magnetic resources NL

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1 km Gold Target 15 km North of Wallaby(>7Moz)

Magnetic Resources NL ("**Company**") is pleased to announce that the Company has identified a 1km-long shear target mineralization zone (T1) from historical drilling reports (Normandy Exploration, Mt Ajax Interim Report Oct 1996 to April 1997) with elevated gold grades up to 6m @ 1.9g/t from 108m including 2m @ 4.6g/t from 110m in hole AXC064 (Fig.2) within the SW part of the Mt Jumbo tenement (Fig.1 & 4) E38/3100 (17 sq.km).

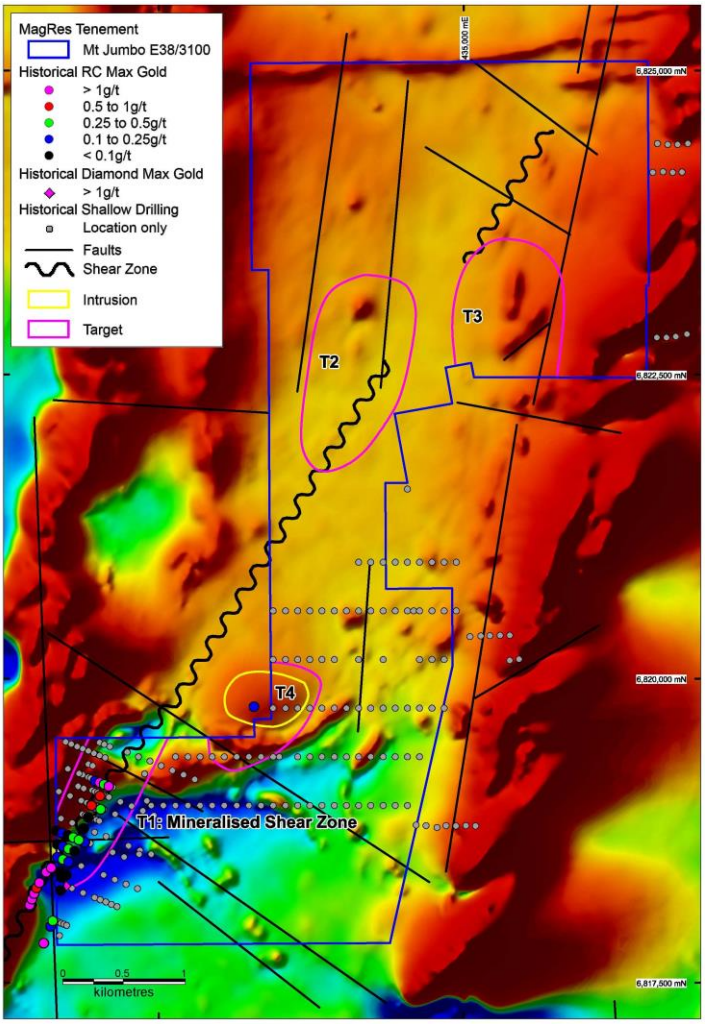

Figure 1: **Historical drilling, interpretation and detailed aeromagnetics**

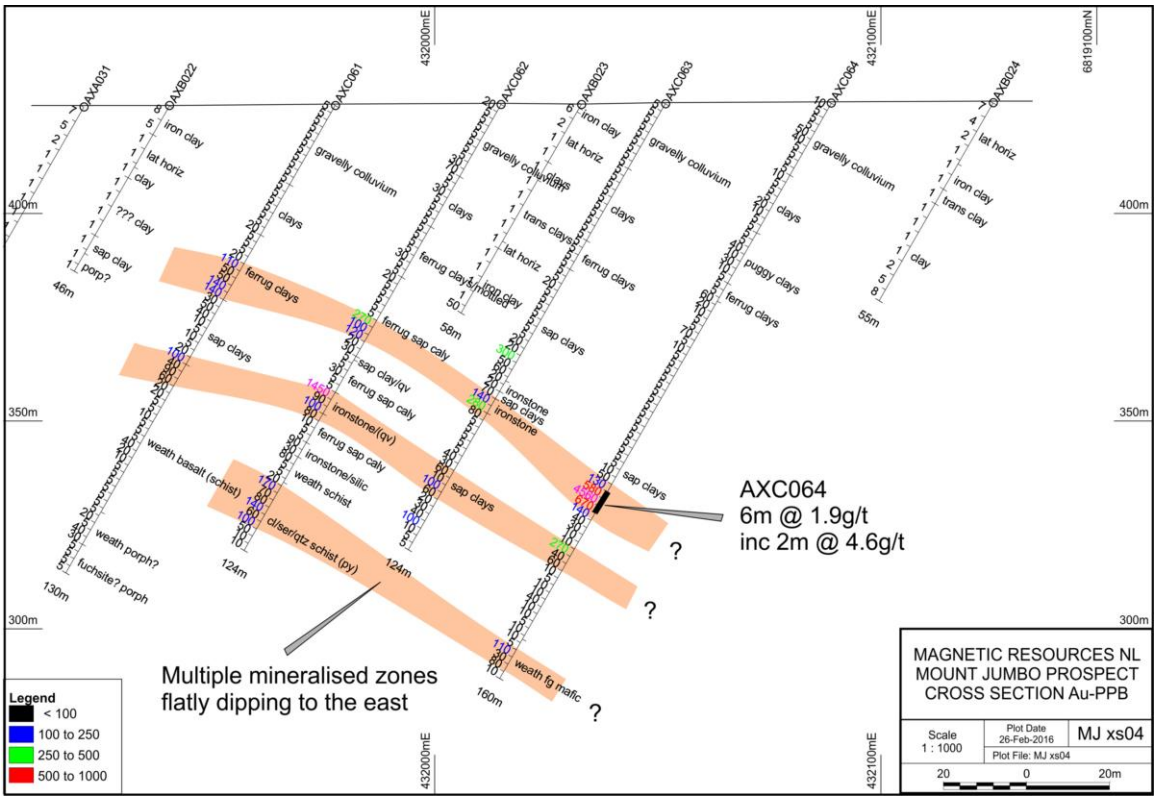

Figure 2: **Historical drilling cross section AB**

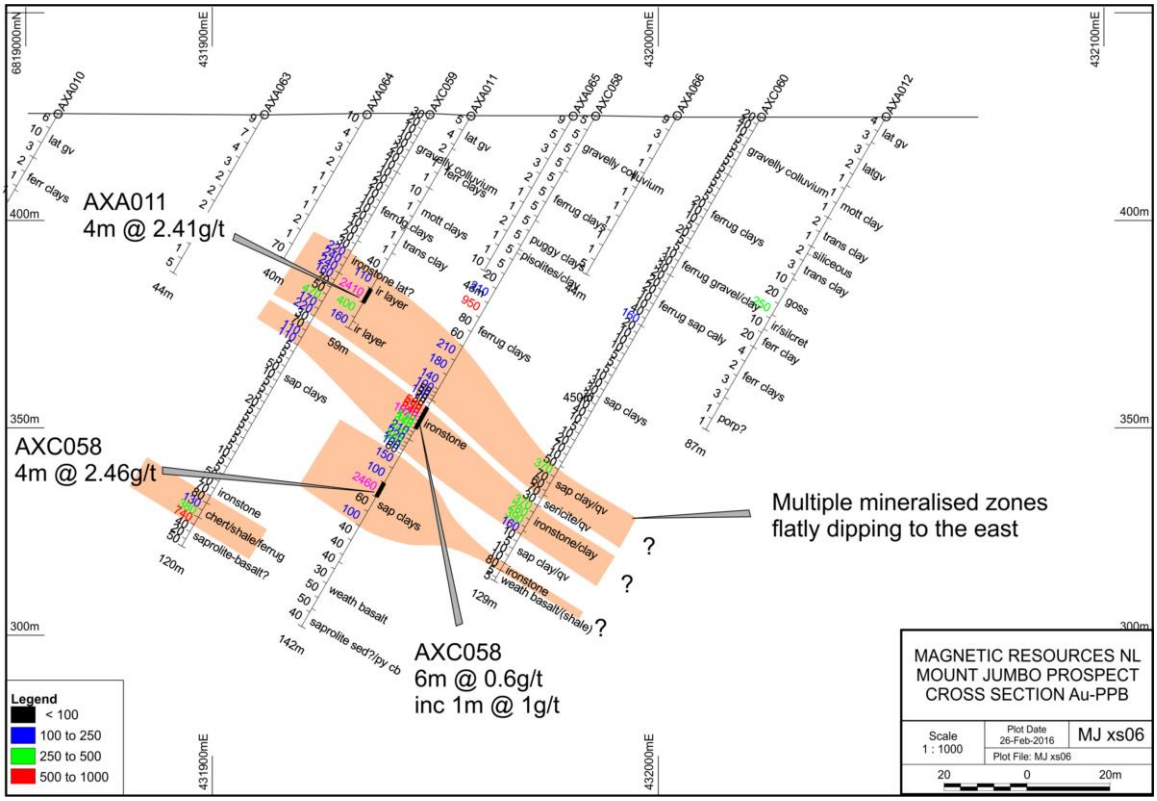

Figure 3: **Historical drilling cross section CD**

This intersection is open at depth as shown in Fig.2. The mineralisation also extends along strike as shown in Fig.3. This is surprising as the RC holes have

only been completed down to a relatively shallow 100m vertical depth with better intersections below the saprolite clay layers often associated with ironstone and quartz veins on the contact between ultramafics and mafic rocks.

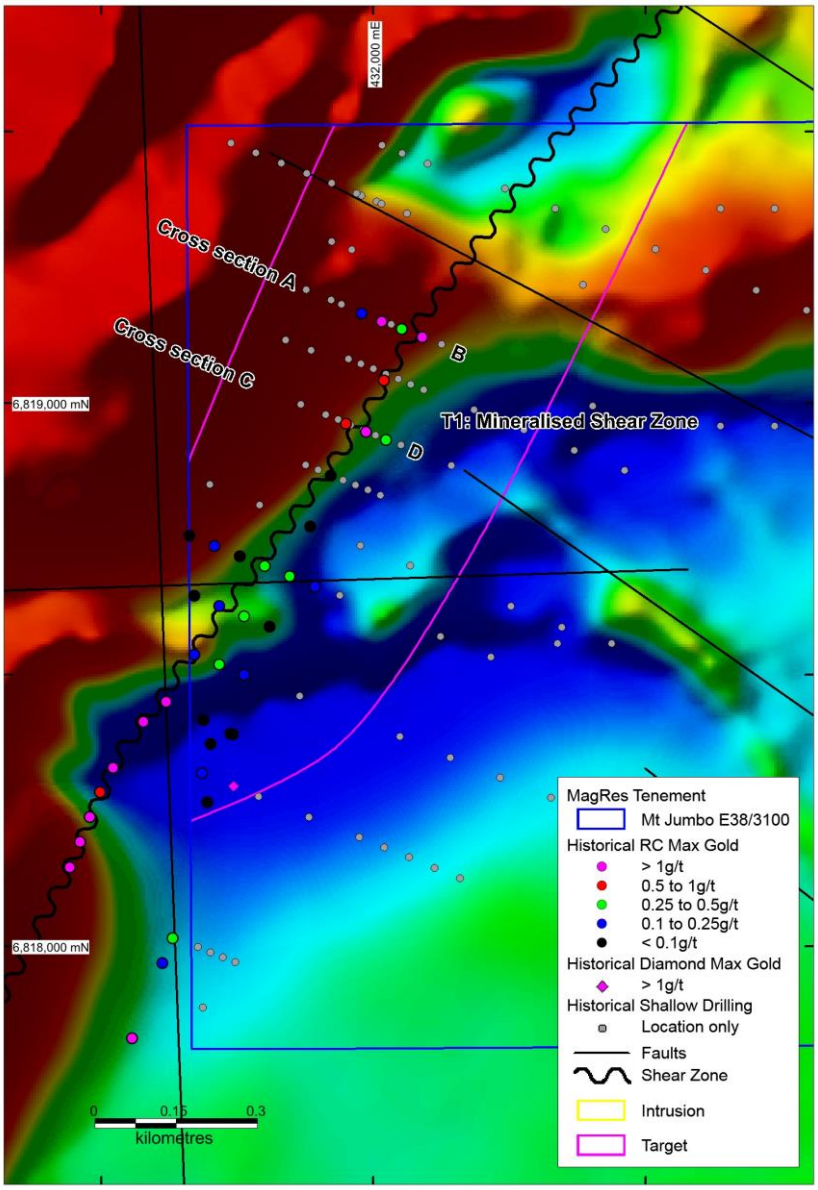

Figure 4: **T1 Historical drilling interpretation and Detailed aeromagnetics**

Significantly, the mineralisation appears to be flatly dipping to the east (Fig.2 & 3) with evidence of multiple mineralized zones, which is similar in geometry to other deposits in the region including the Wallaby deposit(>7Moz). These open-ended multiple zones provide encouragement for both deeper and down dip drilling in the future.

This 1km shear mineralization zone (target T1) is interpreted to extend into the northern parts of Mt Jumbo (Fig.1). The intersection of this shear with an interpreted N-S fault at target T2 is considered to be a priority area. Target T3 shows similar characteristics to T2. Target T4 is unusual and is interpreted to be intrusion related similar to a number of deposits in the Laverton area including

Wallaby(>7moz). Gold intersections greater than 1 g/t from historical drilling at T1 are shown in the table below.

Hole_Id	Hole_Type	MGA_E	MGA_N	From	To	Width	Au
		metres	metres	metres	metres	metres	ppm
AXA011	RAB	431958	6818960	48	52	4	2.41
AXC058	RC	431986	6818949	84	85	1	1.02
AXC058				102	106	4	2.46
AXC062	RC	432015	6819152	80	82	2	1.45
AXC064	RC	432089	6819123	110	112	2	4.56
AXD004	DIA	431743	6818295	263.5	264.5	1	2.33
AXD004				308.5	310	1.5	1.82

BACKGROUND

The Leonora-Laverton district is well endowed with large world class gold deposits. A regional study by the Company has so far identified a total of 3 areas (Fig.5) that have the potential to host large scale deposits These tenements are within 50km of existing gold operations, opening the possibility for toll treating.

The objective of Magnetic Resources' gold exploration program is to identify large gold deposits of 1Moz or greater utilising the geological and geophysical characteristics of the known surrounding deposits. This belt is well endowed with over 34Moz (mined plus resources) being second to the Kalgoorlie region in WA.

A number of very large deposits (Fig.3) are present including: Wallaby (>7.1Moz mined plus resource), Sunrise Dam (>10Moz mined), Granny Smith (>6Moz mined), Gwalia (7.3Moz mined plus resource), Westralia (2.4Moz mined plus resource) and Jupiter (1.3Moz mined resource). The Mt Jumbo and Hawks Nest tenements are only 10km and 20km north of the Wallaby deposit respectively.

Work planned by the Company will be focused on extensions of any known mineralised zones within the tenements, identified by previous exploration, and large scale localised features identified by geological and geophysical interpretation, that are prospective for large scale deposits which appear to be largely untested.

Initial work over targets identified is expected to be inexpensive and will include gold soil geochemistry and ground magnetics, which in some cases can identify near surface mineralisation. The Company will also examine the effectiveness of any historical work including assessment of whether any previous drilling was deep enough.

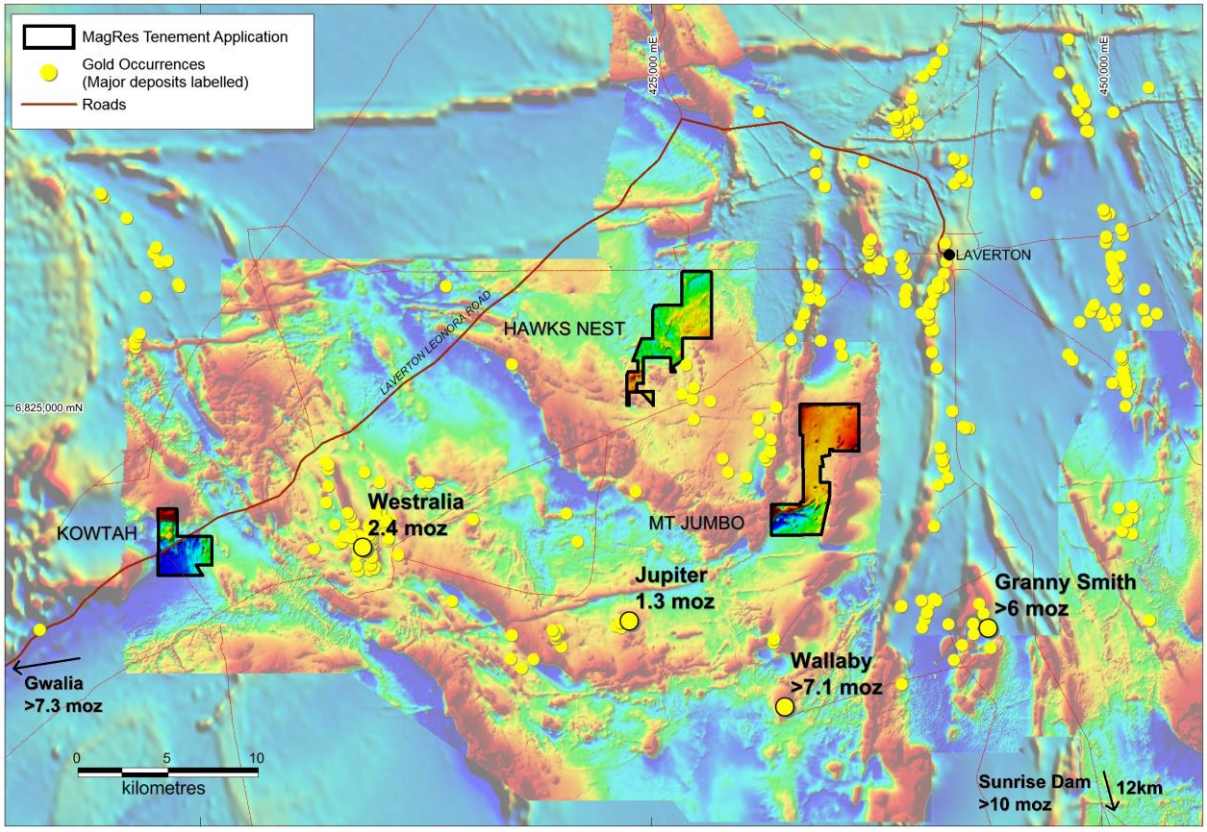

Figure 5: **Magnetic tenements, gold deposits and detailed aeromagnetics**

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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.