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IRON ORE TARGET SAMPLING UPDATE

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Sampling on Magnetic's extensive iron ore tenements in the Mid West and South West regions of Western Australia has commenced. The tenements, which now total some 5,300sq km in area, cover numerous iron ore targets identified from interpretation of regional aeromagnetics followed by detailed aeromagnetic surveys to refine and prioritise targets. Magnetic is targeting both magnetite and direct shipping ore (DSO) types in areas of good infrastructure close to railway lines and ports. The location of Magnetic's iron tenements is shown in Figure 1.

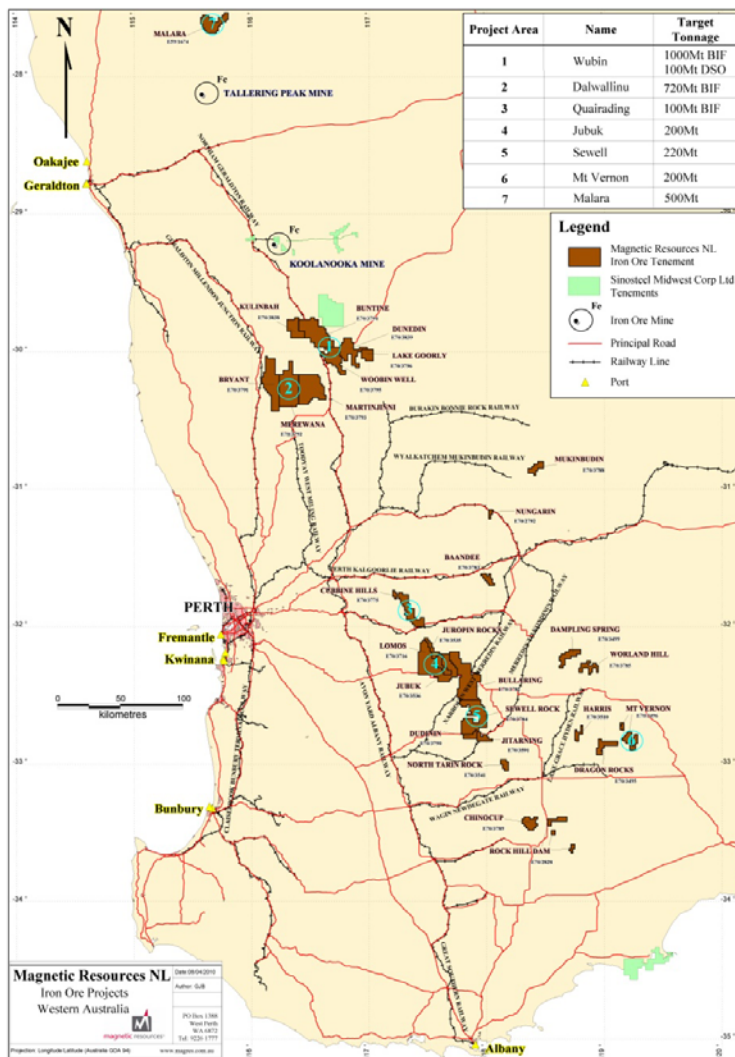


Figure 1
Location Map

Preliminary sampling has identified a range of iron ore types varying from coarse grained crystalline magnetite BIF such as encountered at Jubuk (see Figure 2) to more massive goethite-hematite identified at Wubin (see Figure 3). A cemented pisolite type was also identified in two locations at the Wubin project (see Figure 4). The extent of the goethite-hematite and pisolite types of mineralisation has yet to be determined. Samples from these localities are currently being analysed.



Figure 2
Jubuk Crystalline Magnetite BIF



Figure 3
Wubin Goethite-Hematite



Figure 4
Wubin Pisolite Type

Magnetic is targeting iron ore deposits ranging in size from 220Mt to 1000Mt within its various project areas (see inset in Figure 1) based on interpretation of geophysical data using an assumed specific gravity of 3.5 and projecting the targets to an average depth of 100m below surface. The potential quantity and grade is conceptual in nature as there has not yet been sufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

Magnetic has so far identified a total of 254km of cumulative strike length of iron ore targets (ASX release 8 April 2010) in the Mid West and South West regions. A programme of systematic mapping and sampling has commenced, in order to identify priority targets for drilling.

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.