



magnetic resources^{NL}

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SHARE PLACEMENT TO RAISE \$1.5 MILLION

The directors of Magnetic Resources are pleased to announce that the company has reached agreement with a combination of sophisticated and professional investors to place 3,700,000 fully paid shares at an issue price of \$0.40 per fully paid share.

Following the placement, Magnetic will have 54,786,253 fully paid shares, 18,945,572 contributing shares and 2,100,000 options on issue with cash and liquid investments of \$2.4 million. An Appendix 3B Share Issue announcement will be released after the new fully paid shares have been issued and application made for their quotation.

The funds raised will be used to advance exploration on Magnetic's iron ore and uranium prospects in the southern Yilgarn region of WA. Magnetic is planning additional RC drilling programmes to test its extensive targets (70km) outside the recently drilled Jubuk magnetite prospect near Corrigin where significant widths of coarse grained magnetite banded iron formations have been identified in surface outcrops over a 1.4km strike length. Magnetic is currently flying a large 16,284 line km survey covering its extensive 4,100 sq km newly acquired application areas. Also Magnetic is planning to drill its promising main uranium targets at Seabrook near Southern Cross in early March.

For more information on the company visit www.magres.com.au

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The information in this report is based on information compiled or reviewed 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. George Sakalidis 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 2004 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.