



**MAGMA
METALS**
LIMITED
ABN 72 114 581 047

Magma Metals Limited

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20th April 2009

ASX: MMB

QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2009

HIGHLIGHTS

Thunder Bay North Pt-Pd-Cu-Ni Project, Ontario

- The 31,000m resource definition drilling campaign which commenced in mid-2008 continued in the 3-km long Current Lake – Beaver Lake area. Approximately 26,500m have now been completed.
- Drilling this quarter focused on Current Lake where several high-grade zones were defined with a cumulative strike length of about 1400m.
- Results included the following excellent intersections:
 - TBND134: 37.00m @ 4.55g/t Pt+Pd, 0.49% Cu & 0.26% Ni, including 22.00m @ 6.52g/t Pt+Pd, 0.69% Cu & 0.33% Ni.**
 - TBND171: 40.45m @ 7.12g/t Pt+Pd, 0.84% Cu & 0.41% Ni, including 9.00m @ 10.68g/t Pt+Pd, 1.21% Cu & 0.50% Ni.**
- It is anticipated that initial resource estimates will be completed for the Current Lake – Beaver Lake area in the September quarter.

Corporate

- The Company was presented with the “Discovery of the Year 2008” award for its Thunder Bay North project at the NW Ontario Mines & Minerals Symposium in Thunder Bay.
- The Company retained \$4.3 million in cash at the end of the quarter.

EXPLORATION REVIEW

Magma Metals Limited (“Magma”) and its wholly owned subsidiary Magma Metals (Canada) Limited (“Magma Canada”) conducted several exploration programs during the March quarter on its projects in the Thunder Bay region of northwest Ontario, Canada. The results of these programs and plans for further exploration work in Canada and Australia are described below. The locations of the Company’s projects are shown in Figure 1.

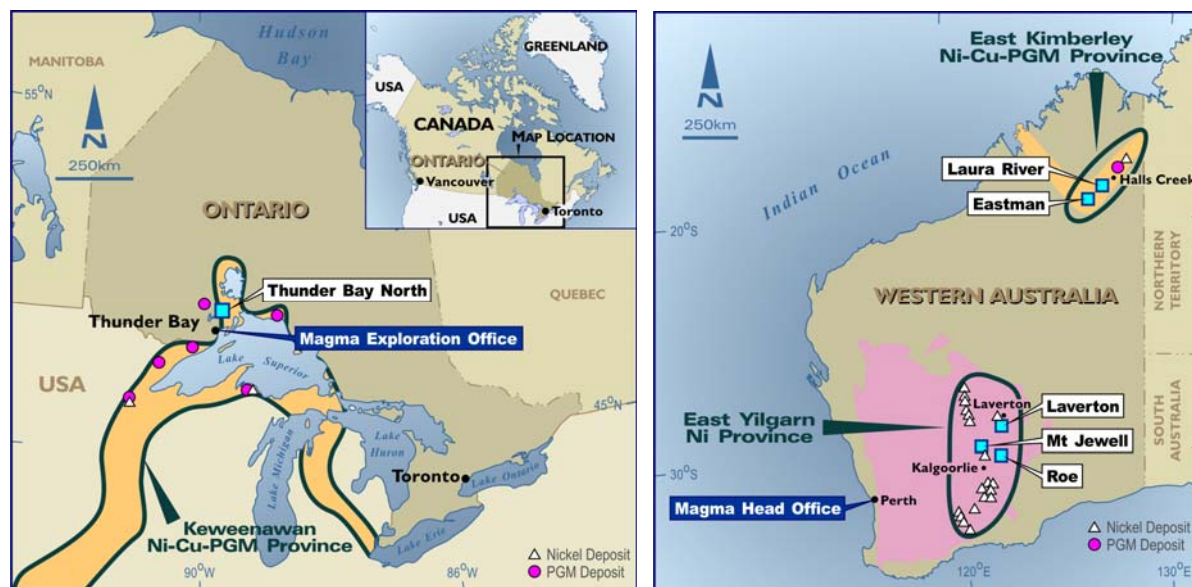


Figure 1. Project Locations

NORTHWEST ONTARIO, CANADA

Thunder Bay North Platinum-Palladium-Copper-Nickel Project

Resource Definition Drilling

An approximately 31,000m resource definition diamond drilling campaign is in progress in the Thunder Bay North project. The drilling is being conducted over a strike length of about 3km in the north-western part of the Current Lake Intrusive Complex, a 5km-long mafic-ultramafic magma conduit (Figure 2). So far, approximately 26,500m have been drilled since mid-2008. Information from this drilling campaign will be combined with that from 17,000m of drilling completed in previous programs to form the basis for initial resource estimates for the project. It is anticipated that the resource estimates will be completed in the September quarter.

During the March quarter an 86-hole drilling program was completed on Current Lake for 6,726m (Figure 3). This program completed drill coverage on Current Lake on a 50m x 10m pattern over a strike length of approximately 1800m. Results received from 64 drill-holes during the quarter from the southern and central parts of the lake included the following excellent intersections:

TBND134: 37.00m @ 4.55g/t Pt+Pd, 0.49% Cu & 0.26% Ni from 55.00m, including 22.00m @ 6.52g/t Pt+Pd, 0.69% Cu & 0.33% Ni.

TBND136:	19.00m	@ 5.07g/t Pt+Pd, 0.56% Cu & 0.28% Ni from 55.00m,
including	11.00m	@ 7.02g/t Pt+Pd, 0.75% Cu & 0.34% Ni,
	6.00m	@ 11.62g/t Pt+Pd, 2.19% Cu & 0.92% Ni from 89.00m
including	0.65m	@ 38.00g/t Pt+Pd, 2.6g/t Au, 8.90% Cu & 1.29% Ni.
TBND141:	52.00m	@ 3.63g/t Pt+Pd, 0.46% Cu & 0.28% Ni from 29.00m,
including	21.27m	@ 6.59g/t Pt+Pd, 0.86% Cu & 0.47% Ni.
TBND143:	29.00m	@ 3.24g/t Pt+Pd, 0.36% Cu & 0.22% Ni from 40.00m,
including	12.00m	@ 6.36g/t Pt+Pd, 0.69% Cu & 0.34% Ni.
TBND156:	33.00m	@ 2.64g/t Pt+Pd, 0.36% Cu & 0.19% Ni from 13.00m,
including	13.00m	@ 4.93g/t Pt+Pd, 0.67% Cu & 0.29% Ni.
TBND158:	18.18m	@ 5.74g/t Pt+Pd, 0.59% Cu & 0.34% Ni from 19.82m,
including	12.00m	@ 8.30g/t Pt+Pd, 0.85% Cu & 0.45% Ni.
TBND159:	40.05m	@ 3.45g/t Pt+Pd, 0.44% Cu & 0.25% Ni from 22.20m,
including	14.00m	@ 6.11g/t Pt+Pd, 0.76% Cu & 0.33% Ni.
TBND160:	31.30m	@ 2.87g/t Pt+Pd, 0.39% Cu & 0.28% Ni from 31.00m,
including	10.05m	@ 5.69g/t Pt+Pd, 0.78% Cu & 0.52% Ni.
TBND161:	37.50m	@ 3.61g/t Pt+Pd, 0.44% Cu & 0.25% Ni from 21.50m,
including	15.50m	@ 5.88g/t Pt+Pd, 0.65% Cu & 0.27% Ni.
TBND171:	40.45m	@ 7.12g/t Pt+Pd, 0.84% Cu & 0.41% Ni from 24.55m,
including	9.00m	@ 10.68g/t Pt+Pd, 1.21% Cu & 0.50% Ni.
TBND172:	40.35m	@ 5.48g/t Pt+Pd, 0.64% Cu & 0.33% Ni from 21.65m,
including	23.00m	@ 8.53g/t Pt+Pd, 0.98% Cu & 0.46% Ni,
including	7.00m	@ 13.26g/t Pt+Pd, 1.46% Cu & 0.71% Ni.
TBND173:	19.00m	@ 3.51g/t Pt+Pd, 0.48% Cu & 0.25% Ni from 47.00m,
including	12.00m	@ 4.36g/t Pt+Pd, 0.60% Cu & 0.28% Ni.
TBND180:	44.90m	@ 3.64g/t Pt+Pd, 0.42% Cu & 0.26% Ni from 14.60m,
including	34.50m	@ 4.53g/t Pt+Pd, 0.52% Cu & 0.31% Ni,
including	9.00m	@ 8.07g/t Pt+Pd, 0.91% Cu & 0.48% Ni.
TBND189:	32.83m	@ 3.54g/t Pt+Pd, 0.43% Cu & 0.23% Ni from 13.17m,
including	11.83m	@ 6.47g/t Pt+Pd, 0.72% Cu & 0.28% Ni.

The ratio of Pt to Pd in these intersections is approximately 1:1; this is a consistent ratio in virtually all the drilling so far conducted at the project.

The results confirm the continuity of high-grade mineralization in the central and southern parts of the lake (Figure 3). The high-grade zones shown in Figure 3 in the southern and central part of the lake are mapped from assay results. Those in the northern part of the lake have been mapped from a combination of assay results and visual inspection of drill-core from which assay results are pending. Generally, drill intercepts in the high-grade zones contain significant widths (at least 10m) of >3g/t Pt+Pd mineralization. The zones form a series of linear bodies with a cumulative strike length of about 1400m. They occupy most of the drilled strike extent of the host mafic-ultramafic magma conduit beneath Current Lake with only relatively short strike lengths of lower-grade mineralization separating them. The high-grade mineralization is open to the north and to the south-east (Figure 3).

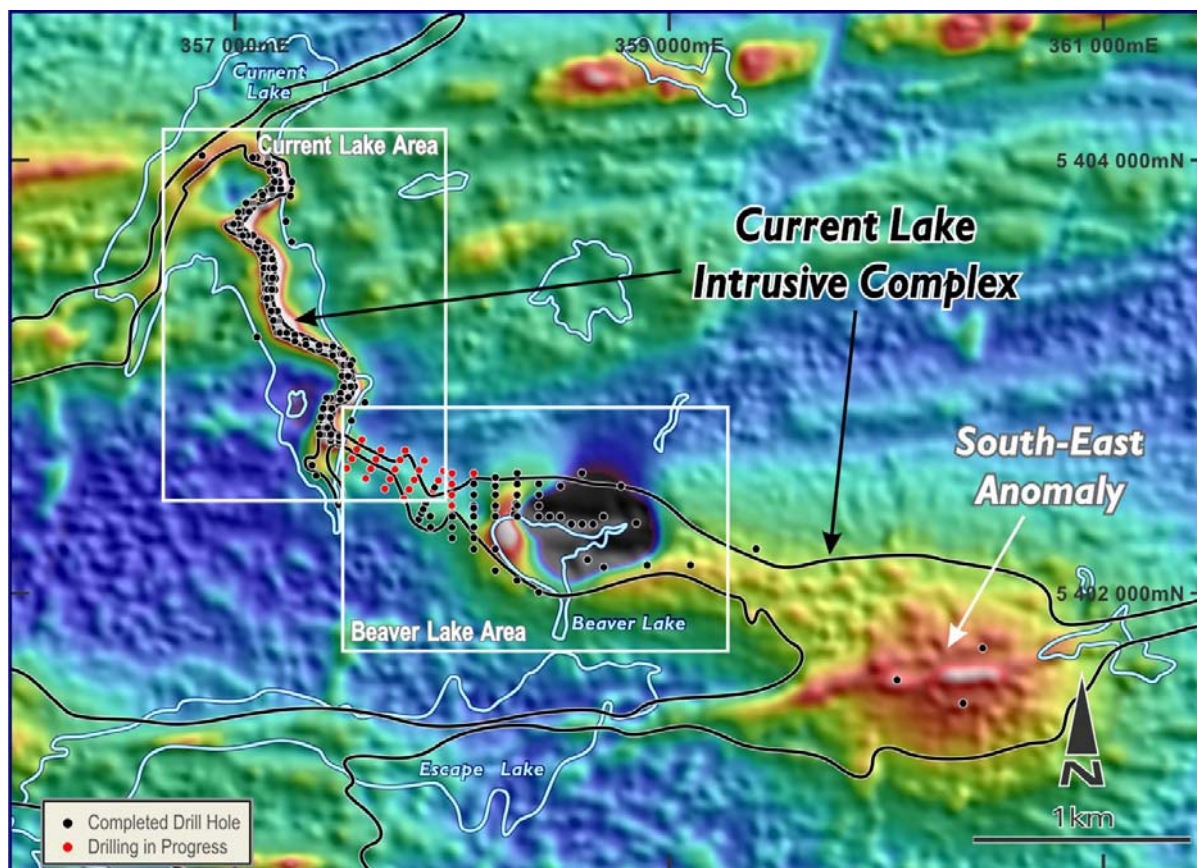


Figure 2. Current Lake Intrusive Complex – Magnetics & Drilling

Resource drilling is currently focused on an approximately 30-hole program for about 6,000m in the area between Beaver Lake and Current Lake (Figure 4). About 1,500m of this program has been completed so far in the eastern part of the drill pattern with intersections of abundant sulphides in peridotite indicating potential for good continuity of the previously identified high-grade zone in this area to the west towards Current Lake (Figure 4).

Electro-Magnetic (EM) Surveys

By analogy with other mafic-ultramafic magma conduit systems around the world, the Current Lake Intrusive Complex is prospective for Ni-Cu rich massive sulphide mineralization as well as the PGM-rich disseminated sulphide mineralization identified so far. A series of electro-magnetic (EM) surveys was completed during the quarter to test the potential for massive sulphides. These include regional airborne VTEM surveys, a deep-probing surface EM survey over the entire 5km strike-length of the Current Lake Intrusive Complex and down-hole EM surveys on over 20 drill-holes mainly in the Beaver Lake area.

Data interpretation is in progress, but several anomalies have been identified so far. These include a series of anomalies in the Current Lake area defined by a high-resolution VTEM survey flown along the strike length of the Current Lake mineralization (Figure 5). The anomalies shown in Figure 5 may represent zones of net-textured (semi-massive) and/or massive-sulphide mineralization. Modelling is in progress to determine the shapes, positions and depths of the conductors. A number of these conductors may represent deeper and/or untested targets. Some of the anomalies are due to heavy equipment on the surface (drill-rig, barge, bulldozer, etc.) (Figure 5).

A complete analysis and interpretation of the EM survey results will be completed over the next 4-6 weeks and a drilling program will then be designed to test identified priority targets.

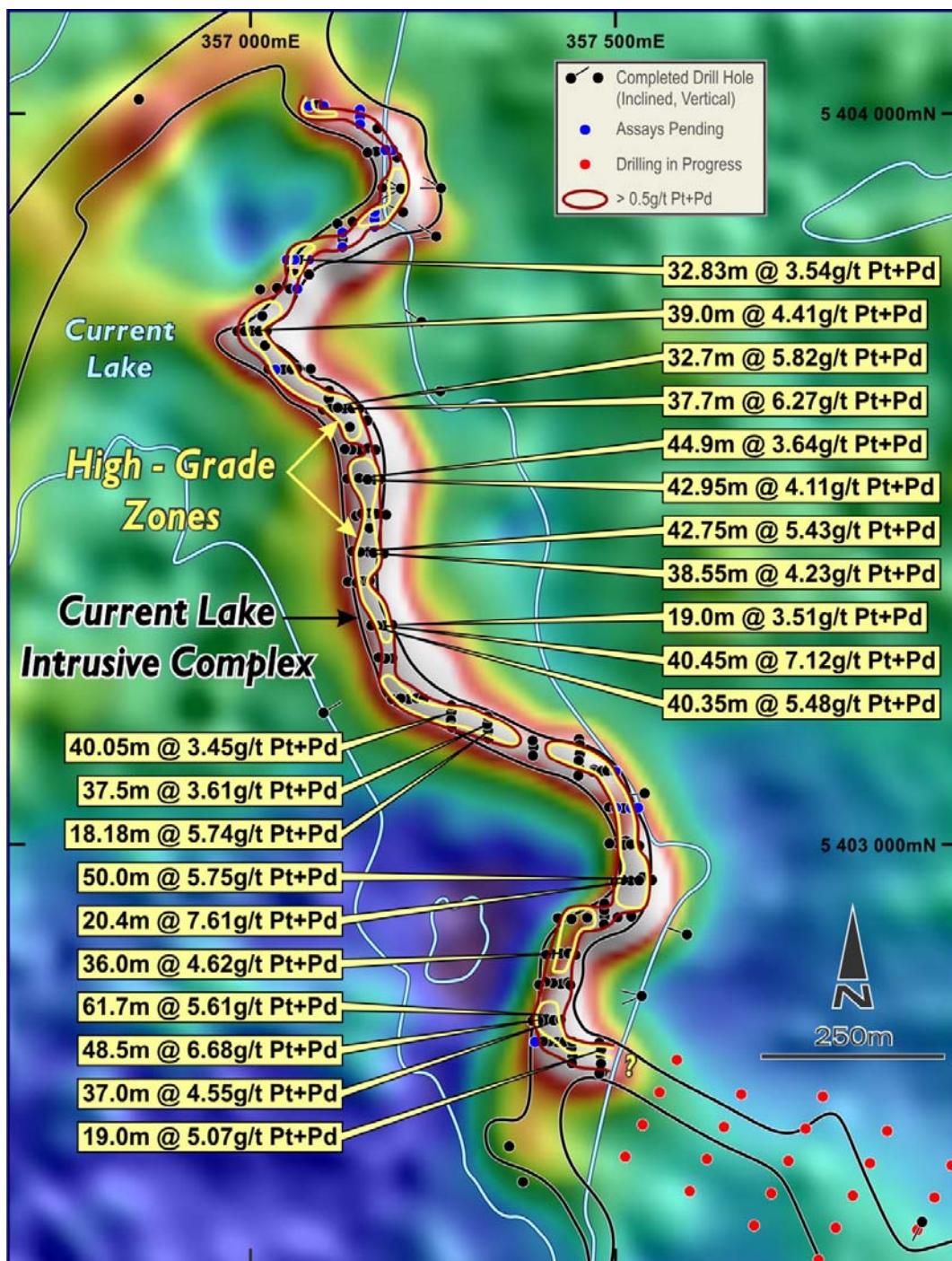


Figure 3. Current Lake Drilling and Magnetics

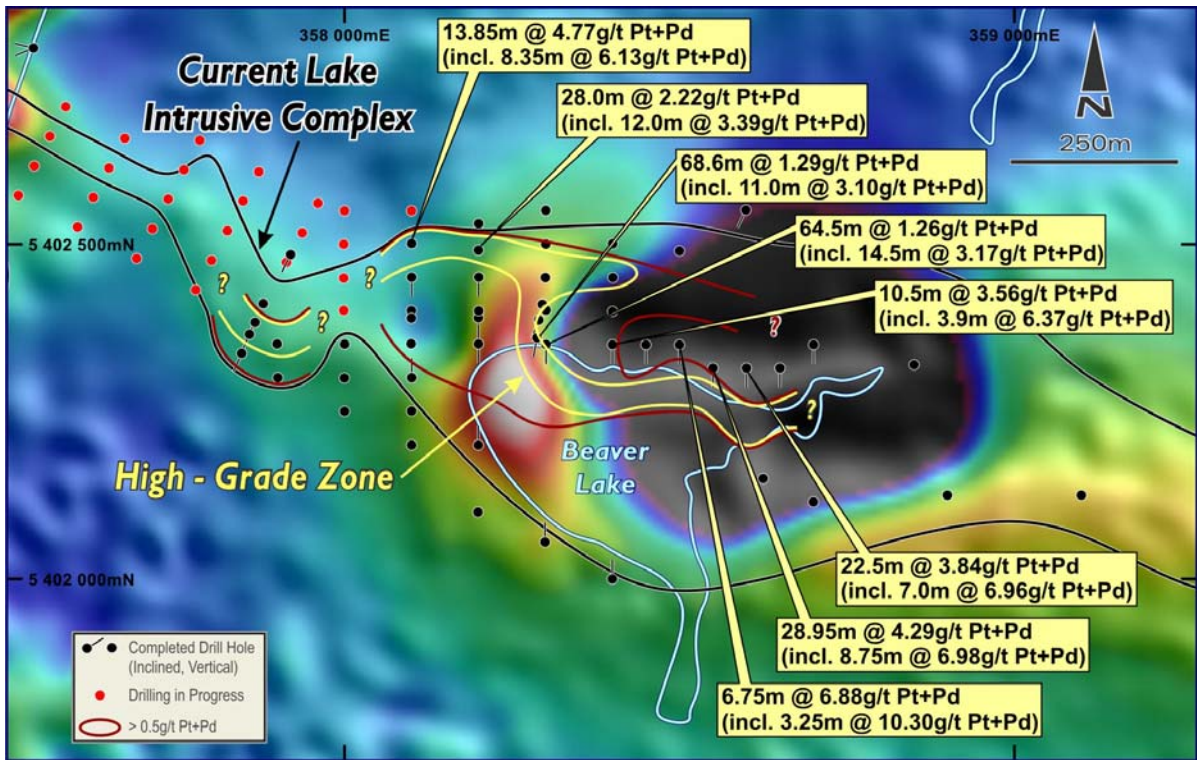


Figure 4. Beaver Lake Drilling and Magnetics

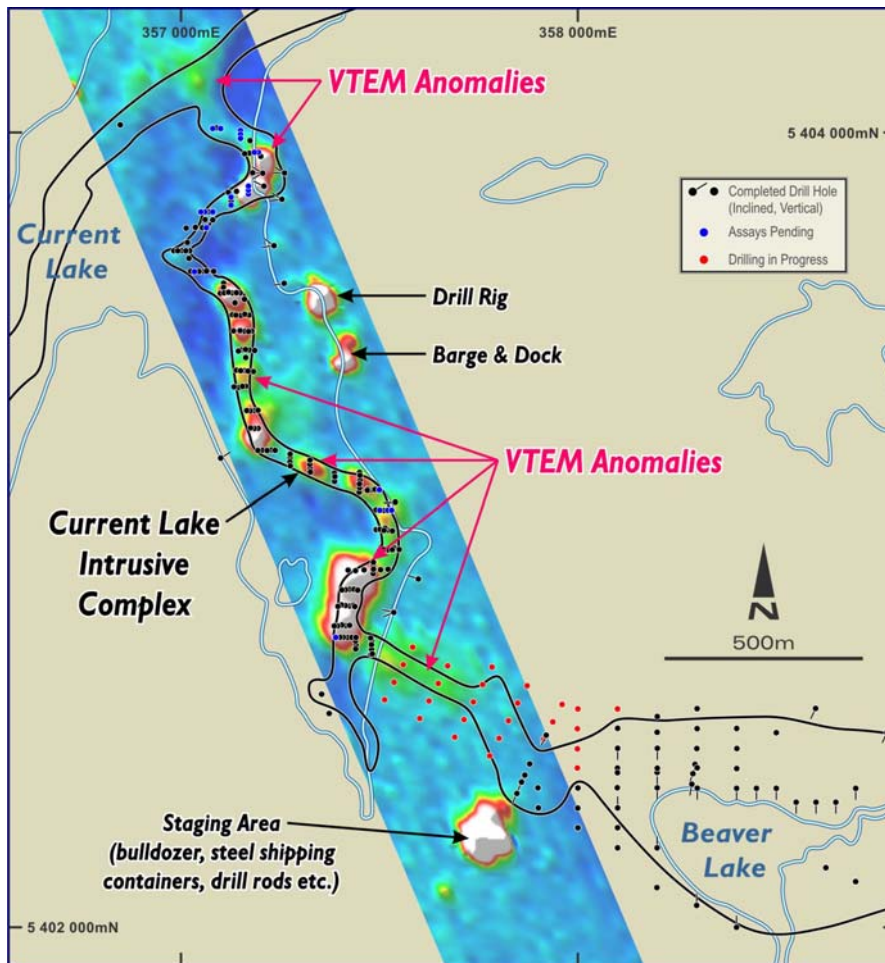


Figure 5. VTEM anomalies (Ch10 – B-Field) at Current Lake

WESTERN AUSTRALIAN PROJECTS

No exploration programs were conducted on the Western Australian projects during the quarter.

Planning was completed for a drill-hole and down-hole EM survey to test potential extensions to the Cerberus nickel sulphide deposit at Laverton. It is anticipated that this work will be completed in the June quarter. The Cerberus nickel sulphide deposit, recently discovered by Poseidon Nickel Limited, is immediately adjacent to Magma's tenement boundary at its Laverton project and it is possible that the deposit could extend into Magma's tenements. Poseidon Nickel Limited has announced an Inferred Mineral Resource of 1Mt @ 2.45% Ni containing 25,000t of nickel metal for the Cerberus deposit.

CORPORATE

The Company was presented with the "Discovery of the Year 2008" award by the Northwest Ontario Prospector's Association for its Thunder Bay North project at the NW Ontario Mines & Minerals Symposium in Thunder Bay on 8th April (Figure 6).



Figure 6. Discovery of the Year Award for Thunder Bay North

The Total Issued Capital of Magma Metals Limited at 31 March 2009 was 112,715,282 Shares. Details of 23,220,140 Unlisted Options are provided below:

Unlisted Options:

- 1,775,500 Unlisted 20c Options expiring 30/6/11
- 4,000,000 Unlisted 20c Director Options expiring 31/10/11
- 1,000,000 Unlisted 50c Options expiring 31/7/12
- 2,625,000 Unlisted employee Options exercisable at prices ranging from 20c to \$1.00 and expiring over periods from 30/11/09 to 05/01/14.
- 2,050,000 Unlisted 83c Director and employee Options expiring 31/10/12.
- 11,769,640 Unlisted 50c Options expiring 9/05/10

Magma retained \$4.3 million in cash at the end of the quarter.

Additional information on the Company and its projects is available on the Company's website at www.magmametals.com.au.

For and on behalf of the Board



Keith Watkins
Managing Director
Magma Metals Limited

Competent Persons Statement:

The information in this report 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 mineralisation 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.

Note: Drill-hole location and detailed assay data for all drill-holes mentioned in this report but not provided herein have been provided in previous announcements in the March quarter. These are available on the Company's website at www.magmametals.com.au.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

MAGMA METALS LIMITED

ABN

ABN 72 114 581 047

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to Date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (net)	(3,489)	(9,745)
(b) development	-	-
(c) production	-	-
(d) administration (net)	(243)	(889)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	82	345
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(3,651)	(10,293)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(28)	(116)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) - Bonds	(8)	(8)
Net investing cash flows	(36)	(124)
1.13 Total operating and investing cash flows (carried forward)	(3,687)	(10,417)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3,687)	(10,417)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc. (Net)	-	8,137
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(6)	(12)
1.18	Dividends paid	-	-
1.19	Other – Trade Creditors/Debtors	-	-
	Net financing cash flows	(6)	8,125
	Net increase (decrease) in cash held	(3,693)	(2,292)
1.20	Cash at beginning of quarter/year to date	7,306	6,339
1.21	Exchange rate adjustments to item 1.20	679	245
1.22	Cash at end of quarter	4,292	4,292

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	166
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	-

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements/bonds	83	83

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,722
4.2 Development	-
Total	1,722

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	592	168
5.2 Deposits at call	3,700	7,138
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,292	7,306

Changes in interests in mining tenements

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer Covering Quarterly Activity Report attached hereto		
6.2	Interests in mining tenements acquired or increased	Refer Covering Quarterly Activity Report attached hereto		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference ⁺securities <i>(description)</i>	Nil	Nil	-	-
7.2 Changes during quarter	-	-	-	-
7.3 ⁺Ordinary securities	112,715,282	112,715,282	Various	Fully Paid
7.4 Changes during quarter				
(a) Increases through Issue				
– placement	-	-	-	-
- option exercise	-	-	-	-
- tenements	-	-	-	-
(b) Decreases through return of capital, buy-backs	-	-	-	-
7.5 ⁺Convertible debt securities <i>(description)</i>	Nil	Nil	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options			<i>Exercise Price</i>	<i>Expiry Date</i>
<i>Unlisted Options 20¢</i>	1,775,500	-	20¢	30/06/2011
<i>Unlisted Options 20¢</i>	4,000,000	-	20¢	31/10/2011
<i>Unlisted Options 20¢</i>	125,000	-	20¢	30/11/2009
<i>Unlisted Options 50¢</i>	75,000	-	50¢	01/09/2011
<i>Unlisted Options 75¢</i>	75,000	-	75¢	01/09/2012
<i>Unlisted Options \$1</i>	100,000	-	\$1	01/09/2013
<i>Unlisted Options 50¢</i>	200,000	-	50¢	01/05/2011
<i>Unlisted Options 75¢</i>	300,000	-	75¢	01/05/2012
<i>Unlisted Options \$1</i>	500,000	-	\$1	01/05/2013
<i>Unlisted Options 50¢</i>	1,000,000	-	50¢	31/07/2012
<i>Unlisted Options 83¢</i>	2,050,000	-	83¢	31/10/2012
<i>Unlisted Options 50¢</i>	11,769,640	-	50¢	09/05/2010
<i>Unlisted Options 50¢</i>	75,000	-	50¢	01/11/2011
<i>Unlisted Options 50¢</i>	75,000	-	75¢	01/11/2012
<i>Unlisted Options 75¢</i>	100,000	-	\$1	01/11/2013
<i>Unlisted Options \$1</i>	250,000	-	35¢	05/01/2012
<i>Unlisted Options 35¢</i>	300,000	-	40¢	05/01/2013
<i>Unlisted Options 40¢</i>	450,000	-	55¢	05/01/2014
<i>Unlisted Options 55¢</i>				
7.8 Issued during quarter		-		
<i>Unlisted Options 35¢</i>	250,000	-	35¢	05/01/2012
<i>Unlisted Options 40¢</i>	300,000	-	40¢	05/01/2013
<i>Unlisted Options 55¢</i>	450,000	-	55¢	05/01/2014
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	Nil	Nil		
7.12 Unsecured notes <i>(totals only)</i>	Nil	Nil		

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date:**20.April 2009**.....

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

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