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Announcement

ASX & TSX: MMW

FINAL RESULTS FROM THUNDER BAY NORTH INFILL DRILLING

KEY POINTS

- Final results have been received from a 47,000m infill diamond drilling program completed in the mineral resource area.
- Results included the following drill intercepts:
 - BL10-306: 15.00m @ 6.66g/t Pt+Pd, 0.85% Cu & 0.29% Ni, including 3.00m @ 28.8g/t Pt+Pd, 3.74% Cu & 0.95% Ni, including 0.25m @ 133.3g/t Pt+Pd, 20.4% Cu & 2.03% Ni;**
 - BL10-298: 11.00m @ 6.84g/t Pt+Pd, 0.76% Cu & 0.43% Ni;**
 - BL10-304: 10.35m @ 5.12g/t Pt+Pd, 0.49% Cu & 0.23% Ni, including 4.00m @ 8.30g/t Pt+Pd, 0.75% Cu & 0.25% Ni;**
 - BL10-258: 11.00m @ 4.04g/t Pt+Pd, 0.40% Cu & 0.25% Ni, including 6.00m @ 5.57g/t Pt+Pd, 0.54% Cu & 0.31% Ni.**
- A resource estimate update is in progress with expected completion in the September quarter, 2010.
- A Scoping Study (Preliminary Economic Assessment), incorporating the new resource estimate, is also in progress with expected completion in the December quarter, 2010.
- The current exploration focus is on high-sulphide targets in and around the Current Lake Intrusive Complex and on regional targets within the Thunder Bay North project to identify new areas of mineralization. Up to three drill rigs will be in operation on this program.

Magma Metals Limited (**ASX & TSX symbol: "MMW"**) ("Magma" or the "Company") is pleased to advise that it has now received all the results from the outstanding drill holes in the recently completed 195-hole 47,172m infill diamond drilling program in the resource area at the Thunder Bay North Project in northwest Ontario.

Results received from the drilling are summarized in the “Key Points” section above and in Tables 1 and 2 below.

The infill drilling program commenced in June 2009 and focused on the Bridge and Beaver Lake Zones, where the current resources are mostly in the Inferred Mineral Resource category (Figure 1). As previously advised, data from the infill drilling program will be combined with that from 50,416m in 333 holes drilled prior to June 2009 to form the basis for an independent mineral resource update. This work is in progress and it is anticipated that the resource update will be completed in the September quarter, 2010.

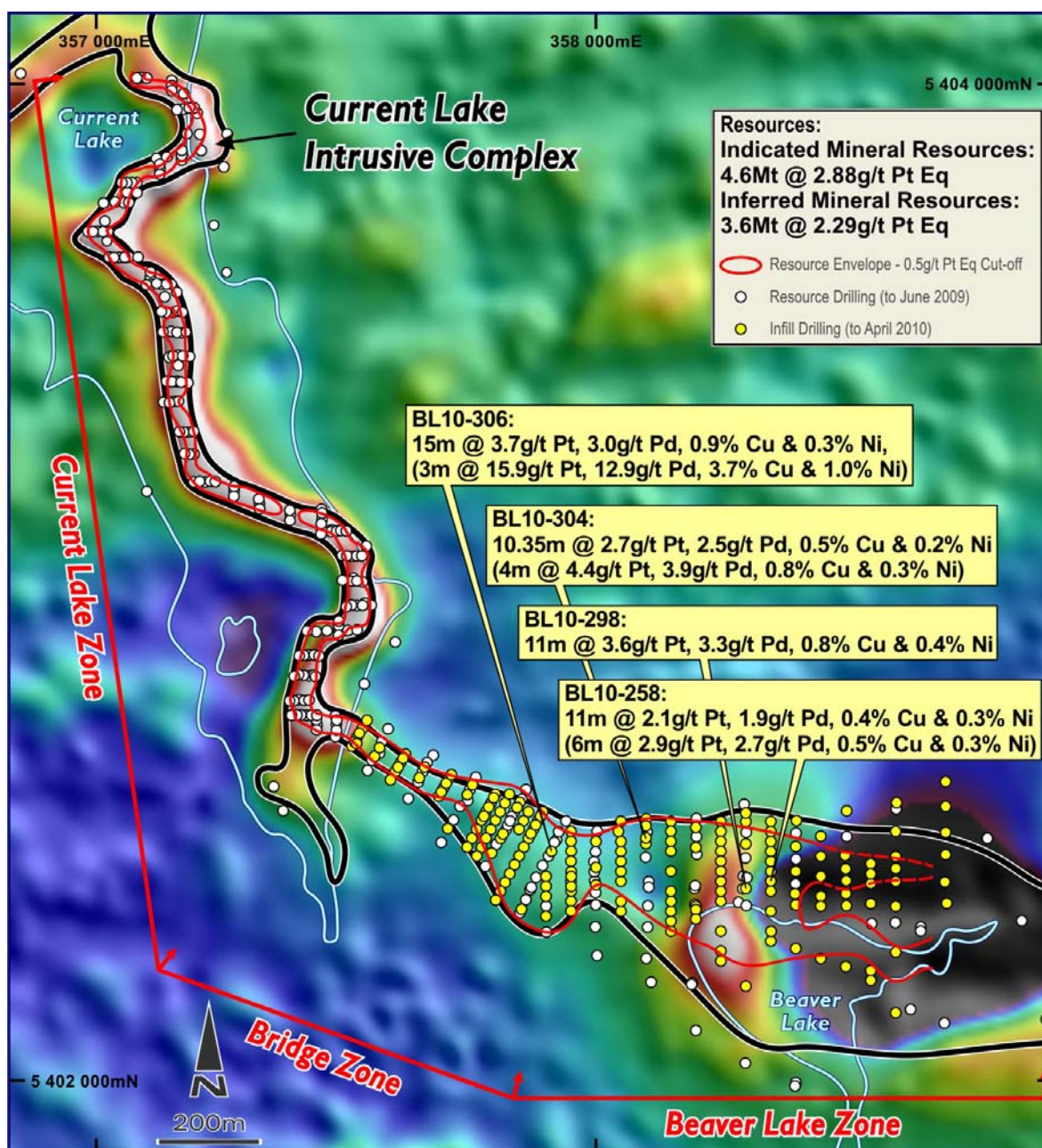


Figure 1. Current Lake Intrusive Complex and some of the recent results from the infill drilling program (note that information on the Mineral Resource Estimates and the methodology for calculating platinum equivalents was contained in an ASX announcement dated 7th September 2009, available on the Company’s website at www.magmametals.com.au).

The resource estimate update will be incorporated in the Scoping Study (Preliminary Economic Assessment) which is currently in progress. The Scoping Study is focused on three key aspects of the project:

- Mining strategy;
- Metallurgical test work and process engineering;
- Environmental and permitting requirements.

It is anticipated that the results of the Scoping Study will be available in the December quarter, 2010.

The exploration focus for the remainder of 2010 will be on identifying new areas of mineralization within the Thunder Bay North intrusive complexes, and elsewhere in the region, which have potential to contain additional mineral resources. Currently drilling is in progress or about to start at a number of targets, with up to three drill-rigs in operation:

- **Bridge Zone:** testing potential high-sulphide targets identified from geophysical surveys beneath and adjacent to known mineralization (Area 1 in Figure 2);
- **South East Anomaly:** deepening a previous 930m deep hole to drill through the floor of the intrusion in this area and determine the potential for mineralization along strike to the southeast of Beaver Lake (Area 2 in Figure 2);
- **Current Lake North:** reconnaissance drilling to investigate the geology and mineralization potential in the northern part of the Current Lake Intrusive Complex (Area 3 in Figure 2);
- **Lone Island Lake:** reconnaissance drilling to investigate the geology and mineralization potential in the Lone Island Lake Intrusive Complex in the western part of the project (Area 6 in Figure 2).

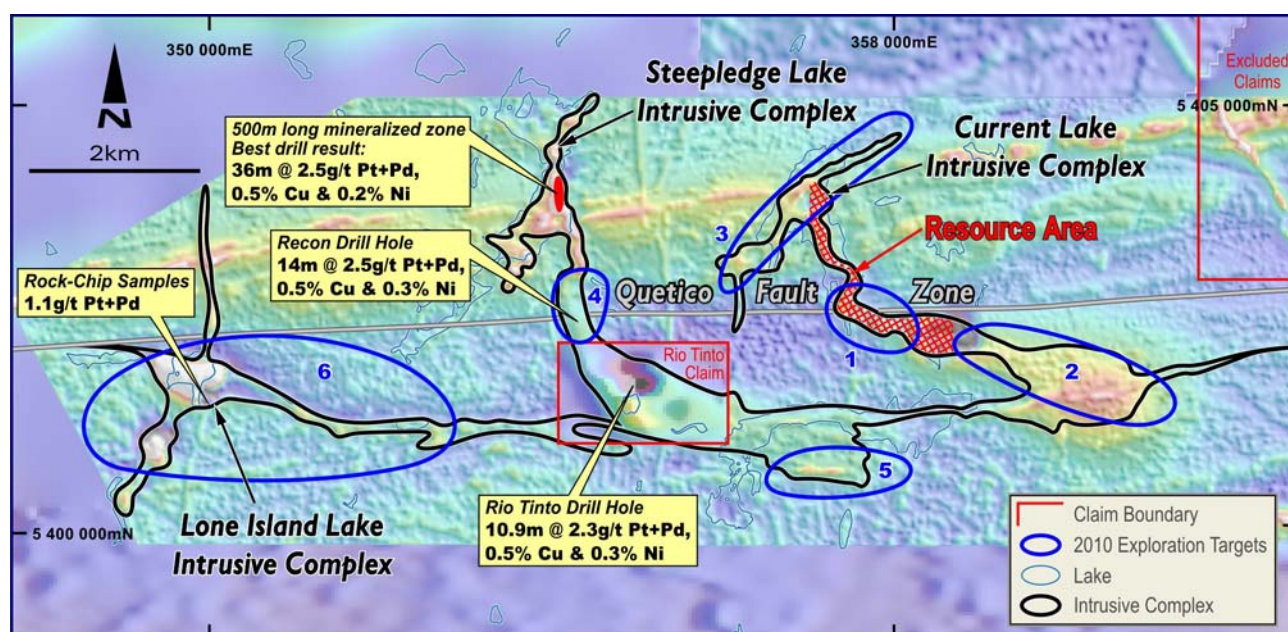


Figure 2. Magnetic image showing exploration targets in the Thunder Bay North intrusive complexes.

Table 1. Significant Infill Drilling Results from the Bridge and Beaver Lake Zones

Drill Hole	From (m)	To (m)	Length (m)	Pt (g/t)	Pd (g/t)	Pt+Pd (g/t)	Cu (%)	Ni (%)	Pt+Pd Cut-Off (g/t)
Bridge Zone									
BL10-276	73.50	81.00	7.50	1.45	1.43	2.88	0.37	0.18	1.0
including	73.50	76.00	2.50	2.22	2.23	4.45	0.57	0.27	3.0
	91.00	97.00	6.00	1.60	1.49	3.09	0.31	0.19	1.0
	103.00	114.32	11.32	1.80	1.72	3.52	0.38	0.22	1.0
BL10-306	149.00	164.00	15.00	3.65	3.01	6.66	0.85	0.29	0.5
including	161.00	164.00	3.00	15.92	12.90	28.82	3.74	0.95	5.0
including	163.75	164.00	0.25	90.0	43.3	133.3	20.4	2.03	50.0
BL10-308	171.00	183.00	12.00	0.81	0.80	1.61	0.27	0.23	1.0
including	182.00	183.00	1.00	1.98	1.87	3.85	0.62	0.36	3.0
Beaver Lake Zone									
BL10-225	346.00	354.65	8.65	2.17	2.04	4.21	0.57	0.29	1.0
including	348.00	353.00	5.00	3.08	2.92	6.00	0.80	0.39	3.0
BL10-244	188.00	191.00	3.00	0.93	0.85	1.78	0.13	0.10	1.0
BL10-251	202.00	211.00	9.00	0.61	0.57	1.18	0.15	0.16	1.0
BL10-252	220.00	226.00	6.00	0.94	0.87	1.81	0.19	0.17	1.0
BL10-256	136.75	141.75	5.00	1.16	1.15	2.31	0.28	0.18	1.0
including	137.75	139.75	2.00	1.82	1.81	3.63	0.44	0.21	3.0
BL10-257	206.00	214.00	8.00	0.62	0.57	1.19	0.11	0.16	0.5
including	208.00	209.00	1.00	1.96	1.84	3.80	0.36	0.25	3.0
	220.00	232.00	12.00	0.52	0.48	1.00	0.10	0.16	0.5
	236.00	252.05	16.05	0.58	0.53	1.11	0.11	0.14	0.5
including	247.55	250.55	3.00	1.37	1.25	2.62	0.27	0.20	1.0
BL10-258	224.00	254.00	30.00	1.04	0.95	1.99	0.20	0.19	0.5
including	241.00	252.00	11.00	2.11	1.93	4.04	0.40	0.25	1.0
including	245.00	251.00	6.00	2.91	2.66	5.57	0.54	0.31	5.0
BL10-279	146.60	173.60	27.00	0.91	0.89	1.80	0.24	0.17	0.5
including	155.60	172.60	17.00	1.25	1.21	2.46	0.32	0.20	1.0
including	161.60	167.60	6.00	1.67	1.62	3.29	0.43	0.24	3.0
	180.60	182.60	2.00	4.66	3.74	8.40	0.99	0.53	1.0
BL10-280	145.00	149.10	4.10	0.89	0.91	1.80	0.21	0.18	1.0
	173.00	176.00	3.00	1.26	1.11	2.37	0.37	0.24	1.0
BL10-286	290.00	295.25	5.25	0.54	0.57	1.11	0.17	0.16	1.0
BL10-288	159.15	164.15	5.00	0.96	0.90	1.86	0.35	0.19	1.0
BL10-294	260.70	265.70	5.00	1.75	1.64	3.39	0.41	0.24	1.0
including	264.70	265.70	1.00	3.44	3.23	6.67	0.79	0.37	5.0
BL10-296	265.75	268.75	3.00	1.59	1.45	3.04	0.30	0.21	1.0
BL10-298	264.00	275.00	11.00	3.58	3.26	6.84	0.76	0.43	1.0
BL10-300	146.00	152.00	6.00	0.60	0.58	1.18	0.15	0.14	1.0
BL10-304	141.28	161.75	20.47	1.57	1.46	3.03	0.29	0.16	0.5
including	143.30	153.65	10.35	2.65	2.47	5.12	0.49	0.23	3.0
including	143.30	147.30	4.00	4.36	3.94	8.30	0.75	0.25	5.0
	194.75	202.95	8.20	1.76	1.43	3.19	0.61	0.32	1.0
including	201.40	202.95	1.55	5.86	4.30	10.16	2.12	0.76	5.0
BL10-305	178.00	183.00	5.00	0.72	0.66	1.38	0.22	0.20	1.0

Table 1. Significant Infill Drilling Results from the Bridge and Beaver Lake Zones (continued)

Drill Hole	From (m)	To (m)	Length (m)	Pt (g/t)	Pd (g/t)	Pt+Pd (g/t)	Cu (%)	Ni (%)	Pt+Pd Cut-Off (g/t)
BL10-311	283.00	297.50	14.50	1.27	1.20	2.47	0.29	0.21	0.5
including	291.00	296.50	5.50	2.30	2.15	4.45	0.47	0.28	3.0
BL10-313	360.75	367.75	7.00	1.36	1.24	2.60	0.34	0.22	1.0
including	362.75	366.75	4.00	1.87	1.75	3.62	0.48	0.26	3.0
BL10-314	163.05	179.05	16.00	1.19	1.16	2.35	0.31	0.18	0.5
including	165.05	170.05	5.00	1.70	1.69	3.39	0.47	0.23	3.0
BL10-321	136.60	143.00	6.40	0.98	0.99	1.97	0.25	0.15	1.0
including	139.60	141.60	2.00	1.73	1.66	3.39	0.42	0.20	3.0
	150.00	165.00	15.00	1.41	1.35	2.76	0.32	0.22	0.5
including	151.00	160.00	9.00	1.65	1.59	3.24	0.38	0.24	3.0

Results are reported for intercepts >1.0g/t Pt+Pd and >5.0 gram-metres (g/t Pt+Pd x metres) at the lower cut-off grades shown in the right hand column; these may include internal intervals up to 2m below the cut-off grade.

Table 2. Drill Hole Collar and Depth Information

Drill Hole	Easting (m)	Northing (m)	Azimuth (Deg)	Dip (Deg)	Depth (m)
Bridge Zone					
BL10-276	357521	5402676	0	-90	138
BL10-306	357911	5402460	0	-90	219
BL10-308	357926	5402501	0	-90	240
Beaver Lake Zone					
BL10-225	358550	5402221	0	-90	384
BL10-244	358150	5402300	0	-90	222
BL10-251	358300	5402520	0	-90	266
BL10-252	358350	5402520	0	-90	264
BL10-256	358350	5402440	0	-90	298
BL10-257	358350	5402420	0	-90	272
BL10-258	358350	5402400	0	-90	302
BL10-279	357950	5402410	0	-90	213
BL10-280	358000	5402480	0	-90	201
BL10-286	358550	5402415	0	-90	342
BL10-288	358550	5402435	0	-90	312
BL10-294	358350	5402340	0	-90	315
BL10-298	358300	5402368	180	-71	324
BL10-300	358150	5402460	0	-90	234
BL10-304	358100	5402487	0	-90	222
BL10-305	357950	5402497	0	-90	232
BL10-311	358500	5402375	0	-90	348
BL10-313	358600	5402136	360	-82	426
BL10-314	358000	5402428	0	-90	210
BL10-321	358400	5402470	0	-90	296

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Additional information on Magma and its projects, including descriptions of its quality control and assurance procedures is available on its website at www.magmametals.com.au and in technical reports filed under the Company's profile on the SEDAR website (sedar.com).

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled, reviewed or prepared by Dr Keith Watkins, the Executive Chairman of Magma Metals Limited, who is a Member of the Australasian Institute of Mining and Metallurgy, and a "qualified person" as such term is defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Dr Watkins has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activities undertaken 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" (the JORC Code). Dr Watkins consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained in this report constitutes "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "estimates", "intends", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Although management believes that the expectations expressed in such forward-looking information disclosed herein are based on reasonable assumptions, these statements are not guarantees of future performance. A number of factors could cause actual results, performance or achievements to differ materially from those in the forward-looking information. Such factors include future metal prices, exploration and evaluation results, future availability of capital and general economic, market or business conditions, government regulation of mining operations, failure of equipment or processes to operate as anticipated, risks inherent in mineral exploration and development including unusual or unexpected geological formations. Descriptions of these risks can be found in the Company's various statutory reports, including its Annual Information Form available on its website at www.magmametals.com.au and on the SEDAR website (sedar.com).