magnetic resources NL

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Ground Floor
22 Delhi Street
West Perth WA 6005
PO Box 1388
West Perth WA 6872
Telephone 08 9226 1777
Facsimile 08 9485 2840
info@magres.com.au
www.magres.com.au

ABN 34 121 370 232

New large land acquisition at Laverton includes a 1.3km mineralised shear at Mt Jumbo

Magnetic Resources NL ("**Company**" or "**Magnetic**") is very pleased to announce that the Company has recently applied for a large tenement E38/3127 (129 sq. km) which links the Mt Jumbo, Hawks Nest and Marabou tenements (Figure 1). The combined tenements in this package is now 225 sq. km making the combined Leonora-Laverton package of tenements 320 sq.km in size making Magnetic Resources one of the largest tenement holders in the Laverton-Leonora region which has produced and has existing resources totaling over 34Moz.

HIGHLIGHTS

The Mt Jumbo gold rich shear extends onto the new application E38/3127 and totals 1.3km in length. A number of intersections are recorded Figures 2-5 and Table 1. This shear zone is very prospective and appears as a fault intersection off a NS fault that passes just west of the Wallaby 7Moz deposit. The 1.3km shear zone has been drilled by Normandy Exploration Limited, between 1994 to 1996 within the Mount Ajax tenement (E38/557) and are summarised in annual reports for the period 7 October 1993 to 6 October 1996, GSWA WAMEX Reports A46159, 48654, 49933.

Numerous high-grade results are present with **34 intersections having over 2m @ 2g/t**. Some of the better intersections include **15m @ 2.4g/t** from 97m in hole AXC013 (Fig.5 and Table1) and **4m @ 7.2g/t** from 104m in hole AXC048 and the mineralisation is often associated with porphyry intrusives and gossanous mineralisation which in some cases appear open at depth (Fig 3 and 5). A large scale adjacent magnetic intrusive is interpreted just west of the shear zone and has some similarity to the Wallaby mineralised intrusive. A detailed ground magnetic survey is planned over the 1.3km shear zone and over accessible parts of the interpreted Wallaby style intrusive. This survey has commenced and will be completed subject to the weather conditions.

Seven other prospective intrusives are interpreted some of which have not been drilled at depth. Ground magnetic surveys are also planned here to help define the intrusives and site drill holes. The most northeastern Intrusive target occurs at a dilation position where a NS structure bends into a NNE direction. An arcuate shaped intrusive (Fig.6) has anomalous drilling of 2m @ 2g/t from 12m and 4m @ 4.8g/t from 16m only 200m to the NE.

In a commentary by George Sakalidis, "the company has moved swiftly over the last 3 months under my technical direction to develop a significant gold tenement position within one of the premier gold districts in Australia. Notwithstanding a gold pegging rush in the goldfields, Magnetic has been able to pick up 320 sq. km of tenements some of which have significant gold mineralisation within gold enriched shear zones and twelve large intrusive style targets similar to the Wallaby pipe style deposit. The mineralisation at Mt Jumbo is significant both in grade and length as it is at least 1.3km in length. Also a number of the sections have not been drilled at depth opening up the potential for a gold deposit only 10km north of the Wallaby Mine. The current gold price around $US1215/ounce tonne is significant as compared to the 1996 pricing around $US385/ounce when Normandy drilled, and augers well for the economic potential of the Mt Jumbo shear zone."

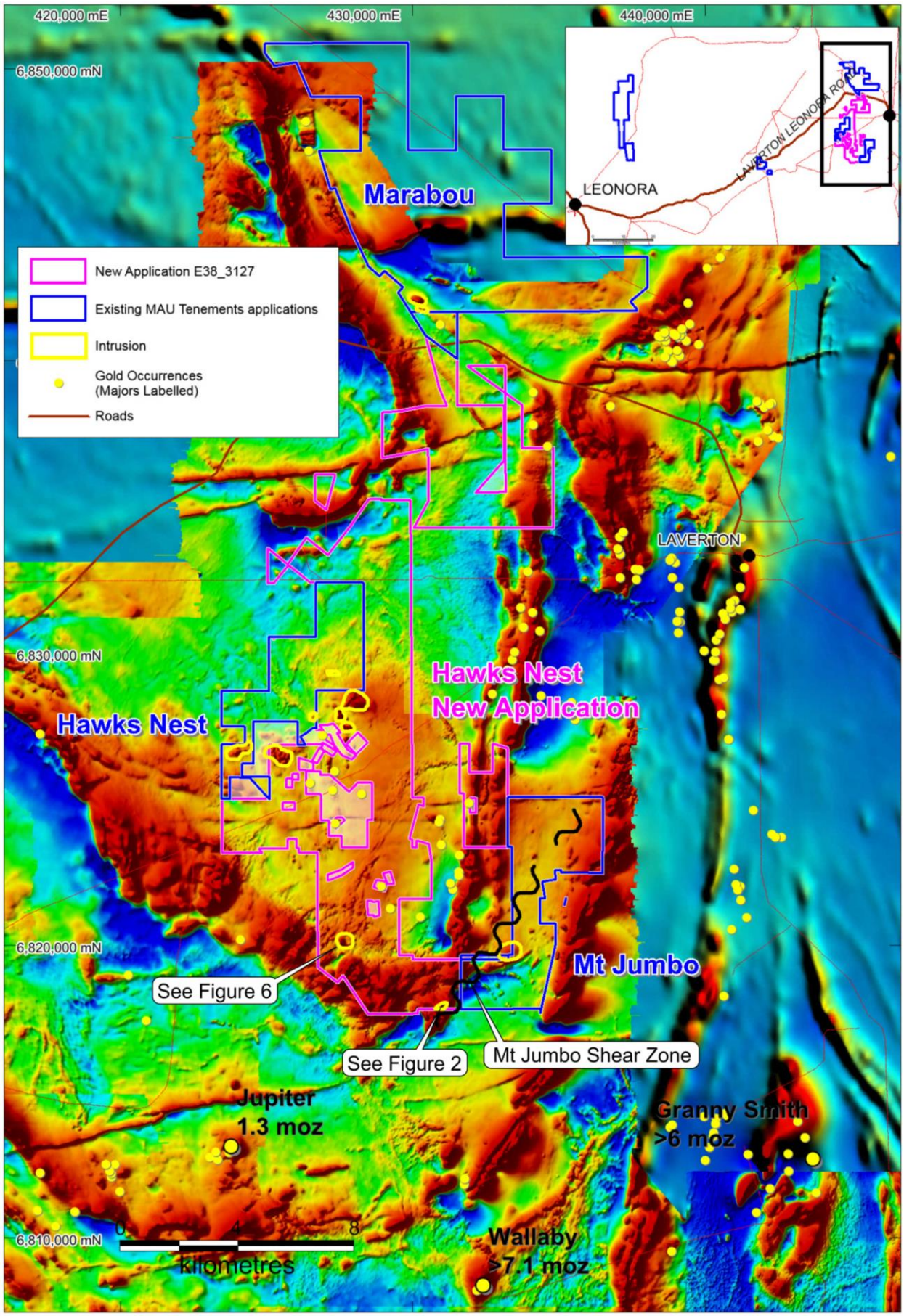

Figure 1. **Magnetic Resources Eastern Leonora-Laverton tenements, gold deposits and detailed aeromagnetics**

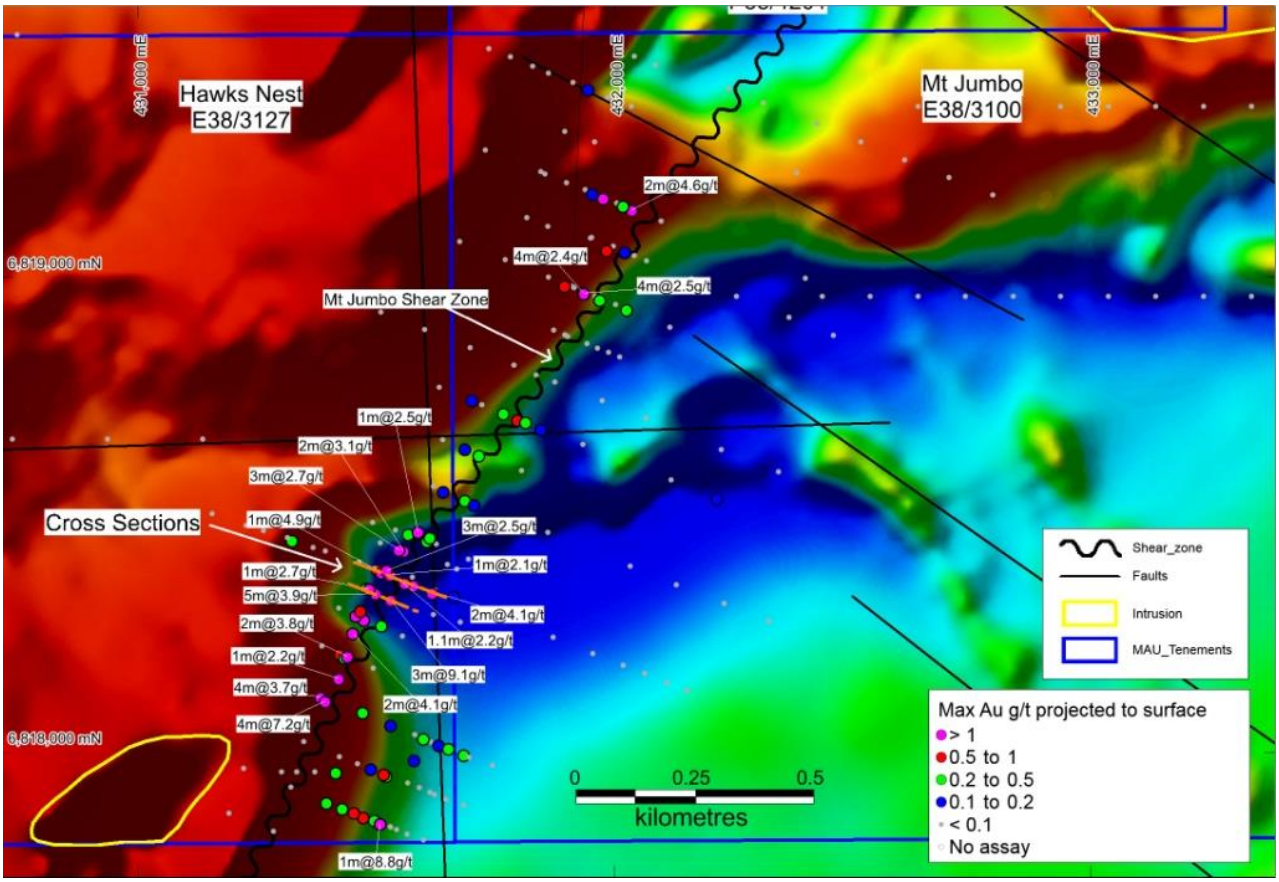

Figure 2. **Mt Jumbo Maximum Gold Intercepts (>2g/t) Projected to Surf**ace

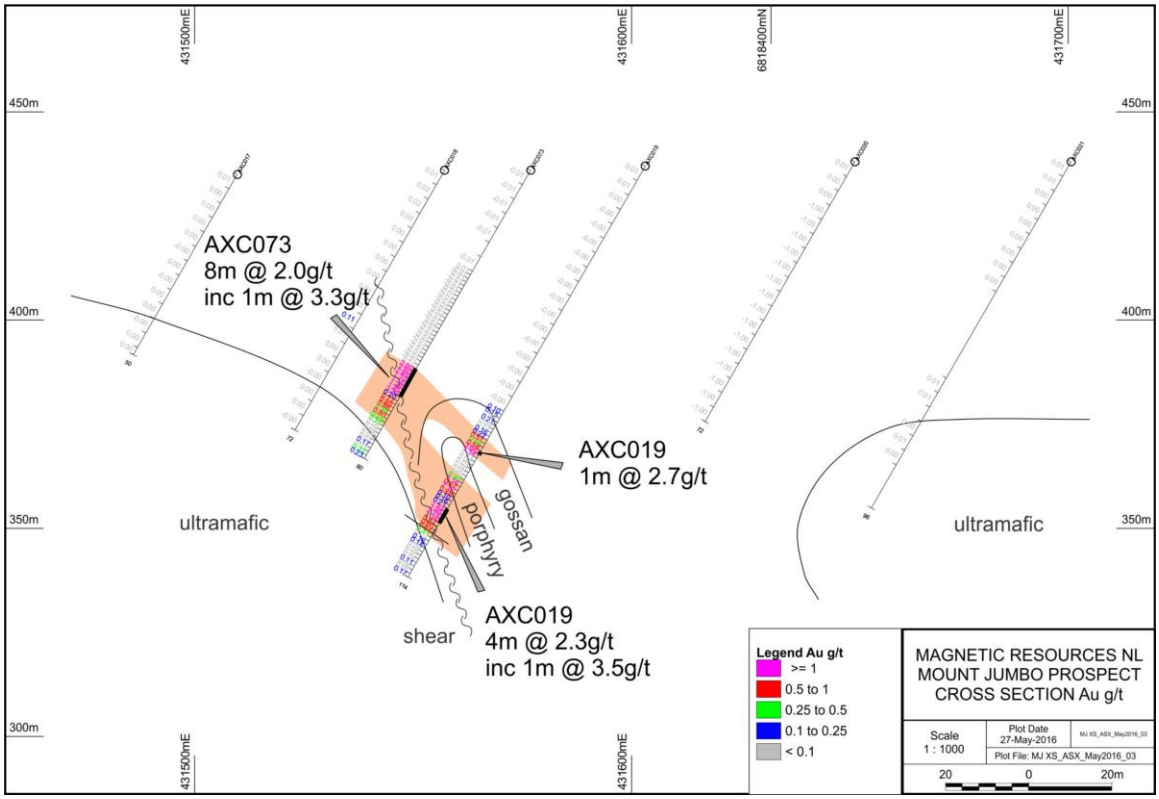

Figure 3. **Mt Jumbo Cross Section**

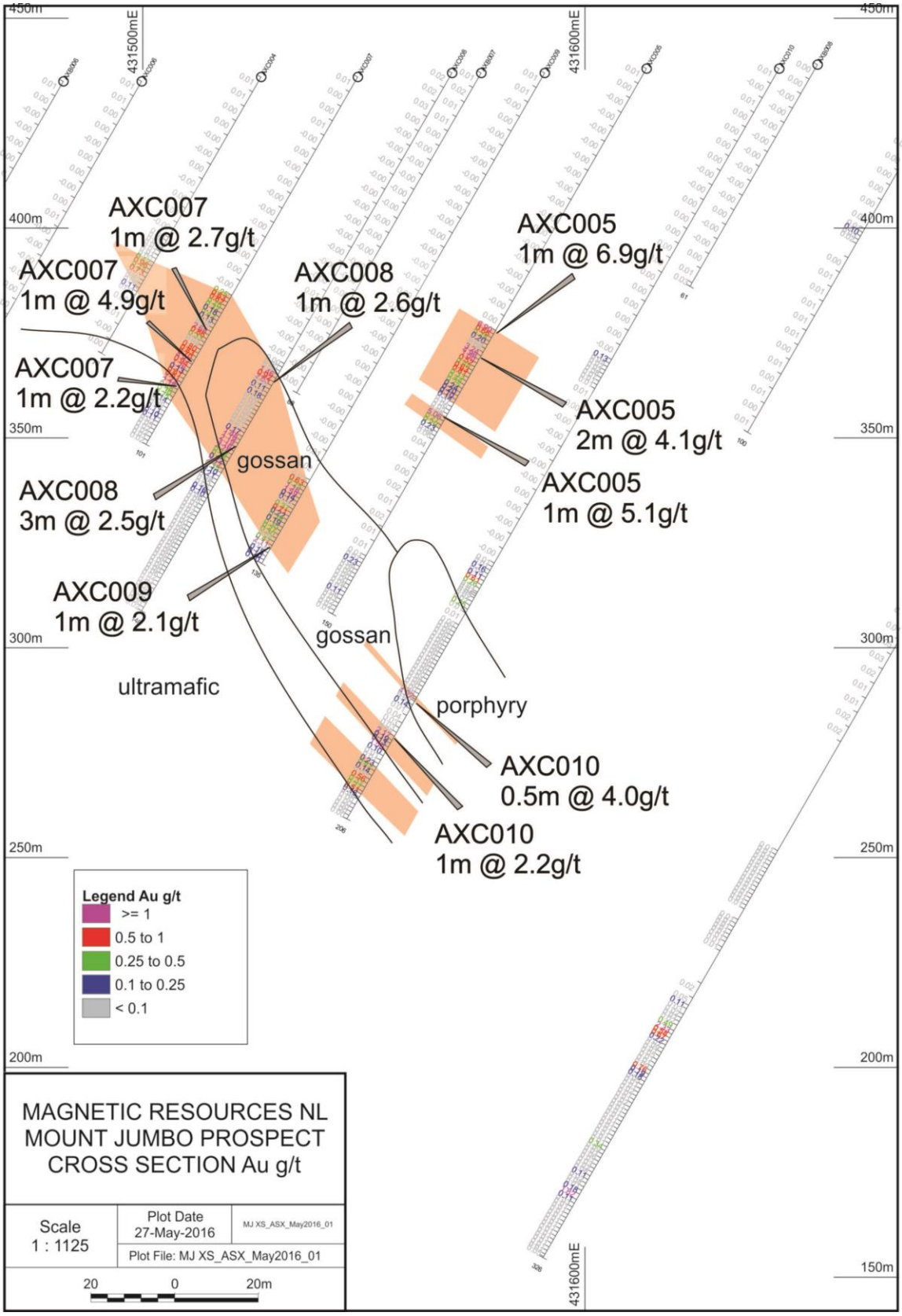

Figure 4. **Mt Jumbo Cross Section**

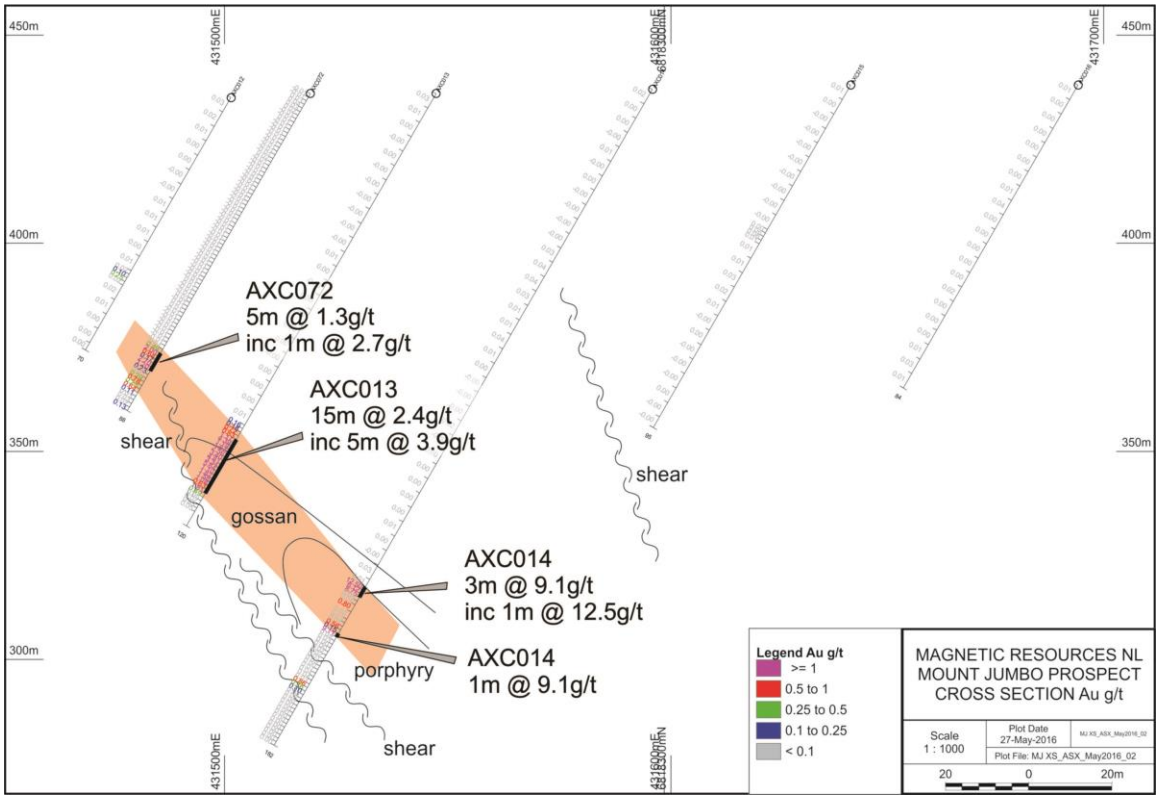

Figure 5. **Mt Jumbo Cross Section**

Table 1. **Mt Jumbo Significant (>2g/t) Gold Intercepts**

Hole_Id	MGA_East	MGA_North	From(m)	To(m)	Width(m)	Au g/t
AXA011	431958	6818960	48	52	4	2.4
AXC005	431612	6818340	72	73	1	6.9
AXC005			78	80	2	4.1
AXC005			96	97	1	5.1
AXC007	431548	6818366	70	71	1	2.7
AXC007			78	79	1	4.9
AXC007			85	86	1	2.2
AXC008	431572	6818367	85	86	1	2.6
AXC008			102	105	3	2.5
AXC008			108	109	1	2.2
AXC009	431591	6818354	130	131	1	2.1
AXC010	431642	6818330	173	173.5	0.5	4
AXC010			183.6	184.7	1.1	2.2
AXC013	431548	6818319	97	98	1	4.4
AXC013			100	105	5	4
AXC014	431597	6818300	138	141	3	9.1
AXC014			151	152	1	9.1
AXC019	431603	6818410	79	80	1	2.7
AXC019			90	91	1	2.1
AXC019			96	98	2	3.1
AXC047	431398	6818111	28	32	4	3.7

AXC048	431444	6818092	104	108	4	7.2
AXC058	431986	6818949	102	106	4	2.5
AXC064	432089	6819123	110	112	2	4.6
AXC065	431555	6817833	99	100	1	8.8
AXC068	431441	6818148	42	43	1	2.2
AXC069	431460	6818194	43	45	2	3.8
AXC069			46	47	1	2.6
AXC070	431478	6818240	58	60	2	4.1
AXC072	431520	6818331	72	73	1	2
AXC072			75	76	1	2.7
AXC073	431576	6818416	55	58	3	2.7
AXC073			62	63	1	3.3
AXC074	431618	6818453	64	65	1	2.6

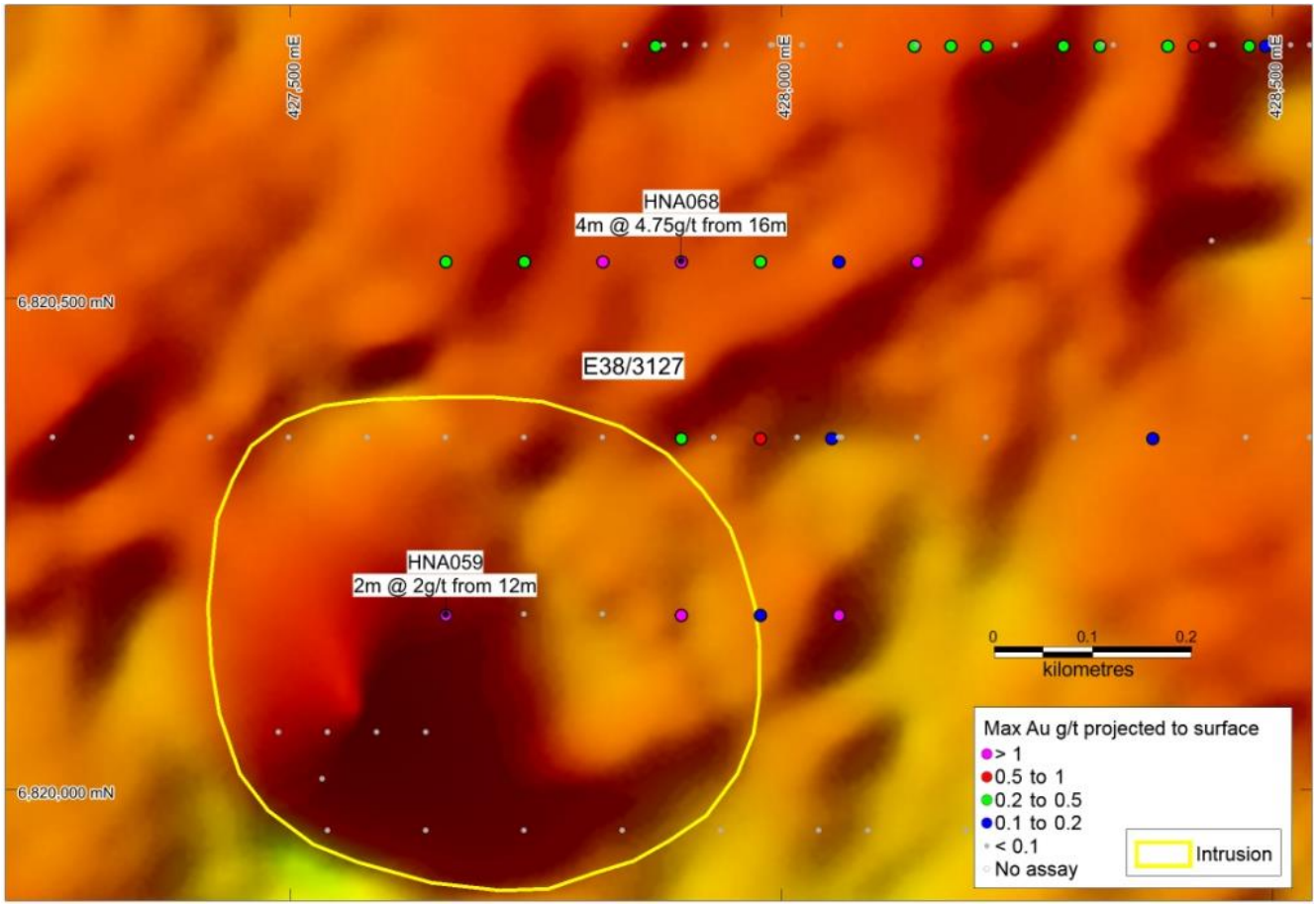

Figure 6. **Hawks Nest Gold Intercepts (>2g/t) Projected to Surf**ace

NEW TENEMENTS AND 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 7 Project areas totaling 320sq km (Fig.1 & 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 Gold tenements now held by Magnetic include: Marabou E38/3114 and P38/4202 (55sqkm); Mt Jumbo E38/3100 and

P38/4201 (17sqkm); Kowtah P39/8697-8694 and P39/5617 (9sqkm); Hawks Nest E38/3101 (15sqkm); Hawks Nest E38/3127 (129sqkm) Mertondale E37/1258 (81sqkm); Christmas Well P37/8687-8694 (14sqkm).

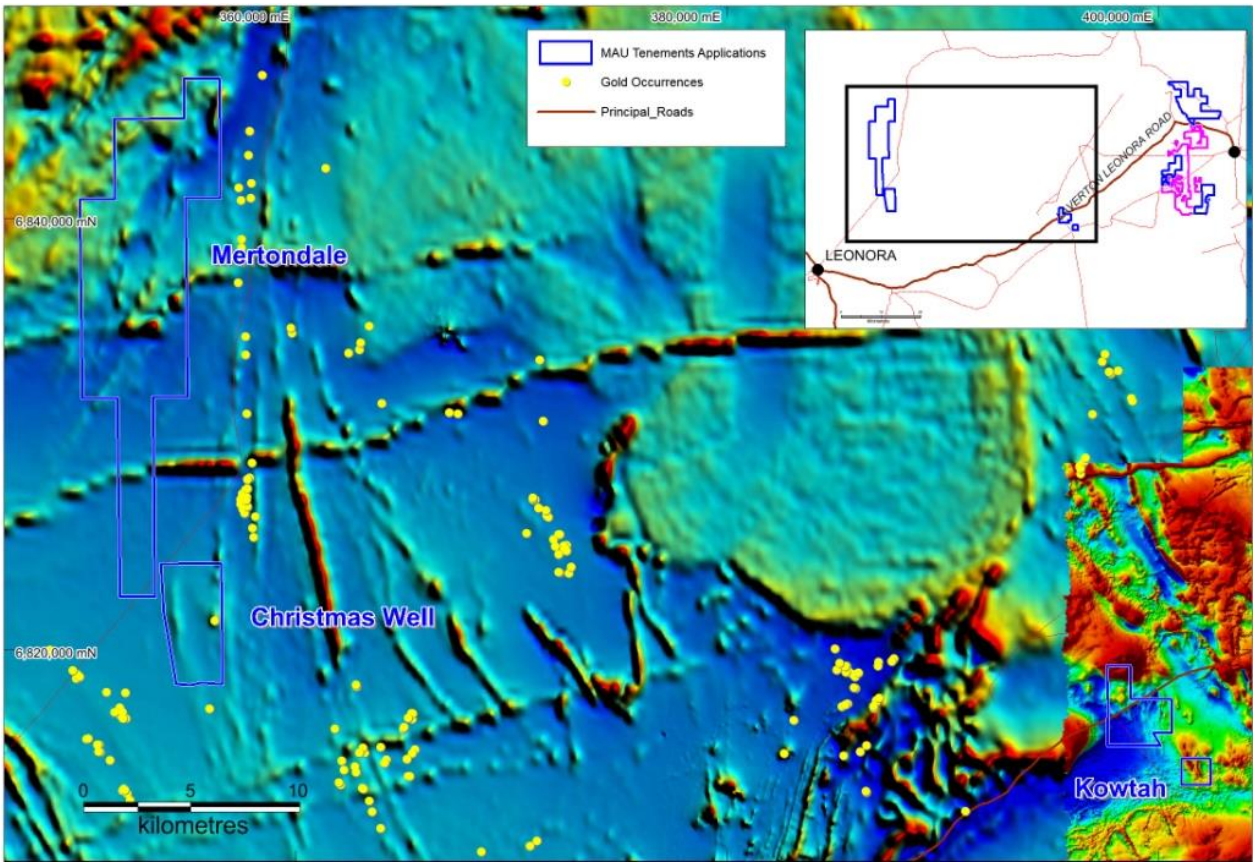

Figure 7. **Magnetic Resources Western Leonora-Laverton tenements, gold deposits and detailed aeromagnetics**

The objective of Magnetic's 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.4) 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 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 the drill depth was adequate.

For further information, please contact:

George Sakalidis
Executive Director
M+61411640337
george@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.