



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

SCOPING STUDY TO FAST TRACK JUBUK

Magnetic Resources is pleased to announce that following the excellent initial results from the Jubuk Iron Ore prospect drilling, as per announcement of 24 August 2010, it has engaged Engenium Pty Ltd to perform a scoping study for the project. The scoping study will assess the processing and infrastructure options of the prospect. The study will evaluate a future operation producing a premium product at an economic scale. Whilst Magnetic has not delineated a resource at Jubuk, it is currently fast tracking that endeavour and the Scoping study will assist the rapid advancement of the project if further encouraging results are obtained.

Magnetic has commissioned the project delivery Perth-based company Engenium to advance the assessment of the potential development of its Jubuk Iron Ore prospect located in Western Australia. Engenium recently managed the initial metallurgical test work, on behalf of Magnetic Resources, to determine the processing potential of the ore.

Engenium is experienced in developing emerging hematite and magnetite projects, having completed projects with established producers throughout Australia.

Engenium's credentials for the iron ore corporate sector include having provided services to Atlas Iron, BC Iron, Golden West Resources, Brockman Resources, Centrex Metals and numerous upcoming juniors looking to develop new mines across Australia. These services have included undertaking the preparation of Scoping Studies, Feasibility studies and Project Management in various forms.

Magnetic has received strong overseas interest in the Jubuk prospect and in the 6,300sq km package of iron tenements which the company holds in the south west of WA. To date, two confidentiality agreements have been signed with foreign companies to facilitate review of drilling and metallurgical results.

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 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.