



magnetic resources<sup>NL</sup>

## QUARTERLY REPORT for the Quarter Ended 31 December 2013

### HIGHLIGHTS

**Magnetic Resources NL**  
ABN 34 121 370 232

**ASX Codes:** MAU and  
MAUCA

Ground Floor, 22 Delhi  
Street, West Perth WA 6005

T +61 8 9226 1777  
F +61 8 9485 2840  
E [info@magres.com.au](mailto:info@magres.com.au)

PO Box 1388  
West Perth WA 6872

**Issued Capital:**

**Shares - Quoted:**

87,817,602 fully paid shares  
20,418,862 contributing  
shares

**Options - Unquoted:**

4,045,000 options exercisable  
at \$0.2709 by 23.12.2014  
2,145,000 options exercisable  
at \$0.4607 by 21.12.2015  
9,757,143 options exercisable  
at \$0.1499 by 27.12.2016  
500,000 options exercisable  
at \$0.20 by 3.10.2014  
4,000,000 director options

**Cash:** \$0.57m

**Directors:**

**George Sakalidis**  
Managing Director

**Gavin Fletcher**  
Executive Director

**Eric Lim**  
Non-Executive Director

**Company Secretary**  
Ben Donovan

- **Samples composited from the Ragged Rock pilot plant trial have cleared customs in China and sintering test work will soon commence.**
- **Representatives from a Chinese steel mill visited the Ragged Rock project and there has been varying interest from Chinese and Indian steel businesses and other companies.**
- **Initial drilling at Kauring, 30km east of Ragged Rock, intersected two 50m-thick coarse grained magnetite BIF horizons on the central part of 3.8km of magnetic targets.**
- **Potential for DSO-type iron ore overlying the Kauring magnetite is to be investigated.**

### **RAGGED ROCK (Magnetic 100%)**

Following very encouraging results from pilot scale tests on composite drill samples reported in the previous quarter, representative samples obtained from the pilot plant trial have been despatched to China for sintering test work, with a Chinese commercial entity to validate the coarse nature and high purity of the Ragged Rock product. Results from this test work are anticipated to enhance the ability of Magnetic Resources to attract a strategic investor into the project and possibly obtain offtake agreements for any future production.

During the quarter Magnetic's executive director visited a Chinese steel mill followed by a reciprocal visit by the steel mill's representatives to the Ragged Rock project. A number of other Chinese and Indian steel making companies are also reviewing the Ragged Rock project.

## KAURING (Magnetic 100%)

As previously reported (MAU ASX release 19 December 2013), Magnetic intersected significant thicknesses and coarse grained magnetite at Kauring, 30km SE of Ragged Rock, see Figure 1.

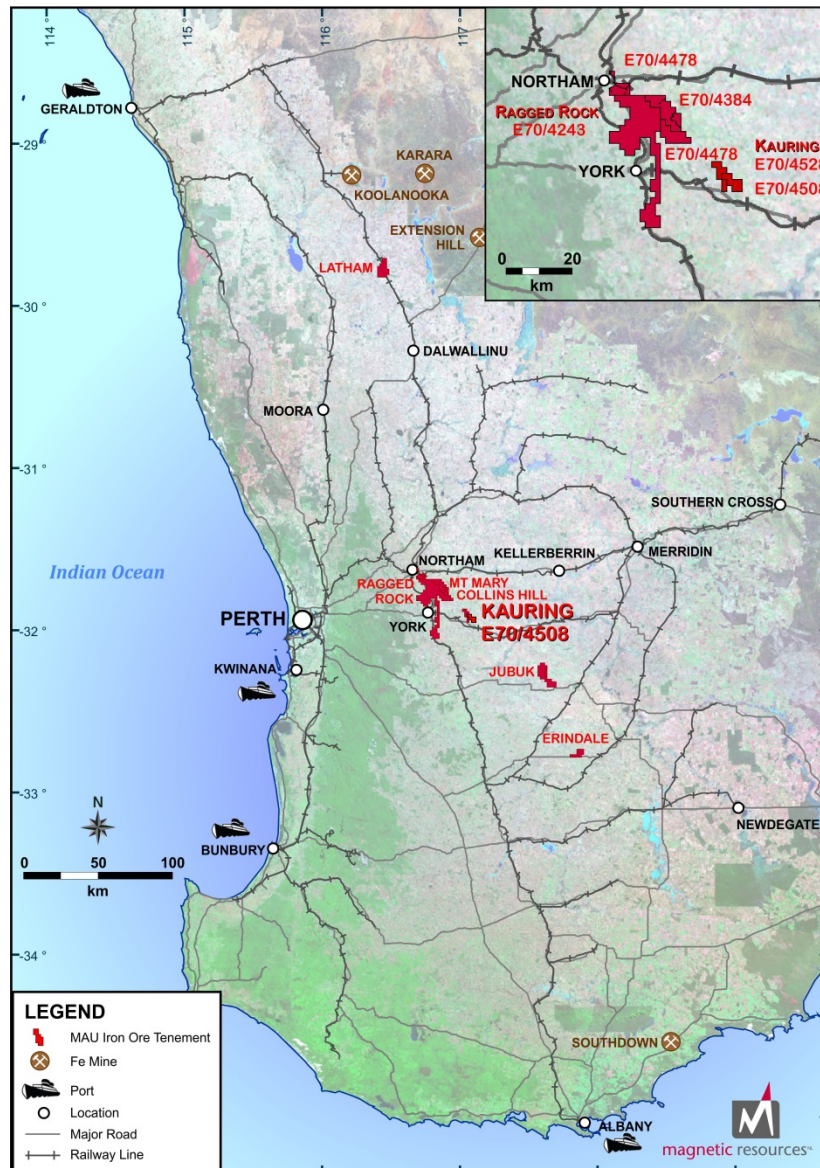


Figure 1  
Location Map

The magnetite occurrences associated with the central zone of three distinct magnetic anomalies with a combined strike length of 3.8km, as shown in Figure 2 and reported to the ASX on 19 December 2013. Geological mapping and ground magnetic surveys were carried out over the central zone to define drilling targets. Five RC drill holes on the central zone, which totals 2.2km in length, all intersected coarse grained magnetite similar in appearance to the high quality magnetite at Ragged Rock. Hand held XRF and magnetic susceptibility testing confirms high quality magnetite, with analyses yet to be completed. The drilling

indicates two main banded iron formations (BIF) each with true widths of about 50m, as shown in Figure 3.

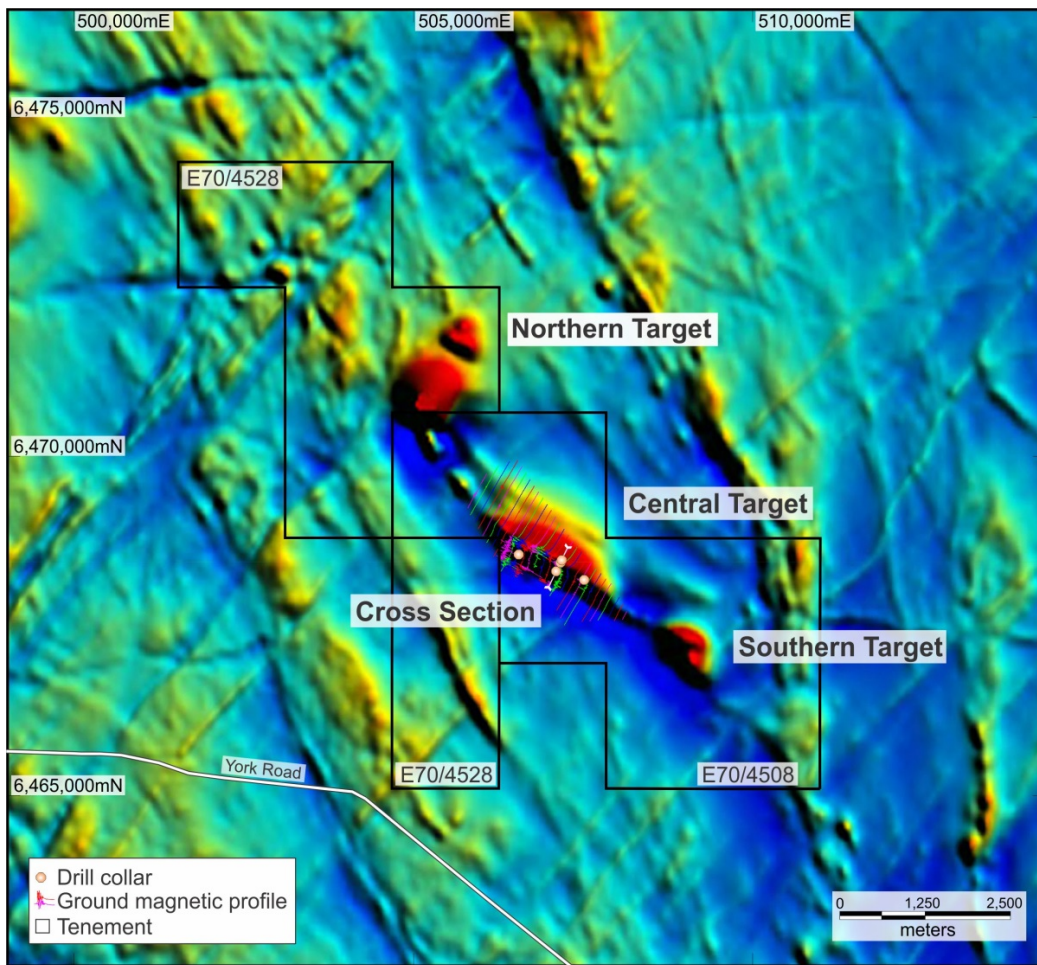


Figure 2  
Kauring Aeromagnetic Image Showing Targets and Drilling

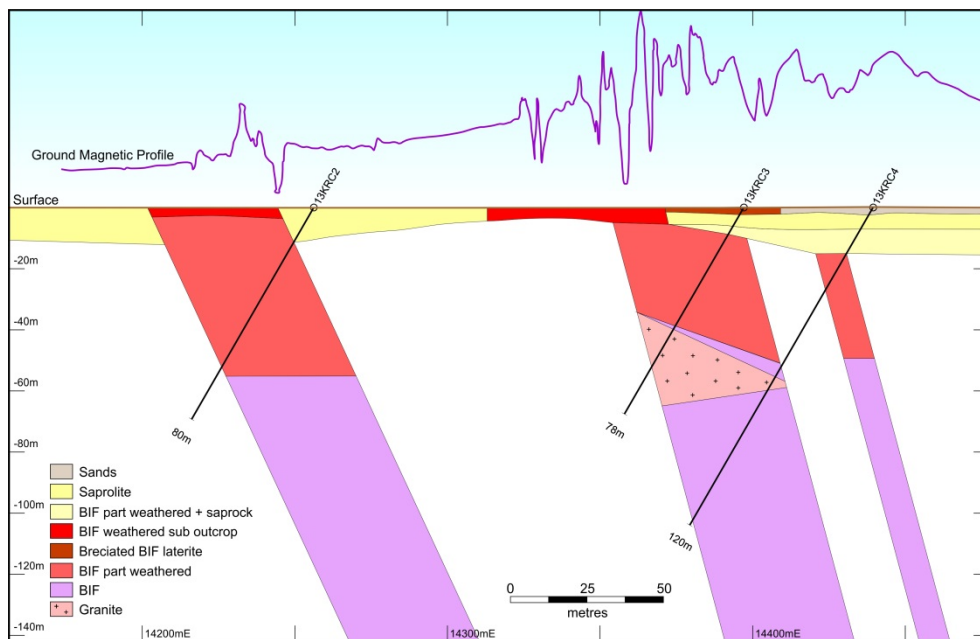


Figure 3  
Kauring Drill Section 13KRC-2, 3 and 4

The Kauring drilling indicates that an oxidised goethite-hematite zone lies on top of the magnetite zone, which may have potential for direct shipping ore (DSO). Further details of the drilling can be seen in Magnetic's 19 December 2013 ASX release. Magnetic is planning on carrying out metallurgical and mineralogical test work on the drill samples together with further mapping and ground magnetic surveying of the three magnetic targets identified at Kauring to define drilling targets.

### **JUBUK (Magnetic 100%)**

Application for retention status has been made for the Jubuk coarse grained magnetite deposit near Corrigin. This will allow Magnetic to focus on evaluating its Ragged Rock and Kauring projects.

### **OTHER TENEMENTS**

Magnetic has rationalised its tenement holdings in order to focus on its Ragged Rock and Kauring projects. As a result of this focus, no exploration was carried out on Magnetic's other tenements during the quarter.

### **CORPORATE**

As previously advised (MAU ASX release 4 October 2013) Magnetic Resources appointed Alto Capital Pty Ltd as a corporate advisor to assist with the identification of a cornerstone investor for the ongoing development of its iron ore assets. On 28 November 2013 a Research Report was completed by Alto and available on the Company's website.

After the end of the quarter, Magnetic also announced the appointment of White Dot Group Inc as an advisor to assist with the introduction of potential new investors in Singapore and Malaysia (MAU ASX release 16 January 2014).

### **Competent Person's Statement**

The information in this report that relates to Exploration Results is based on information compiled or reviewed by George Sakalidis BSc (Hons), a Competent Person 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 2012 edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. George Sakalidis consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.