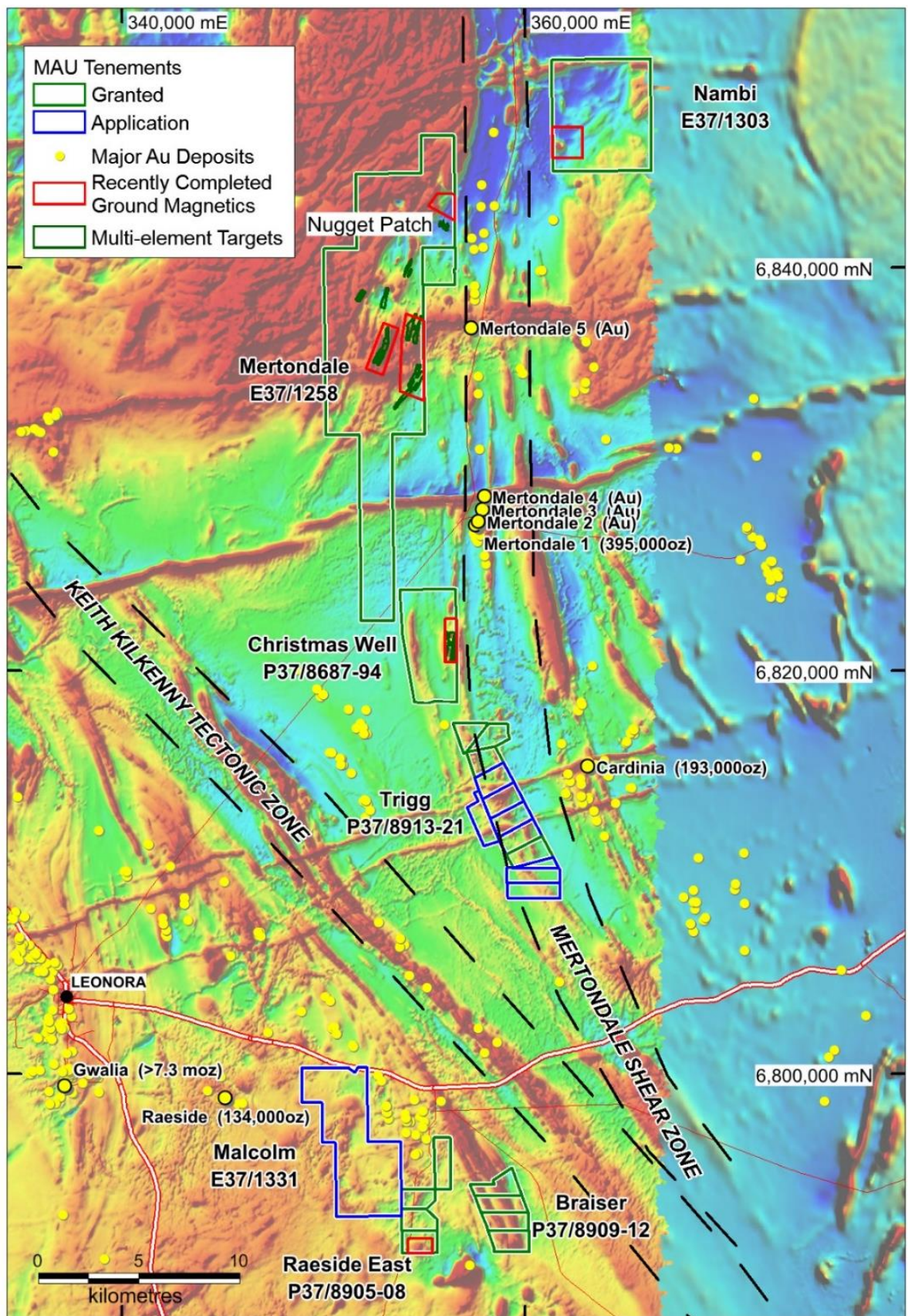


Figure 9. Mertondale, Mertondale East, Christmas Well, Trigg, Raeside, Raeside East, Braiser and Nambi Projects, showing major shear zones, targets and gold deposits and historic workings



## Mertondale E37/1258

### Mertondale Large Gold Nuggets

In late 2017 more than 70oz of large gold nuggets are estimated to have been recovered within the NE part of E37/1258 by prospectors including the local pastoralist. These nuggets are very large with the largest nugget estimated to contain over 20oz and being 10cm long by 5cm wide (Figures 10 and 11; MAU ASX Release 2 November 2017).



Figure 10. Large 21oz (670g) gold nugget recovered from Mertondale



Figure 11. Mertondale gold nuggets, including one 11oz nugget

These nuggets are reported to occur at shallow depths of 0–2m within a lateritic profile and are likely to be sourced from the underlying bedrock because of the angular nature and size of the nuggets, which have been located using hand-held metal detectors. The area where the nuggets have been found as well as surrounding areas (8km<sup>2</sup>) have now been covered with a detailed soil sampling programme (599 samples), as well as 486 laterite samples, 74 RAB drill holes and 26 shallow RC holes to approximately 60m depth each.

Magnetic signed a tribute agreement from which Magnetic will receive 15% of the gross sale value of all minerals including gold extracted, mined, produced or won from the tenement. Further dozing and detecting is expected over the existing nugget patch at Mertondale and within a new 1000m long laterite geochemical anomaly starting 300m north of the nugget patch.

A 5m x 150m north-trending secondary ironstone has been delineated by prospectors 100m east of the original nugget discovery. About 40 nugget locations have been recorded by prospectors along ironstones, with nugget sizes reported to range from 1cm to 10cm.

RC drilling intersected gold mineralization in lateritic ironstone, including 1m at 1.11g/t from 2m and 1m at 0.46g/t from surface. The density of drilling at the larger 150m-long eastern nugget zone is low as only two holes have been drilled here (Figure 12).

Three trench samples in the original gold nugget patch area have high gold results of 35.3g/t, 7.7g/t and 0.3g/t from 3 separate 1kg samples within the western wall of the pit. Further crushing of this ironstone is planned and some mini bulk testing on the exposed gold bearing ironstone ridges. This work is starting in mid-July 2019.

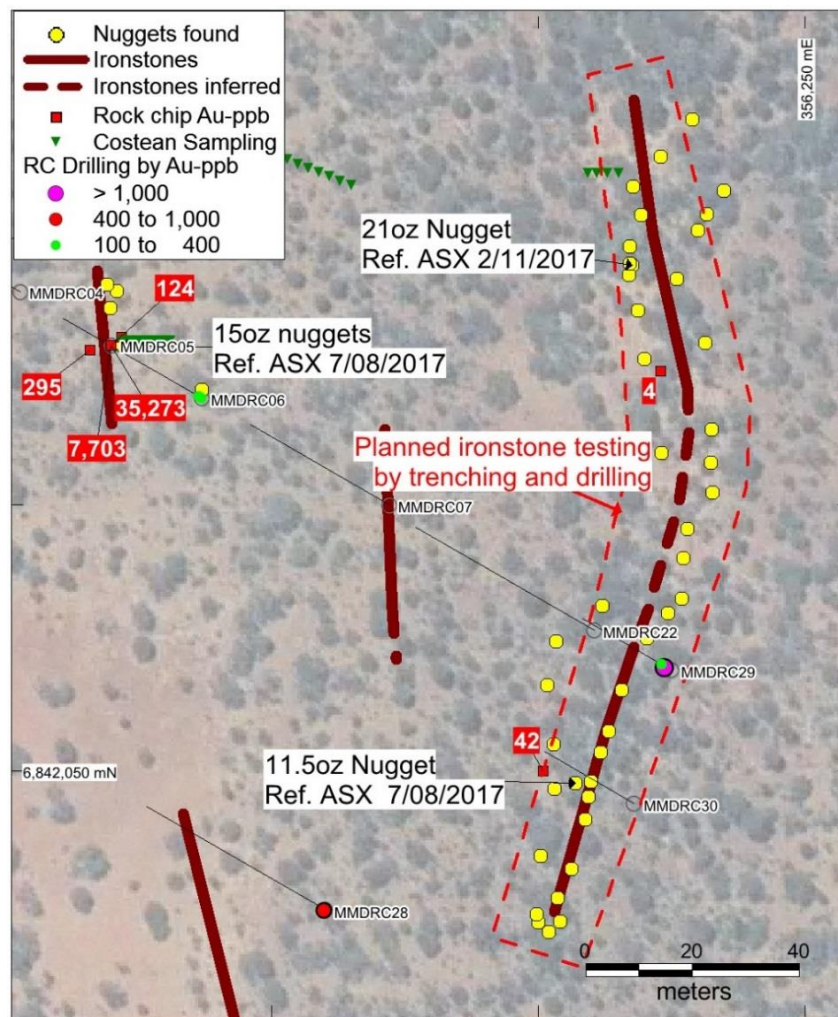


Figure 12. Mertondale Laterite gold anomalies, gold nugget trench samples and RC drilling

### Christmas Well P37/8687–8694

Ground magnetic surveys carried out at the Christmas Well project (P37/8687–8694) 10km NW of Kin Mining's Cardinia project and historical shallow RAB drilling have delineated a 1.8km



significant N–S anomalous gold zone below-hardpan with values up to 194ppb and 39.7g/t (39,730ppb) centred on the historical Triumvirate workings.

Historically, similar high grades were mined with 1500g of gold being recovered from 50t of ore extending over 110m of workings, striking SSE in a vertically dipping quartz lode hosted by meta-basalts near the contact with felsic schists. There are 5 vertical shafts with the deepest being 20m deep (GSWA WAMEX report A27915).

Initial shallow first-pass drilling and assaying of only 5 RAB holes totalling 134m testing below the Triumvirate historic workings, have successfully intersected 4m at 11.1g/t Au from 16m (4m composite) including 2m at 15.1 g/t Au from 17m (1m split) in hole MCWRB38. These 5 RAB holes are only a small part of a large drilling programme of 37 holes totalling approximately 1100m testing the 1800m of anomalous geochemistry at Christmas Well. This project is currently being reviewed.

## **Other gold projects**

### **Homeward Bound South P39/5455, P39/5928-5929, P39/5931-5934 & P37/9144**

At Homeward Bound South the 14km<sup>2</sup> of tenements comprise granted prospecting licence eight prospecting licences P39/5455, P39/5928, P39/5929, P39/5931–5934, and P37/9144 covering a 5km strike length of the Federation Shear Zone situated 40km east of Leonora (Figure 13).

Significantly, a line of old gold diggings occurs over a 500m strike length of the Federation Shear corridor. Six shallow, wide-spaced drill holes completed by Sons of Gwalia in 1988 intersected gold mineralization including 1m @ 1.0g/t from 18m in HBC42; 2m @ 1.5g/t from 14m in HBC43; 1m @ 1.2g/t from 8m, 1m @ 1.9g/t from 13m and 2m @ 1.4g/t from 18m in HBC44 and 1m @ 3.3g/t from 17m and 1m @ 1.3g/t from 19m in HBC45.

In addition, historical exploration has identified a target west of the Federation Shear at Kalata where gold mineralization occurs over a 600m strike length in a N-trending shale unit. RAB drill intercepts include 6m @ 2.6g/t Au from 32m (including 1m @ 11.4g/t Au from 32m); 3m @ 8.0g/t Au from 13m and 2m @ 2.0g/t Au from 5m, with very limited RC drilling at depth.

In the June 2019 quarter a 302-soil sampling programme has been completed mainly testing the 5km long Federation shear and parallel structures. Results are awaited.

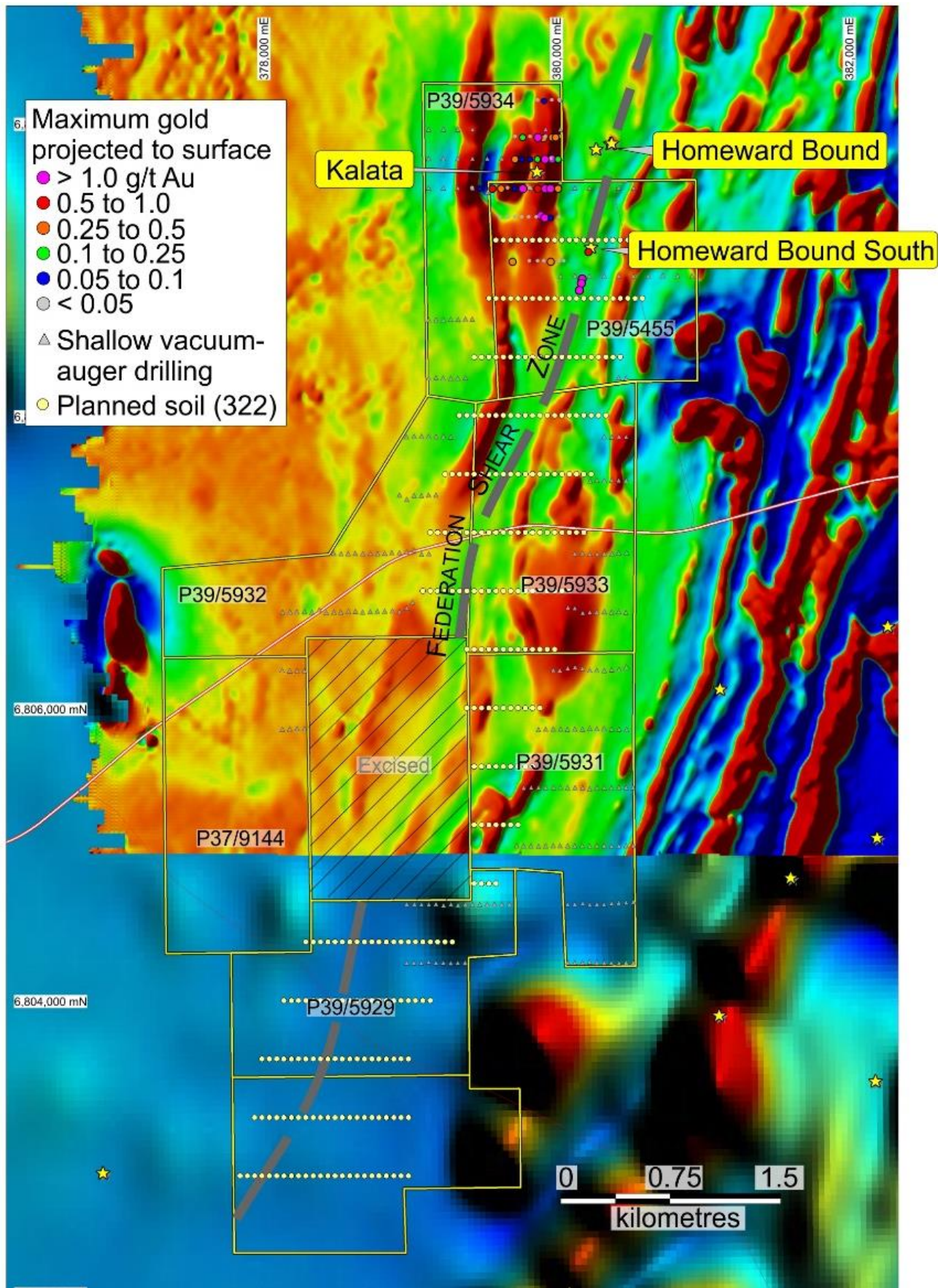


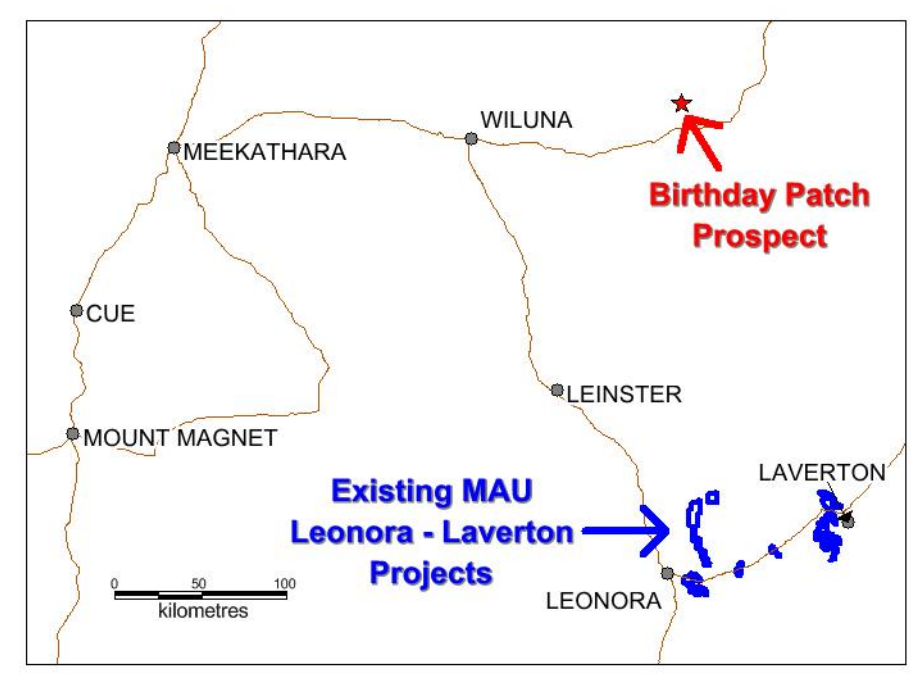
Figure 13. Homeward Bound South tenements historical drilling and soil sampling completed.

### **Birthday Patch E53/1981, E53/1978, P53/1627-1628**

In January 2018 Magnetic Resources entered into an option to purchase agreement with on the Birthday Patch prospect comprising tenements E53/1978, P53/1627 and P53/1628 totaling 37km<sup>2</sup>, situated 123km east of Wiluna and 225km north of Magnetics Leonora–Laverton Project (Figure 14).

Magnetics E53/1981 totaling 138km<sup>2</sup> surrounds the optioned tenements and covers a 9km extension of the interpreted shear zone to the north and a 6km extension to the south.

A large shear zone is interpreted at this virgin discovery of high-grade gold in an area with no historical drilling or diggings.



**Figure 14. Birthday Patch Prospect Location**

At Birthday Patch a sampling programme has been completed in June 2019 with 759 soils collected (Figure 15). Results are pending.

The optioned tenements cover a 700m-long corridor within which near-surface gold nuggets have been reported by prospectors using metal detectors.

GSWA mapping indicates that the nugget occurrences are situated on a granite–sediment contact. A geological inspection of the area revealed evidence of sheared ultramafic rocks underlying the nugget occurrences and supported by a linear aeromagnetic anomaly in this position. Outcropping granite to the west of the nugget zone shows a very strong foliation, supporting the interpretation of a sheared contact with the ultramafics and sediments to the east.



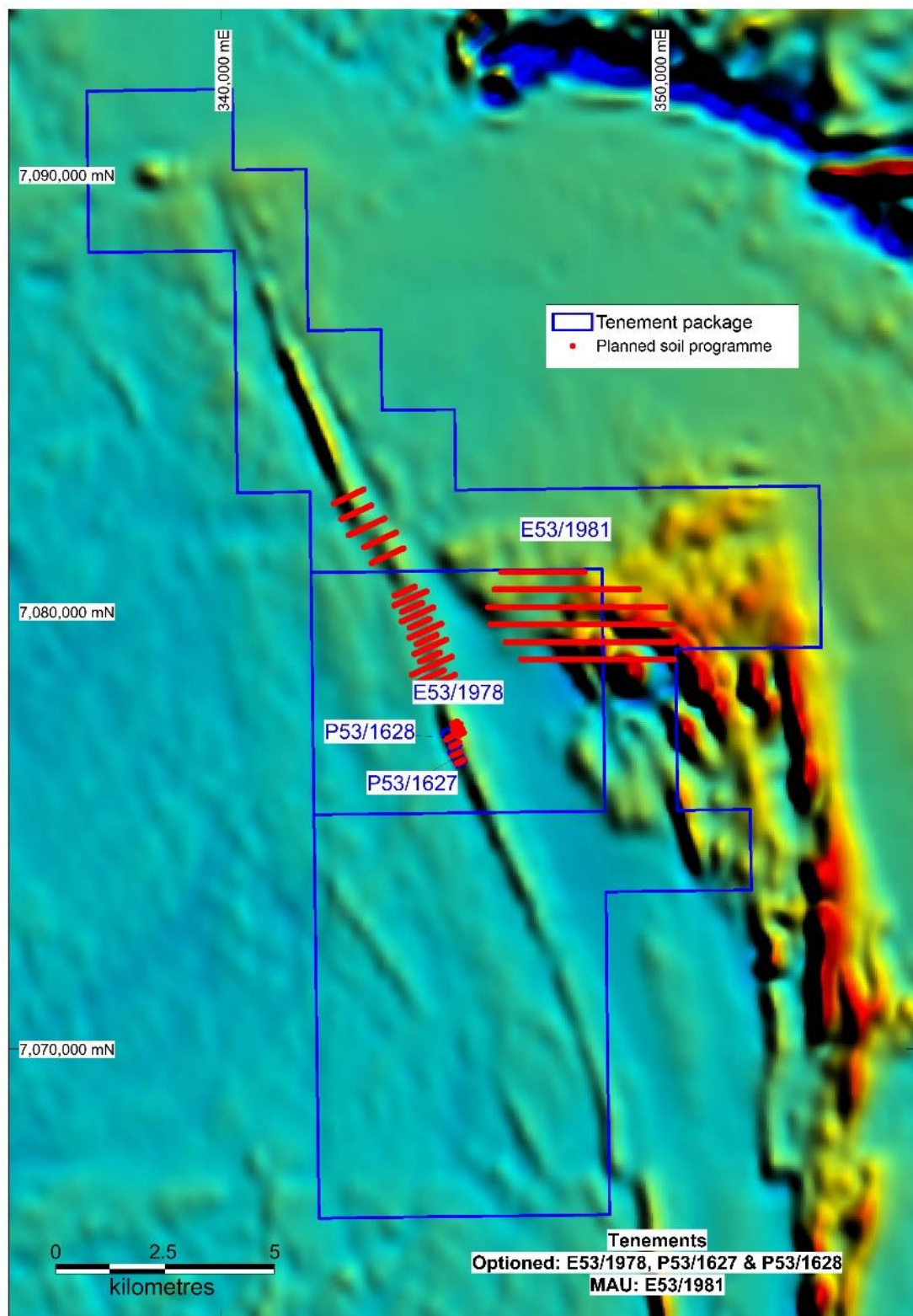


Figure 15. Birthday Patch tenements showing soil programme

## Other Projects

The Company is actively reviewing other projects and tenements for acquisition and development within the Leonora–Laverton region.

### Iron Ore

The Company has an agreement signed with Northam Iron Pty Ltd regarding the sale of the Company's iron ore assets, with the agreement providing for further payments totalling \$1,000,000 and a sliding scale royalty with payments starting at \$0.25/t for a sale price of \$80.00/t or less, and thereafter, for every increase in the sale price of \$10.00/t the royalty rate will increase by \$0.25/t.

## Corporate

On 7 May 2019 the Company announced it had raised approximately \$3.1m via the placement of 11,050,000 shares at \$0.28 to sophisticated investors.

On 27 May 2019, non-executive director Julien Sanderson sold 35,000 shares.

For more information on the Company visit [www.magres.com.au](http://www.magres.com.au)

George Sakalidis  
Managing Director  
Phone (08) 9226 1777  
Mobile 0411640 337  
Email [gsakalidis@magres.com.au](mailto:gsakalidis@magres.com.au)

### Competent Person's Statement

Information in this report that relates to Exploration is based on information reviewed or 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. He 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.

#### Note:

Where historical exploration results are mentioned, the Company's Competent Person has examined these historical results and confirms that no additional work has been carried out to change the reporting of those results other than as disclosed in this announcement.



## Tenement Schedule in accordance with ASX Listing Rule 5.3.3

Tenements held at the end of the Quarter

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E70/3536	Granted	JUBUK	-	Royalty Retained
WA	E70/4243	Granted	RAGGED ROCK	-	Royalty Retained
WA	E70/4508	Granted	KAURING	-	Royalty Retained
WA	E70/4692	Granted	MT JOY	-	Royalty Retained
WA	E70/5233	Granted	BALLEY BALLEY BROOK	-	Royalty Retained
WA	E70/5234	Granted	BALLEY BALLEY BROOK	-	Royalty Retained
WA	E38/3100	Granted	MT JUMBO	100%	100%
WA	P39/5594	Granted	KOWTAH	100%	100%
WA	P39/5595	Granted	KOWTAH	100%	100%
WA	P39/5596	Granted	KOWTAH	100%	100%
WA	P39/5597	Granted	KOWTAH	100%	100%
WA	P38/4201	Granted	MT JUMBO	100%	100%
WA	E37/1258	Granted	MERTONDALE	100%	100%
WA	P37/8687	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8688	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8689	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8690	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8691	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8692	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8693	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8694	Granted	CHRISTMAS WELL	100%	100%
WA	P39/5617	Granted	KOWTAH EAST	100%	100%
WA	E38/3127	Granted	HAWKS NEST	100%	100%
WA	P38/4317	Granted	MT JUMBO EAST	100%	100%
WA	P38/4318	Granted	MT JUMBO EAST	100%	100%
WA	P38/4319	Granted	MT JUMBO EAST	100%	100%
WA	P38/4320	Granted	MT JUMBO EAST	100%	100%
WA	P38/4321	Granted	MT JUMBO EAST	100%	100%
WA	P38/4322	Granted	MT JUMBO EAST	100%	100%
WA	P38/4323	Granted	MT JUMBO EAST	100%	100%
WA	P38/4324	Granted	MT JUMBO EAST	100%	100%
WA	E38/3205	Granted	HAWKS NEST EAST	100%	100%
WA	E38/3209	Granted	MT AJAX	100%	100%
WA	E37/1303	Granted	NAMBI	100%	100%
WA	P37/8905	Granted	RAESIDE EAST	100%	100%
WA	P37/8906	Granted	RAESIDE EAST	100%	100%
WA	P37/8907	Granted	RAESIDE EAST	100%	100%
WA	P37/8908	Granted	RAESIDE EAST	100%	100%
WA	P37/8909	Granted	BRAISER	100%	100%
WA	P37/8910	Granted	BRAISER	100%	100%
WA	P37/8911	Granted	BRAISER	100%	100%
WA	P37/8912	Granted	BRAISER	100%	100%

WA	P37/8913	Granted	TRIGG	100%	100%
WA	P37/8914	Granted	TRIGG	100%	100%
WA	P37/8915	Granted	TRIGG	100%	100%
WA	P37/8916	Granted	TRIGG	100%	100%
WA	P37/8917	Granted	TRIGG	100%	100%
WA	P37/8918	Granted	TRIGG	100%	100%
WA	P37/8919	Granted	TRIGG	100%	100%
WA	P37/8920	Granted	TRIGG	100%	100%
WA	P37/8921	Granted	TRIGG	100%	100%
WA	P37/9044	Granted	CARDINIA	100%	100%
WA	P37/9045	Granted	CARDINIA	100%	100%
WA	P37/9046	Granted	CARDINIA	100%	100%
WA	E37/1331	Granted	MALCOLM	100%	100%
WA	E37/1177	Granted	MERTONDALE	100%	100%
WA	E53/1981	Granted	YELMA	100%	100%
WA	P37/9204	Granted	MALCOLM	100%	100%
WA	P37/9205	Granted	MALCOLM	100%	100%
WA	P37/9206	Granted	MALCOLM	100%	100%
WA	P37/9207	Granted	MALCOLM	100%	100%
WA	E37/1367	Application	MELITA	-	100% Pending Grant
Mining Tenements acquired during the Quarter					
Nil					
Mining Tenements disposed during the Quarter					
Nil					