



magnetic resources^{NL}

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Level 2, 16 Ord St
West Perth WA 6005
PO Box 1388
West Perth WA 6872
Telephone 08 9226 1777
Facsimile 08 9485 2840
info@magres.com.au
www.magres.com.au

ABN 34 121 370 232

Calingiri DSO Potential

Magnetic Resources continues to advance exploration over its 100%-owned iron ore tenements in the south west of WA, with exploration licence E70/3921 near Calingiri showing early promise.

The tenement covers a series of strong aeromagnetic anomalies apparent in the regional data, as shown in Figure 1. Recent reconnaissance sampling has indicated the presence of high iron contents in ferruginous outcrops/subcrops coincident with one of the major magnetic trends.

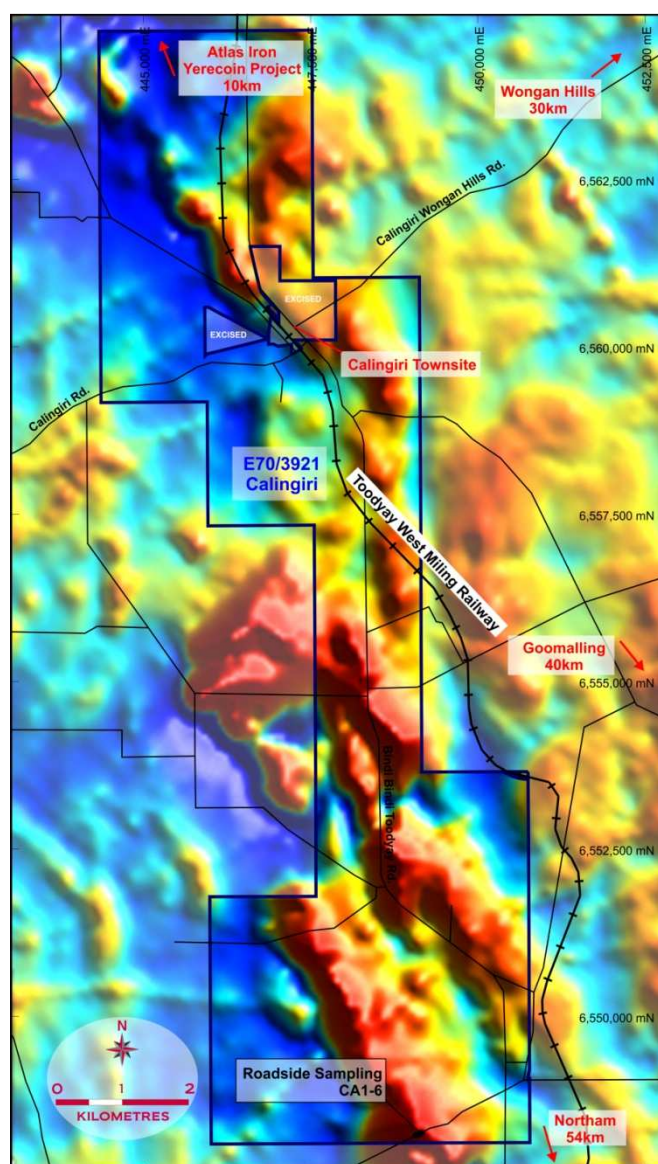


Figure 1
Aeromagnetic Image of Calingiri Tenement Showing Sample Locations.

Composite samples were collected as being representative of outcropping and sub-cropping roadside material where a road crosses the southernmost magnetic feature. The strike length of the significant magnetic anomalies in the southern half of the tenement totals about 8.5km. Sample analysis results are summarised in Table 1, with a photograph of part of sample CA1 shown in Figure 2.

Table 1
Calingiri Surface Sample Results

Sample ID	Easting	Northing	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
CA1	449075	6548228	51.17	22.38	2.37	0.02	1.41
CA2	449104	6548239	36.10	24.07	16.07	0.012	6.39
CA3	449125	6548236	57.35	7.01	5.44	0.056	5.01
CA4	449125	6548236	56.45	4.13	4.03	0.075	10.40
CA5	449150	6548262	47.06	22.79	6.16	0.018	2.98
CA6	449166	6548265	40.10	23.69	13.30	0.029	3.59
CA6 Rpt			39.93	23.70	13.30	0.029	3.62

Co-ordinates Zone 50 MGA/GDA. All analyses by pressed powder XRF. LOI; loss on ignition



Figure 2
Sample CA1.

Iron grades range from 36.1%Fe to 57.3%Fe indicating that the magnetite-rich units interpreted to underlie the magnetic anomalies have been enriched in some areas and suggesting the possibility of direct shipping (DSO) type ores being present. The Calingiri project is situated about 10km south of Atlas Iron's Yerecoin project where a substantial magnetite resource, with high concentrate grades similar to Magnetic's Jubuk project, has been reported. The Toodyay-West Miling railway line passes through the tenement area providing potential for access to Kwinana port. Magnetic is encouraged by these early sampling results and, subject to completion of landowner access agreements, is planning a programme of ground magnetic surveys and surface sampling to define drilling targets.

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

George Sakalidis
Managing Director
Phone (08) 9226 1777
Mobile 0411 640 337
Email george@magres.com.au

Roger Thomson
Technical Director
Phone (08) 9226 1777
Mobile 0419 969 183
Email roger@magres.com.au

The information on geology and exploration in this report is based on information compiled or reviewed by Allan Younger (Dip Applied Geol), who is a member of the Australasian Institute of Mining and Metallurgy. Allan Younger is a consultant to Magnetic Resources NL. Allan Younger has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Allan Younger consents to the inclusion of this information in the form and context in which it appears in this report.