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RAGGED ROCK COARSE MAGNETITE DISCOVERY EXPANDS

HIGHLIGHTS

- **12 magnetic targets with significant tonnage potential identified at the Ragged Rock project approximately 100km NE of Perth and close to rail infrastructure. These targets total 41km in cumulative strike length and are interpreted to be associated with magnetite similar to the coarse grained magnetite at Jubuk near Corrigin.**

- **At Target 1, two metamorphosed banded iron formation (BIF) sequences have been identified, termed the Western and Eastern BIF with an aggregate strike length of 6.8km and up to at least 300m wide.**

- **At the Western BIF, rock sampling over a 2,400m strike length, across a 220m sub outcrop width and across the floor of a gravel pit exposing the BIF returned average grades of 43%Fe, 44%Fe and 47%Fe respectively. Additional sampling across a 100m width of sub outcrop averaged 44%Fe.**

- **At the Eastern BIF, rock sampling over a 900m strike length returned an average grade of 46%Fe.**

Following the discovery of coarse grained magnetite BIF at Ragged Rock situated approximately 100km NE of Perth (MAU ASX release 27 April 2012), Magnetic Resources has carried out further reconnaissance and sampling on its extensive holdings in the SW of Western Australia (see Figure 1). A cumulative total of 117km of magnetic targets with potential for coarse grained magnetite have now been identified over ten project areas, including Ragged Rock where the cumulative strike length of targets has been increased to 41km.

At Ragged Rock a total of 12 magnetic targets have been identified for mapping and sampling. At Target 1 two coarse grained metamorphosed BIF sequences were identified; a broad 40°-70° east dipping Western BIF up to at least 300m wide and 5km

in length and a flatter 20°-40° east dipping Eastern BIF some 200m wide and 1.7km in length which were rock sampled as follows (refer Figures 2-4):

Western BIF.

- 18 samples over a 2,400m strike of outcrop and sub outcrop, averaging 43%Fe (see Table 1).
- 24 samples across a 220m width of outcrop and sub crop, averaging 44%Fe (see Table 2).
- 13 samples from a 1.7ha gravel pit exposing BIF immediately east of the above samples, averaging 47%Fe, possibly including some iron enrichment from the laterite cap (see Table 3).
- 13 samples across a 100m width of outcrop about 230m SE of the gravel pit, averaging 44%Fe (see Table 4).

Eastern BIF.

- 15 samples over a 900m strike length of outcrop and sub crop, averaging 46%Fe (see Table 5).

Table 1
Western BIF: Average of 18 Rock Samples Over 2,400m Strike Length

Sample Number	Co-ordinates		Fe	SiO_2	Al_2O_3	P
	East	North	%	%	%	%
YR60-YR107	484,110-485,584	6,484,860-6,486,782	**43.0**	**28.0**	**0.66**	**0.029**

Analyses by HF digest and ICPOES and ICPMS methods - Labwest Pty Ltd

Table 2
Western BIF: Average of 24 Rock Samples Across 220m Width.

Sample Number	Co-ordinates		Fe	SiO_2	Al_2O_3	P
	East	North	%	%	%	%
YR77-YR100	483,460-483,682	6,487,129-6,487,259	**44.0**	**25.5**	**2.6**	**0.031**

Analyses by HF digest and ICPOES and ICPMS methods - Labwest Pty Ltd

Table 3
Western BIF: Average of 13 Rock Samples, Gravel Pit.

Sample Number	Co-ordinates		Fe	SiO_2	Al_2O_3	P
	East	North	%	%	%	%
YR8, YR19-YR30	483,783-483,652	6,487,191-6,487,302	**47.0**	**26.0**	**3.6**	**0.022**

Analyses by Bureau Veritas XRF fused disc

Table 4
Western BIF: Average of 13 Rock Samples Across 100m width.

Sample Number	Co-ordinates		Fe	SiO_2	Al_2O_3	P
	East	North	%	%	%	%
YR31-YR43	483,769-483,822	6,487,073-6,487,150	**44.0**	**33.2**	**2.0**	**0.017**

Analyses by Bureau Veritas XRF fused disc

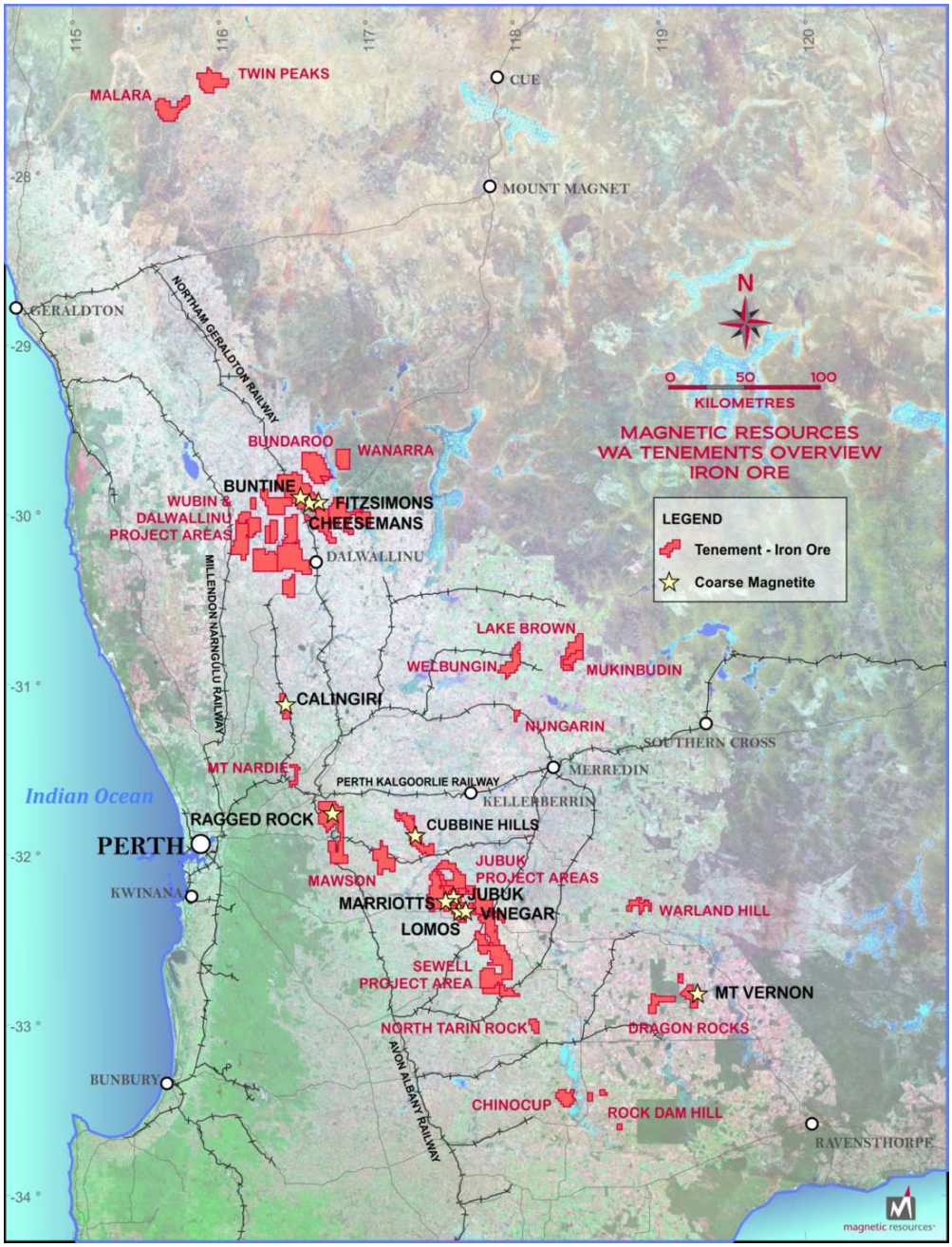

Figure 1
Location Plan

Table 5
Eastern BIF: Average of 15 Rock Samples Over 900m Strike Length

Sample Number	Co-ordinates		Fe	SiO_2	Al_2O_3	P
	East	North	%	%	%	%
YR44-YR59	485,106-485,742	6,486,703-6,486,125	**46.0**	**20.6**	**2.9**	**0.034**

Analyses by HF digest and ICPOES and ICPMS methods - Labwest Pty Ltd

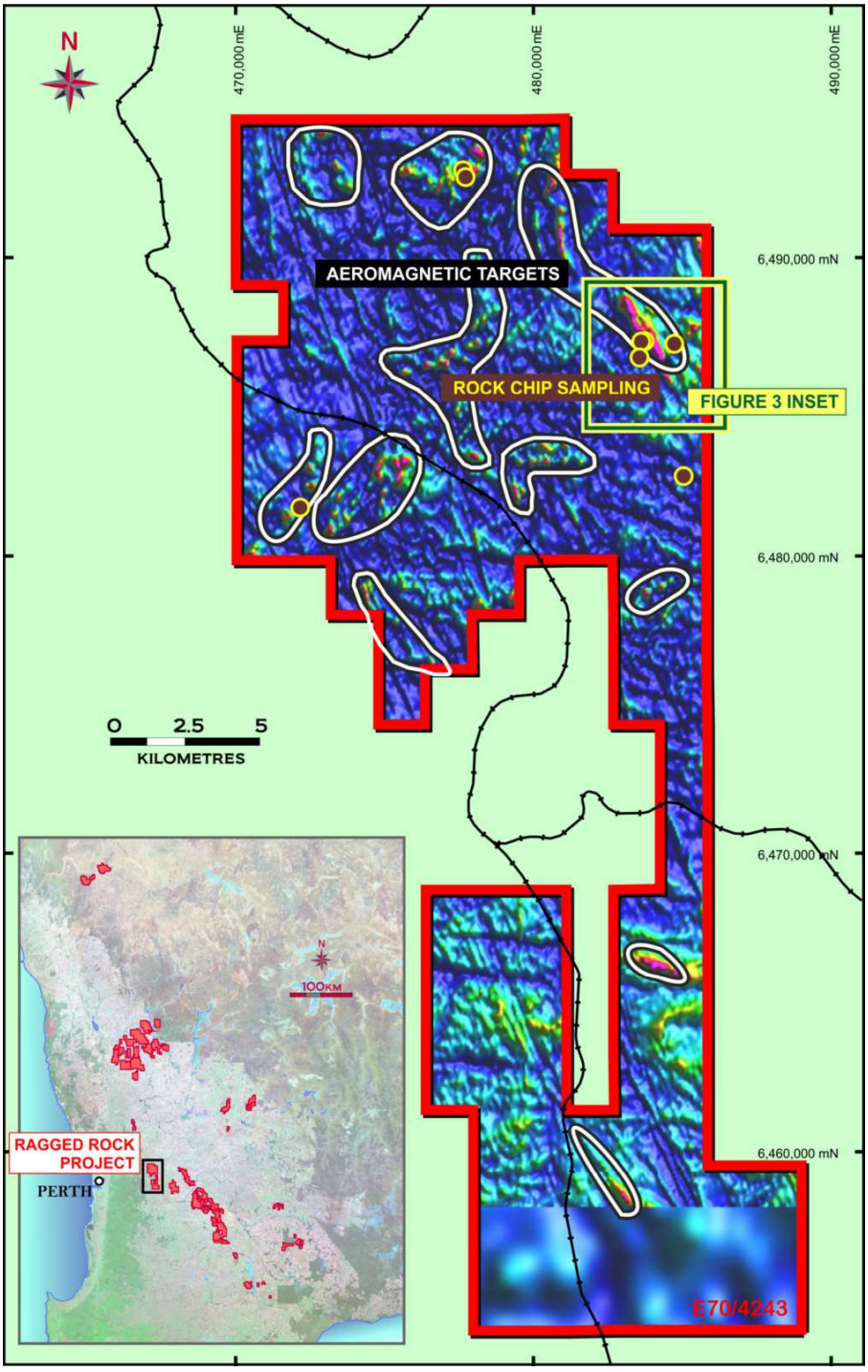

Figure 2
Ragged Rock Aeromagnetics Showing Target Areas

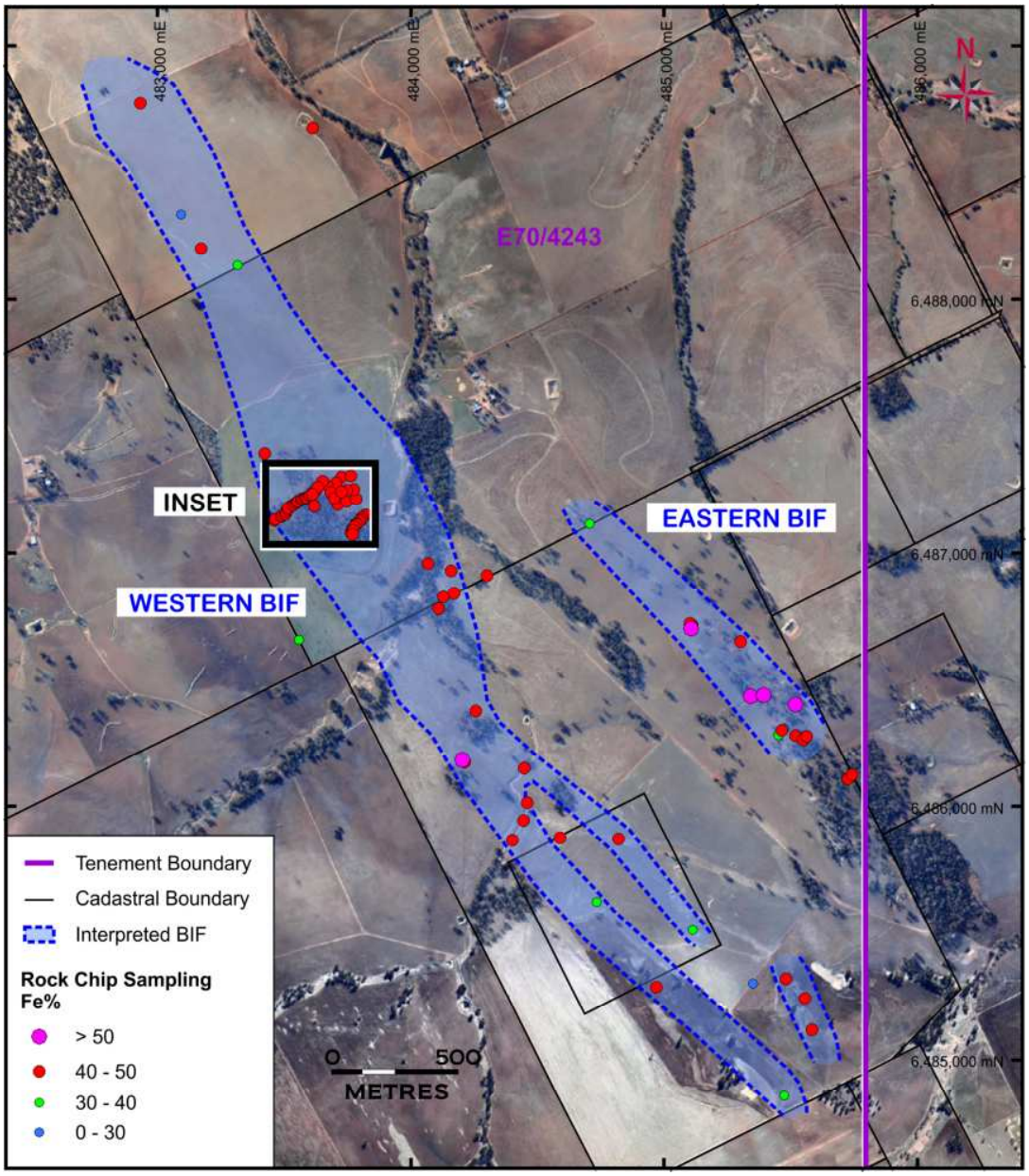

Figure 3
Ragged Rock Target 1, Western and Eastern BIF Sample Locations.

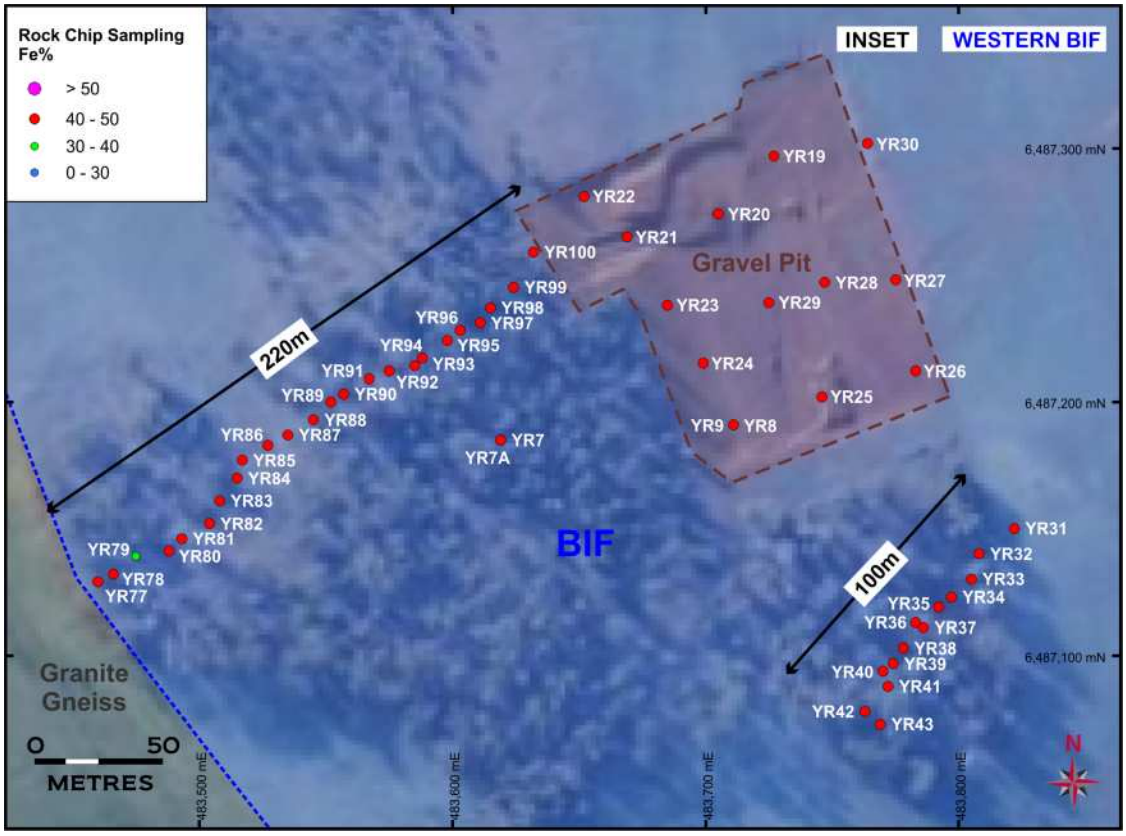

Figure 4
Ragged Rock Target 1 Western BIF Sample Locations Detail

Magnetic is encouraged by these early results from Ragged Rock and is currently carrying out preliminary Davis Tube Recovery test work on selected samples to determine the likely recovery and quality of the magnetite. Investigation of the remaining 11 targets at Ragged Rock is in progress with the aim of prioritising these targets for drilling. Significantly, the reconnaissance results point to potential for significant tonnages of coarse grained magnetite situated just 10km from the standard gauge, multi user Trans Australian Railway and 10km from the Avon Albany railway, prompting further investigation of the port and infrastructure options available to this project.

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 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.