



MAGMA METALS LIMITED

**Thunder Bay North
Platinum-Palladium Project
Northwest Ontario**

**Canadian Institute of Mining and Metallurgy
Thunder Bay – 17 September 2009**

Image courtesy of Johnson Matthey Platinum Today

Allan MacTavish – Exploration Manager

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. Thunder Bay North PGM Project

- Regional Setting & Discovery
- Geology & Mineralization
- Resource Estimates
- Exploration Program

3. Investment Opportunity



Market Fundamentals

• ASX Listed (Code MMB):	June 2006
• Shares Issued:	163m
• Unlisted Options:	23m
• Undiluted Market Capitalization @C\$0.63:	C\$103m
• Cash (end of June Quarter):	C\$15m

- Top 40 shareholders own ~78% of the shares
- Major Shareholders (>5%):
 - Anglo American: 12%
 - Directors: 8%
 - Anglo Pacific: 7%
 - Carbon Energy Limited: 6%
 - AMP: 6%
 - Institutional Investors: ~33%



Directors & Management

Dr Keith Watkins – Managing Director & CEO

Geologist: 30 years global experience in exploration and mine/business development. Former Head of Exploration with Goldfields and Sons of Gwalia.

Ralph Porter – Executive Director - Exploration, Australia

Geologist: 30 years global experience in exploration and development, including several senior management positions.

Max Cozijn – Executive Director - Corporate

Accountant: Extensive experience in junior mining and exploration sector. Currently 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 Anglo American. Currently CEO of Oz Minerals.

Graeme Scott – CFO & Company Secretary

Accountant: Extensive UK and Australia experience; formerly with Carbon Energy.

Allan MacTavish – Exploration Manager, Canada

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

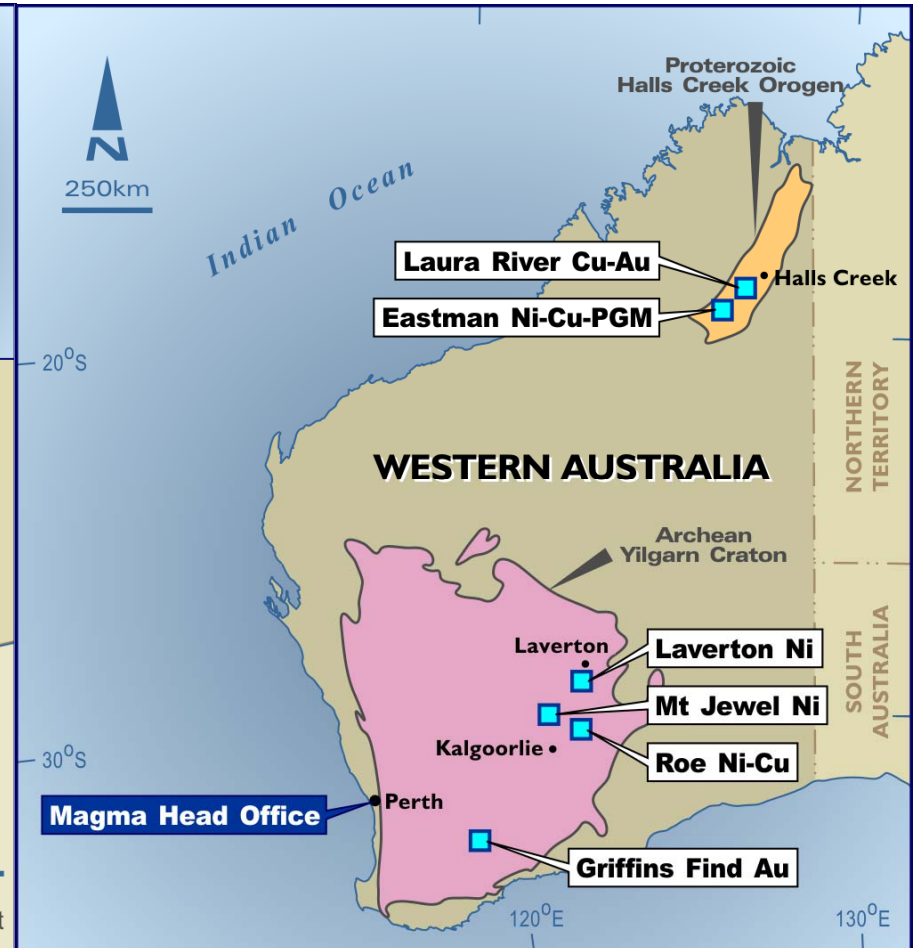
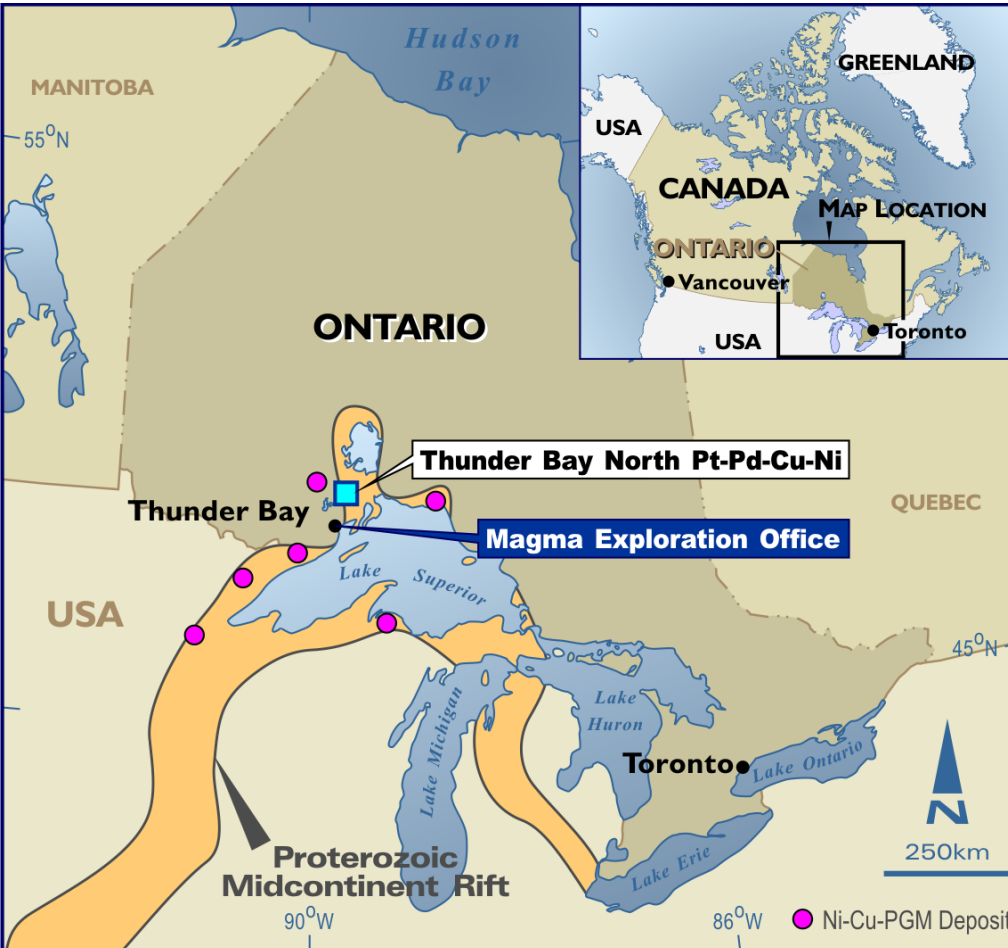
Jennifer Abols – Project Development Manager

Metallurgist: Extensive experience with engineering firms in Canada and Australia.



Commodity Focus & Project Locations

Precious & Base Metals – Canada & Australia

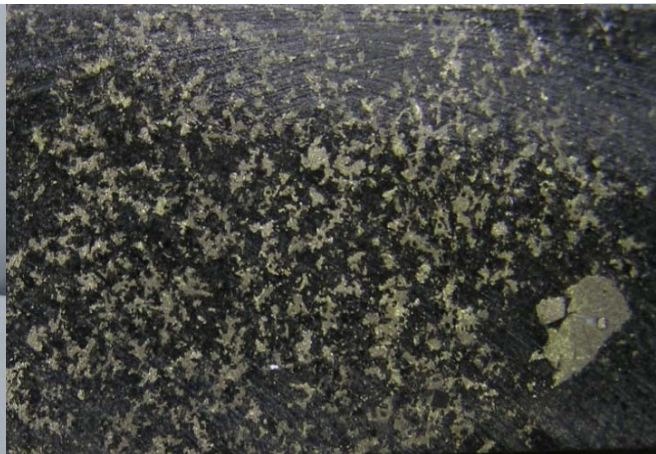




Thunder Bay North PGM Project

One of the Best Advanced PGM Exploration Projects in North America

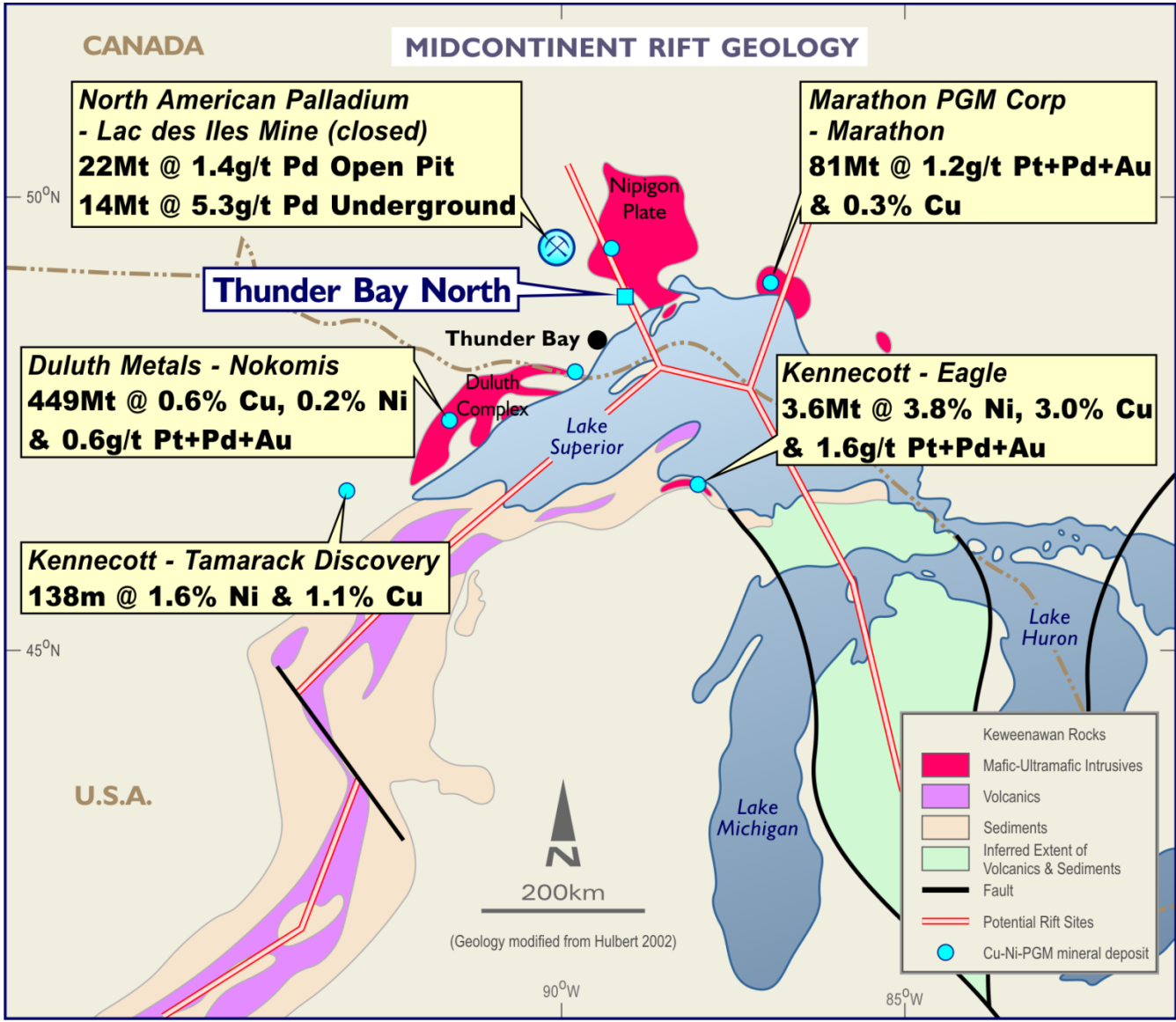
- Initial Resource of 690,000oz PtEq with potential for substantial growth through extension and further discoveries
- 1:1 Pt:Pd ratio
- Base metals approx 40% of the value
- Potential for discovery of Cu-Ni massive sulphides
- Close to excellent infrastructure
- Scoping Study (Preliminary Economic Assessment) commences December Quarter



Regional Setting

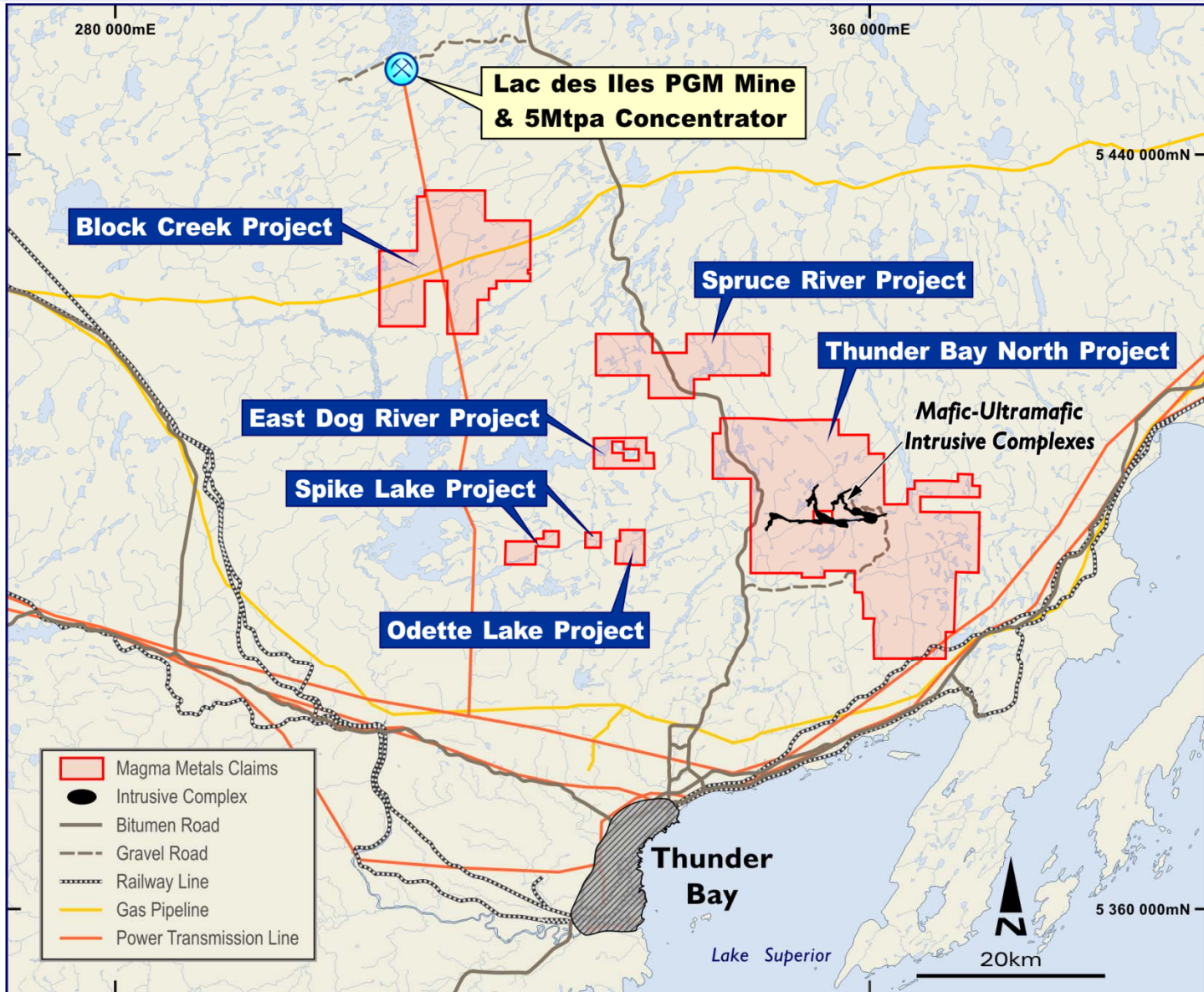


- Emerging Ni-Cu-PGM Province
- Significant recent discoveries
- The right geology for Ni-Cu-PGM: analogous to the giant Noril'sk - Talnakh deposits in Russia
- Region is under-explored with potential for further large discoveries





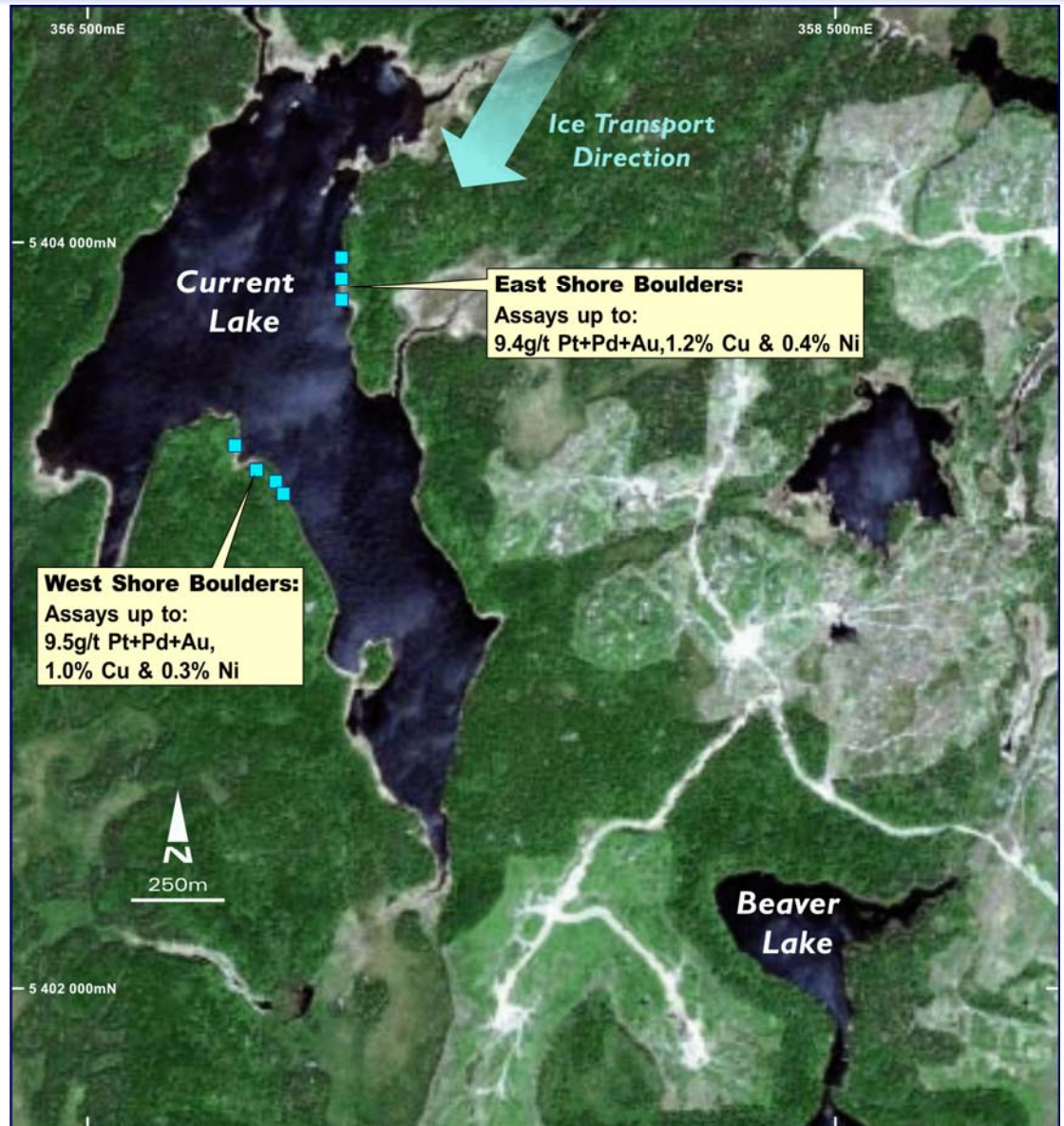
Thunder Bay Projects



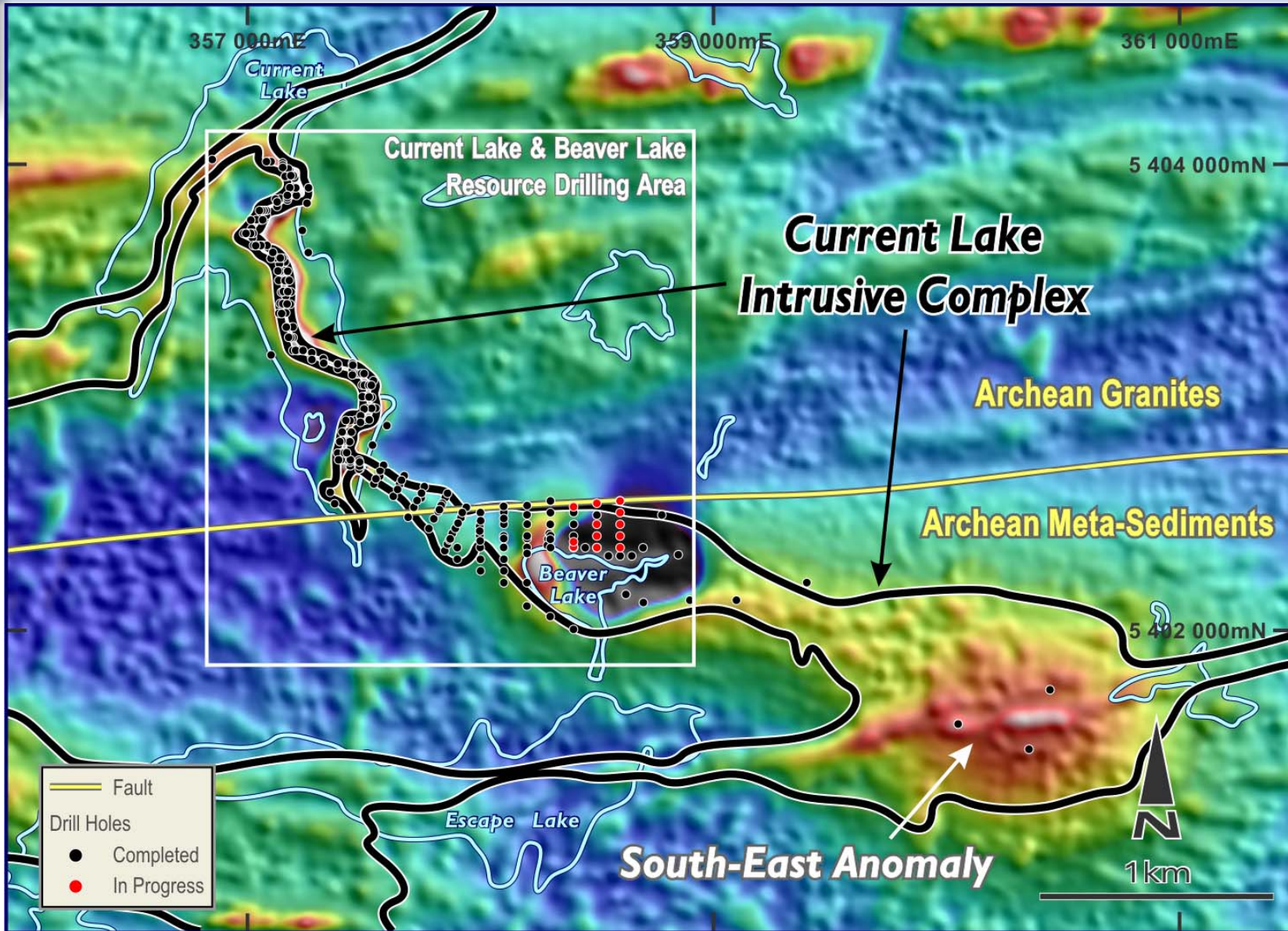
Greenfields Discovery



- PGM-rich glacial boulders found on west shore of Current Lake 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



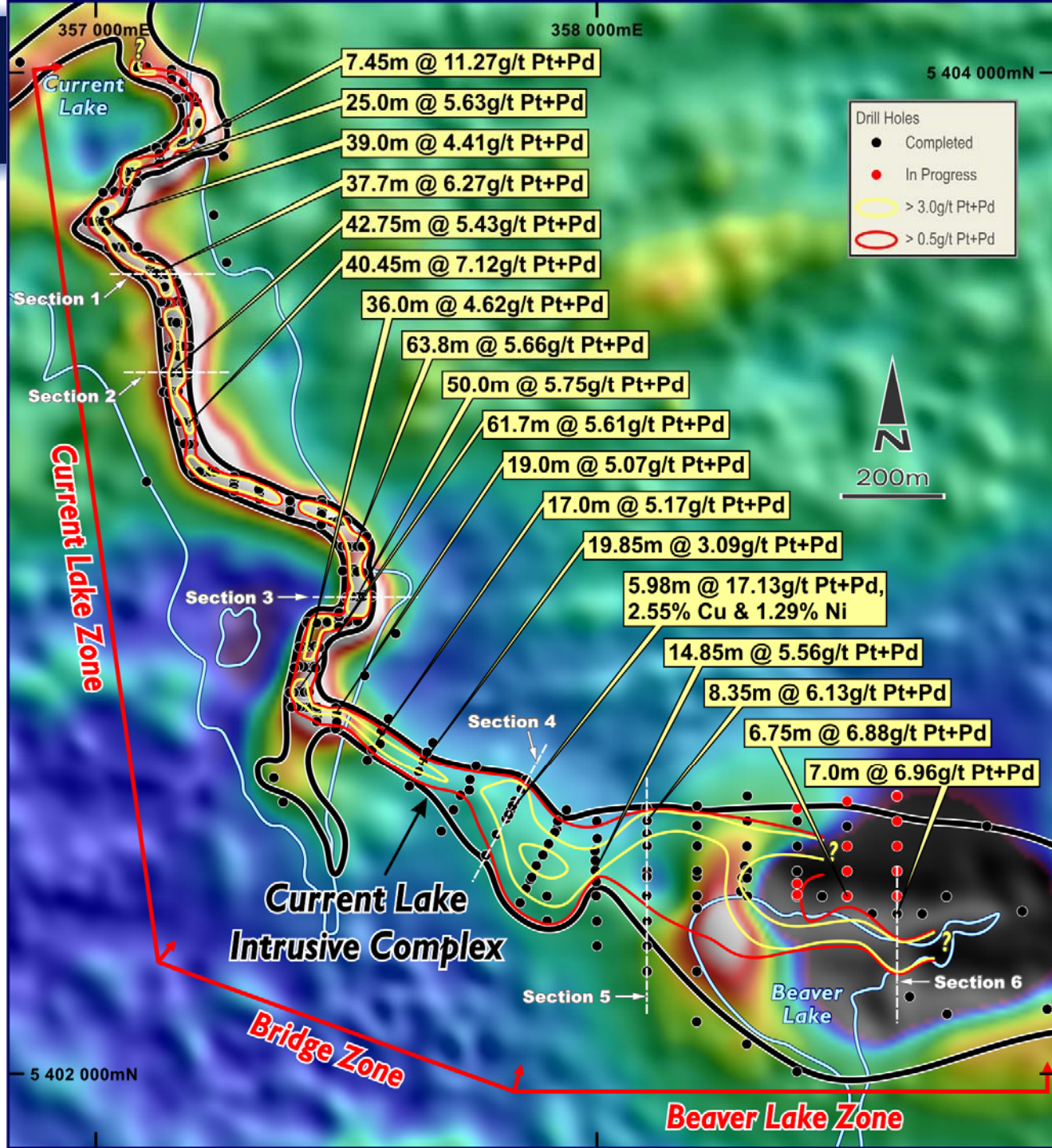
Current Lake Intrusive Complex



Resource Drilling

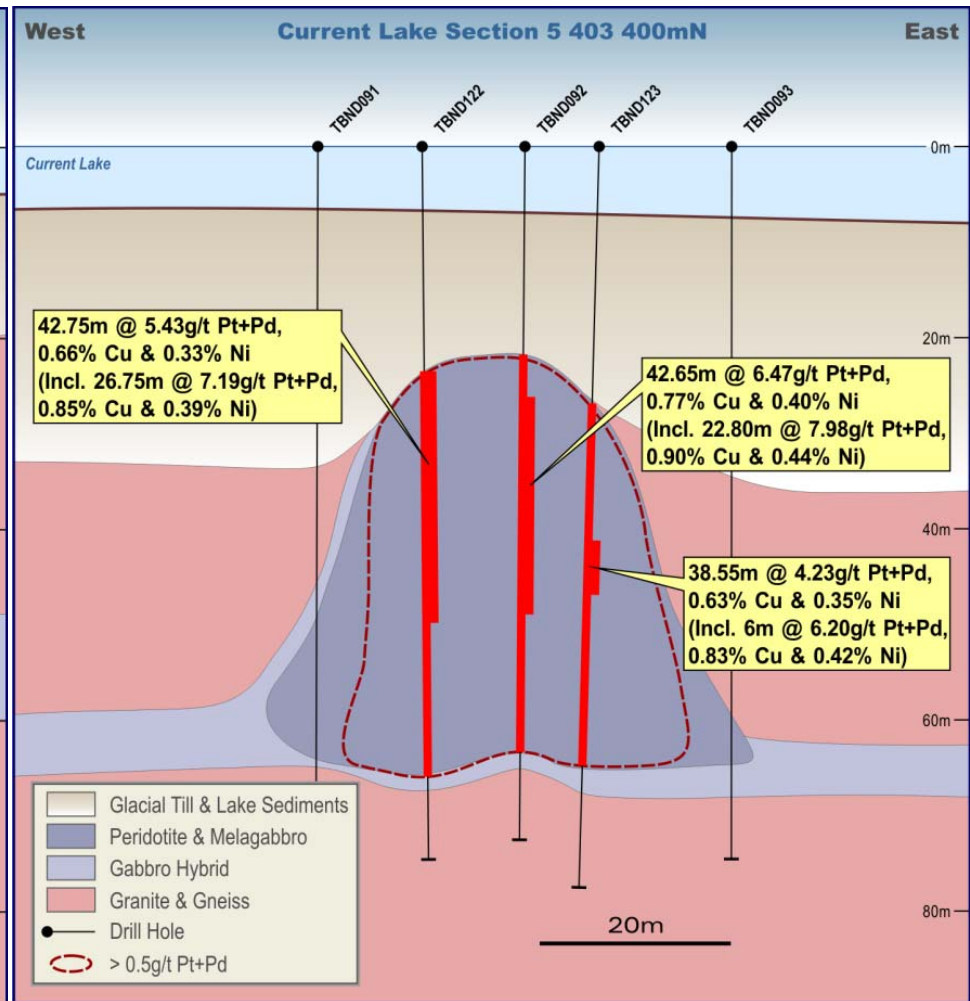
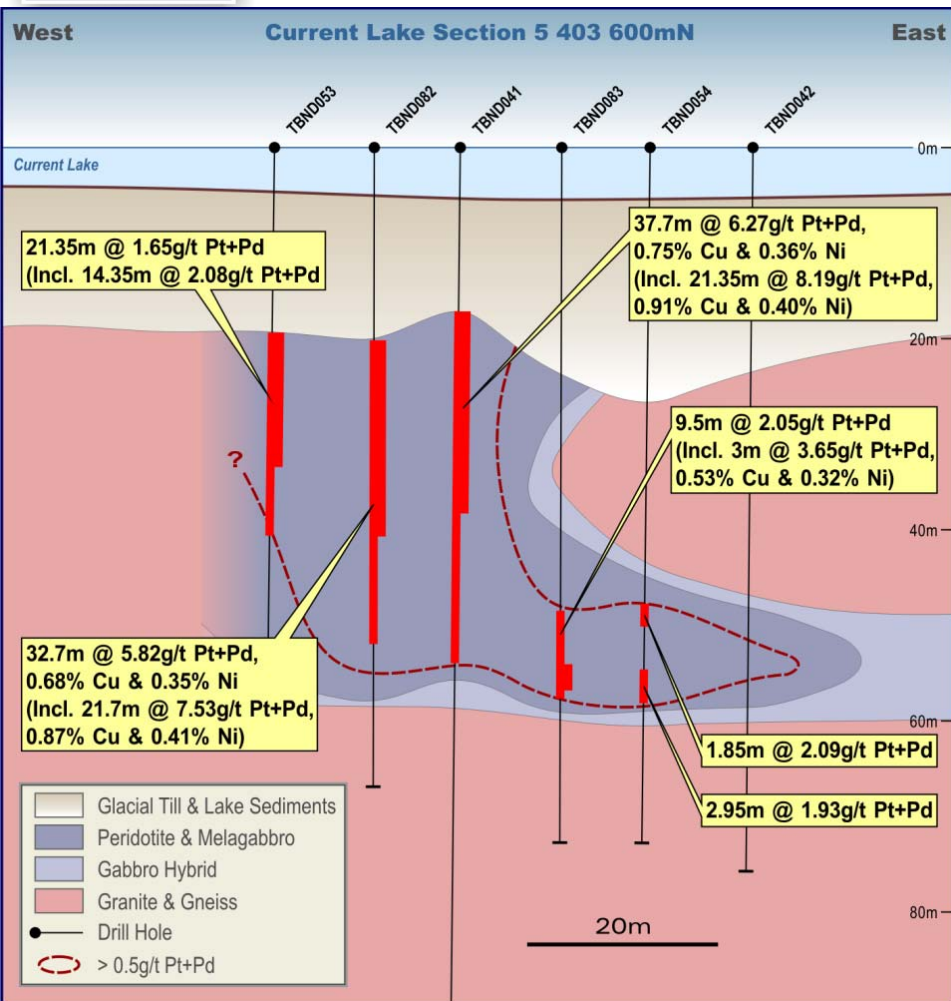


- Over 50,000m of diamond drilling
- 3.4km long tube-like body of mineralization
- Several high-grade zones defined
- Mineralization open along strike
- Resource extension drilling in progress

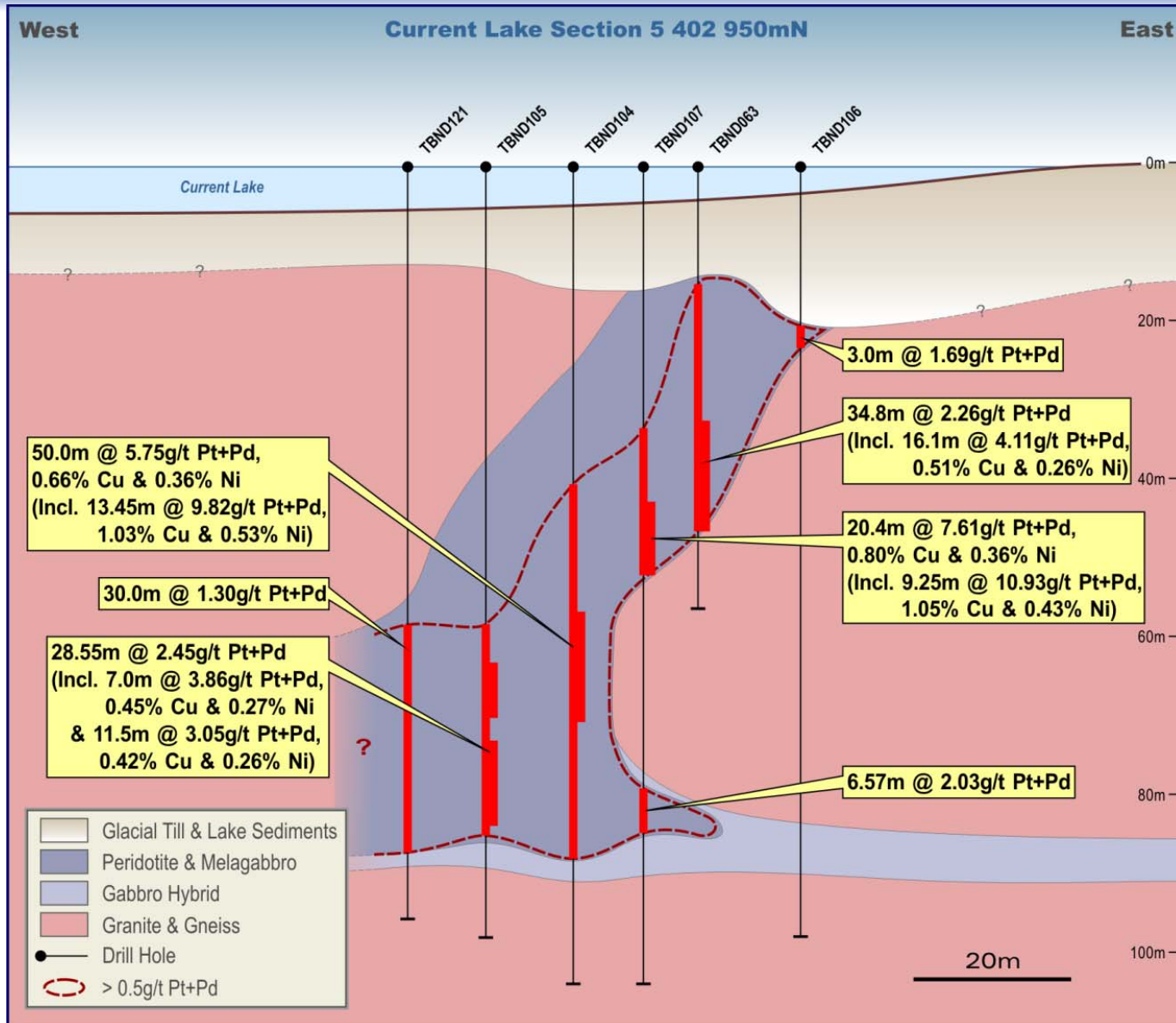




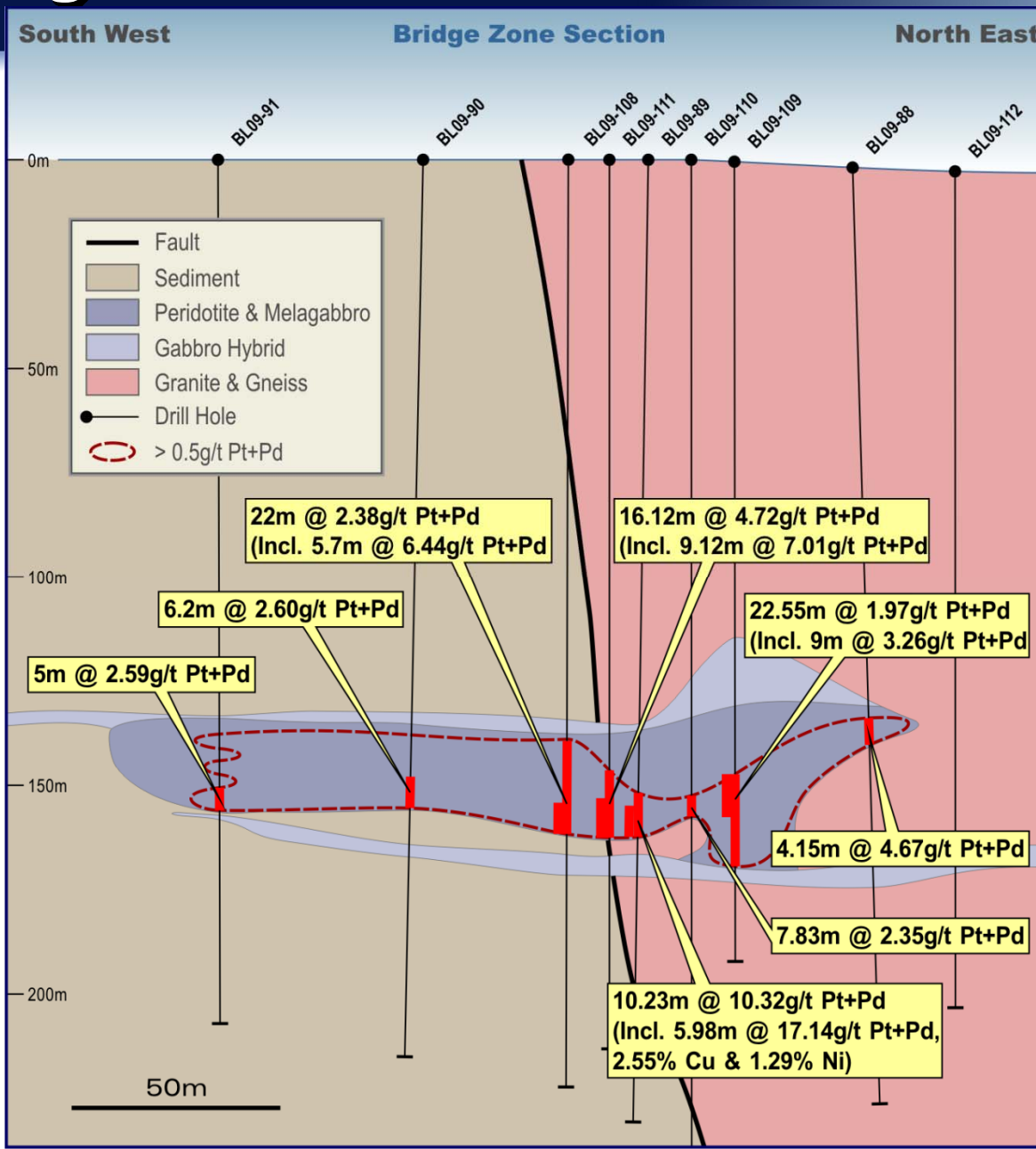
Current Lake Cross-Sections 1 & 2



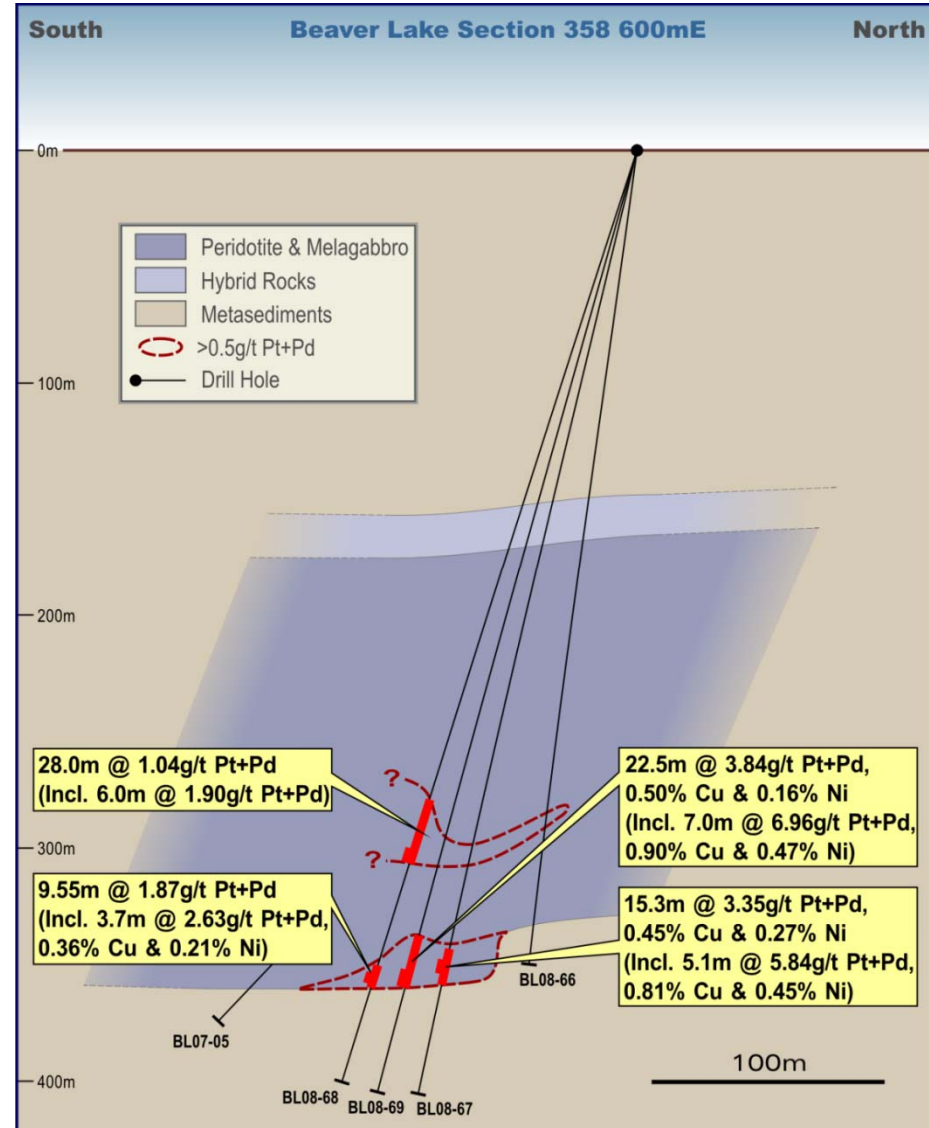
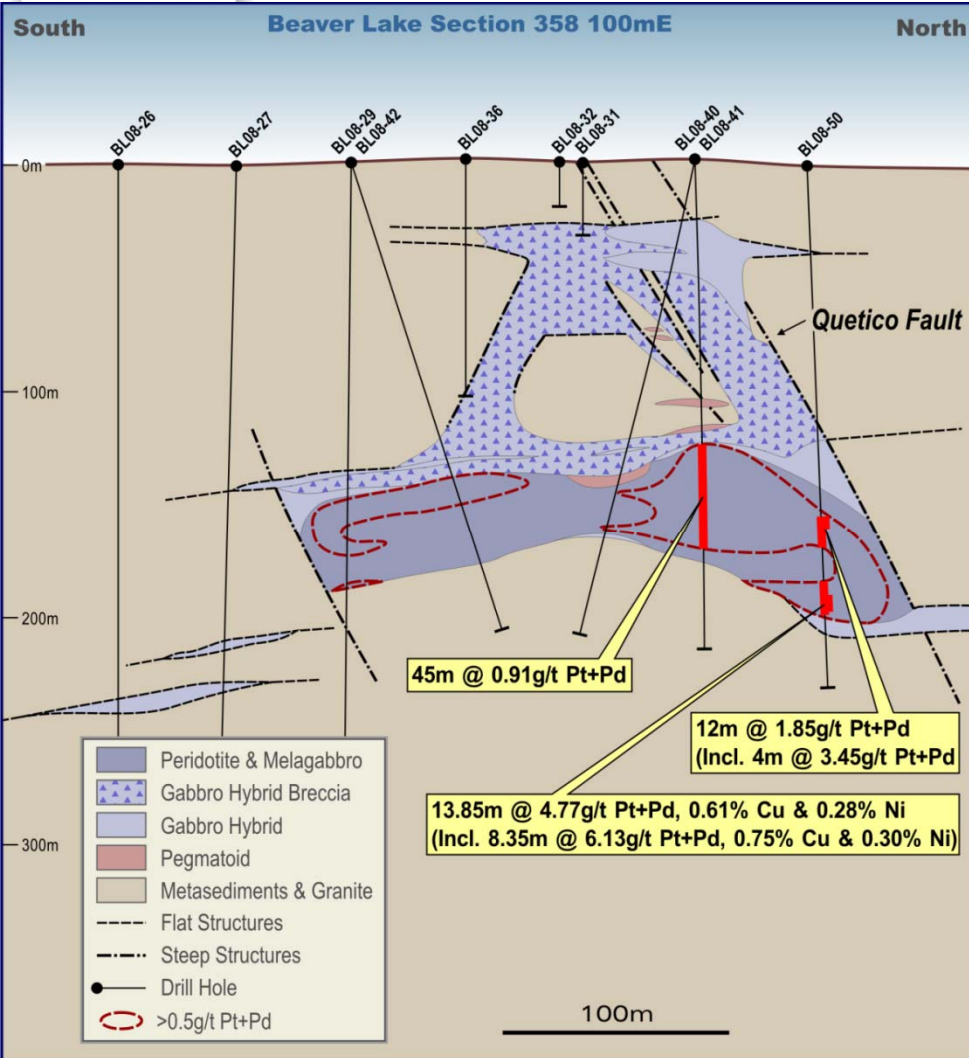
Current Lake Cross-Section 3



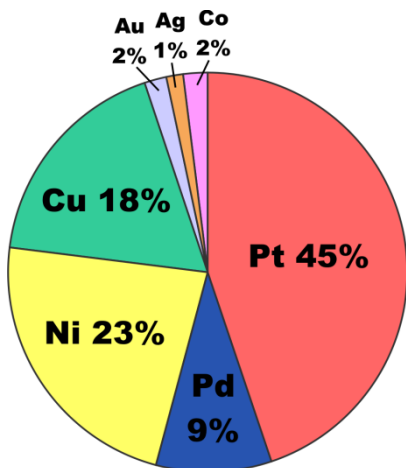
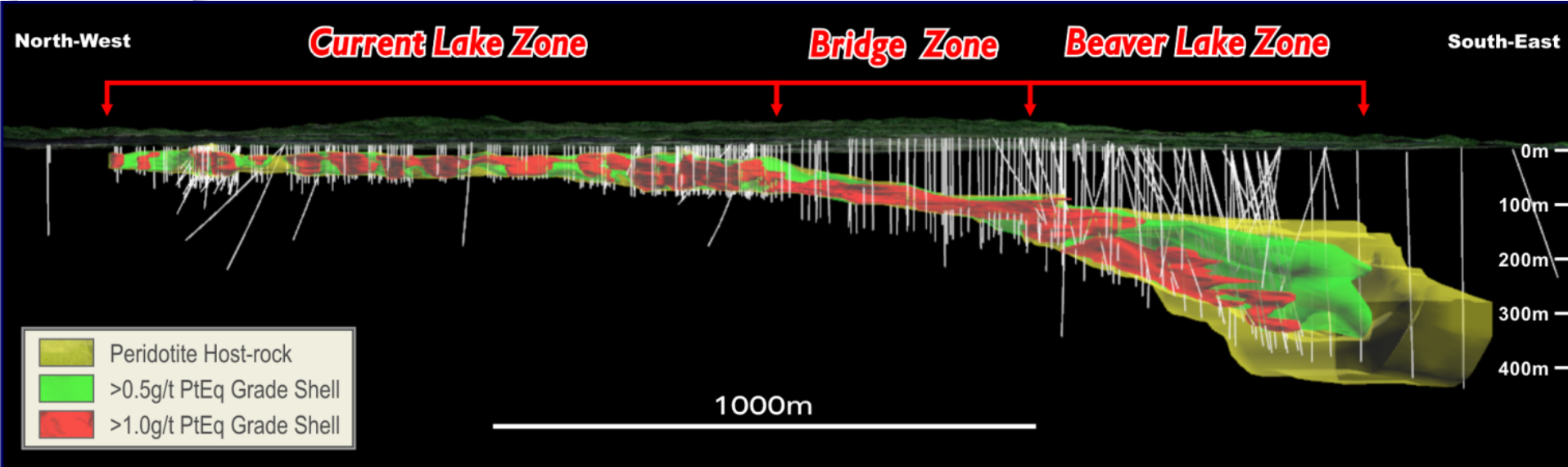
Bridge Zone Cross-Section 4



Beaver Lake Cross-Sections 5 & 6



Resource Model

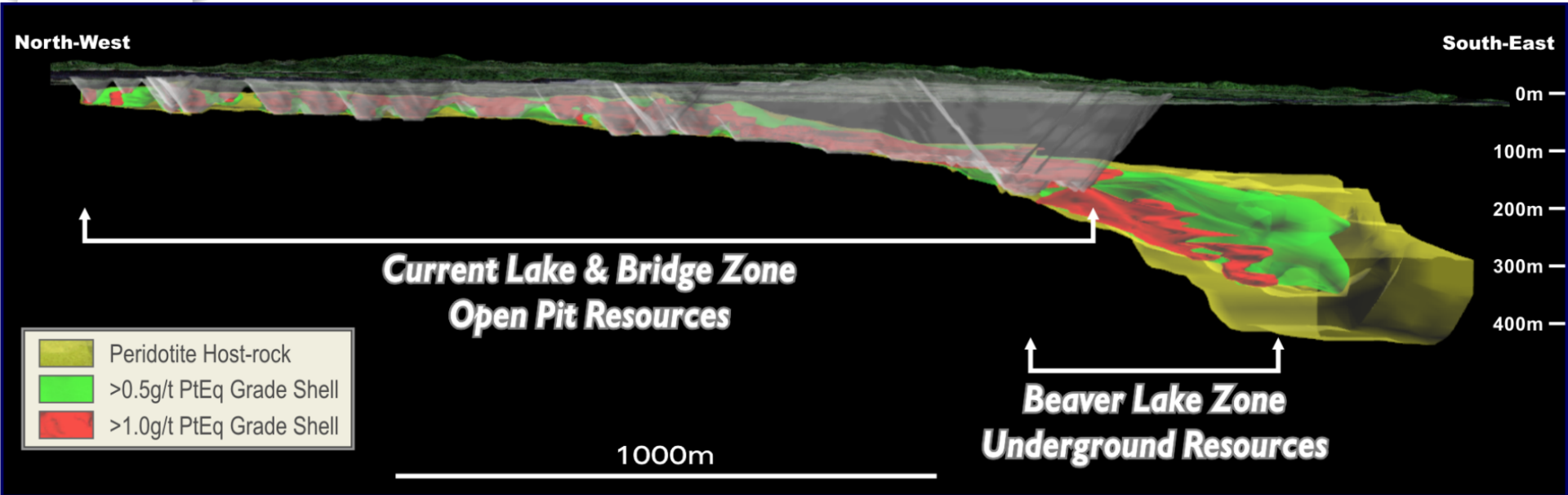


Parameter	Platinum	Palladium	Gold	Silver	Copper	Nickel	Cobalt
Metal price	\$1,200/oz	\$250/oz	\$930/oz	\$13/oz	\$2.30/lb	\$7.00/lb	\$15.00/lb
Process Recovery	75%	75%	50%	65%	90%	90% (*)	90% (*)

* Process recoveries for nickel and cobalt are estimated for the sulphide portion of these metals only

$$\text{PtEq (gpt)} = \text{Pt (gpt)} + \text{Pd (gpt)} \times 0.21 + \text{Au (gpt)} \times 0.52 + \text{Ag (gpt)} \times 0.01 + \text{Cu (\%)} \times 1.58 \\ + [\text{Ni (ppm)}_{\text{total}} - (\text{MgO (\%)} \times 63.49 - 587.2)] \times 0.00048 \\ + [\text{Co (ppm)}_{\text{total}} - (\text{MgO (\%)} \times 3.8188 + 23.94)] \times 0.00103$$

Resource Estimate



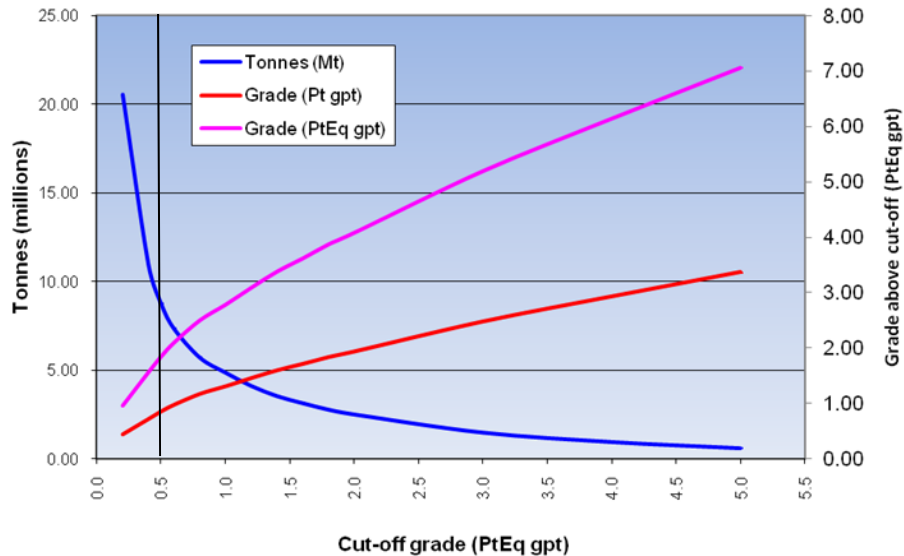
Resource Classification (Au, Ag & Co omitted)	Tonnes	Grade (g/t)			Grade (%)		Metal (000's oz)			Metal (000's t)	
	(Mt)	PtEq	Pt	Pd	Cu	Ni	PtEq	Pt	Pd	Cu	Ni
Open-Pit Indicated (1.0g/t PtEq cut-off)	4.3	2.83	1.33	1.26	0.32	0.21	391	184	173	14	9
Open-Pit Inferred (1.0g/t PtEq cut-off)	3.0	2.16	0.99	0.94	0.25	0.19	210	97	91	8	6
Underground Indicated (2.0g/t PtEq cut-off)	0.3	3.67	1.66	1.52	0.42	0.28	34	15	14	1	1
Underground Inferred (2.0g/t PtEq cut-off)	0.6	3.02	1.44	1.35	0.32	0.23	55	26	24	2	1
Combine Open Pit & Underground:											
Indicated	4.6	2.88	1.35	1.27	0.32	0.22	425	199	187	15	10
Inferred	3.6	2.29	1.06	1.00	0.26	0.19	265	123	115	9	7



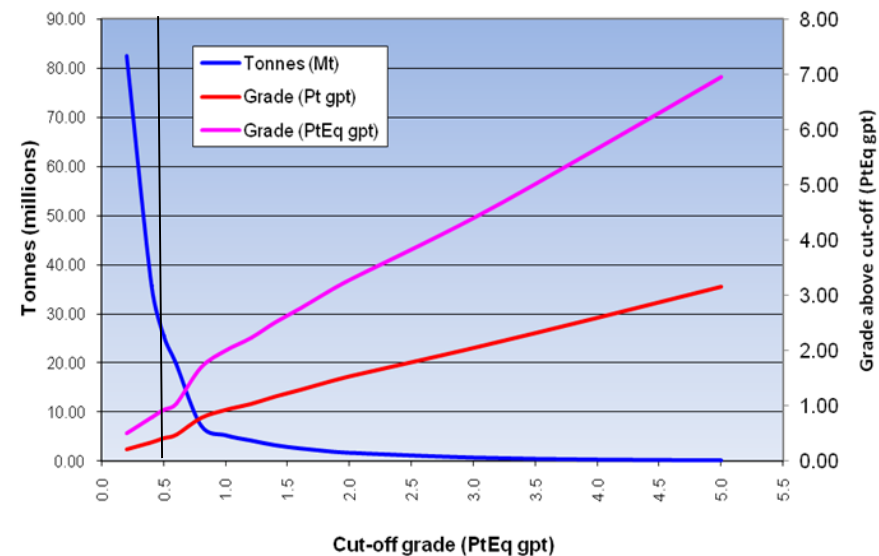
Resource Characteristics

- 87% of resource in Open Pit & 13% Underground (based on metal content)
- Pit optimization very sensitive to grade
- 62% of resource in “Indicated” category
- 38% of resource in “Inferred” category – mainly deeper parts of Open Pit and Underground
- Inferred grade is 20% less than Indicated grade
- Large tonnage of mineralization at low cut-off grade (e.g 0.5g/t PtEq)
- Infill drilling may increase size of pit and grade of “Inferred” resource

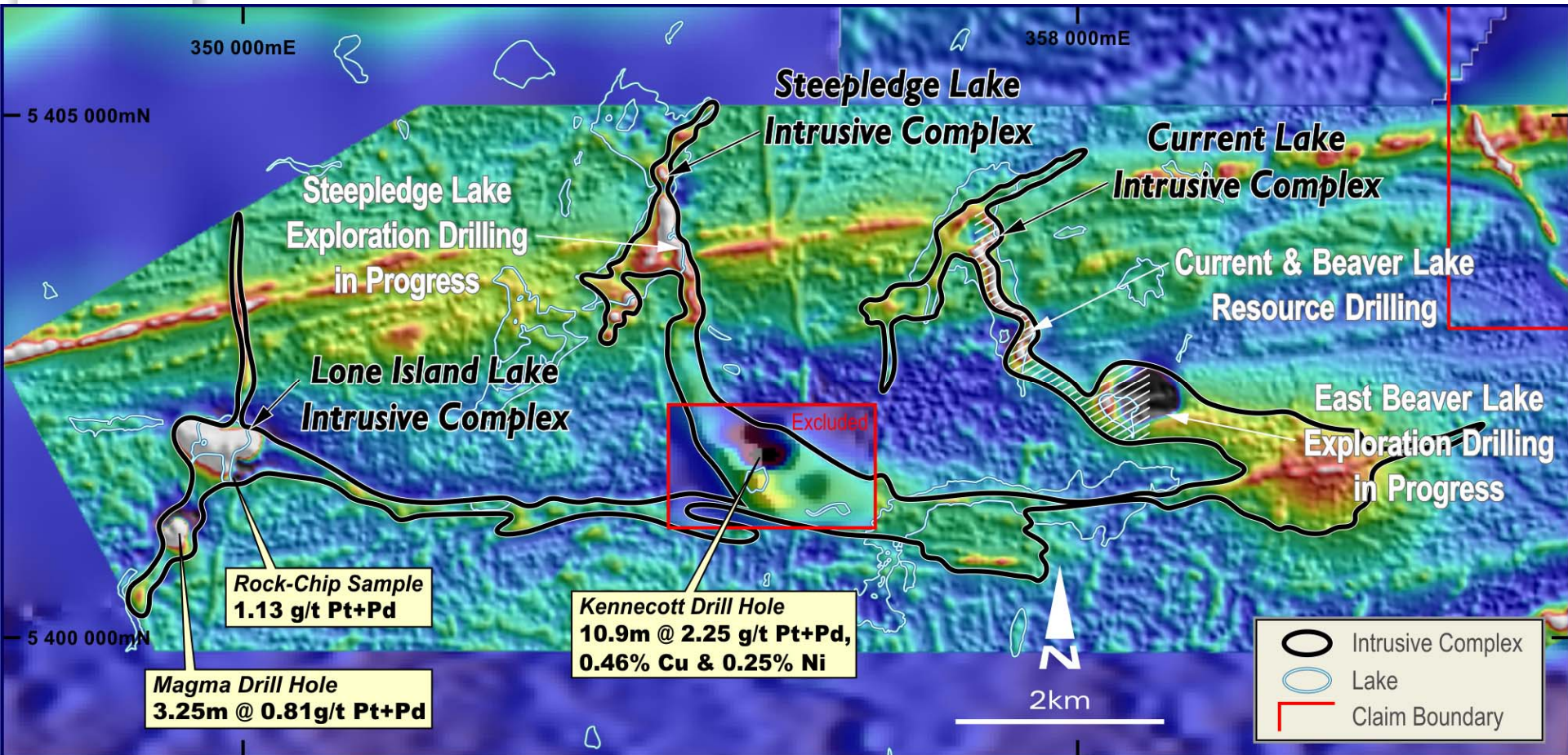
TBN Grade Tonnage Curves
Total Indicated Resources



TBN Grade Tonnage Curves
Total Inferred Resources



Magma Conduit Network



- Three intrusive complexes form a network of magma-conduits
- Resource extension drilling east of Beaver Lake
- Exploration drilling at Steepledge Lake
- Significant resource potential



Mineralization Styles



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



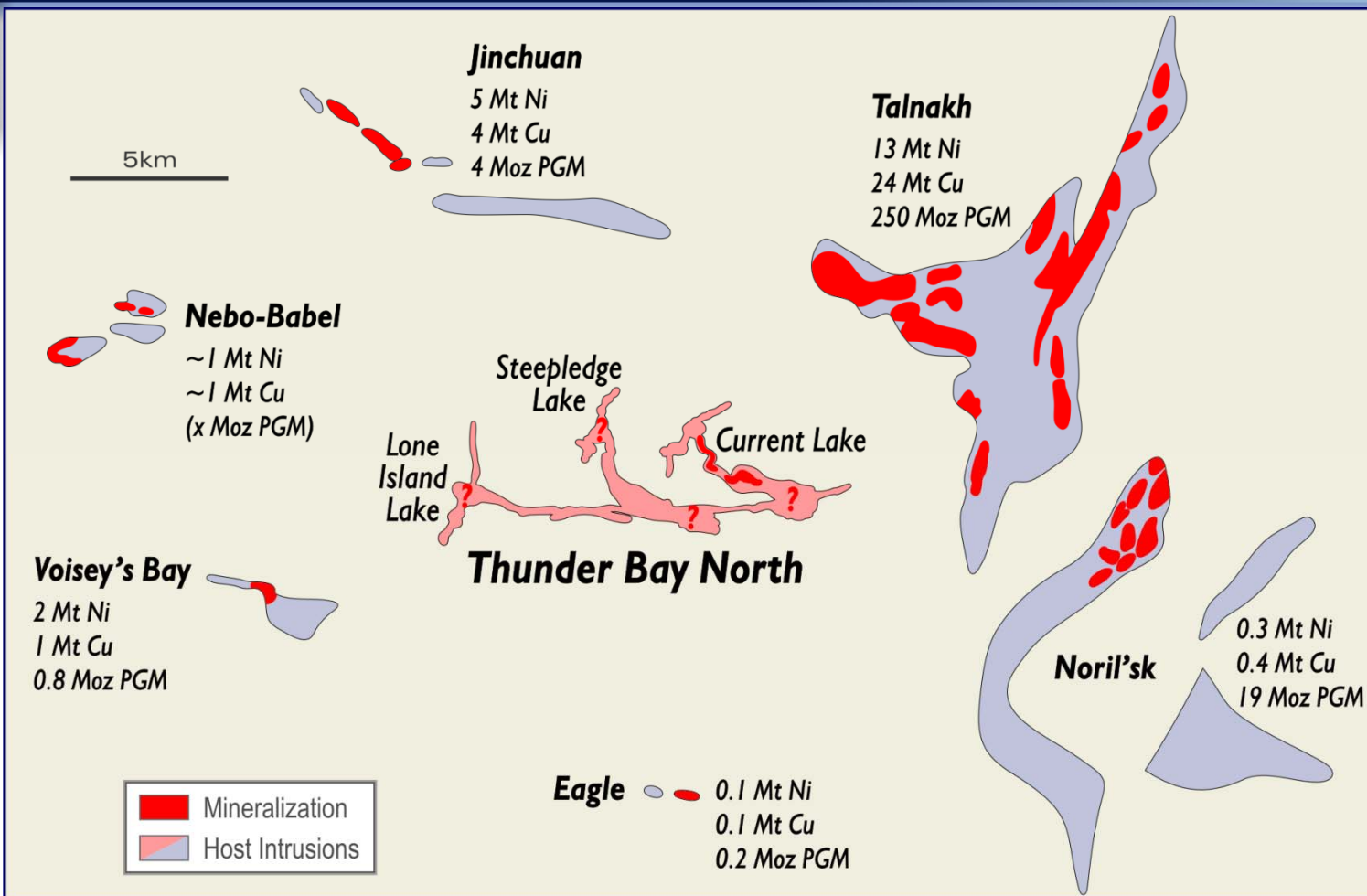
Net-Textured (Semi-Massive) Sulphide
(~10-20g/t PGM, ~1-2% Cu & ~0.6% Ni)



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



World Class Ni-Cu-PGM Magma Conduits



- Footprints of magma conduits hosting “world class” Ni-Cu-PGM deposits
- Thunder Bay North of comparable size
- Only 15% of Thunder Bay North explored by drilling

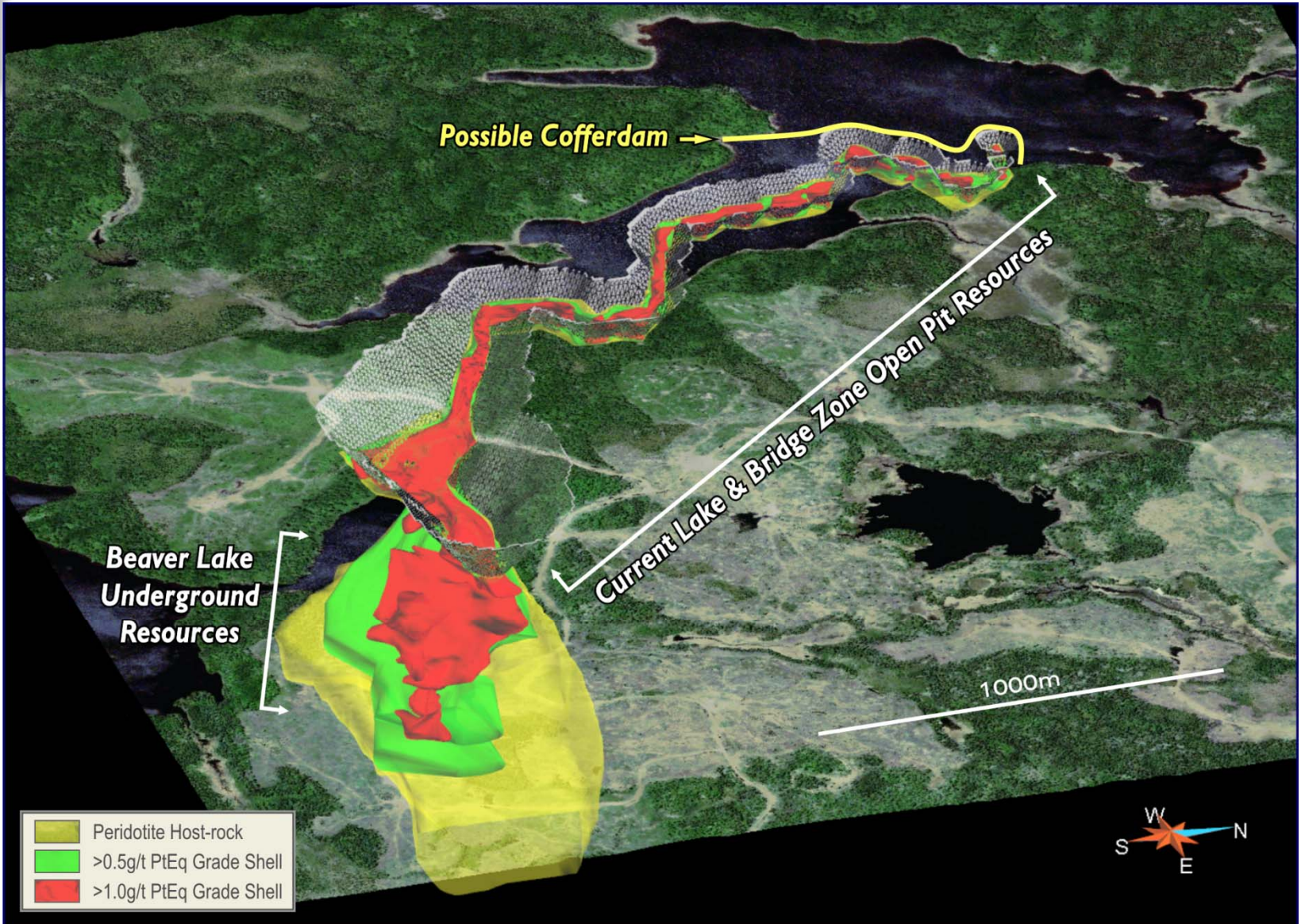
Program to March 2010



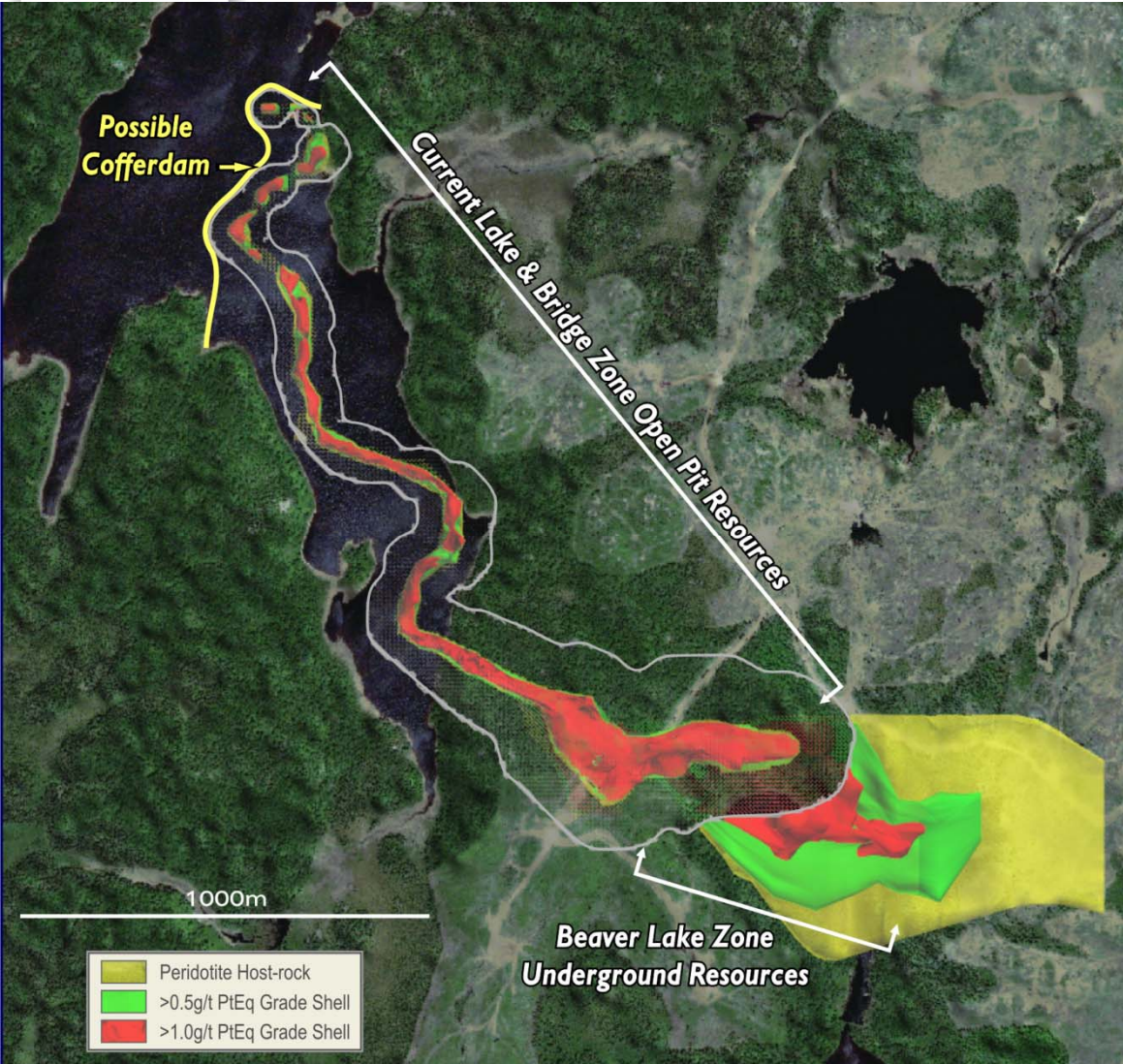
Work Program	Sept Qtr 2009	Dec Qtr 2009	March Qtr 2010
Initial NI43-101 & JORC Resource Estimates	—		
Exploration Drilling	—	—	—
Infill Drilling Current – Beaver Lakes Area		—	—
Scoping Study		—	—
Environmental & Permitting Program	—	—	—

- Resource Estimation: *SRK Consulting (Toronto)*
- Scoping Study: *TBA*
- Environmental & Permitting Program: *DST Consulting Engineers (Thunder Bay)*

Mining Concept – Perspective View



Mining Concept – Plan View



Cofferdam at Diavik diamond mine, NWT, Canada



Cofferdam construction at Meadowbank Gold project, Nunavut, Canada



Investment Opportunity

Thunder Bay North PGM Project, Ontario

- Initial resource of 690,000oz PtEq with potential for substantial growth
- Potential for discoveries of additional PGM and massive Ni-Cu sulphide deposits
- Scoping Study commencing next quarter

www.magmametals.com.au