



magnetic resources^{NL}

QUARTERLY REPORT for the Quarter Ended 30 September 2019

Magnetic Resources NL
ABN 34 121 370 232

ASX Codes: MAU and MAUCA

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West Perth, WA 6005

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PO Box 1388
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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: \$3.69m

Directors:

George Sakalidis
Managing Director

Eric Lim
Non-Executive Chairman

Julien Sanderson
Non-Executive Director

Company Secretary
Ben Donovan

HIGHLIGHTS

- A 3km 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 at depth. There are 272 intersections (ranging from 1 to 8m) greater than 0.5g/t Au, which includes 134 greater than 1g/t Au, 49 greater than 2g/t Au, 24 greater than 3g/t Au and 18 greater than 4g/t Au. There are 62 RC drillholes for 2,300m (average 37m) with assays pending. In addition, 5 RC holes totalling 1125m are designed to look for parallel flat-dipping lodes at depth beneath the main surface lode like the nearby Mines.
- 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). A large initial programme of drilling is being planned at Lady Julie that starts only 1km to the east of HN9. The drill programme is mainly directed at outlining further surface mineralisation within altered porphyries to augment the increasing HN9 3km-long mineralisation. In total there are 53 AC holes for 1815m, 34 RC holes for 2525m, 431 shallow RAB holes for 1724m and 684 soil samples being carried out next quarter.
- At the Homeward Bound an extensive geochemical programme of 302 samples has been completed and the gold anomalous zones outlined are being followed up with a 119 RAB holes for 4970m, planned in the next quarter.

Laverton Area

Magnetic Resources NL has 259km² 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, E39/2125, P39/6134-44 Little Well 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(Optioned)	121 rock chips 4099 soils	164 RAB holes for 1814m 539 RC for 23226m 2 AC holes for 66m 507km ground magnetics	HN9 – 5 RC holes for 1125m WoF - 28 RAB holes for 1400m
Lady Julie (Optioned) P38/4346 P38/4379-84	11 rock chips 61 soils		431 Shallow RAB 54 AC holes for 1815 34 RC holes for 2525m 684 Soils
Mt Jumbo E38/3100	7 rock chips 67 lags	2 RC holes for 336m 2 DDH for 465m 143km ground magnetics	
Mt Jumbo East P38/4317–24	19 rock chips 131 lags	23 RC holes for 1646m 229km ground magnetics	
Kowtah P39/5594–97, 5617	1 rock chip	186km ground magnetics	RAB drilling planned

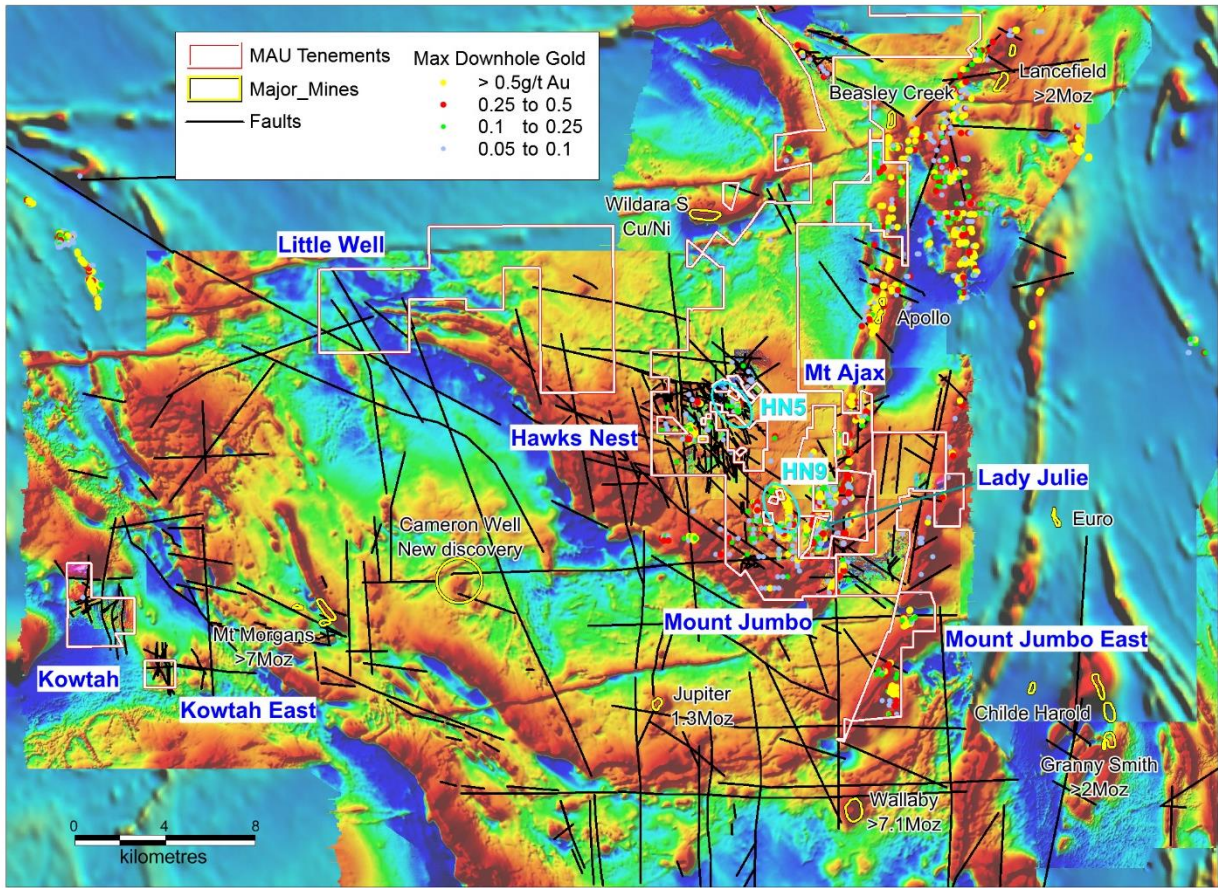


Figure 1. Hawks Nest, Hawks Nest East, Little Well, Mt Ajax, Mt Jumbo, Mt Jumbo East, Lady Julie and Kowtah projects, showing major shear zones, targets and gold deposits and historic workings

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.

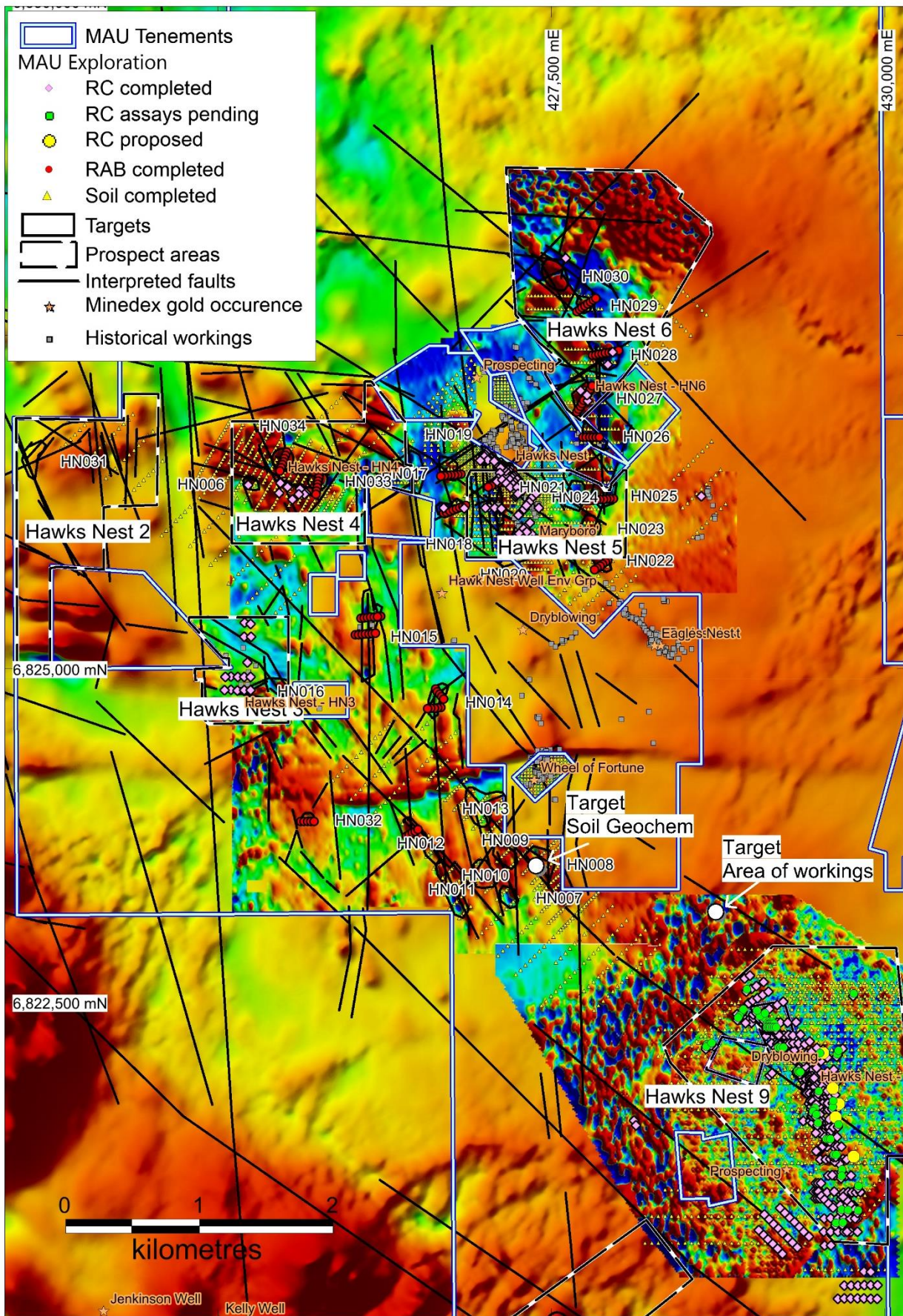


Figure 2. E38/3127 Hawks Nest ground and aeromagnetic interpretation showing major NW faults and Targets HN3–6, Wof & HN9, showing drill and soil programmes completed, 62 holes assays pending and 5 proposed deep RC holes.

Extensive RC drilling (539 holes for 23,226m) and RAB drilling (141 holes for 1,205m), and 4,080 soil samples has been completed by MAU at HN2–6, WoF and HN9.

Magnetic Resources has completed 419 RC holes for 16,649m. 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. A total of 1583 soil samples have been assayed over a 4.2km² area.

Hawks Nest 9 target

At HN9 an extensive drilling programme of 419 RC holes totalling 16,649m (averaging 40m) including 3535 4m composites and 2506 1m splits has been completed. This drilling outlined a 200m-wide gold zone within the central part of HN9, which remains open to the north and a new SSW-trending zone is interpreted to be greater than 800m in length. A new surface-mineralized zone 150m to the west of the main 3km mineralized zone has also been discovered.

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.

Some of the highest grades to date include: 3m at 10.99g/t Au from 16m including 1m at 31.48g/t Au from 16m in MHNRC456, 4m at 5.50g/t Au from 4m including 2m at 10.28g/t Au from 6m in hole MHNRC287, 3m at 4.84g/t Au from 17m including 1m at 13.38g/t Au from 19m in hole MHNRC254, 1m at 11.87g/t Au from 11m in MHNRC416, 1m at 9.68g/t Au from 14m in hole MHNRC415 and 1m at 11.21g/t Au from 7m in MHNRC410. These shallow higher-grade zones have enhanced the extensive surface gold zone on the western side as they are located near the plethora of surface and near-surface intersections and surface workings that are present in altered porphyry and altered porphyry/mafic contacts (**Figure 3 and Table 2**).

A significant 3.0km mineralised zone has now been confirmed by drilling. The northern part trends NNW and is 2.2km long and in the south, it bends to the SSW and is around 0.8km in length. There are many new shallow intersections (**Figures 3 and 4, and Table 2**) with 272 intersections (ranging from 1 to 8m) greater than 0.5g/t Au, which includes 134 greater than 1g/t Au, 49 greater than 2g/t Au, 24 greater than 3g/t Au and 18 greater than 4g/t Au. It should be noted that all the intersections are very shallow and within the first 50m of the surface (**Table 2**). At this stage there is one discernible mineralised zone and a subsidiary second zone, both dipping shallowly around 20-30° to the east within the sheared porphyry and sheared mafic/porphyry contacts.

There are 62 RC drillholes for 2,300m (average 37m) that have been completed and we are waiting for assays. In addition, 5 RC holes totalling 1125m is designed to look for parallel flat-dipping lodes at depth beneath the main surface lode similar to the nearby multiple stacked lodes within the nearby Wallaby and Jupiter mines. At this stage the deep holes will focus on the central part of the 3km mineralised zone.

A new mineralised zone 150m west of the main mineralised 3km zone and numerous other linear N–S mineralised zones to the west add credence to the potential for multiple stacked lodes.

There are several new workings that have been located in or near subtle geochemical areas in drainage influenced areas that are also being followed up potentially extending the near surface mineralisation. These higher-grade intersections and new workings are mainly being followed up with a shallow RC programme of 25 holes totalling 615m.

A total of 1583 soil samples have been completed. The total geochemical coverage area is 4.2km² (Figure 4). In the September 2019 quarter a total of 169 RC holes for 6836m were drilled at the HN9 target (141 holes for 5849m on E38/3127 and 28 holes for 987m on M38/1041).

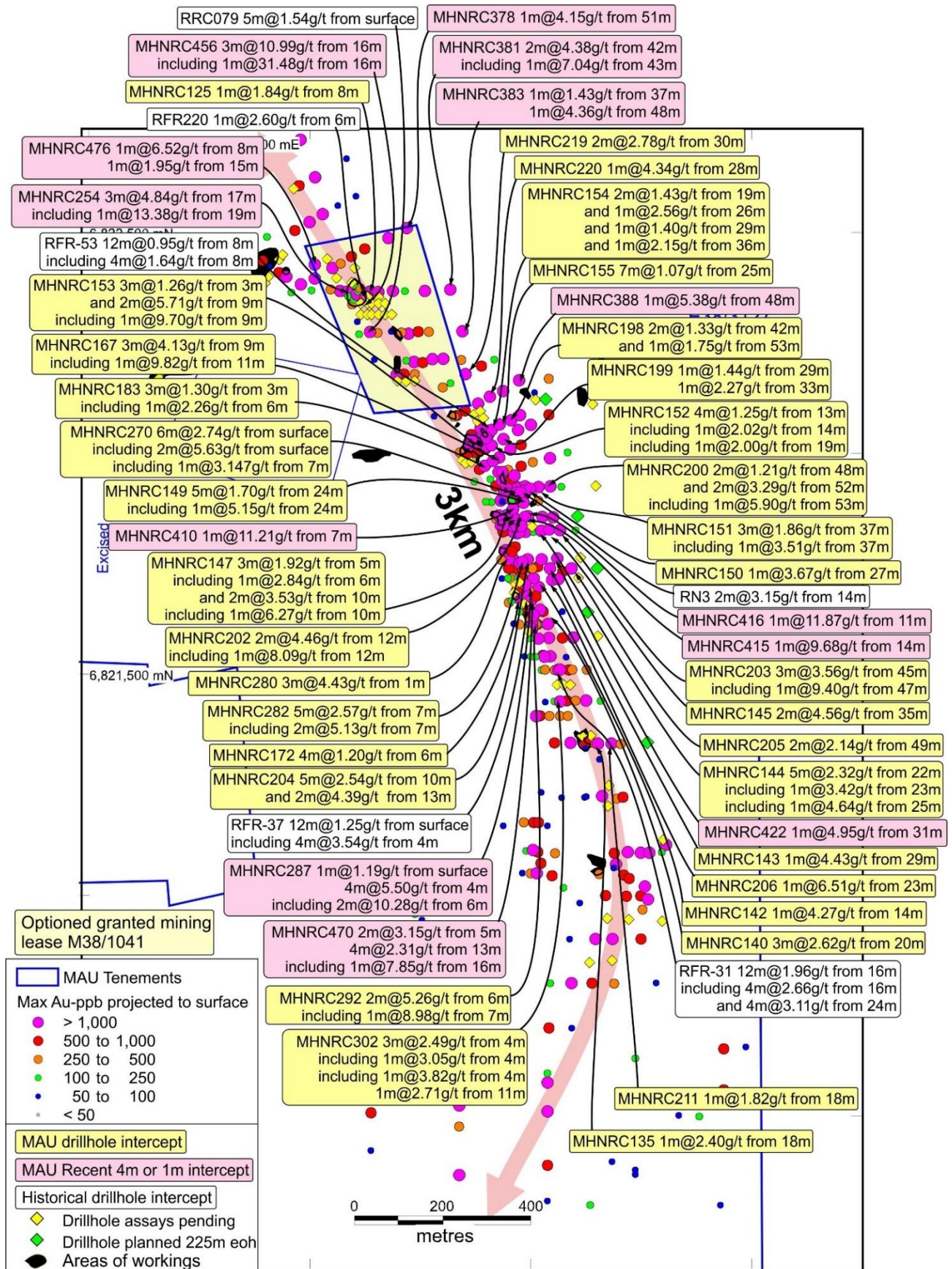


Figure 3. HN9 historical drilling (64 RAB/RC) and workings, MAU 419 RC drillholes (62 holes assays pending in yellow) and 5 planned deep RC drillholes (green) within the 3km mineralised gold zone

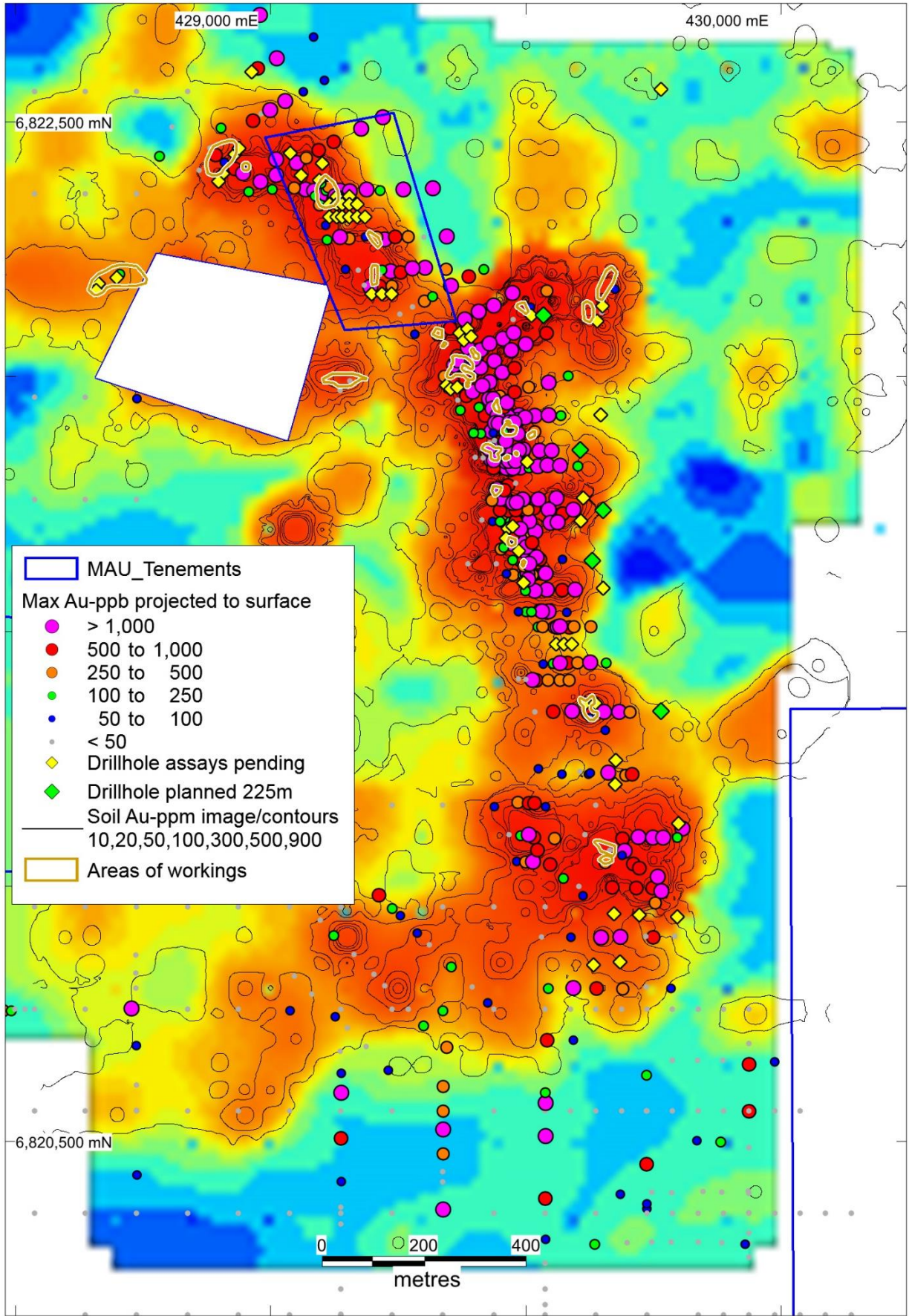


Figure 4. HN9 soil geochemical contoured image of 3km mineralised gold zone showing all drillholes with max gold and planned 5 deep RC holes and assays pending for another 62 holes

Table 2. HN9 Significant Drilling Intercepts Gold (>1g/t highlighted)

Hole_Id	Easting MGAz51	Northing MGAz51	From metres	To metres	Width metres	Gold ppm
<i>RC - Magnetic Resources NL 4m composites and 1m splits 9th Oct 2019</i>						
MHNRC124	428952	6822397	14	15	1	1.004
MHNRC125	429140	6822367	8	9	1	1.838
MHNRC126	429165	6822366	20	21	1	1.855
MHNRC127	429076	6822369	16	17	1	1.030
MHNRC129	429238	6822208	5	6	1	1.317
MHNRC131	429225	6822271	3	4	1	1.451
MHNRC135	429661	6821344	18	19	1	2.402
MHNRC136	429516	6821406	6	7	1	1.962
MHNRC139	429550	6821541	11	12	1	1.229
MHNRC139			16	17	1	1.158
MHNRC140	429550	6821615	20	23	3	2.624
MHNRC142	429524	6821702	14	15	1	4.265
MHNRC143	429558	6821740	29	30	1	4.426
MHNRC144	429536	6821825	22	27	5	2.319
MHNRC144		Including	23	24	1	3.422
MHNRC144		Including	25	26	1	4.637
MHNRC145	429560	6821828	35	37	2	4.560
MHNRC146	429463	6821761	5	6	1	2.223
MHNRC146			9	10	1	1.487
MHNRC147	429465	6821858	5	11	6	2.070
MHNRC147		Including	6	7	1	2.836
MHNRC147		Including	10	11	1	6.266
MHNRC149	429496	6821889	24	29	5	1.696
MHNRC149		Including	24	25	1	5.149
MHNRC150	429512	6821921	27	28	1	3.671
MHNRC151	429536	6821924	37	40	3	1.862
MHNRC151		Including	37	38	1	3.508
MHNRC152	429417	6822022	13	17	4	1.246
MHNRC152		Including	14	15	1	2.023
MHNRC152			19	20	1	1.997
MHNRC153	429378	6822014	3	6	3	1.257
MHNRC153			9	11	2	5.713
MHNRC153		Including	9	10	1	9.695
MHNRC154	429422	6822060	19	21	2	1.426
MHNRC154			26	30	4	1.054
MHNRC154		Including	26	27	1	2.563
MHNRC154			36	37	1	2.149
MHNRC155	429440	6822073	26	31	5	1.212
MHNRC167	429432	6821993	9	12	3	4.129
MHNRC167		Including	11	12	1	9.822
MHNRC170	429435	6821901	2	3	1	1.201
MHNRC172	429474	6821674	6	9	3	1.393
MHNRC175	429539	6821584	1	3	2	1.046
MHNRC179	429670	6821219	6	7	1	1.126
MHNRC179			27	29	2	1.498
MHNRC179			36	37	1	1.047
MHNRC182	429592	6821346	20	21	1	1.036
MHNRC182			35	36	1	1.032

Hole_Id	Easting MGaz51	Northing MGaz51	From metres	To metres	Width metres	Gold ppm	
MHNRC183	429395	6821973	4	7	3	1.298	*
MHNRC183		Including	6	7	1	2.262	*
MHNRC184	429414	6821984	2	3	1	1.471	*
MHNRC184			11	12	1	1.453	*
MHNRC191	429068	6822429	7	8	1	1.213	*
MHNRC193	428980	6822382	1	2	1	1.110	*
MHNRC194	429195	6822368	13	14	1	1.575	*
MHNRC196	429289	6822212	27	28	1	1.169	*
MHNRC197	429391	6822116	20	23	3	1.009	*
MHNRC198	429476	6822089	42	44	2	1.330	*
MHNRC198			53	54	1	1.746	*
MHNRC199	429451	6822040	29	30	1	1.442	*
MHNRC199			33	34	1	2.268	*
MHNRC200	429569	6821925	48	50	2	1.211	*
MHNRC200			53	54	1	5.899	*
MHNRC202	429491	6821856	12	13	1	8.086	**
MHNRC202			16	17	1	1.512	**
MHNRC203	429590	6821827	45	48	3	3.558	*
MHNRC203		Including	47	48	1	9.396	*
MHNRC204	429493	6821763	11	15	4	2.991	*
MHNRC204		Including	11	12	1	2.681	*
MHNRC204		Including	13	15	2	4.387	*
MHNRC205	429611	6821735	49	51	2	2.138	*
MHNRC205		Including	49	50	1	2.431	*
MHNRC206	429556	6821719	23	24	1	6.508	*
MHNRC210	429648	6821440	45	46	1	1.061	*
MHNRC211	429690	6821344	18	19	1	1.821	*
MHNRC214	429014	6822533	35	36	1	1.012	*
MHNRC215	429048	6822553	45	50	5	1.047	*
MHNRC215		Including	45	46	1	2.006	*
MHNRC218	429316	6822215	16	17	1	1.675	*
MHNRC218			28	29	1	2.753	*
MHNRC219	429366	6822188	30	32	2	2.781	*
MHNRC219		Including	31	32	1	3.709	*
MHNRC220	429420	6822136	28	29	1	4.337	*
MHNRC221	429502	6822102	59	60	1	1.059	*
MHNRC222	429489	6822064	41	46	5	1.670	*
MHNRC222		Including	41	43	2	2.537	*
MHNRC223	429465	6822016	26	27	1	3.455	*
MHNRC223			33	34	1	1.167	*
MHNRC224	429428	6821959	2	3	1	1.899	*
MHNRC229	429543	6821856	29	30	1	1.487	*
MHNRC229			33	35	2	3.608	*
MHNRC229		Including	34	35	1	5.837	*
MHNRC231	429537	6821761	19	21	2	1.546	*
MHNRC231			24	25	1	2.577	*
MHNRC232	428121	6821635	32	33	1	2.949	*
MHNRC235	429648	6821343	50	51	1	1.020	*
MHNRC242	429729	6821098	18	19	1	1.121	*
MHNRC243	429757	6821097	16	17	1	1.411	*
MHNRC244	429786	6821097	35	36	1	1.300	*
MHNRC252	429017	6822400	15	16	1	1.783	*
MHNRC254	429094	6822366	1	2	1	1.439	*

Hole_Id	Easting MGaz51	Northing MGaz51	From metres	To metres	Width metres	Gold ppm	
MHNRC254			17	20	3	4.843	**
MHNRC254		Including	19	20	1	13.379	**
MHNRC258	429205	6822177	19	20	1	2.875	*
MHNRC261	429394	6822043	9	13	4	2.581	*
MHNRC261		Including	9	10	1	6.161	*
MHNRC261		Including	12	13	1	2.842	*
MHNRC261			15	16	1	1.641	*
MHNRC263	429403	6822018	9	10	1	2.645	*
MHNRC263			15	16	1	1.071	*
MHNRC268	429475	6821922	18	19	1	3.085	*
MHNRC270	429452	6821898	0	6	6	2.736	*
MHNRC270		Including	0	2	2	5.634	*
MHNRC270		Including	5	6	1	3.235	*
MHNRC270			7	8	1	3.147	*
MHNRC273	429448	6821861	0	1	1	1.004	*
MHNRC273			4	5	1	3.081	*
MHNRC275	429464	6821835	8	9	1	1.529	*
MHNRC275			11	12	1	1.176	*
MHNRC276	429432	6821838	0	1	1	1.056	*
MHNRC276			3	4	1	1.001	*
MHNRC277	429481	6821822	13	14	1	3.230	*
MHNRC278	429465	6821822	8	9	1	1.860	*
MHNRC280	429451	6821762	1	4	3	4.435	*
MHNRC282	429484	6821745	7	12	5	2.574	*
MHNRC282		Including	7	9	2	5.314	*
MHNRC284	429511	6821718	9	10	1	2.118	*
MHNRC287	429490	6821684	2	3	1	1.187	*
MHNRC287			4	8	4	5.499	*
MHNRC287		Including	6	8	2	10.280	*
MHNRC289	429524	6821647	6	7	1	1.196	*
MHNRC289			12	13	1	1.068	*
MHNRC292	429507	6821614	6	8	2	5.256	*
MHNRC292		Including	7	8	1	8.976	*
MHNRC294	429617	6821584	42	43	1	1.376	*
MHNRC294			49	50	1	1.037	*
MHNRC295	429521	6821581	8	9	1	1.001	*
MHNRC297	429538	6821541	9	10	1	1.085	*
MHNRC297			13	17	4	1.079	*
MHNRC300	429576	6821511	20	21	1	1.340	*
MHNRC302	429569	6821439	4	7	3	2.483	*
MHNRC302		Including	4	5	1	3.045	*
MHNRC302		Including	6	7	1	3.820	*
MHNRC302			11	12	1	2.710	*
MHNRC332	429649	6820901	5	8	3	1.333	*
MHNRC332		Including	5	6	1	2.258	*
MHNRC332			13	14	1	1.946	*
MHNRC333	429697	6820902	24	25	1	1.504	*
MHNRC333			28	30	2	1.204	*
MHNRC337	429597	6820801	8	10	2	1.723	*
MHNRC371	428992	6822720	34	35	1	1.349	*
MHNRC373	429039	6822642	72	73	1	2.532	*
MHNRC377	429195	6822500	46	47	1	1.374	*
MHNRC378	429240	6822524	51	52	1	4.149	**

Hole_Id	Easting MGaz51	Northing MGaz51	From metres	To metres	Width metres	Gold ppm	
MHNRC380	429275	6822368	30	31	1	2.176	**
MHNRC381	429339	6822371	42	44	2	4.380	**
MHNRC381		Including	43	44	1	7.038	**
MHNRC383	429369	6822277	36	37	1	1.434	**
MHNRC383			48	49	1	4.362	**
MHNRC387	429453	6822151	37	38	1	1.076	**
MHNRC388	429494	6822178	48	49	1	5.384	**
MHNRC389	429523	6822079	53	54	1	1.204	**
MHNRC391	429361	6822026	5	6	1	3.253	**
MHNRC392	429371	6822036	2	6	4	1.979	**
MHNRC392		Including	2	3	1	2.745	**
MHNRC392		Including	4	5	1	2.856	**
MHNRC392			9	11	2	2.342	**
MHNRC392		Including	10	11	1	3.214	**
MHNRC394	429573	6822001	62	63	1	2.864	**
MHNRC397	429441	6821960	8	9	1	1.565	**
MHNRC397			11	12	1	1.641	**
MHNRC398	429438	6821940	8	9	1	2.995	**
MHNRC400	429446	6821925	3	7	4	1.142	**
MHNRC400		Including	3	4	1	2.006	**
MHNRC400			8	9	1	1.489	**
MHNRC401	429441	6821911	3	4	1	2.555	**
MHNRC402	429449	6821909	6	7	1	4.025	**
MHNRC403	429471	6821912	6	12	6	1.883	**
MHNRC403		Including	7	8	1	3.553	**
MHNRC403		Including	11	12	1	3.246	**
MHNRC403			13	14	1	2.456	**
MHNRC404	429482	6821912	10	11	1	8.144	**
MHNRC410	429464	6821875	7	8	1	11.208	**
MHNRC411	429432	6821860	8	9	1	2.146	**
MHNRC414	429440	6821838	5	6	1	3.086	**
MHNRC415	429474	6821836	14	15	1	9.684	**
MHNRC416	429485	6821836	11	12	1	11.868	**
MHNRC417	429571	6821856	42	44	2	1.355	**
MHNRC421	429580	6821715	30	31	1	1.145	**
MHNRC421			34	35	1	2.275	**
MHNRC421			38	39	1	1.919	**
MHNRC422	429576	6821763	31	32	1	4.944	**
MHNRC433	429507	6821103	4	5	1	2.443	**
MHNRC436	429519	6821050	10	11	1	1.911	**
MHNRC441	429690	6821061	20	21	1	1.086	**
MHNRC443	429753	6821001	40	41	1	1.294	**
MHNRC444	429779	6820972	47	48	1	1.458	**
MHNRC445	429823	6821098	46	47	1	1.733	**
MHNRC455	429122	6822355	2	3	1	1.191	**
MHNRC456	429139	6822352	16	19	3	10.994	**
MHNRC456		Including	16	17	1	31.485	**
MHNRC458	429392	6822061	12	17	5	1.433	**
MHNRC458		Including	14	15	1	2.246	**
MHNRC459	429406	6822040	18	20	2	1.562	**
MHNRC461	429472	6821954	19	20	1	2.414	**
MHNRC462	429446	6821781	5	6	1	1.772	**
MHNRC464	429478	6821753	6	8	2	1.805	**

Hole_Id	Easting MGaz51	Northing MGaz51	From metres	To metres	Width metres	Gold ppm	
MHNRC464		Including	6	7	1	2.274	**
MHNRC465	429488	6821755	8	9	1	1.193	**
MHNRC465			14	15	1	4.762	**
MHNRC466	429469	6821690	1	3	2	2.728	**
MHNRC466		Including	2	3	1	4.077	**
MHNRC468	429491	6821704	6	7	1	1.507	**
MHNRC469	429496	6821661	2	3	1	1.527	**
MHNRC469			5	6	1	1.400	**
MHNRC470	429507	6821671	5	7	2	3.150	**
MHNRC470			13	17	4	2.313	**
MHNRC470		Including	16	17	1	7.850	**
MHNRC473	429510	6821634	8	12	4	1.825	**
MHNRC473		Including	8	9	1	4.447	**
MHNRC474	429507	6821603	6	7	1	1.874	**
MHNRC476	429015	6822430	8	9	1	6.522	**
MHNRC476			15	16	1	1.948	**
<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	*
			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	*

Hole_Id	Easting MGaz51	Northing MGaz51	From metres	To metres	Width metres	Gold ppm
			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

* MAU and historical intercepts see ASX releases:

4 Feb 2019 "Significant 2km Gold Target is open to the East on 83% of the 24 Lines Drilled at HN9",

25 March 2019 "Significant 2.1km Gold Target Still open to North, South, East and at Depth",

22 May 2019 "Gold Target Enlarged by 47% to Significant 3.1km and is still open to the North, East and at Depth", and

27 June 2019 "200m-Wide Gold Zone Open to the Northeast and Very Extensive Surface Gold Mineralisation Confirmed at HN9 Laverton"

4 Sep 2019 "200m Wide Gold Zone open to the North and New 800m Anomalous Gold Zone defined at HN9 Laverton"

** New MAU intercept from 4m and 1m assays:

14 Oct 2019 "Highest Grades Outlined At Hn9 And Are Being Followed Up And Lady Julie Shallow Drilling Commencing Shortly"

Lady Julie P38/4346, P38/4379–4384

Magnetic has expanded its prospective land holding directly east of HN9, following an option to purchase 7.1km² of tenements at the Lady Julie Project. The prospective land position at HN9 has increased from 4.2km² to 11.4km². The new tenements comprise 7 granted prospecting licenses P38/4346, P38/4379 to P38/4384 and covers 3 separate N–S gold mineralised shear zones totalling 6 km in strike length, which are only 1km, 1.5km and 2.5km east of HN9 (**Figure 5**)

The area covering the Lady Julie and HN9 is well endowed and is a focus of gold mineralisation over the 11.4 km² and has potential for a mining centre after more drilling is completed (**Figures 5 and 6**). These 3 shears trending N–S 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.
- AJC01 11m @ 1.35g/t Au from 3m including 1m @ 3.37g/t Au from 13m
- AJC02 6m @ 2.05g/t Au from 23m including 2m @ 3.98g/t Au from 26m
- AJC10 4m @ 1.02g/t Au from 10m

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 north and south 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 Au, which includes 70 greater than 1g/t Au, 37 greater than 2g/t Au, 27 greater than 3 g/t Au and 19 greater than 4g/t Au (MAU ASX Release 24 June 2019 HN9 Prospective Zone Enlarged By 170% With Lady Julie Tenements).

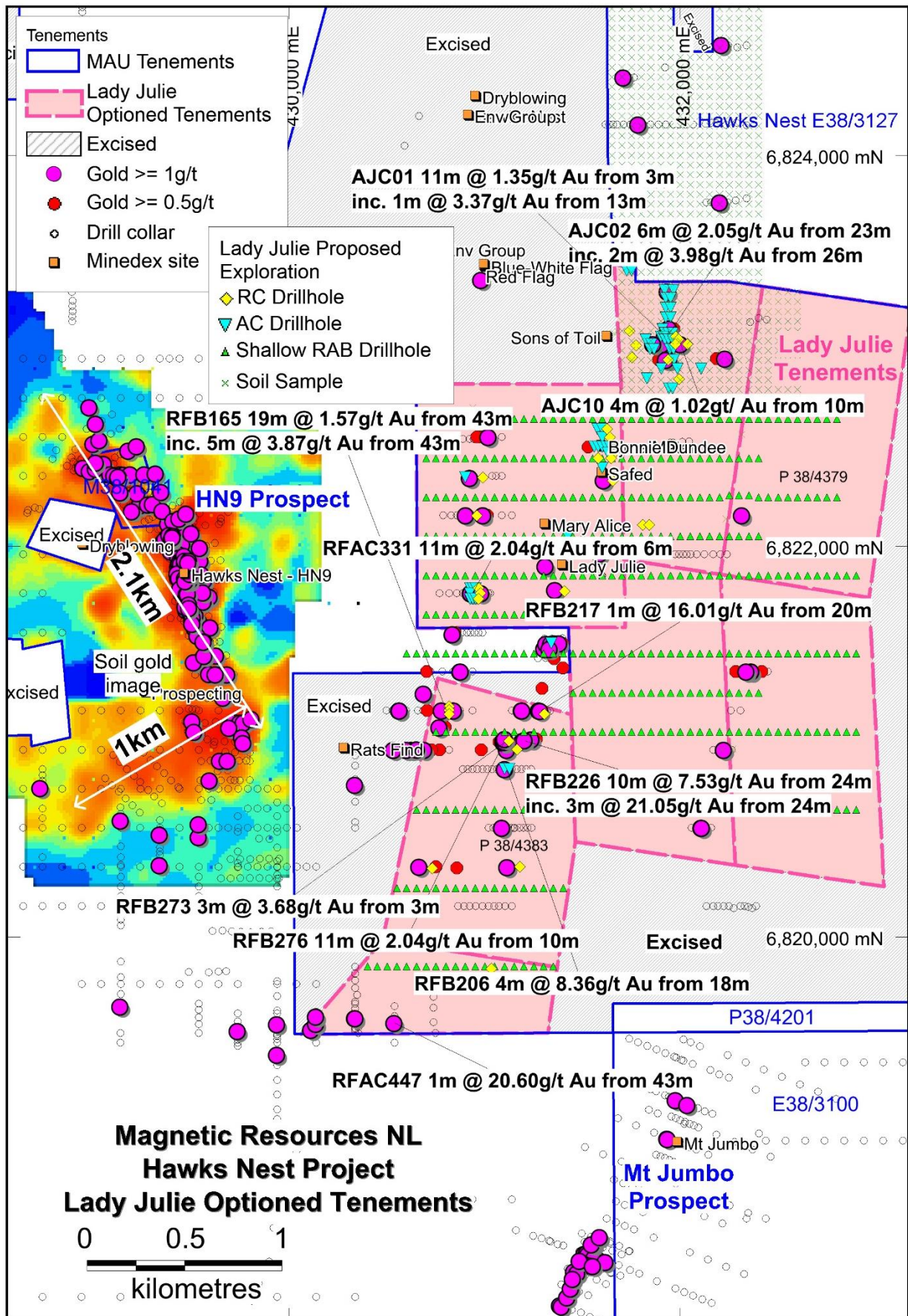


Figure 5. Lady Julie tenements (optioned) and adjacent HN9 Project showing significant intersections and planned exploration programmes.

The western half of the Lady Julie Project is typified by shallow dipping and subhorizontal 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 volcanic and fine- to medium-grained tholeiites. Quartz-feldspar and feldspar tuffaceous volcanics appear to be the major component with strong goethite alteration often associated with intrusive porphyry contacts.

These shallow dipping extensive zones at HN9 are a potential indicator for deeper mineralisation because all the numerous nearby large deposits in the region including Wallaby (7Moz), Sunrise Dam (10Moz) and Jupiter (1.3Moz) have persistent internal shallow-dipping mineralised lodes that are often called shear zones, which are ubiquitous throughout these deposits and have been defined down to 1500m depth at the Wallaby deposit (**Figure 6**). In addition, many discoveries in recent times have been made by drilling below 100m because the historical drilling was far too shallow. At HN9 the average hole depth is only 40m providing tremendous scope for upside potential. In addition, the length of our 3km mineralised shear zone is like the length of the Jupiter, Wallaby and Sunrise Dam Deposits.

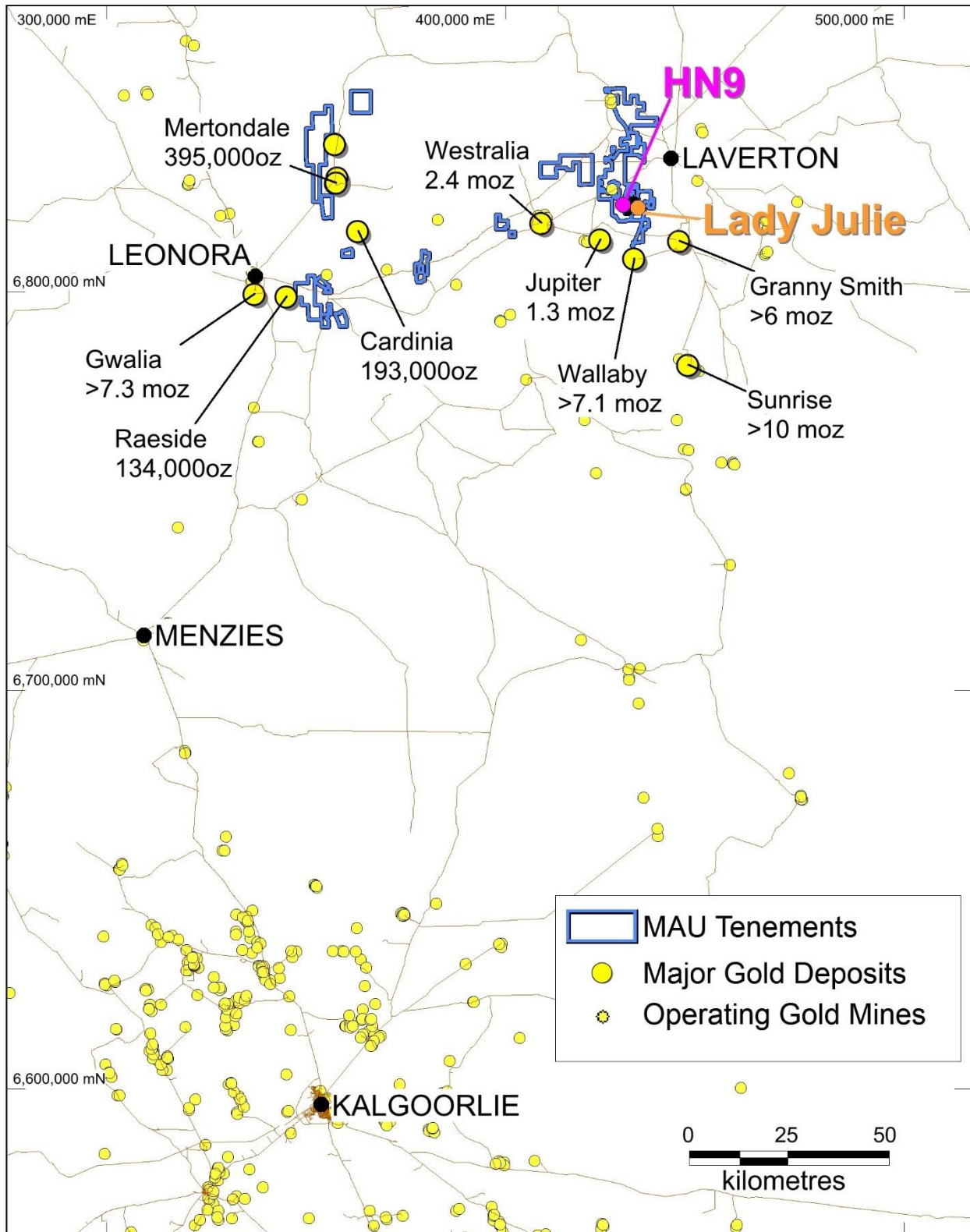


Figure 6. Location Map showing HN9 and Lady Julie near major gold mines in the Laverton district

Both detailed ground magnetic 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.

A large initial programme of drilling is being planned at Lady Julie that starts only 1km to the east of HN9. The drill programme is mainly directed at outlining further surface mineralisation within altered porphyries to augment the increasing HN9 3km-long mineralisation. In total there are 53 AC holes for 1815m, 34 RC holes for 2525m, 431 shallow RAB holes for 1724m and 684 soil samples. Three deeper RC holes totalling 340m are testing the down-dip extent of the deeper Sons of Toil workings, which had been mined historically.

Mt Jumbo East P38/4317–4324

The Mt Jumbo East area consists of approximately 11km² of new tenements with at least 3 prospects (Figure 7) within P38/4317–24.

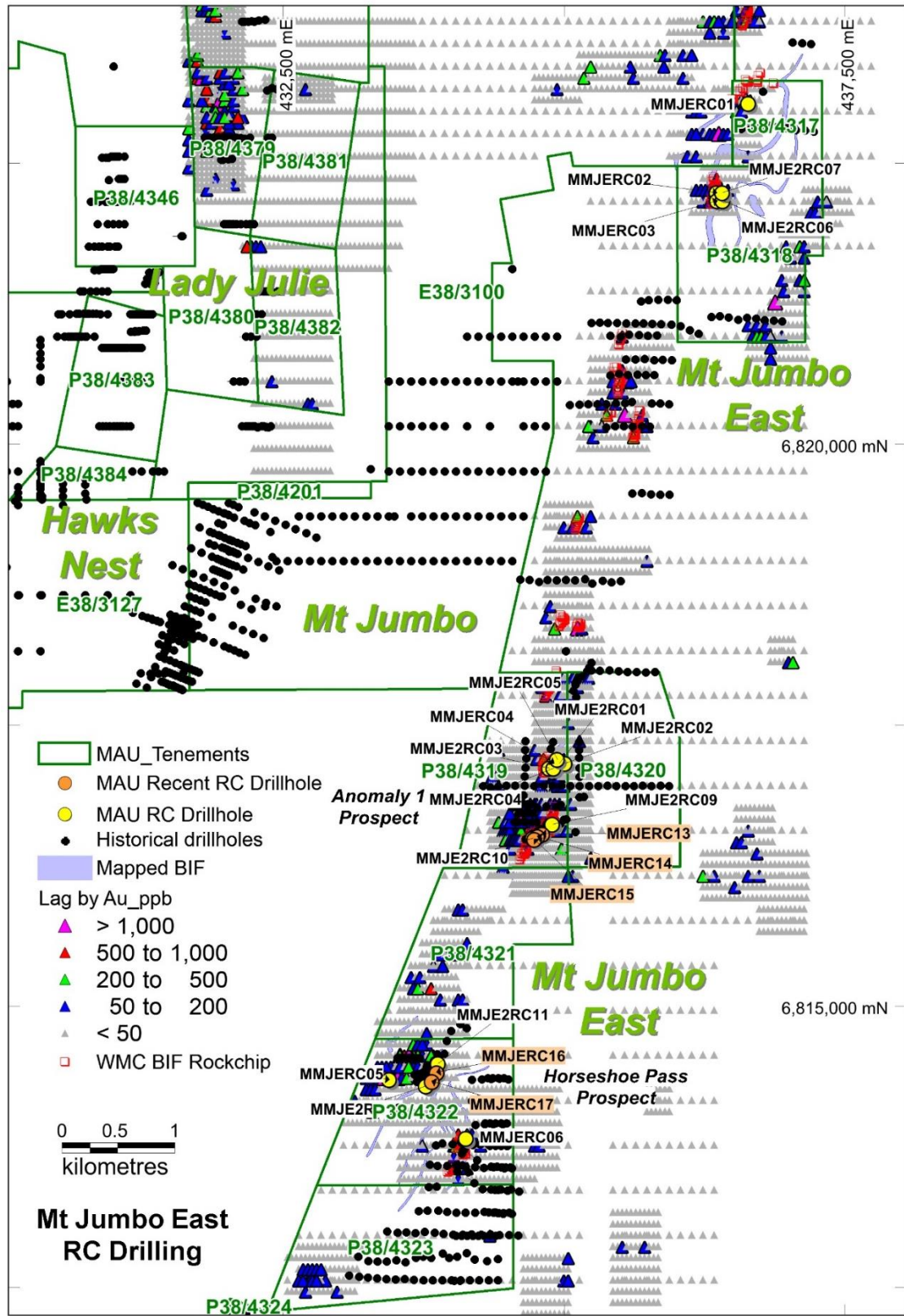


Figure 7. Mt Jumbo East (P38/4317–24) target area

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 were completed this September quarter to follow up promising gold zones already outlined by previous drilling. Results include:

MMJERC13 4m @ 0.24g/t Au from 4m

MMJERC14 8m @ 0.66g/t Au from 44m

MMJERC15 8m @ 1.14g/t Au from 52m including 4m @ 1.60g/t Au from 56m

MMJERC16 4m @ 1.08g/t Au from 56m

MMJERC17 28m @ 0.21g/t Au from 52m including 4m @ 0.34g/t Au from 56m

These 4m composite results are being further analysed with 152 1m splits being taken.

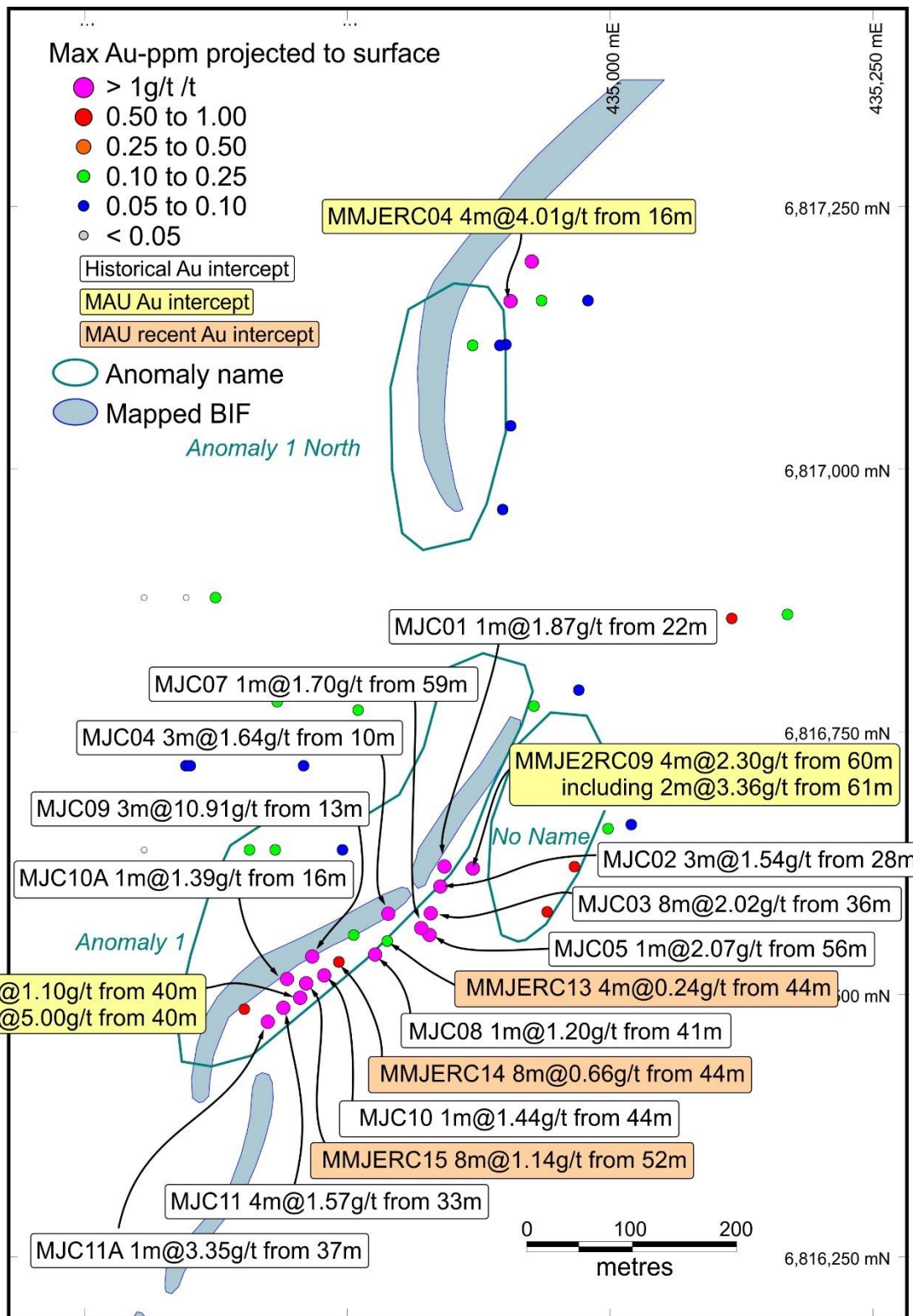


Figure 8. Mt Jumbo East (P38/4319-20) drilling results

Leonora Area

Magnetic Resources NL has 206km² 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, P37/9044-46 Cardinia, P37/9204–07 Malcolm, E37/1367 Melita, P37/8905–08, P37/8905–08 Raeside East Raeside East, P37/8909–12 Braiser and P37/9144, P39/5455, P39/5928-29, P39/5931-34 Homeward Bound South 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). Recent work has been carried out at Homeward Bound South.

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
Homeward Bound South (Optioned) P37/9144, P39/5455 P39/5928-29, P39/5931-34	19 rock chips 303 soils		119 RAB holes for 4970m

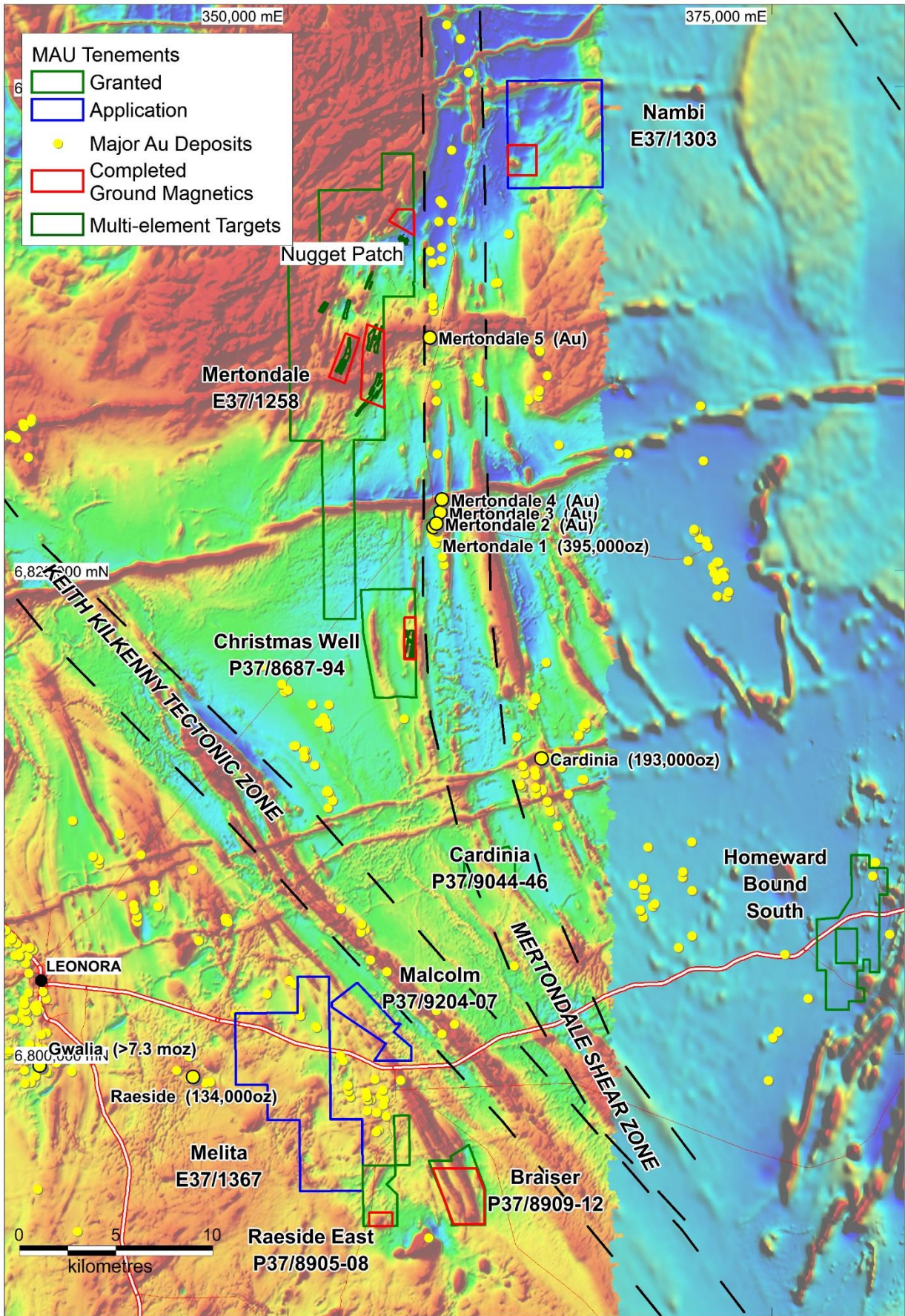


Figure 9. Mertonale, Mertonale East, Christmas Well, Cardinia, Malcolm, Raeside East, Braiser, Homeward Bound South and Nambi Projects, showing major shear zones, targets and gold deposits and historic workings

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

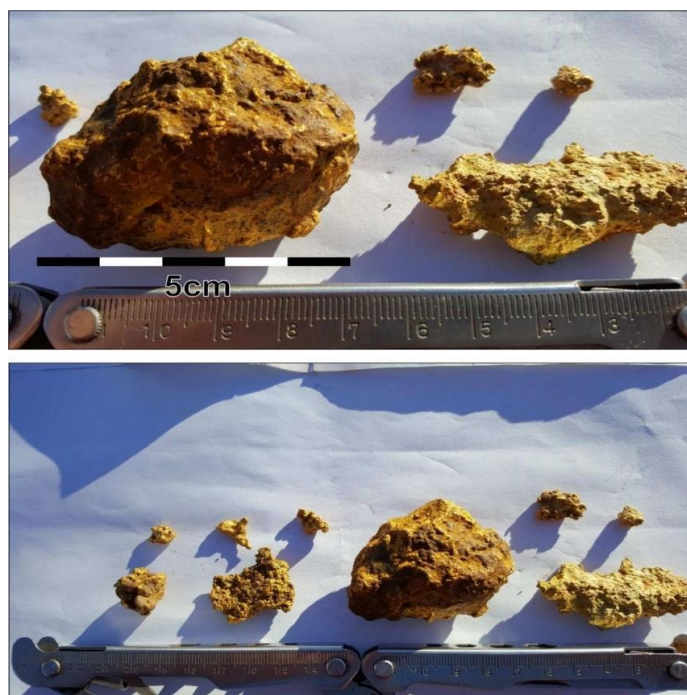


Figure 11. Mertondale gold nuggets, including one 11oz nugget

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 (8km²) 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.

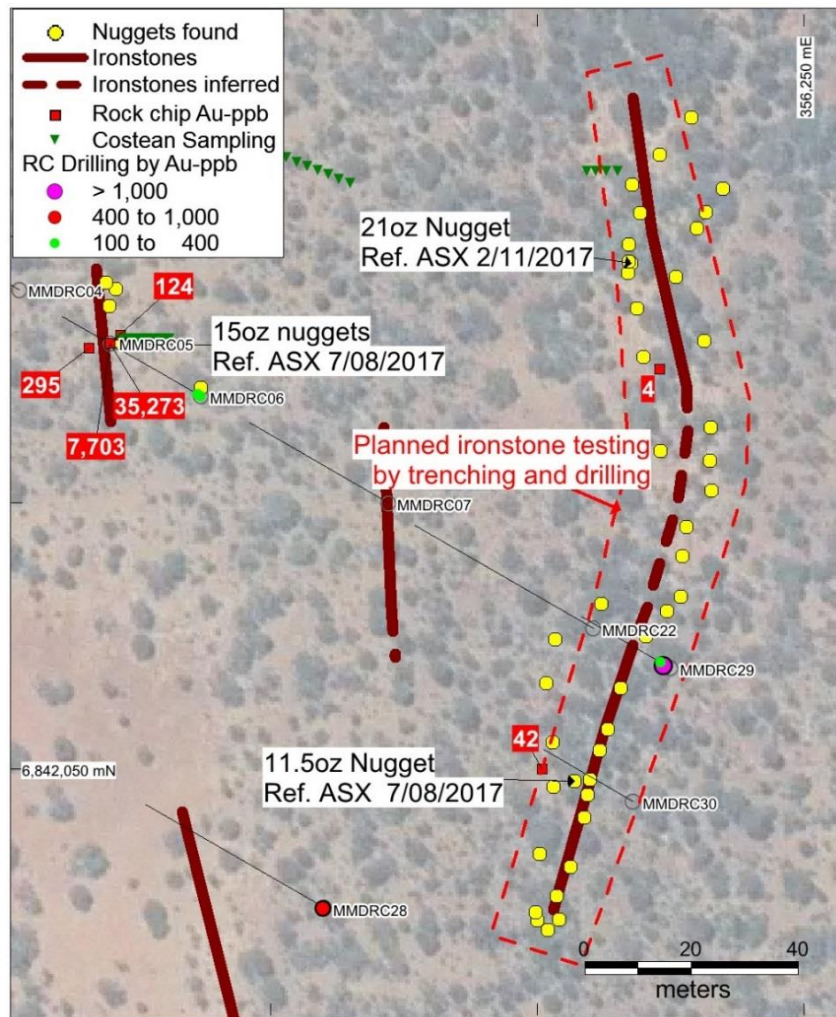


Figure 12. Mertondale Laterite gold anomalies, gold nugget trench samples and RC drilling

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.

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

At Homeward Bound South the 15.7km² 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 first pass 302-soil sampling programme (50x400m) was completed mainly testing the 5km long Federation shear and parallel structures. There were 53 samples > 10ppb Au including 11 > 20ppb Au. The historical gold results, contoured anomalous soil geochemical zones and follow up RAB programme are shown in Figure 13. There are 119 RAB holes for 4970m being planned in the next quarter.

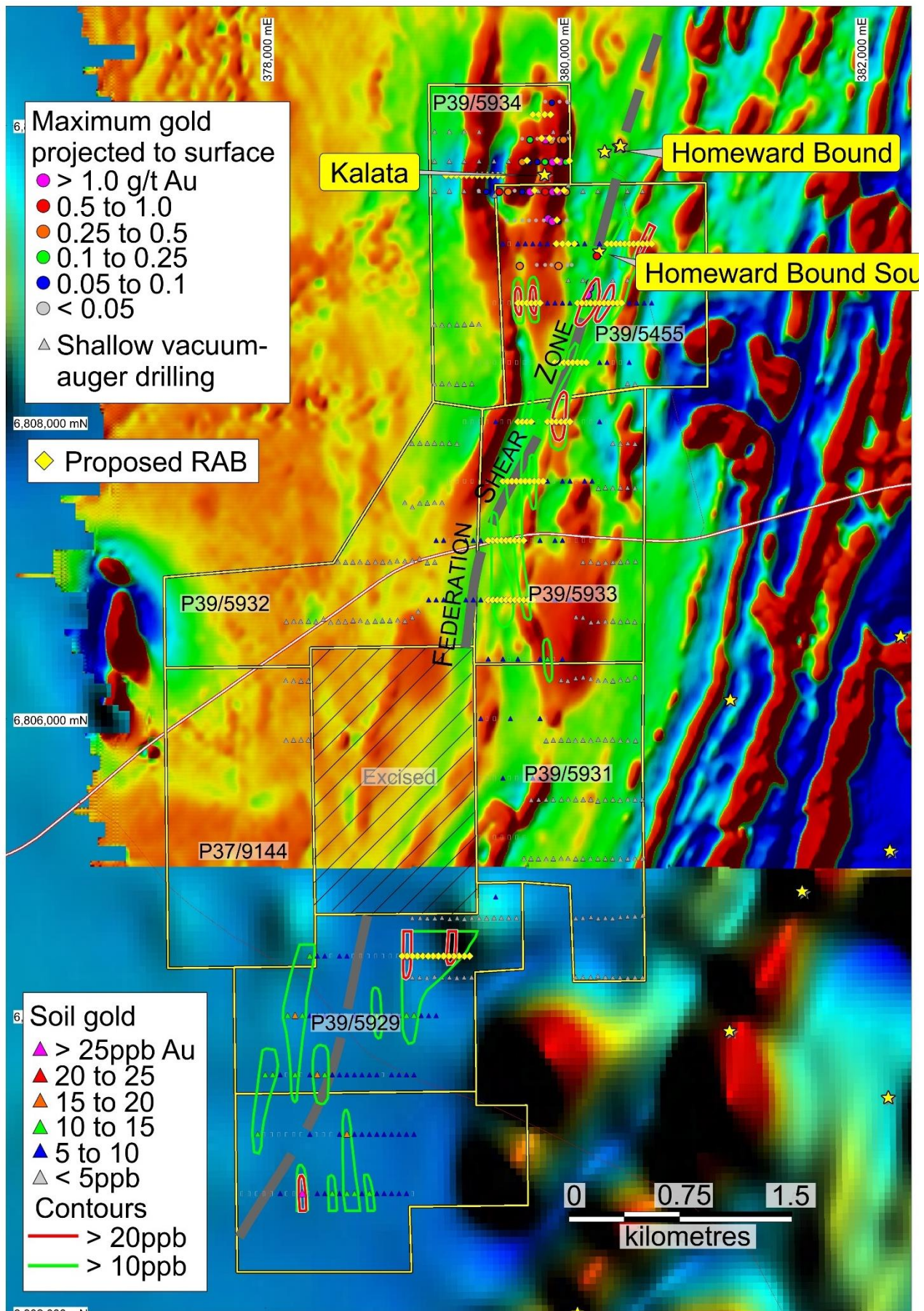


Figure 13. Homeward Bound South tenements historical drilling, soil sampling results and planned RAB programme.

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 6 September 2019 the Company released its Annual Report to shareholders.

On 13 September 2019, the Company released its notice of annual general meeting.

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

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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	E70/5276	Granted	KAURING	-	Royalty Retained
WA	E70/5277	Granted	KAURING	-	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	P37/9044	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	Granted	MELITA	100%	100%
WA	E39/2125	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6134	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6135	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6136	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6137	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6138	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6139	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6140	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6141	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6142	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6143	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6144	Application	LITTLE WELL	-	100% Pending Grant

Mining Tenements acquired during the Quarter

WA	E39/2125	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6134	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6135	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6136	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6137	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6138	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6139	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6140	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6141	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6142	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6143	Application	LITTLE WELL	-	100% Pending Grant
WA	P39/6144	Application	LITTLE WELL	-	100% Pending Grant
WA	E70/5276	Application	KAURING	-	Royalty Pending Grant
WA	E70/5277	Application	KAURING	-	Royalty Pending Grant

Mining Tenements disposed during the Quarter

WA	P37/8913	Granted	TRIGG	100%	Tenement Surrendered
WA	P37/8914	Granted	TRIGG	100%	Tenement Surrendered
WA	P37/8915	Granted	TRIGG	100%	Tenement Surrendered
WA	P37/8916	Granted	TRIGG	100%	Tenement Surrendered
WA	P37/8917	Granted	TRIGG	100%	Tenement Surrendered
WA	P37/8918	Granted	TRIGG	100%	Tenement Surrendered
WA	P37/8919	Granted	TRIGG	100%	Tenement Surrendered
WA	P37/8920	Granted	TRIGG	100%	Tenement Surrendered
WA	P37/8921	Granted	TRIGG	100%	Tenement Surrendered

WA	E53/1981	Granted	YELMA	100%	Tenement Surrendered
WA	E70/5233	Granted	BALLEY BALLEY BROOK	-	Tenement Surrendered by Third Party
WA	E70/5234	Granted	BALLEY BALLEY BROOK	-	Tenement Surrendered by Third Party