



MAGMA METALS LIMITED

Canadian Investor Presentation: Thunder Bay North Platinum-Palladium Project

Image courtesy of Johnson Matthey Platinum Today

June 2009

Keith Watkins – Managing Director

Disclaimer & Competent Persons Statement



Disclaimer

This presentation is provided to you for the sole purpose of providing preliminary background technical, financial and other information to enable you to review the business activities of Magma Metals Limited (“Magma”). The material provided to you does not constitute an invitation, solicitation, recommendation or an offer to purchase or subscribe for securities. The information in this presentation will be subject to completion, verification and amendment and should not be relied upon as a complete and accurate representation of any matters that a potential investor should consider in evaluating Magma. This presentation may contain “forward looking statements” which are made in good faith and are believed to have reasonable basis. However, such forward looking statements are subject to risks, uncertainties and other factors which could cause the actual results to differ materially from future results expressed, projected or implied by forward looking statements.

Competent Persons Statement

The information in this presentation that relates to Exploration Results or Mineral Resources is based on information compiled by Dr Keith Watkins and/or Mr Ralph Porter, the Managing Director and Exploration Director of Magma Metals Limited, respectively, who are both Members of the Australasian Institute of Mining and Metallurgy. Both Dr Watkins and Mr Porter have sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activities undertaken to qualify as Competent Persons as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr Watkins and Mr Porter consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.



Presentation Outline

1. Company Background

2. Platinum – Palladium Fundamentals

3. Thunder Bay North PGM Project

- Discovery
- Exploration, Geology & Mineralization
- Current Program
- Resource Potential

4. Investment Opportunity



Market Fundamentals

- ASX Listed (Code MMB): June 2006
- Shares Issued: 163m
- Unlisted Options: 22m
- Undiluted Market Capitalization @40c: A\$65m
- Cash: A\$19m

- Top 40 shareholders own ~75% of the shares
- Major Shareholders (>5%):
 - Anglo American: 12%
 - Directors: 10%
 - Carbon Energy Limited: 6%
 - Institutional Investors: ~35%



Directors & Management

Dr Keith Watkins – Managing Director & CEO

Geologist with extensive global experience in exploration and mine/business development including Head of Exploration with Goldfields and Sons of Gwalia.

Ralph Porter – Exploration Director

Geologist with 30 years global experience in exploration and development including senior management positions.

Max Cozijn – Executive Director

Accountant with extensive experience in junior mining and exploration sector. Chairman of Oilex & Malagasy Minerals and Director of Carbon Energy.

Terry Burgess – Non-Executive Director

Metallurgist, former CEO of Delta Gold & Aurion Gold & Global Head Metals & Mining ABN AMRO. Head of Business Development (Base Metals) Anglo American.

Graeme Scott – CFO & Company Secretary

Accountant with extensive experience in the UK and Australia; former Group Accountant and Company Secretary with Carbon Energy.

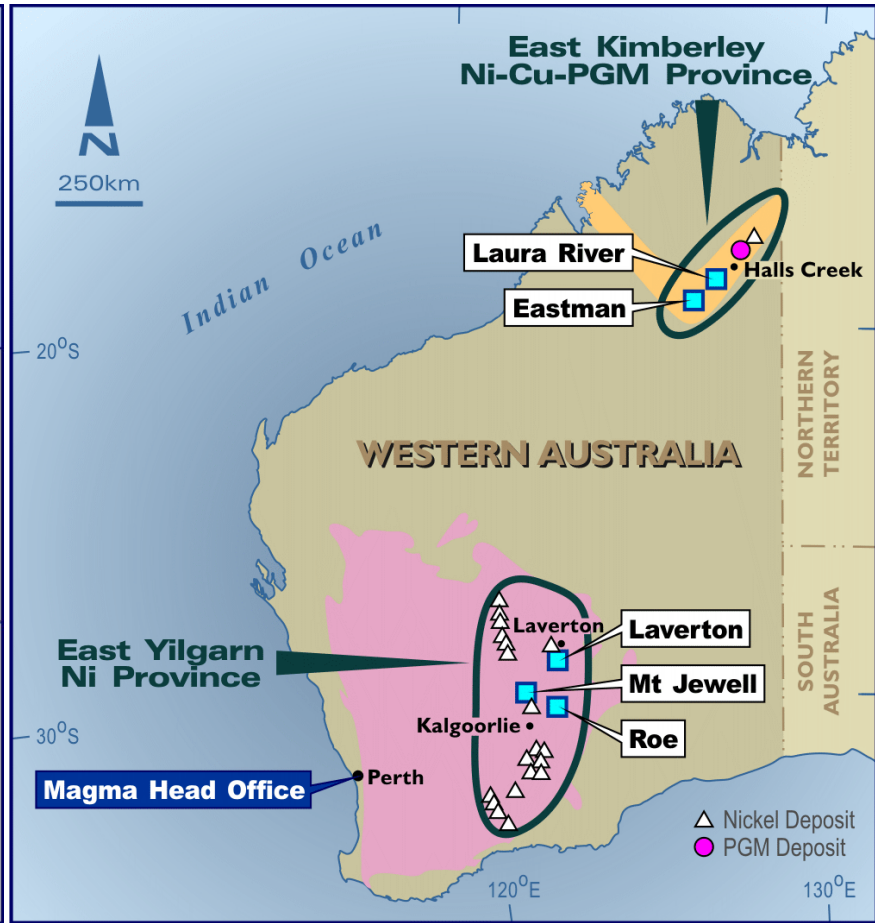
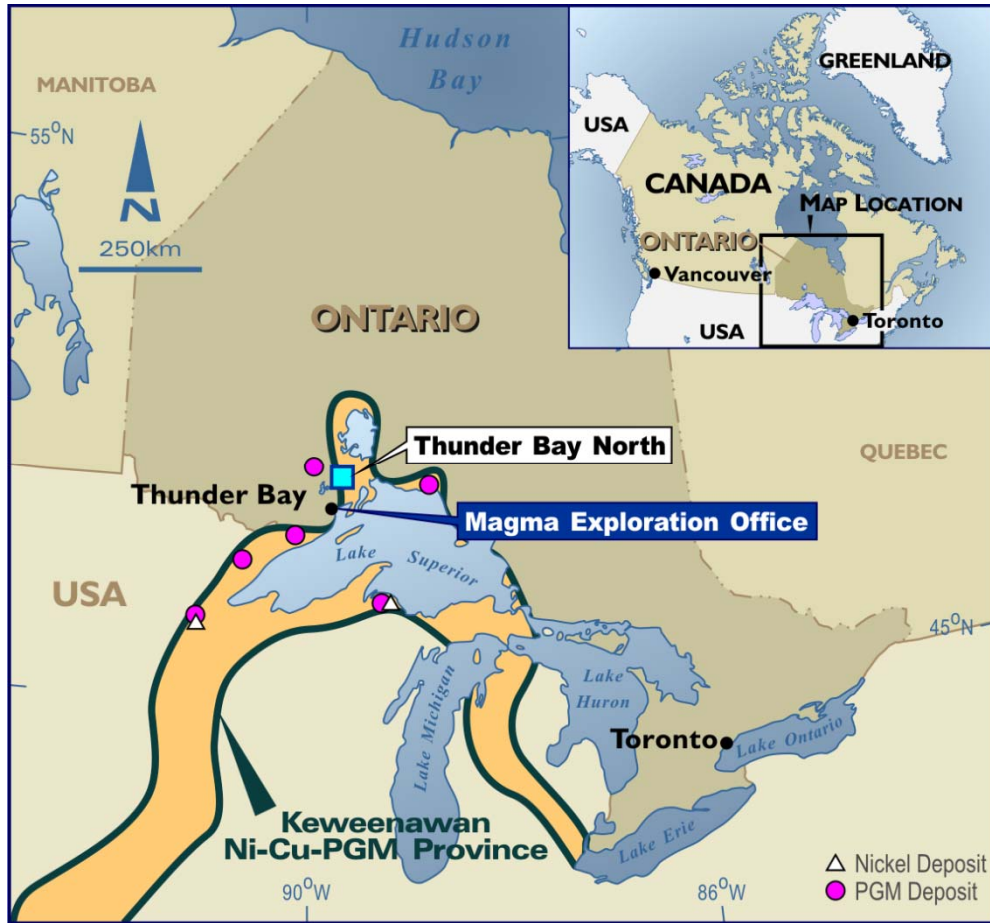
Allan MacTavish – Exploration Manager, Canada

Geologist with 30 years exploration experience in Canada. Ontario Ni-Cu-PGM specialist.

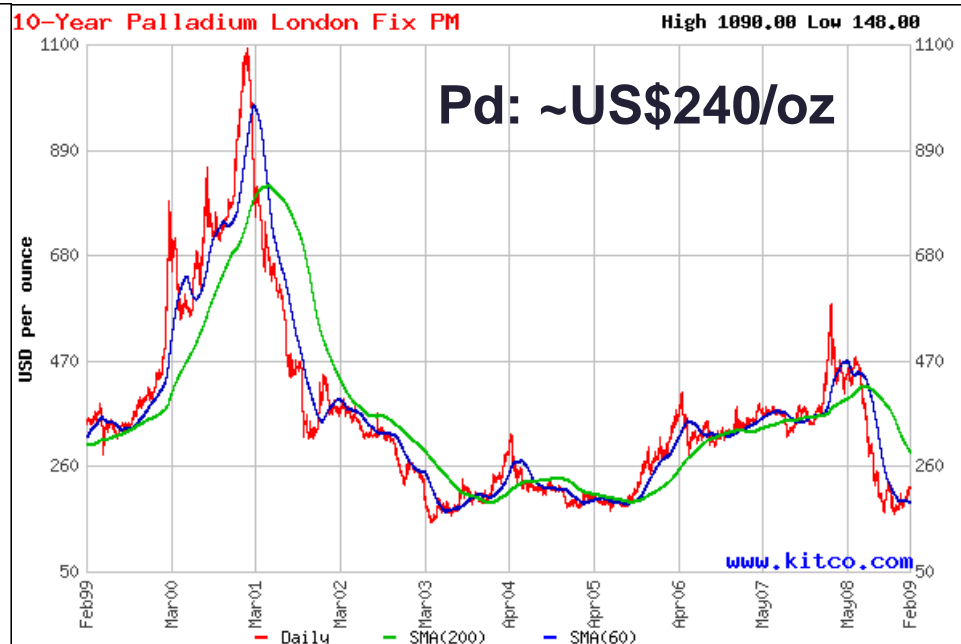


Commodity Focus & Project Locations

Platinum-Palladium, Copper & Nickel Focus



Pt & Pd: 10 Year Price History



- Pt & Pd have shown ~60% & ~35% price increases off late-2008 lows
- Pd price history more volatile than Pt

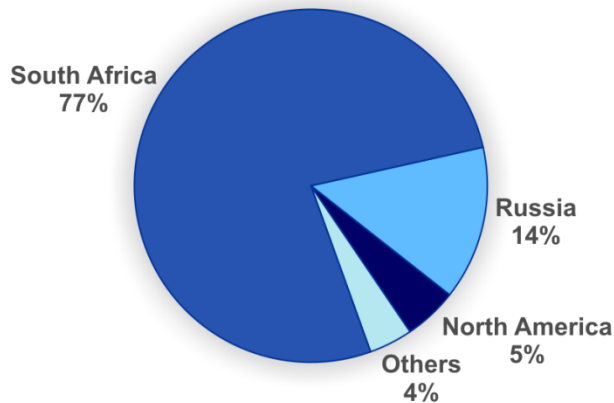


Pt & Pd – Supply & Demand 2008

PLATINUM

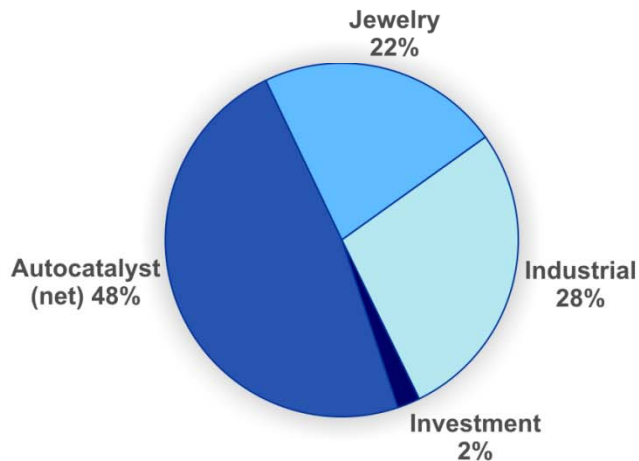
Supply by Region 2008

6.60Moz



Demand by Application 2008

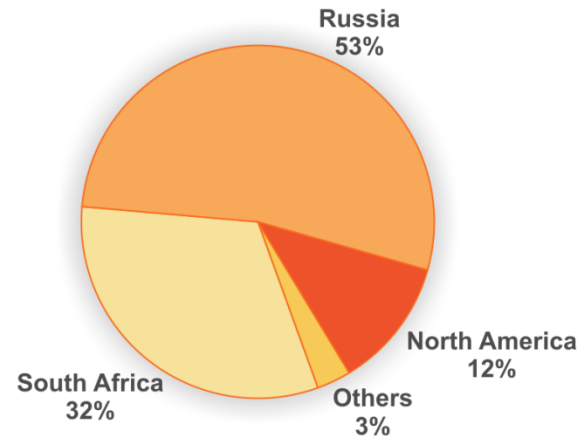
6.68Moz



PALLADIUM

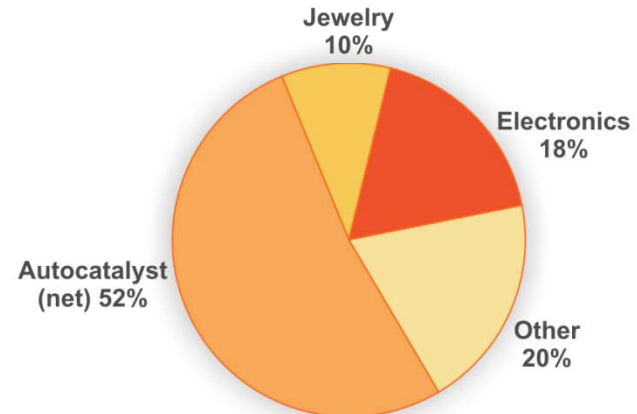
Supply by Region 2008

8.58Moz



Demand by Application 2008

6.84Moz

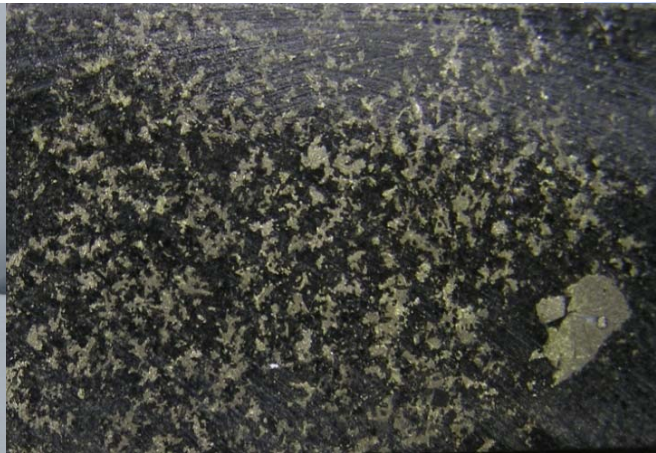




Thunder Bay North PGM Project

The Best Advanced PGM Exploration Project in North America

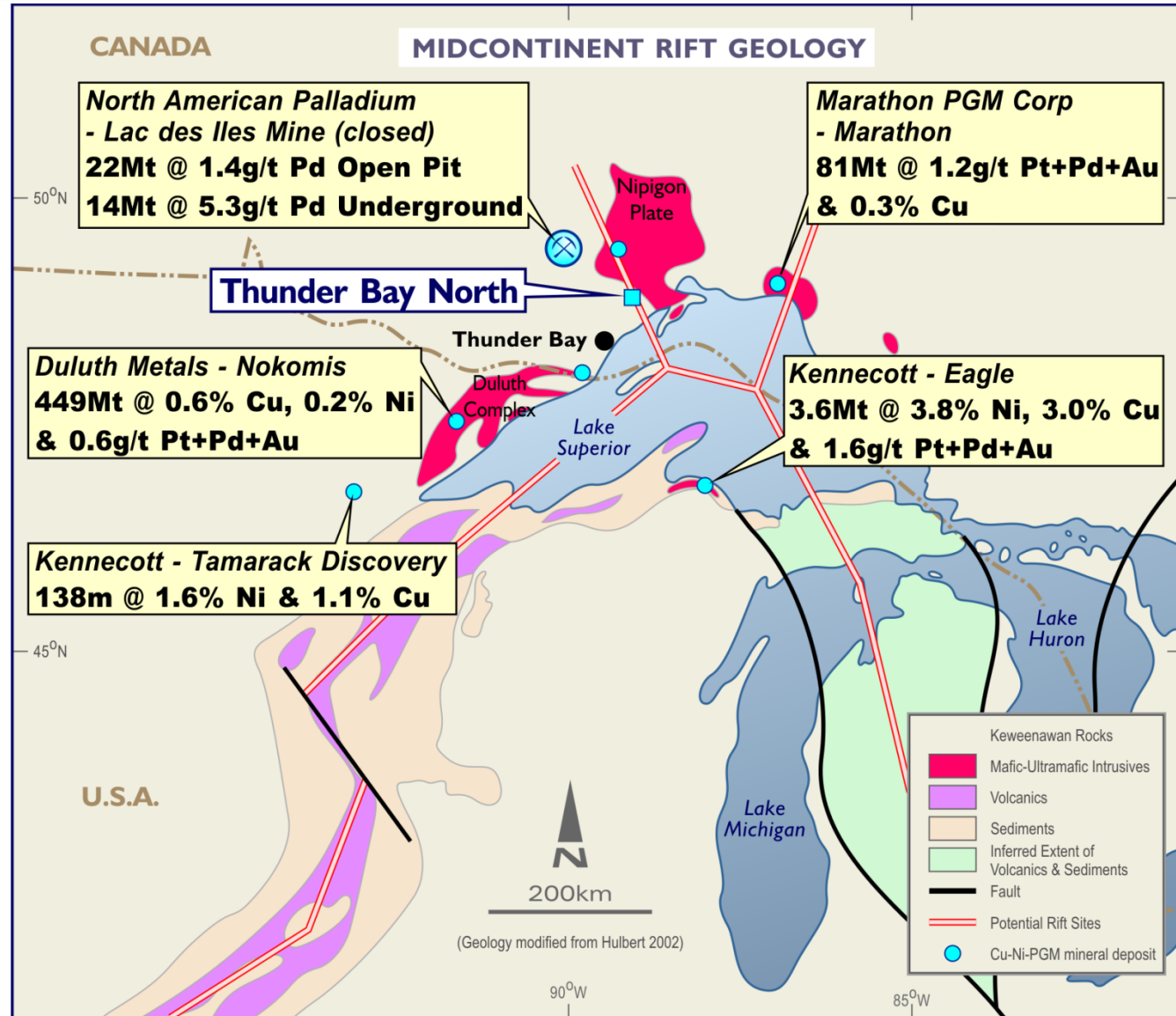
- Excellent widths and grades in drilling:
e.g. 61.7m @ 5.61g/t Pt+Pd, 0.7% Cu & 0.4% Ni
- 1:1 Pt:Pd ratio
- Significant Cu & Ni credits with potential for Cu-Ni massive sulphide deposits
- Potential for large mineralized system
- Close to excellent infrastructure



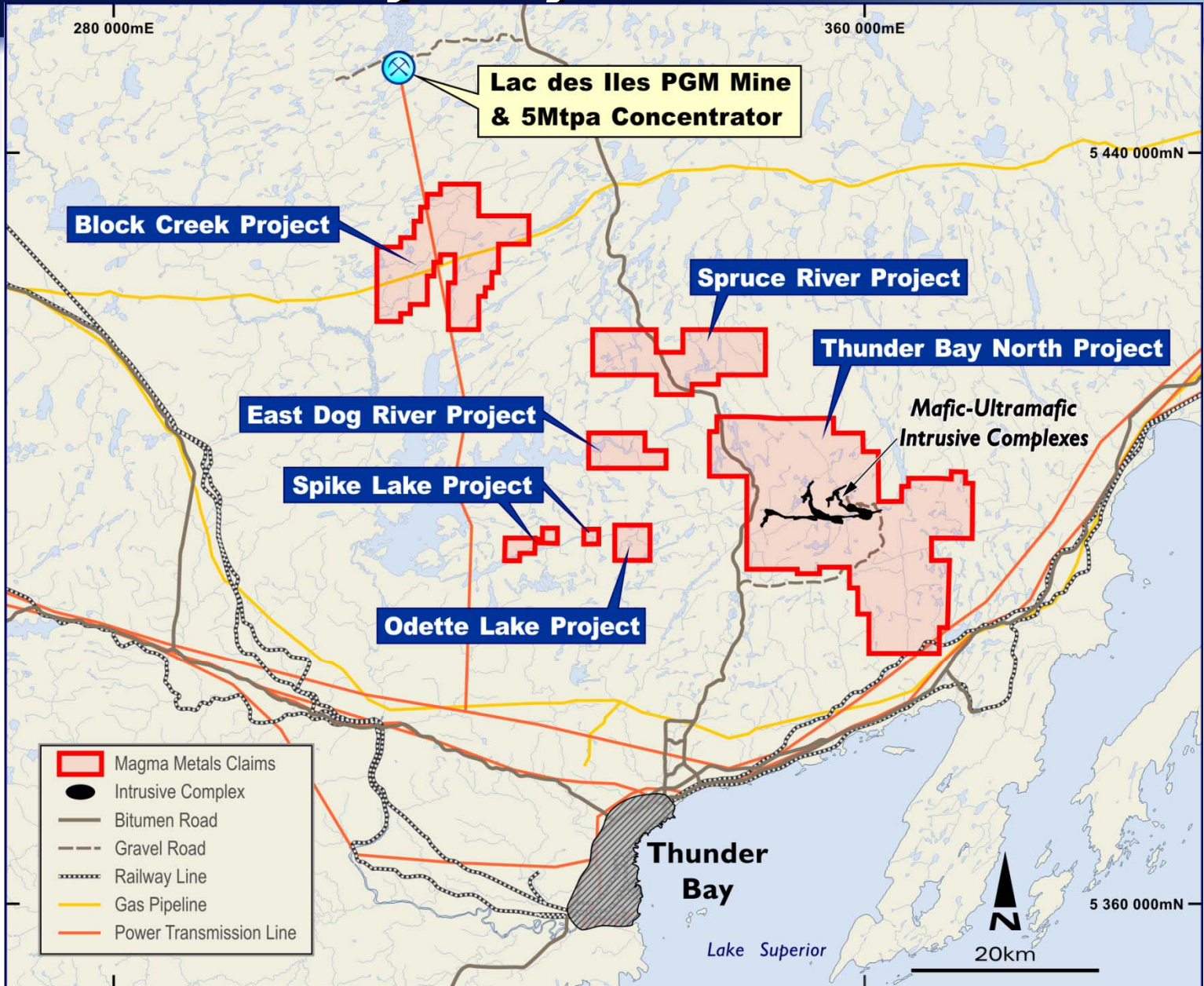
Regional Setting



- Geology analogous to giant Noril'sk - Talnakh Ni-Cu-PGM deposits in Russia
- Established Ni-Cu-PGM Province
- Region is under-explored with potential for large discoveries



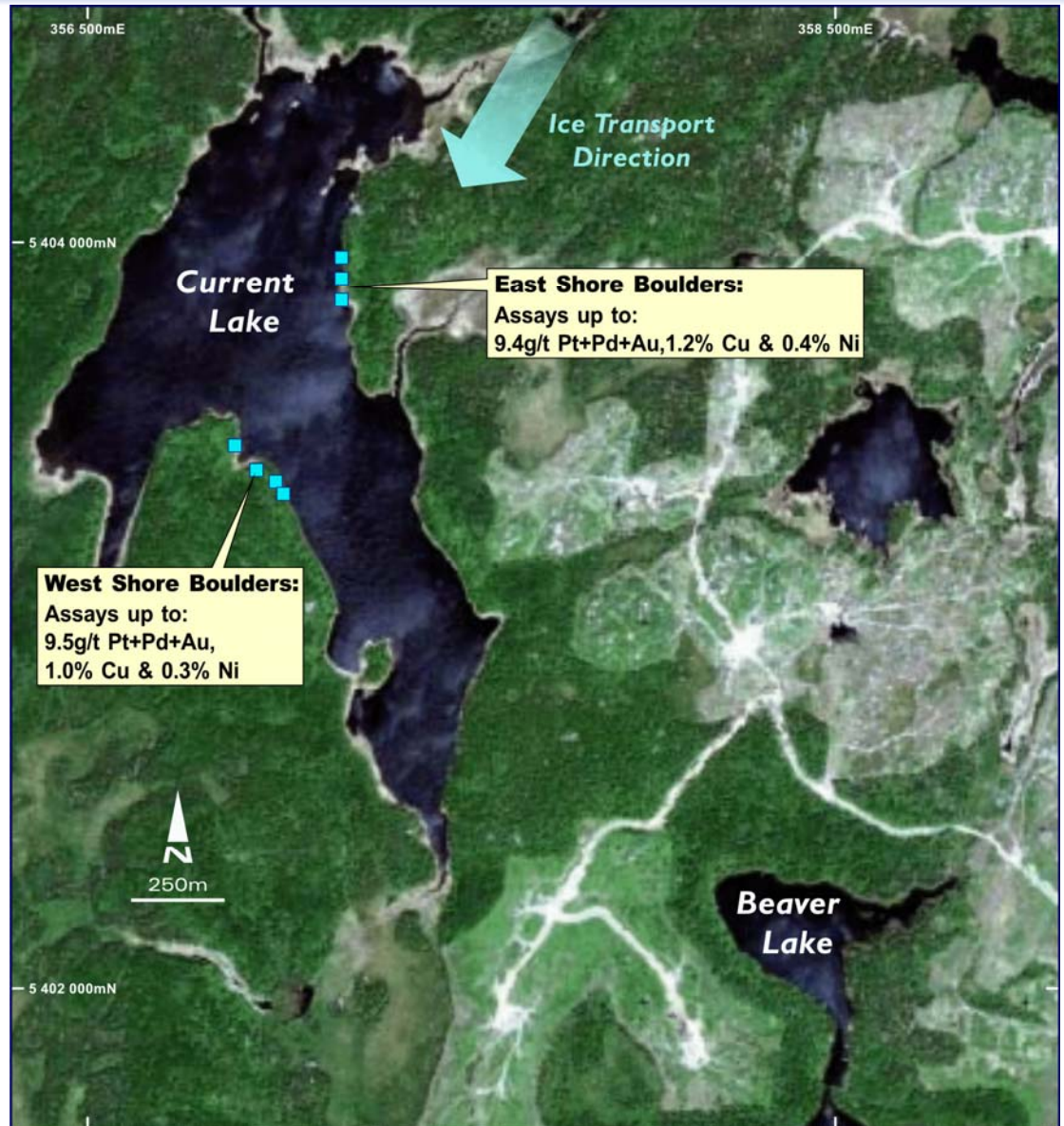
Thunder Bay Projects



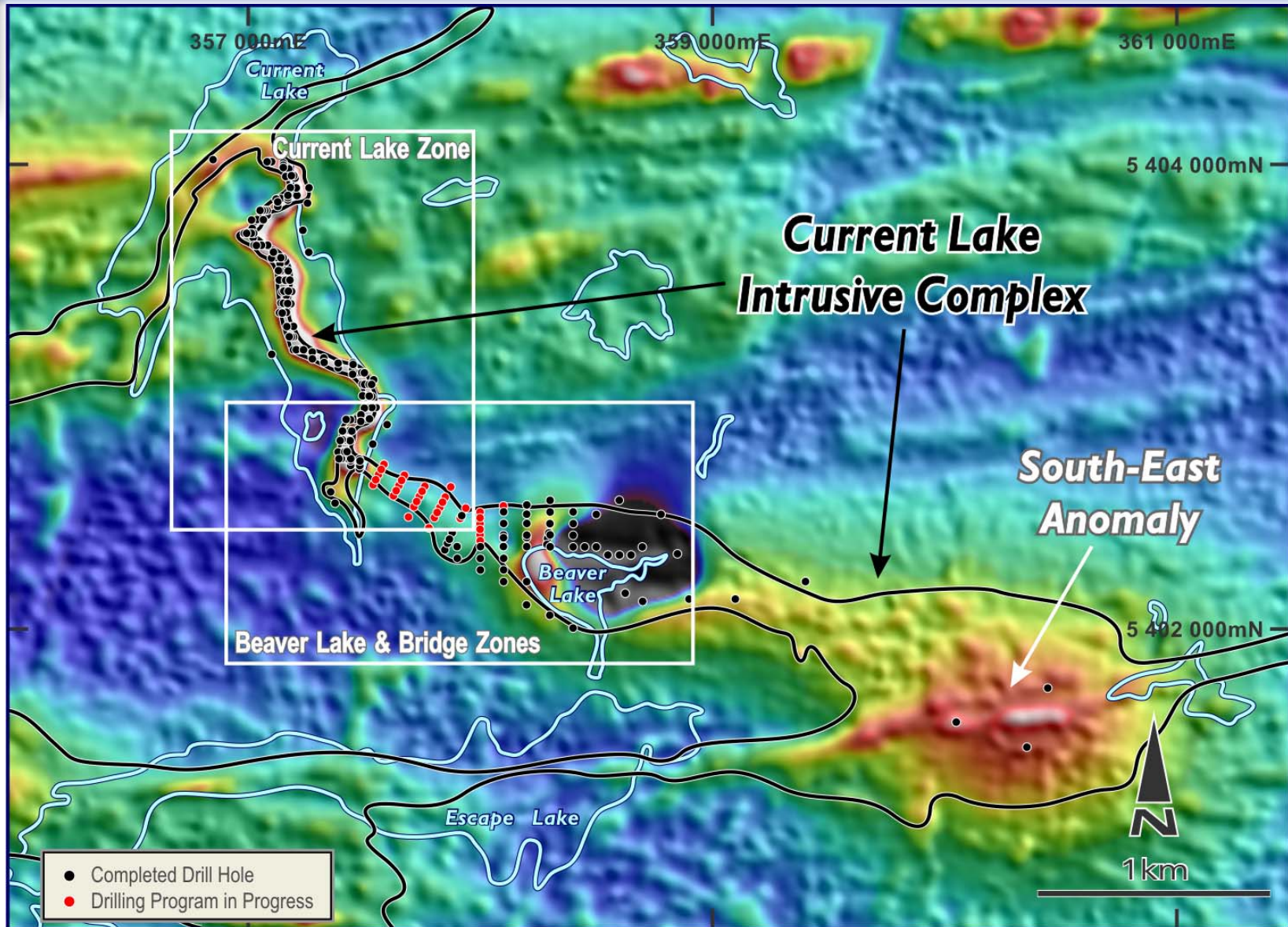
Discovery History



- PGM-rich glacial boulders found on west shore of Current Lake by two geologists in 2001
- Magma optioned the claims in 2005 and staked larger area
- East shore boulder outcrop found in mid-2006
- Discovery hole drilled under east shore boulders in December 2006:
10.5m @ 2.8g/t Pt+Pd+Au



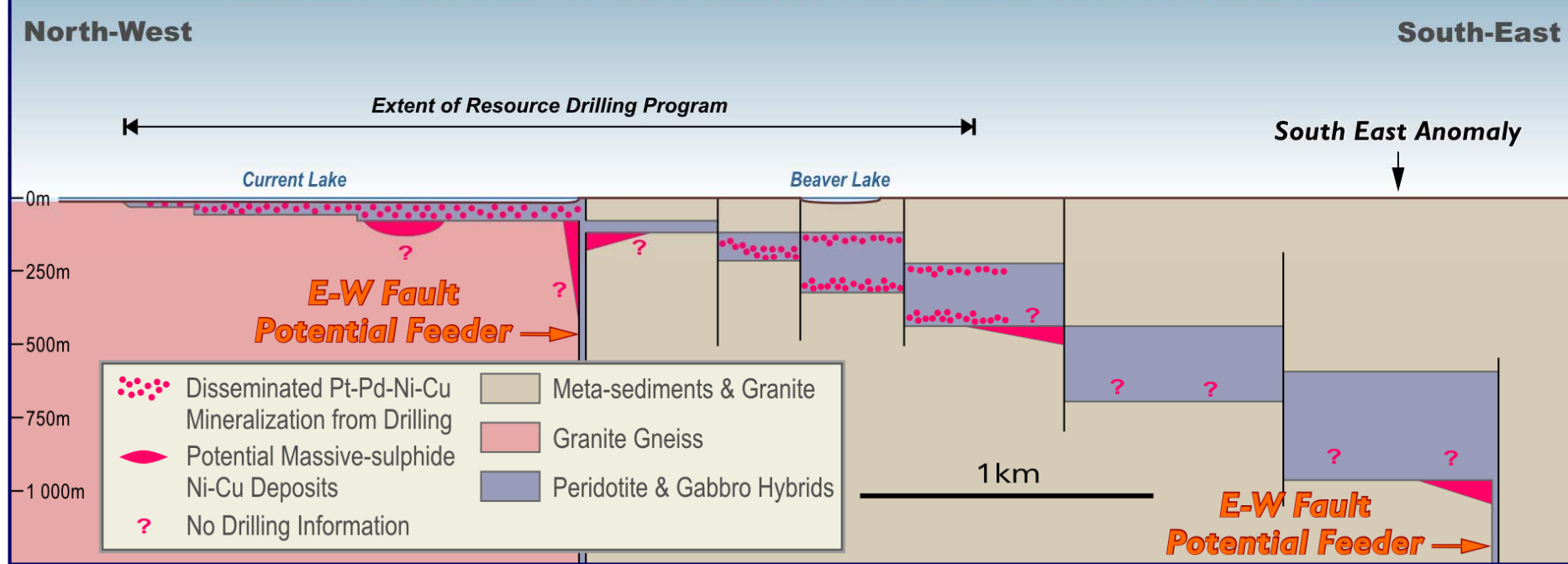
Current Lake Intrusive Complex Magnetics & Drilling



Magma-Conduit Exploration Model



CURRENT LAKE INTRUSIVE COMPLEX - SCHEMATIC MODEL

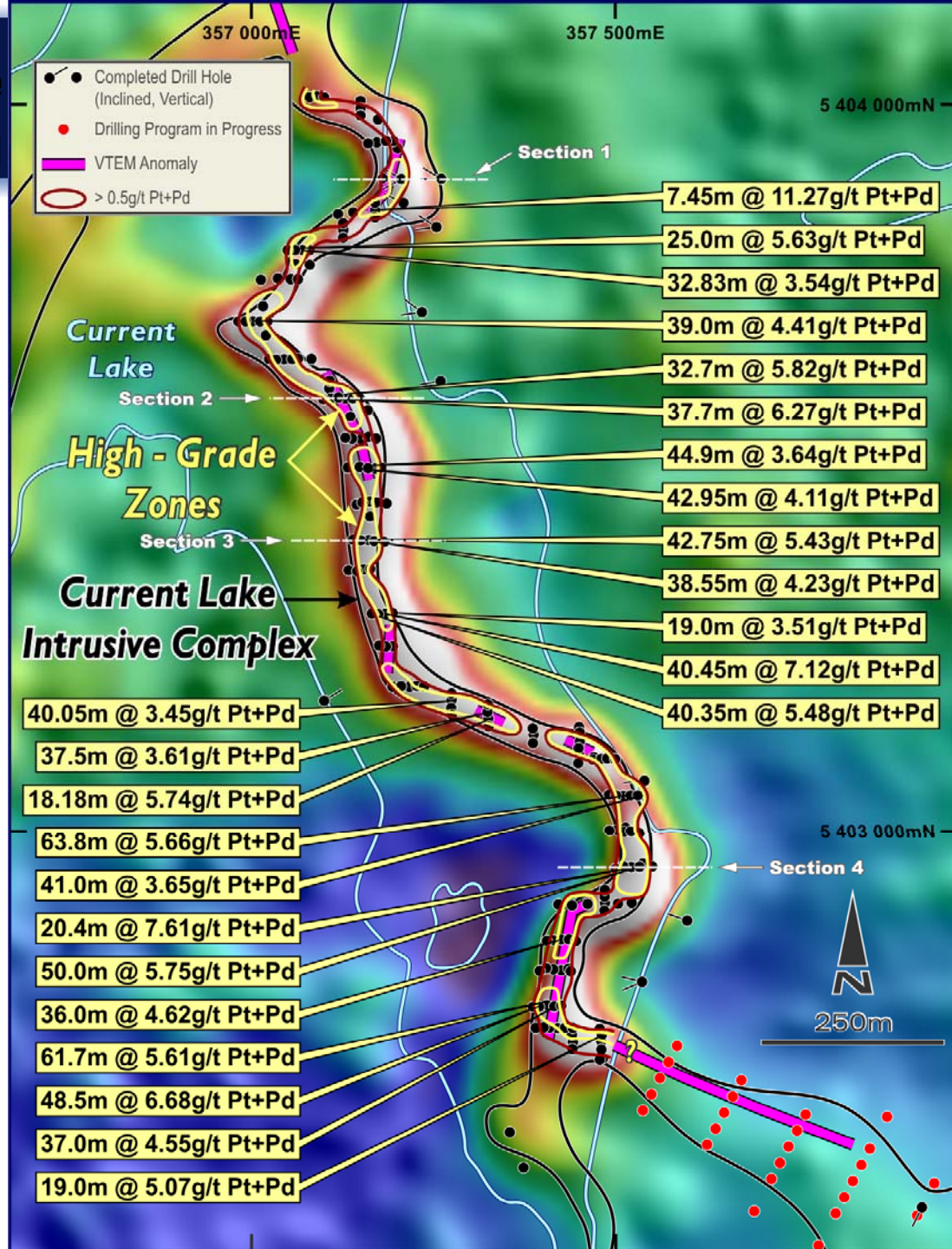


- Geological environment highly favourable for large disseminated and massive sulphide Ni-Cu-PGM deposits
- Analogies include the giant Noril'sk-Talnakh Ni-Cu-Pt-Pd deposits in Russia

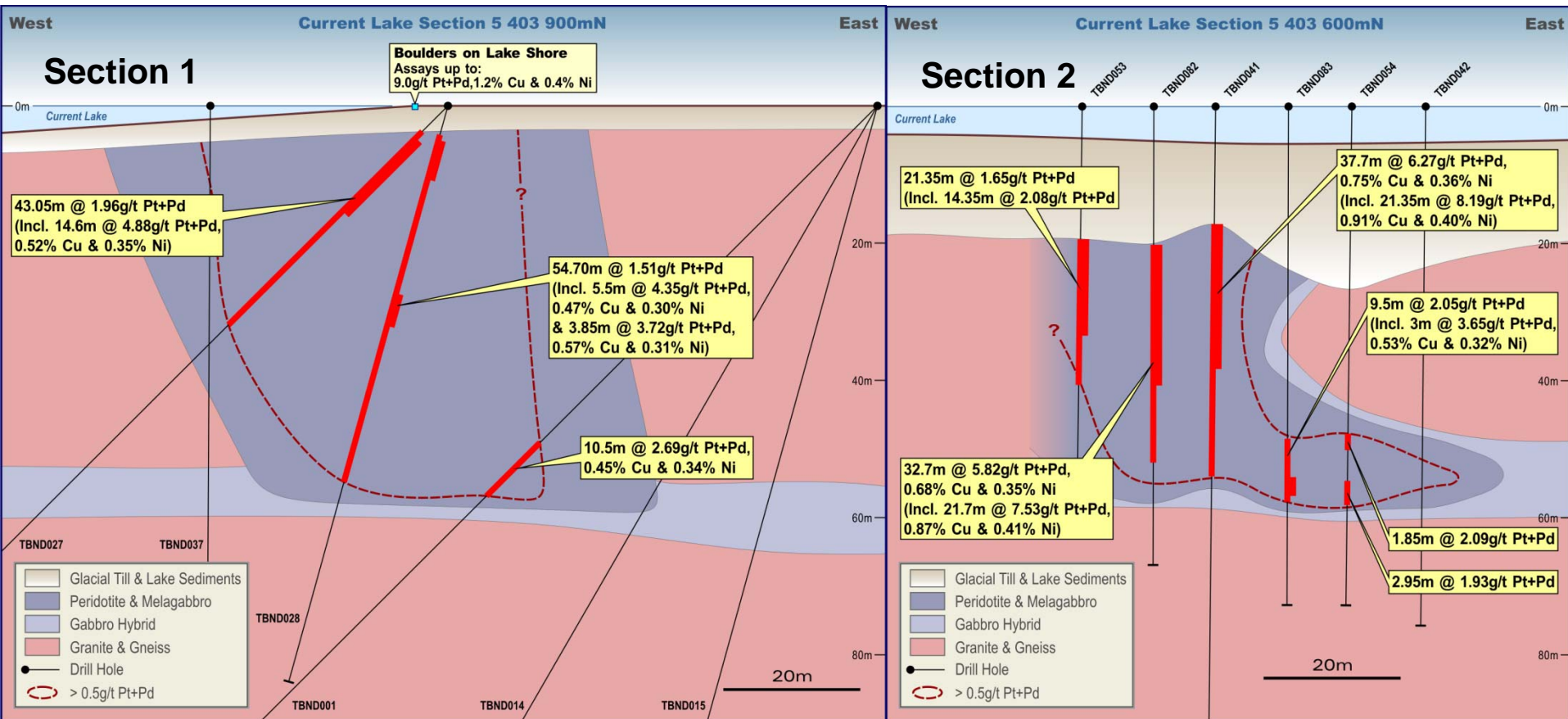


Current Lake Zone Magnetics & Drilling

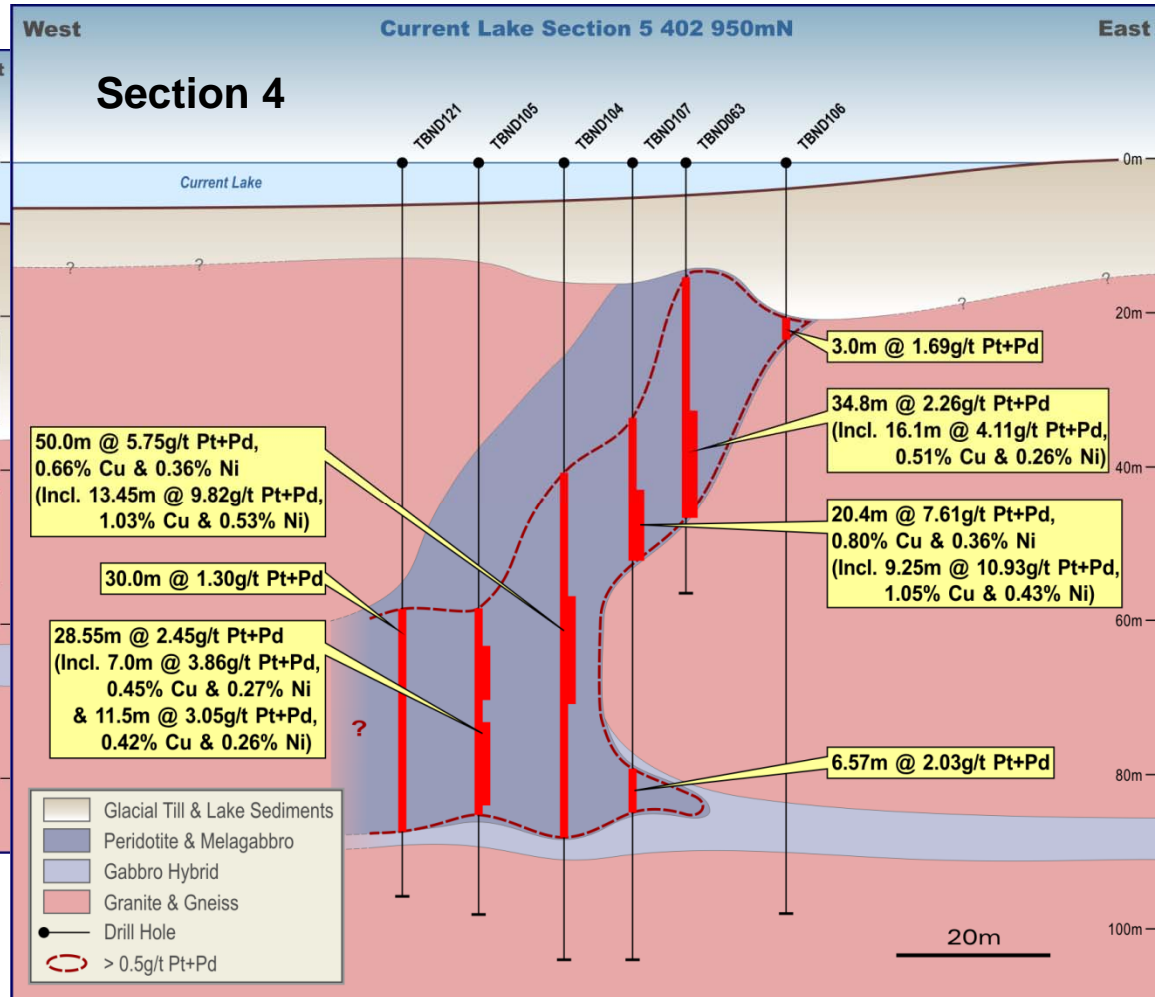
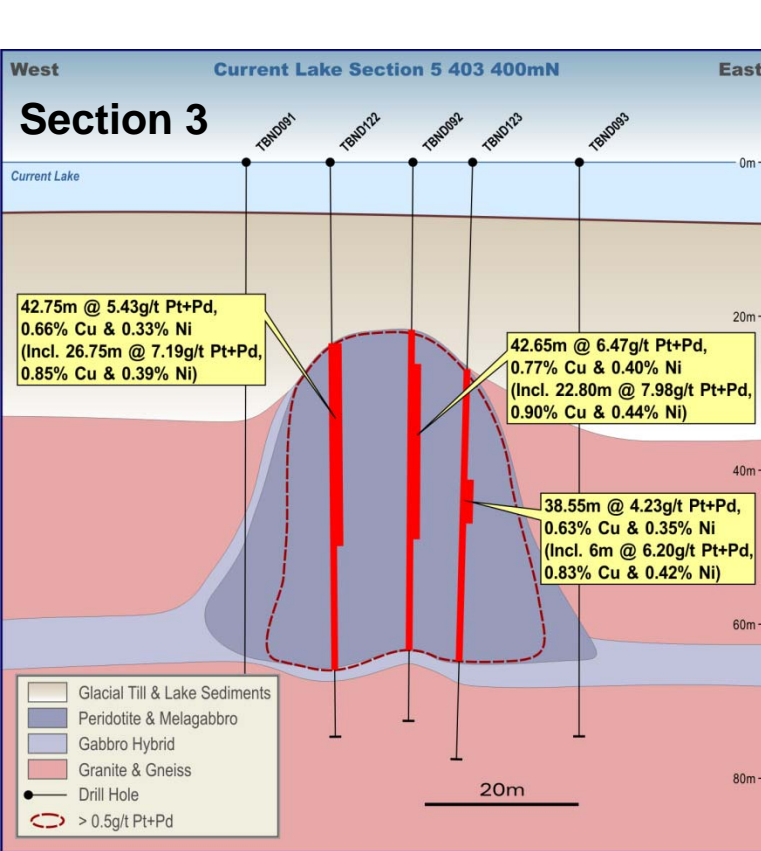
- Tube-like body of peridotite about 1.8km long
- 86 drill-holes completed in March 2009 quarter for 6,726m on a 50m x 10m pattern
- Extensive high-grade zones defined over aggregate 1.4km of strike



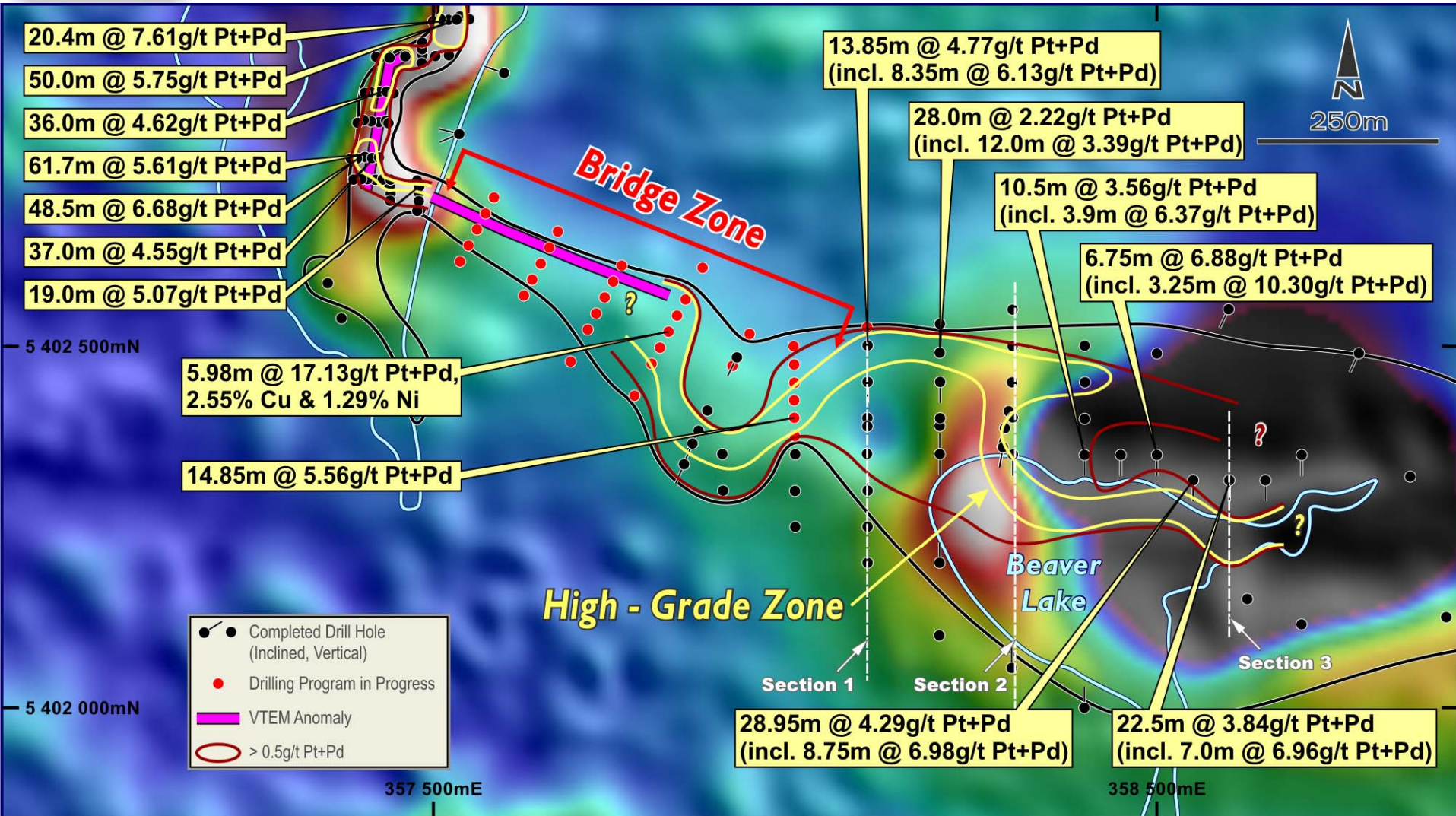
Current Lake Cross-Sections 1 & 2



Current Lake Cross-Sections 3 & 4

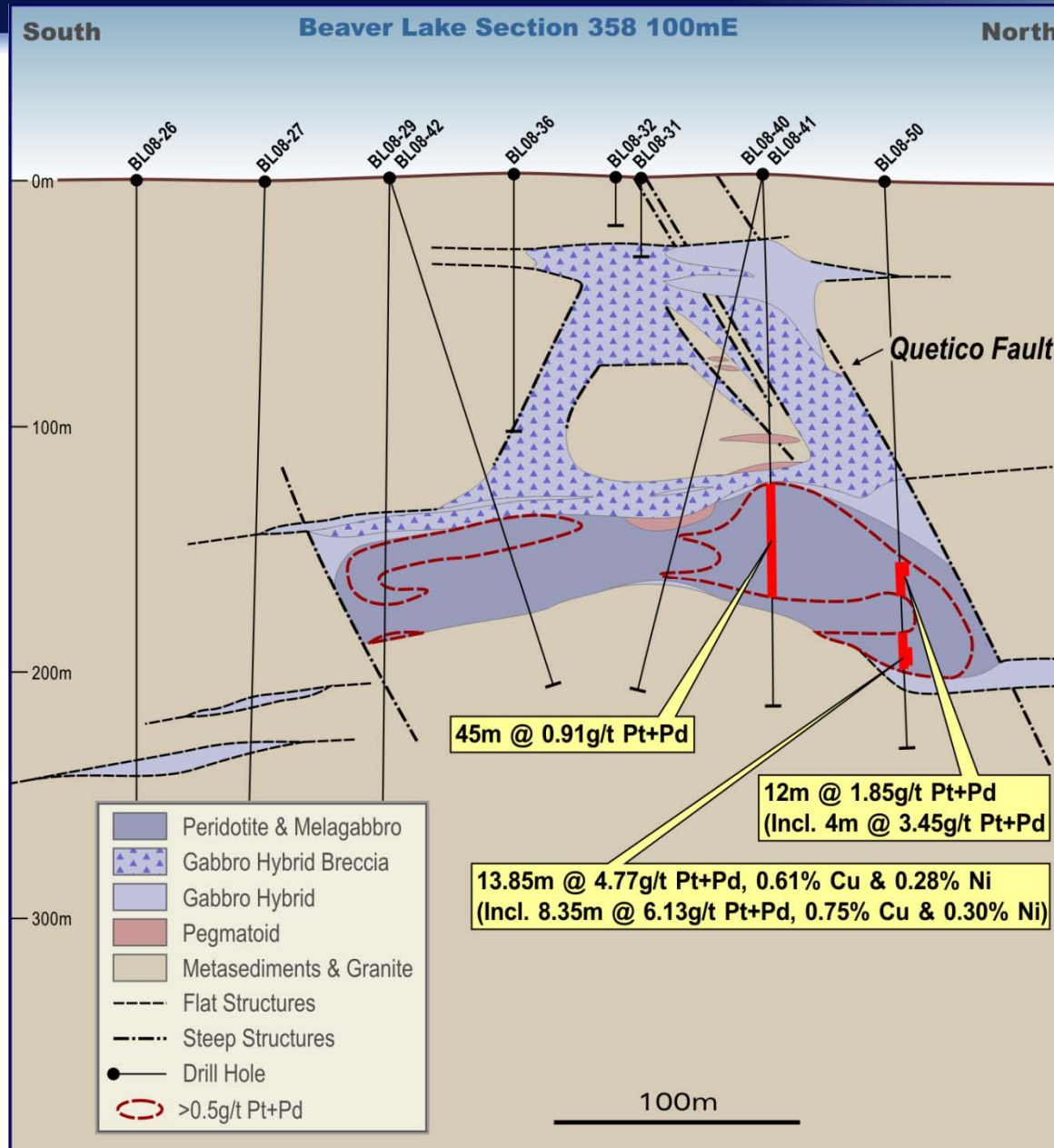


Beaver Lake & Bridge Zones Magnetics & Drilling

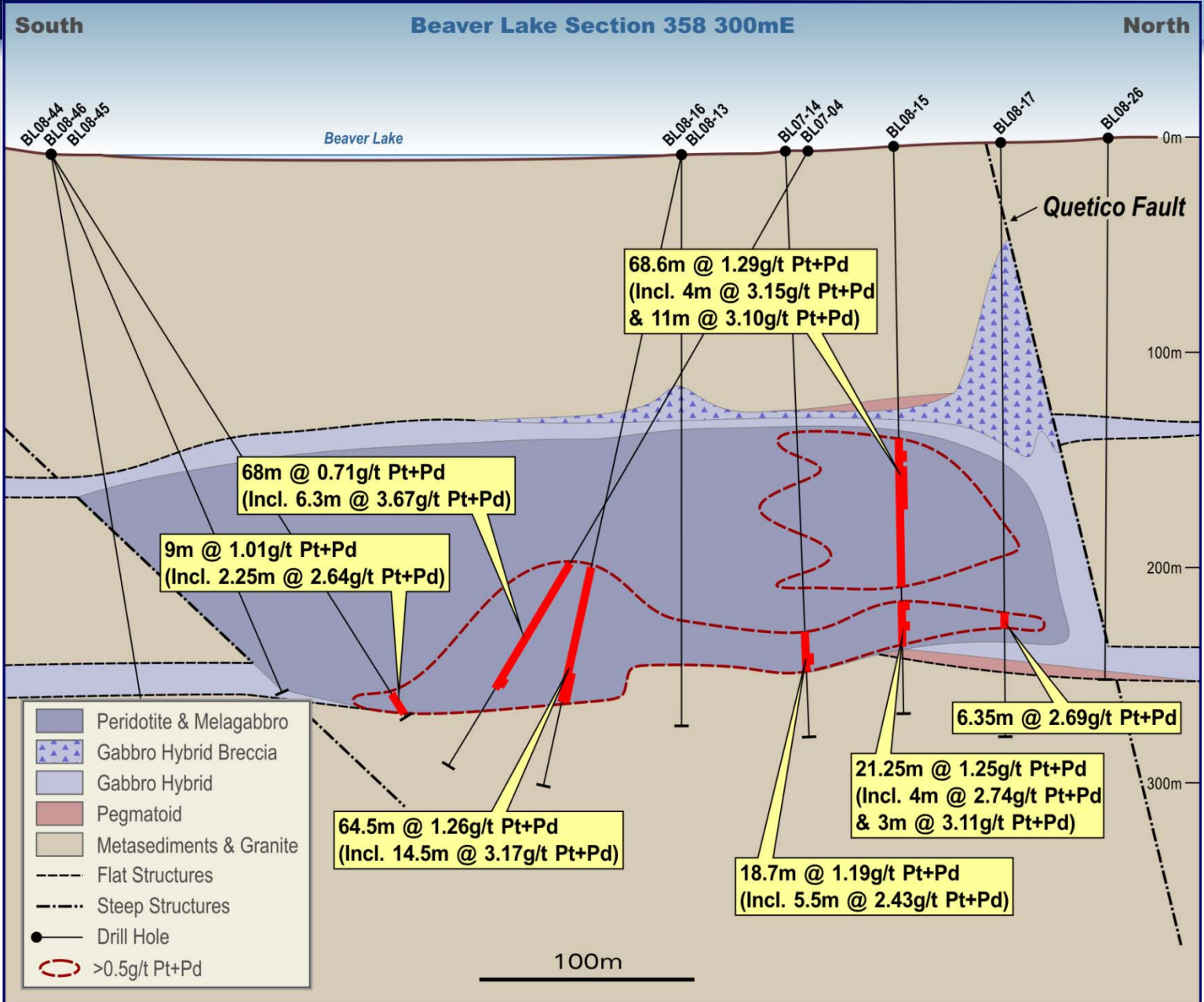




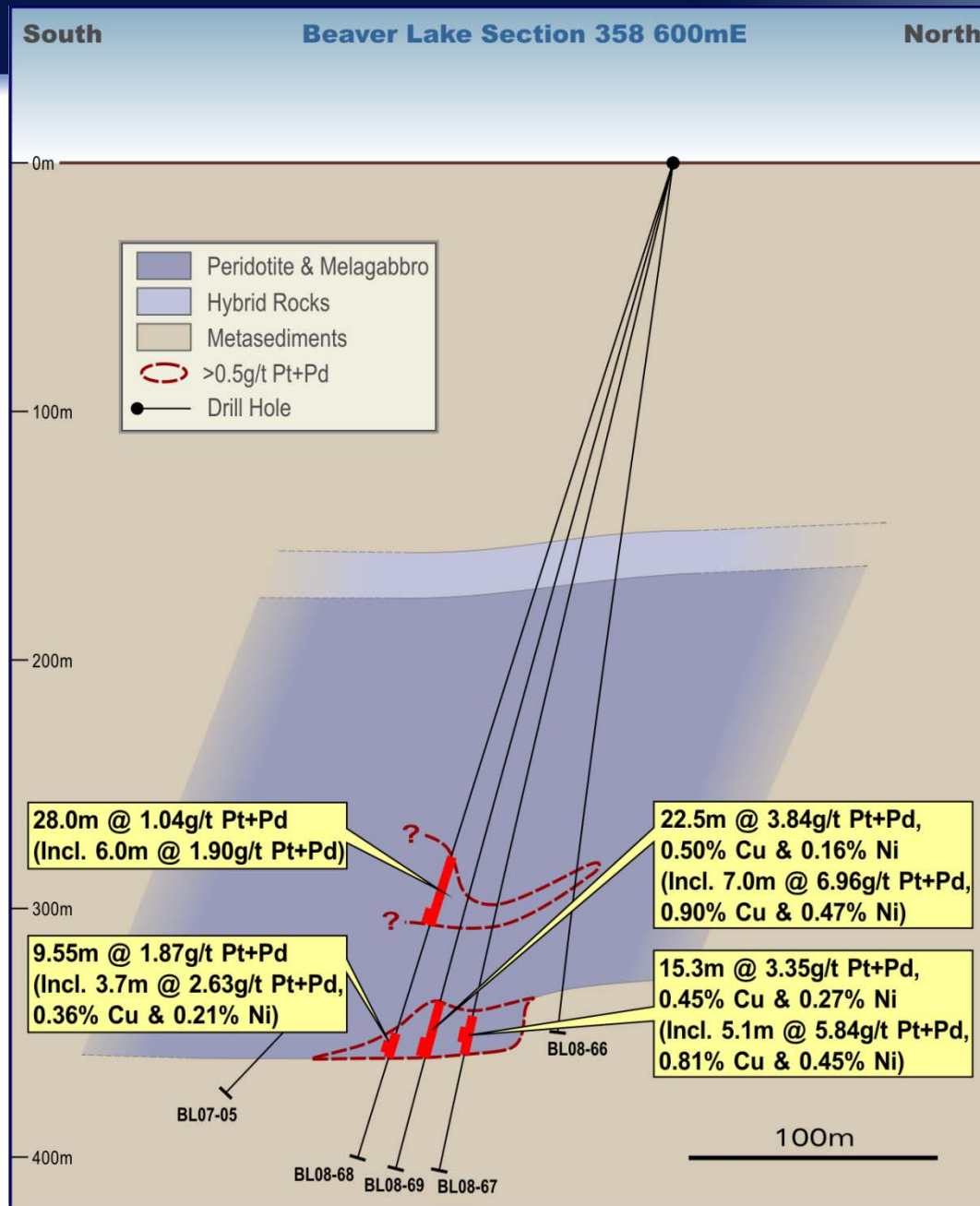
Beaver Lake Cross-Section 1



Beaver Lake Cross-Section 2



Beaver Lake Cross-Section 3





Mineralization Styles



Disseminated Sulphide
(~3-5g/t PGM, ~0.4% Cu & ~0.3% Ni)



Net-Textured (Semi-Massive) Sulphide
(~10-20g/t PGM, ~1-2% Cu & ~0.6% Ni)



Massive-Sulphide
(~30-50g/t PGM, ~4-8% Cu & ~1-3% Ni)





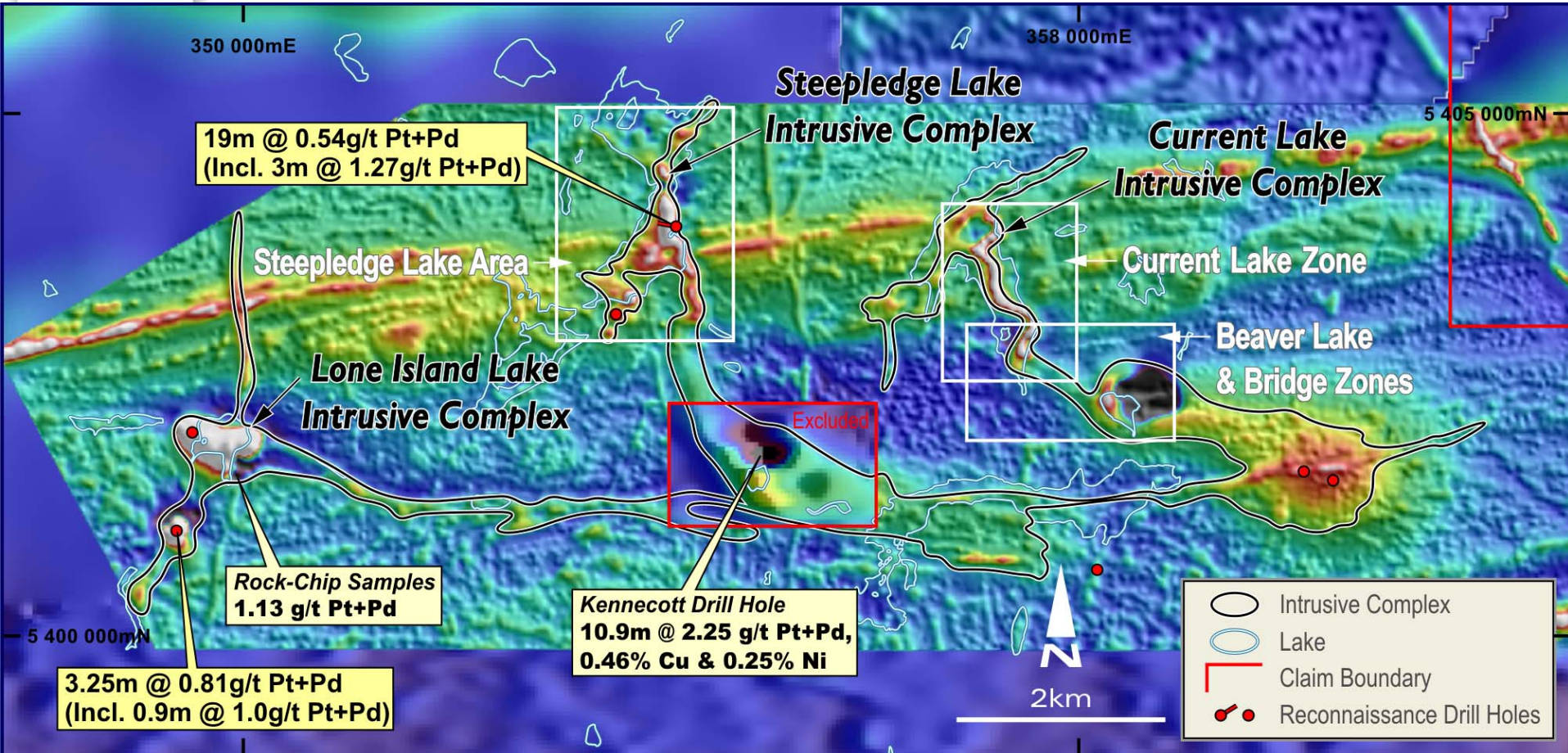
Beaver Lake Drill Core (BL08-61)



8.75m @ 6.98g/t Pt+Pd, 1.00% Cu & 0.62% Ni

0.4m @ 24.55g/t Pt+Pd, 3.7% Cu & 2.9% Ni

Potential for Large Scale System



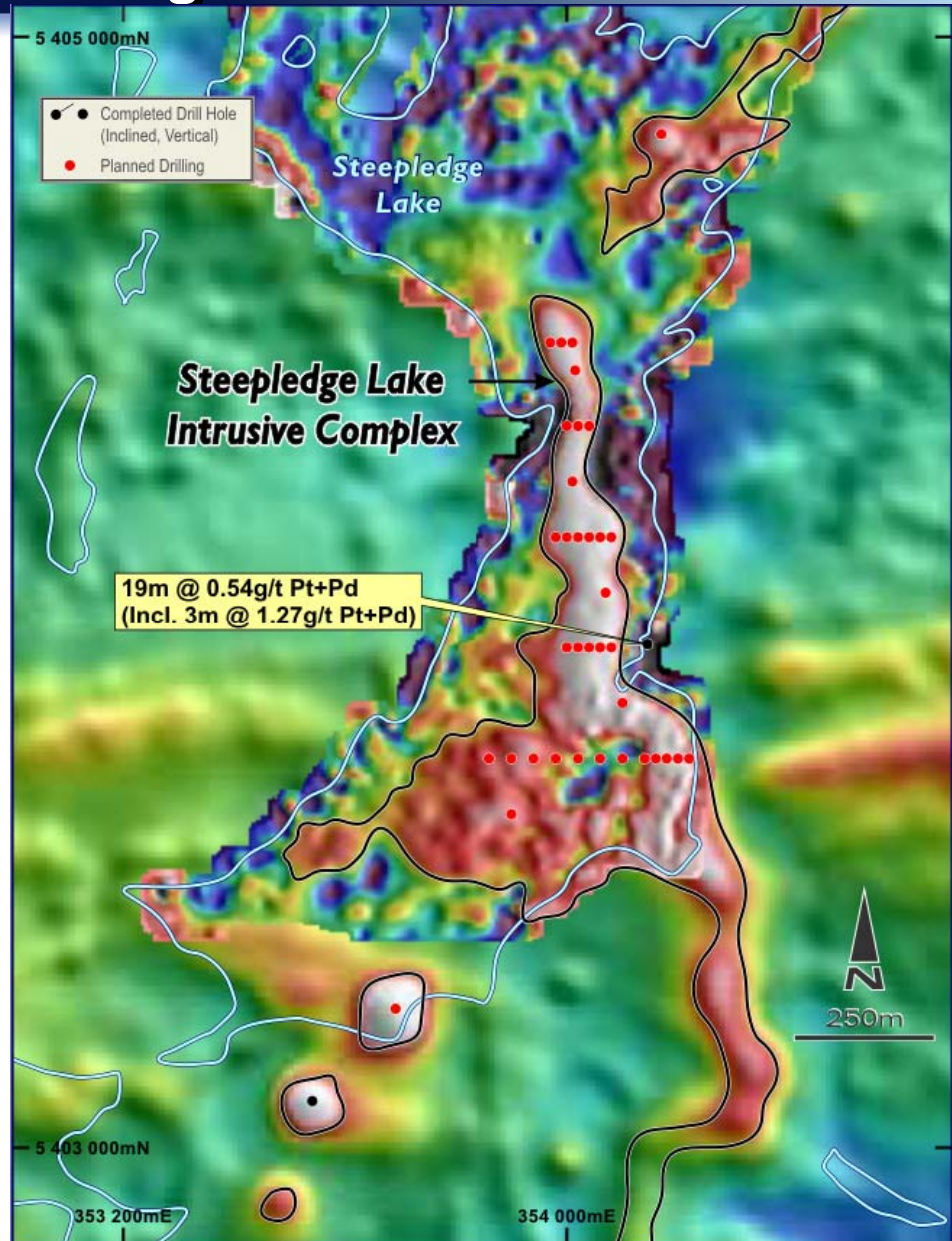
- Current Lake Complex is part of a larger network of magma-conduits
- Reconnaissance drilling returned very encouraging results
- Significant resource potential

Steepledge Lake Intrusive Complex

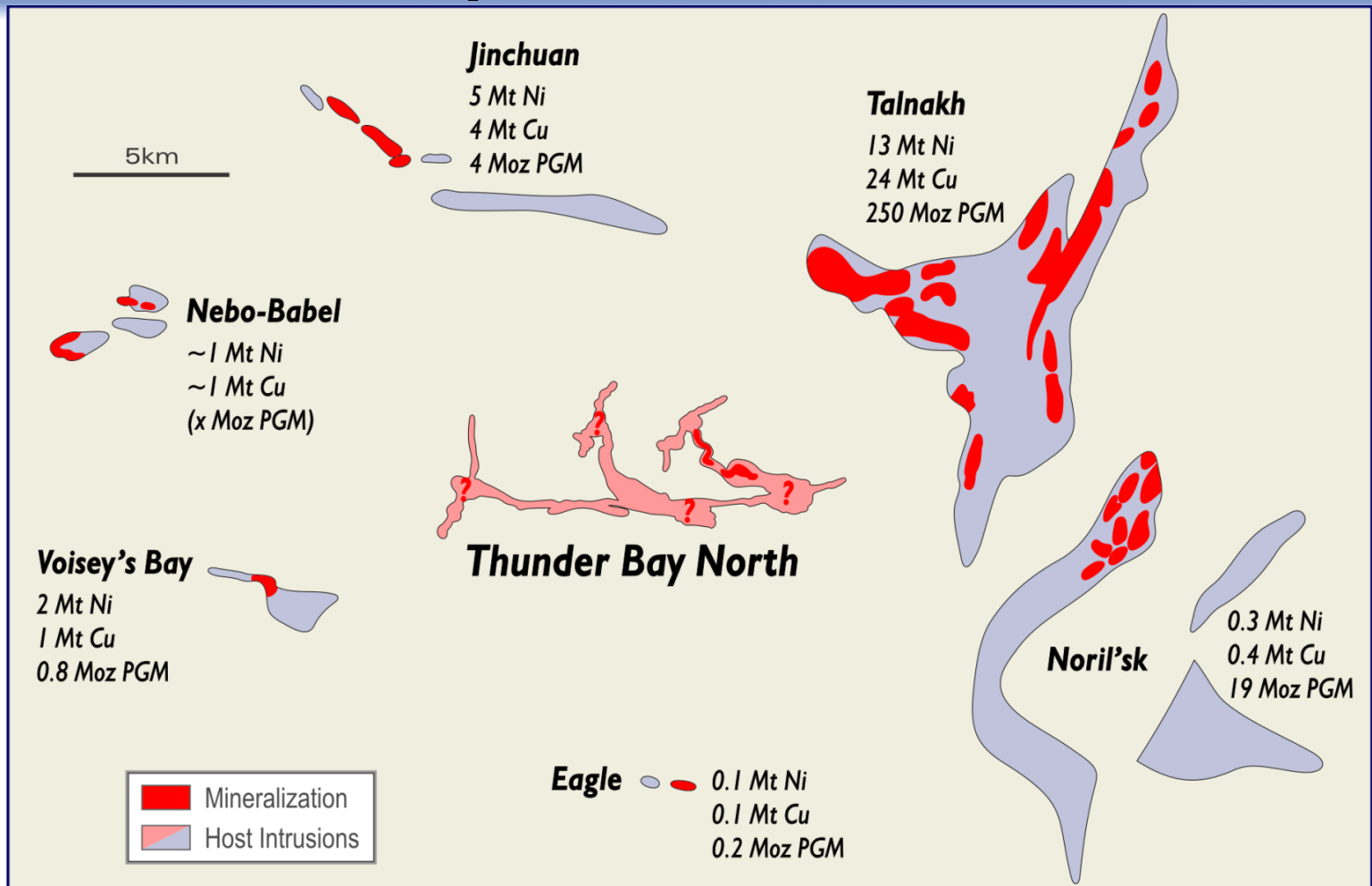
Magnetics & Planned Drilling



- **Planned drilling: 36 holes for 7,500m to determine mineralization potential of Steepledge Lake Intrusive Complex**
- **Drilling planned to commence in June following access track construction and drill camp establishment**
















Footprints of Large Magma Conduit Hosted Ni-Cu-PGM Deposits



- Shapes illustrate relative sizes of magma-conduit intrusions that host “world class” Ni-Cu-PGM ore-bodies
- The ore-bodies are generally much smaller than the host intrusions

Program to December 2009



Work Program	June Quarter 2009	Sept Quarter 2009	Dec Quarter 2009
Resource Drilling Current-Beaver Lakes			
Initial NI43-101/JORC Resource Estimates			
Exploration Drilling			
Geophysics			
Mining Concepts & Scoping Studies			
Environmental & Hydrology Studies			

- **SRK Consulting (Toronto):** Resource Drilling & Estimation, Metallurgy & Mining Concepts
- **Southern Geoscience Consultants (Perth):** Geophysics
- **DST Consulting Engineers (Thunder Bay):** Environmental & Hydrology Studies, Geotechnical Studies (Cofferdam) & Permitting Program



Investment Opportunity

Thunder Bay North PGM Project, Ontario

- **Potentially large-scale Platinum–Palladium project**
- **Significant Base Metals credits with potential for Nickel–Copper massive-sulphide ore-bodies**
- **Close to Excellent Infrastructure**
- **Initial resource estimates Sept Quarter 2009**
- **Excellent regional potential for further discoveries**