



29 May 2009

ASX Ltd  
10<sup>th</sup> Floor, 20 Bond Street  
Sydney NSW 2000

Dear Sir,

**RE: SECTION 708A(6) NOTICE AND APPENDIX 3B**

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**Notice pursuant to subsection 708A(5)(e) of the Corporations Act 2001 (Cth) (Act)**

1. Magma Metals Ltd ("Company") advises that on 29 May 2009 it allotted and issued 1,337,000 fully paid ordinary shares at an issue price of \$0.32 per share to institutional, sophisticated and professional investor clients of Hartleys Ltd, being the balance of the second tranche of the placement announced on 22 April 2009. Issue of these shares was approved by shareholders at a General Meeting of Shareholders held on 27 May 2009.
2. As required by subsection 708A(6) of the Act, the Company advises that:
  - (i) the Company issued the securities without disclosure to investors under Part 6D.2 of the Act;
  - (ii) this Notice is being given pursuant to subsection 708A(5)(e) of the Act;
  - (iii) as at the date of this Notice, the Company has complied with:
    - (a) the provisions of Chapter 2M of the Act as they apply to the Company,
    - (b) and section 674 of the Act; and
  - (iv) as at the date of this Notice, the Company is not in possession of any excluded information as defined in subsections 708A(7) and 708A(8) of the Act.

**APPENDIX 3B** – Please find the related Appendix 3B attached hereto.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'Graeme Scott', is written over a light grey rectangular background.

**Graeme Scott**  
**Company Secretary**  
cc: Directors

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

MAGMA METALS LTD

ABN

72 114 581 047

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | FULLY PAID ORDINARY SHARES                               |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 1,337,000 Shares (Placement- balance of Tranche 2 issue) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid Ordinary Shares                               |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>32 cents per share</p>				
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Tranche 2 Placement shares as approved by shareholders at General Meeting 27 May 2009. Funds for ongoing funding of TBN Project, Australian exploration and working capital.</p>				
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>29 May 2009</p>				
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">163,022,532</td> <td style="text-align: center;">Ordinary Shares</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	163,022,532	Ordinary Shares
Number	<sup>+</sup> Class				
163,022,532	Ordinary Shares				

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+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,468,250	20c Options expiring 30/6/2011
	4,000,000	20c Options expiring 31/10/2011
	125,000	20c Options expiring 30/11/2009
	75,000	50c Options expiring 1/09/2011
	75,000	75c Options expiring 1/09/2012
	100,000	\$1.00 Options expiring 1/09/2013
	200,000	50c Options expiring 1/05/2011
	300,000	75c Options expiring 1/05/2012
	500,000	\$1.00 Options expiring 1/05/2013
	1,000,000	50c Options expiring 31/07/2012
	2,050,000	83c Options expiring 31/0/2012
	11,769,640	50c Options expiring 9/05/2010
	250,000	35c Options expiring 5/01/2012
	300,000	40c Options expiring 05/01/2013
450,000	55c Options expiring 5/01/2014	
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

## Part 2 - Bonus issue or pro rata issue

11 – 33 - N/A

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

35 – 42 - N/A

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

+ See chapter 19 for defined terms.

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- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: ..29 May 2009.....  
(Company secretary)

Print name: .....Graeme Scott.....

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