

QUARTERLY REPORT for the Quarter Ended 31 March 2015

HIGHLIGHTS

Magnetic Resources NL
ABN 34 121 370 232

ASX Codes: MAU and MAUCA

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PO Box 1388
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Issued Capital:
Shares - Quoted:

97,936,814 ordinary shares.
20,418,862 partly paid shares (\$0.20
unpaid).

Options – Unquoted

- 2,145,000 options exercisable at
\$0.4607 by 21 December 2015
- 12,757,143 options exercisable at
\$0.1499 by 27 December 2016
- 4,000,000 options exercisable
at \$0.17 on or by 31 December 2017
- 150,000 options exercisable at
\$0.18 on or by 31 December 2017

Cash: \$0.97 m

Directors:

Gavin Fletcher
Managing Director

Eric Lim
Non-Executive Director

John Blanning
Non-Executive Director

Company Secretary
Ben Donovan

MT JOY TENEMENT ACQUISITION:

- Magnetic Resources applies for large tenement holding close to Northam known as Mt Joy.
- Builds on Company vision of securing prospective ground to feed future mine developments
- Tenement application covers over 19,000 Ha of highly prospective magnetic anomalies
- Tenement area includes approx. 70 strike km of magnetic anomalies
- Key drilling targets already identified
- Discussions with key landholder, results in a secured access agreement allowing for the immediate commencement of drilling
- Immediate plans to drill a maiden JORC resource in a highly prospective area of the Mt Joy tenement in the next quarter

INTRODUCTION:

Magnetic Resources NL (Magnetic or the Company) is pleased to announce that as part of its broader strategy of securing highly prospective ground to feed into planned future mines, it has applied for over 19,000Ha of highly prospective tenements located less than 5km from the town of Northam and the Government owned, open access Trans Australian Railway.

The Mt Joy land holding is located 15 kms to the North of the Company's other projects at Ragged Rock, and further south, Kauring which potentially offers the Company significant benefits in terms of securing synergies on processing and construction for any future mine development.

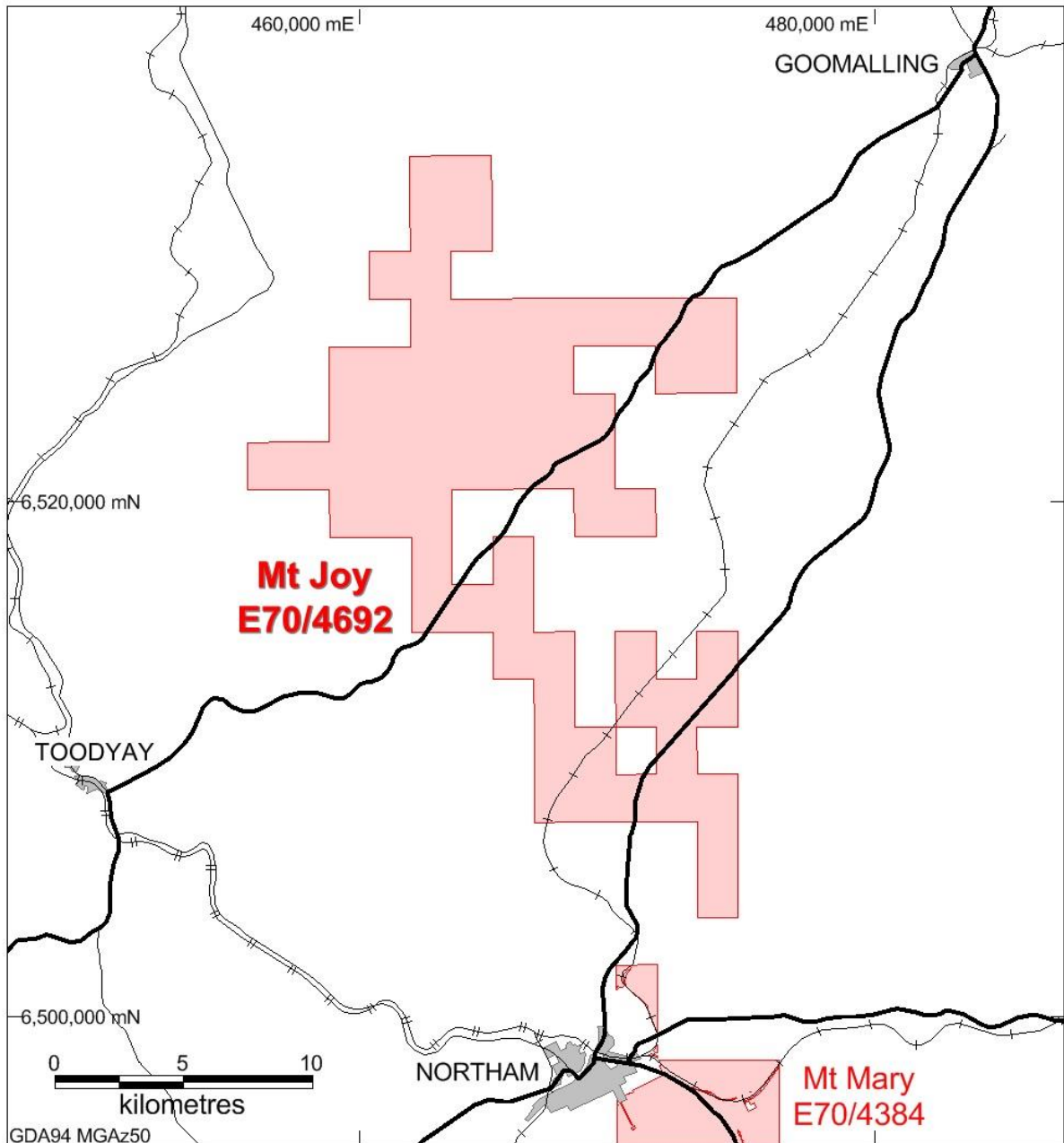


Figure 1: Location Map Mt Joy Project

Tenement Application

The Company made an application for 66 sub blocks (19,306.22Ha) under Exploration Licence EL 70/4692. A competing application was made by another ASX listed Company on the same day for a sub lot of 19 blocks (approx. 5600Ha) under EL 70/4693. The areas of greatest interest to Magnetic are not contained within this competing application.

The objection period for both tenement applications expired on 9 March 2015 with no objections currently lodged against either application. This means that the Magnetic application E70/4692 has no competing interests for at least 47 of the blocks originally applied for. The priority over the remaining 19 blocks will be resolved by negotiation with the other partner or by a ballot conducted by the Mining Warden, at a date yet to be determined in the near future.

The diagram below outlines the location and relationship of the 2 tenement applications:

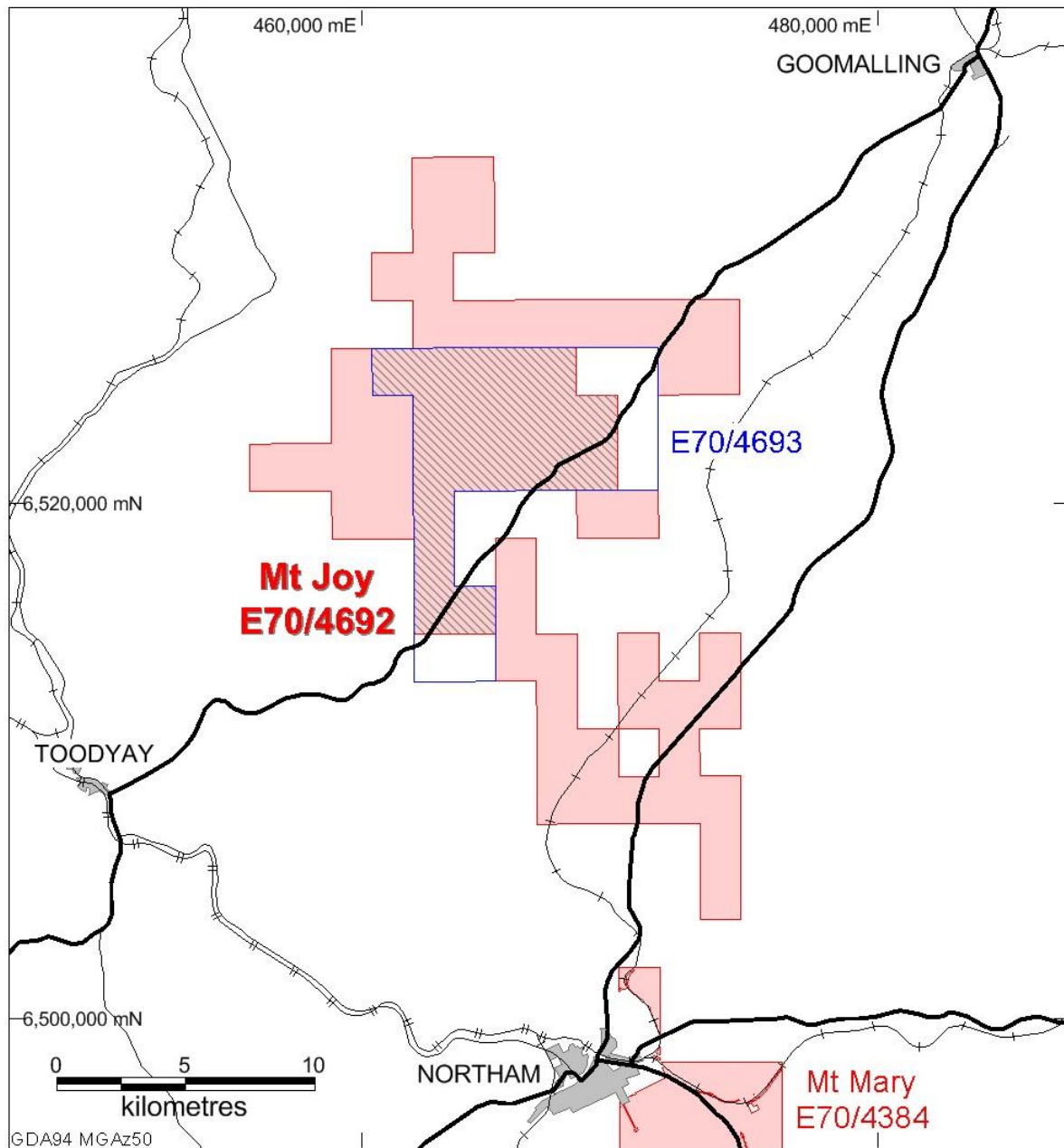


Figure 2: Mt Joy E70/4692 and competing application E70/4693

Prospectivity of the area

The Company is very excited about the potential of the area, given that the magnetic anomalies are generally more pronounced, wider and more continuous than many other areas within the same metamorphic belt of geology.

The magnetic anomalies are similar to those seen on the Company's Kauring project where drilling has intersected numerous very thick and high yielding BIF zones, giving the Company strong belief that the Mt Joy area will contain similar or better intersections.

Figure 3 below outlines a number of significant anomalies totalling some 70 km of strike.

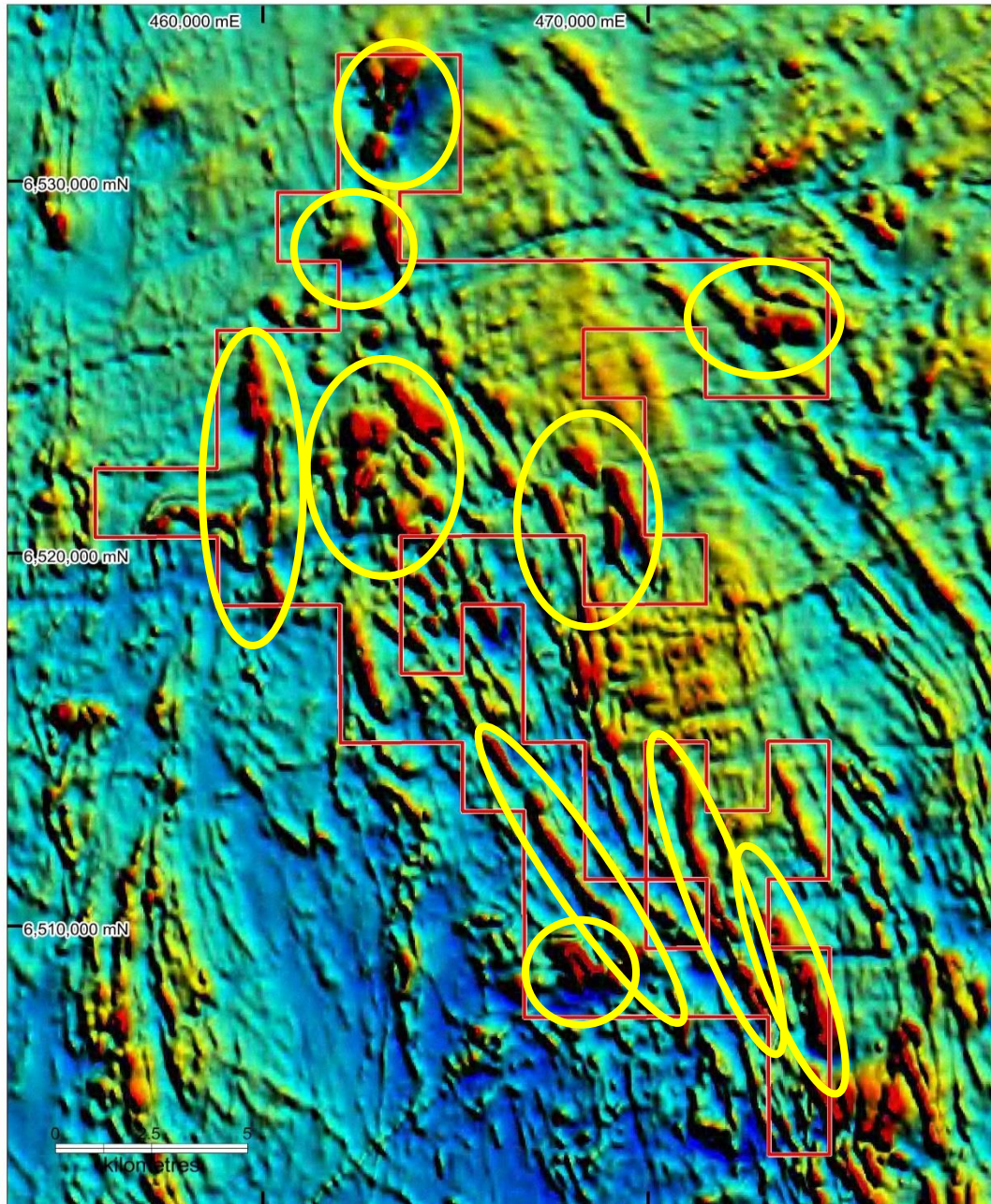


Figure 3: Mt Joy E70/4692 anomalies and strike kilometres

Consultation with the Landholders

The Company has been very proactive in the area since making the tenement application and has met with many of the farmers to negotiate land access agreements.

At least one agreement has been concluded over a very strategic area, and the Company is in the advanced stages of negotiation with the surrounding farmers.

The negotiated agreement covers a feasibility stage and operations phase but most important, Magnetic has the ability to take the project all the way through to a mine which gives the Company the confidence to commence drilling on the project

The agreement involves a number of staged payments on normal industry terms when certain milestones are reached, followed by a production royalty payment to the landholder if the project eventually reaches production.

The Company is sufficiently convinced of the mineral potential of this strategic landholding (based on historical drilling information from the 1960's) that a drill program will be undertaken early in the next quarter with a view of delineating a maiden JORC resource over the area.

GENERAL:

Commenting on the Mt Joy tenement, Managing Director Gavin Fletcher said "the Company is very pleased to have secured the Mt Joy tenement. The tenement is highly prospective, very close to infrastructure and an agreement has already been reached over a strategic target with surrounding landholders also showing a great deal of interest in working with the Company"

RAGGED ROCK PROJECT: (Magnetic 100%)

Further to previous quarter outlining several ground magnetic surveys as future exploration targets, drilling will be subject to agreements with land holders.

JUBUK PROJECT: (Magnetic 100%)

Application for retention and extension status has been made for the Jubuk coarse grained magnetite deposit near Corrigin. This will allow Magnetic to focus on evaluating its Ragged Rock and Kauring projects. The Company has been advised of a 5 year extension of exploration licence was granted in early 2015. Application for Retention Status is pending.

KAURING PROJECT: (Magnetic 100%)

During the quarter the Company advised that results of additional reverse circulation drilling in its December 2014 Quarterly Report and will further advise on any significant changes to the Exploration Target as a result of additional drilling.

OTHER TENEMENTS:

Magnetic has rationalised its tenement holdings in order to focus on the newly acquired Mt Joy tenement and Kauring projects. As a result of this focus, no exploration was carried out on Magnetic's other tenements during the quarter.

CORPORATE:

On 2 March 2015, the Company announced John Blanning purchased 265,000 shares on market.

On 4 March 2015, the Company announced Gavin Fletcher purchased 160,000 shares and 686,418 contributing shares via an off market purchase.

On 4 March 2015, the Company announced John Blanning purchased 1,170,000 shares and 635,524 contributing shares via an off market purchase, and became a substantial shareholder of the Company.

On 16 March 2015, the Company announced John Blanning purchased 60,000 shares on market.

TENEMENT SCHEDULE:

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	100%	100%
WA	E70/3716	Granted	LOMOS	100%	100%
WA	E70/4243	Granted	RAGGED ROCK	100%	100%
WA	E70/4384	Granted	MT MARY	100%	100%
WA	E70/4478	Granted	COLLINS HILL	100%	100%
WA	E70/4508	Granted	KAURING	100%	100%
WA	E70/4528	Granted	KAURING	100%	100%
WA	E70/4598	Granted	LATHAM ROCK	0%	100%
WA	E77/2035	Granted	LAKE SEABROOK	Gold Rights Only	Gold Rights Only

Mining Tenements acquired during the Quarter

WA	E70/4692	Application	Mount Joy	100%	100%
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Mining Tenements disposed during the Quarter

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

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Competent Person's Statement

The information in this report that relates to exploration results is based on information compiled or reviewed by Mr Cyril Geach BSc (Hons-Geology) who is a member of the Australian Institute of Geoscientists. Cyril Geach is an independent consultant with his own business, Cyril Geach - Geologist and 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'. Cyril Geach consents to the inclusion of this information in the form and context in which it appears in this report.

About Magnetite

Magnetite is a major source of iron and accounts for about 30% of global iron furnace feed for steel production. The largest producer of iron ore and iron is China and its main iron ore source is magnetite. North America is the sixth largest producer and is also mostly a magnetite producer.

Magnetite (Fe₃O₄) is a magnetic mineral, an important property in aiding discovery using magnetic surveys and in ore processing. Ore can be crushed, passed over a magnet and the magnetite extracted to produce a clean, high grade iron product.

Magnetite ore grades are usually lower than commercially exploited hematite ores but after processing, a product with much higher iron grades and much lower costly impurities is derived.

Section 1 Sampling Techniques and Data	
(Criteria in this section apply to all succeeding sections)	Magnetic Resources Kauring Report Release 19 December 2013 update with Magnetic Resources Kauring Report Release 19 February 2014 update with Magnetic Resources Kauring Report Release 04 & 20 March 2014 update with Magnetic Resources Kauring Report Release 07 April 2014 update with Magnetic Resources Quarterly Report to 30 September 2014 update with Magnetic Resources Kauring Report 24 November 2014 and this release January 2015
Sampling techniques	Reverse Circulation Drilling collected at 1m , 2m and 4m interval and sub sample split through a cyclone rotary splitter
	Duplicates taken using a 75:25 riffle splitter at every 20-30m and standards introduced at every 30-40m
	Susceptibility readings taken at each 1m from larger sample collected using a Georadus K10 magnetic susceptibility meter x10-3SI
	Hand held Delta Dynamic XRF Model DP-4000-C Serial No 510246 used to test every 5-7 metres of collected sample for early recognition of Fe content. Error 5-10%Fe to assay expected.
Drilling techniques	Reverse Circulation Drill Rig owned by Orbit Drilling Pty Ltd, Breakthru Drilling PL using a 140mm RC hammer drill bit, pre-collar to 6m and Mt Magnet Drilling HQ and NQ DDH
Drill sample recovery	Visual observation and noted where water occurs - water was minimal and 90% of sample recovery water free
	Drilling companies engaged ensure the efficiency is acceptable and audit of machine efficiency through Duplicates carried out.
	It is assumed minimal bias to sample recovery and grade and if so expect at the 1m interface between geological horizons bias to occur backed up where susceptibility and duplicates are a measure of down-hole consistency. Duplicate results indicate in a number of samples that future improved recovery at the rig is required, but as this is an exploratory drill program results are deemed acceptable at this initial level, but would need to improve QA/QC consistency for JORC purposes at MR level when testing the weathered horizon in particular.
Logging	Logging at 1m intervals to assess the geological interpretation. DDH 14DD1 was accurate in duplicating 13KRC4 DH log detail to within 1m of the fresh interface.
	RC sampling at 1m interval is quantitative using Hand Held XRF and will become qualitative after assaying is carried out. Assay results previously reported in ASX release February 2014 and March 2014 are firm data.
	Total length of intersections logged 1266.2 metres as 100% of the drilling at Kauring
Sub-sampling techniques and sample preparation	RC sampling at 1m, 2m and 4m interval is quantitative using Hand Held XRF and became qualitative after assaying data is to be released. Composite sub sampling was on a volumetric method taking a scoop <1kg from a shaken calico sub sample of 1m collected drill material and combined repeatedly equally as a scoop sub sample with other samples for 2 or 4m combined. Portable XRF assays are recorded of the sub samples in the field to be compared v lab assay to detect any major errors. Duplicate samples are 1m samples only.
	Rotary Split at rig at 1m intervals into Calico for 0.5-2.0kg sub samples and riffle split at 75:25 for duplicates >3Kg
	Dry samples into calico bags for assay vary with size of collected sample between 0.5-2.0kg weight - expect the sample to be homogenous over the 1m collected
	Cyclone cleaned regularly at every 5-10m to prevent cross contamination or cleansed more if clayey or damp conditions prevailed however minimal <10%
	Duplicate at every 20-30m to measure continuity of the drill rig and sample recovery, particularly the BIF. Duplicate results indicate in a number of samples that future improved recovery at the rig is required, but as this is an exploratory drill program results are deemed acceptable at this initial level, but may need to improve QA/QC consistency for JORC purposes at MR level when testing the weathered horizon in particular.
	Grain size mostly fine powdery in weathered zone and fresh zone
Quality of assay data and laboratory tests	Total digest and XRF methods employed for Fe suite elements when assaying to be employed. Hand Held XRF used as quantitative tool not qualitative.
	Hand held XRF self-calibrating specific for Fe and limited to testing a portion of the calico sub sample. Susceptibility readings an average reading across a 1m sample not all the sample able to be read. Hand held XRF tested against known standards to determine any start, middle and end bias. So far accuracy extremely good for Fe% and within tolerable ranges of 2S for Al, P, S.
	Quality control methods using 3 x Geostats CRM standards and duplicates. Duplicates to be tested at 2 laboratories for umpire testing in later rounds of drilling. No blanks used. Internal checks and standards satisfy control of lab methods Fire Assay Fe suite XRF / ICP /MS methods by certified laboratory Bureau Veritas.
Verification of sampling and assaying	At this juncture no independent verification of geology apart from personnel involved in recovery of samples and log chip tray observation by third parties and management.
	One twinned holes to date proved accurate for validating previous fresh BIF drill hole 13KRC4
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols carried out
	Discuss any adjustment to assay data not carried out. Weighted assays for composite samples not viable in the field taken as a volumetric scoop size. Weighted in the lab.
Location of data points	No surveys or verification of drill holes apart from GPS located. Magnetic variation occurs which has potential to throw out magnetic bearing by up to 10 degrees and noted.
	GPS grid system to date
	GPS topographic control and located data from GSWA airborne survey

Data spacing and distribution	Data spacing for reporting of Exploration Results and Exploration Target are conceptual and not relevant at this juncture leading to a MR which may or may not be determined.
	Data spacing adequate along cross section enables appropriate geological control for Mineral Resource use at present requires further drilling to ascertain a MR.
	Sample compositing so far has been applied to parts of the drill column (February and March 2014 data to ASX) and at 1m and 2m spacing for zones of BIF of interest such as fresh BIF at Kauring.
Orientation of data in relation to geological structure	DDH 14KDD1 has confirmed a steep 85 degree dip for the eastern BIF. Orientation of sampling depends on the down hole travel of the drill string not yet determined apart from the DDH. Further drilling will assist in determining any bias.
	Mineralised structures and sample bias - too early to understand this affect
Sample security	Samples personally delivered to the laboratory and also stored on site for repeat sampling if necessary
Audits or reviews	Sample audits at this stage are duplicate and standards taken.
Section 2 Reporting of Exploration Results	
(Criteria listed in the preceding section also apply to this section.)	
Criteria	JORC Code explanation
Mineral tenement and land tenure status	E70/4508 granted 100% to Magnetic Resources no third party arrangement apart from standard Department of Mines and Energy requirement access agreements with farm owners, no Native Title or extricated land apart from the Avon Valley water catchment. Land ownership is private used as farm land. Future end agreements will have to be entered into with farmers and discussions begun with a select few. One 5 year option agreement in November 2014 has been signed with the farm owner over the Central Target at Kauring. Land owner agreements over Mount Joy land holdings are a pre-requisite to access and future mining opportunity before any serious exploration carried out. An inferred JORC resource aims to be achieved in April-June 2015 quarter over one prospect of the Mount Joy Tenement
	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 is subject to a Program of Work approval by DMP and granted for reconnaissance drill holes over Minerals to Crown land. Remnant bush may require a DEC survey in the future for flora and fauna. Minerals to Owner title may exist requiring agreements separate to DMP requirement.
Exploration done by other parties	No search for Fe by other parties known at Ragged Rock and Kauring.
Geology	Outcropping Banded Iron Formation (BIF) comprising weathered BIF and fresher BIF at depth within a gneissic strati-form layered succession steeply dipping NE including orthopyroxenite – hornblende in western BIF that differs from the eastern BIF which is a quartzite BIF at Kauring. Weathered BIF is partial weathered to goethite, hematite, and martite after magnetite at Kauring. Minor sulphide noticed in volcanics and testing to see if sulphide in fresh BIF in the eastern BIF can be separated by DTR analysis at Kauring. Work is ongoing with regard to understanding the relationship of weathered (hematite and martite) alteration over magnetite BIF at Kauring. Layered peridotite / pyroxenite / gabbro footwall to western BIF supports an EIS grant of \$141,323 for 20 x RC and 1xDDH in June 2014 quarter.
Drill hole Information	Data summary forms part of an ASX release dated 19 December 2013 and 19 February 2014 and ASX quarterly reports for December 2013, March 2014 and November 2014.
	o easting and northing of the drill hole collar provided
	o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar estimated not outlined
	o dip and azimuth of the hole provided
	o down hole length and interception depth provided
	o hole length provided
	azimuths are submitted with an error to 10% over the magnetic BIF until further accurate data can be submitted but not critical at such an early stage of reporting of ER or ET
Data aggregation methods	The use of Hand Held XRF data taken at 5-7m intervals is purely quantitative with expected errors of <1%Fe against known standards and Si / Al not reported until assay data is available and further reported
	Susceptibility readings taken at each 1m RC drill sample from larger sample collected using a Georadus K10 magnetic susceptibility meter x10-3SI vary across a wide and reported only an average until assay results are posted which will project a better understanding of the Fe% and susceptibility measured at 1m intervals or as composited samples that are yet to be determined.
	The assumptions used for any reporting of metal equivalent values should be clearly stated not undertaken or represented. Not used for this purpose.
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results as outlined in the ASX release dated about 19 December 2013 by MAU. Fresh BIF sampled at 1m, 2m intervals whilst weathered BIF sampled at 2m and 4m composite levels on composites unreleased in current drill program. Incompatible elements

	in head grade by XRF on fresh BIF further determined using Satmagan and then if positive - Davis Tube Recovery to see if they are removed. Results awaited in January 2015. Sulphur was an element that showed normal and above normal levels down-hole in 13KRC drill samples but considered to be workable in context of the very low Al, P incompatible elements and high Fe% at a coarse grind at 100 micron at Kauring in overall sample collection.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported and is outlined in Figure 3 this report January 2014 at Kauring.
	If it is not known and only the down-hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). True widths and down hole widths reported together in Figure 3 this report January 2015.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included are reported in Figures 1-3 and Tables 1-2.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable – results released and prior reported and as detailed in Notes to the Exploration Target in December 2013, February 2014 and March 2014 ASX releases about Ragged Rock and Kauring.
Other substantive exploration data	Improved exploration data know about the physical - chemical nature of the reported logged drill intercepts occurs at this point. Metallurgy is an increasing determination and reported identifying coarse magnetite recoverable at a coarse grind. We know that a BIF sequence of rocks with 3 zones of BIF a western, central and eastern zone, occurs at Kauring as reported up to January 2015. Overburden of 50m of weathered BIF reported at Kauring with evidence parts are commercially interesting to date but not affirmative along strike. Historical drill logs and core used to determine validity of Mount Joy tenement at one of the defined prospects. Further information to be released in due course. Ground geophysics at 100m carried out and to be reported in due course.
Further work	Further work will require further drilling to improve the geological model being reported broader ground magnetic survey, infill ground magnetics and drilling.
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