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ASX Announcement

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FURTHER EXCELLENT DRILLING RESULTS FROM CURRENT LAKE

KEY POINTS

- The resource definition drilling program at Current Lake has been completed on a 50m x 10m drill pattern over a strike length of 1800m. Several high-grade zones have been mapped with a cumulative strike-length of approximately 1400m.
- Recent results from the central part of Current Lake include the following excellent intersections:
 - TBND171: 40.45m @ 7.12g/t Pt+Pd, 0.84% Cu & 0.41% Ni from 24.55m, *including 9.00m @ 10.68g/t Pt+Pd, 1.21% Cu & 0.50% Ni*
 - TBND172: 40.35m @ 5.48g/t Pt+Pd, 0.64% Cu & 0.33% Ni from 21.65m, *including 7.00m @ 13.26g/t Pt+Pd, 1.46% Cu & 0.71% Ni.*
- A high-resolution airborne VTEM survey has mapped a series of EM conductors broadly coincident with mineralization at Current Lake some of which could represent deeper and/or untested targets.

Resource Definition Drilling

An approximately 31,000m resource definition drilling campaign is in progress at the Thunder Bay North project in Ontario, Canada, in the north-western half of the Current Lake Intrusive Complex, a 5km long mafic-ultramafic magma conduit (Figures 1 and 2). As part of this campaign, 86 holes were drilled for 6,726m during the winter from the frozen surface of Current Lake on a 10m x 50m pattern over a strike length of about 1,800m (Figure 3).

Assay results for the first 38 drill-holes from this program, from the southern part of the lake, were reported on 18th March 2009. The results reported here are from the next batch of 26 drill-holes, which are mainly from the central part of the lake. Results from the remaining 22 drill-holes, mainly from the northern part of the lake, are pending. The results include the following excellent intersections:

TBND152: 55.00m @ 1.45g/t Pt+Pd, 0.15% Cu & 0.16% Ni from 27.00m, including 10.00m @ 2.43g/t Pt+Pd, 0.30% Cu & 0.22% Ni.

TBND166: 16.20m @ 2.24g/t Pt+Pd, 0.24% Cu & 0.17% Ni from 19.80m, including 6.00m @ 3.45g/t Pt+Pd, 0.36% Cu & 0.21% Ni.

TBND171: 40.45m @ 7.12g/t Pt+Pd, 0.84% Cu & 0.41% Ni from 24.55m, including 9.00m @ 10.68g/t Pt+Pd, 1.21% Cu & 0.50% Ni.

TBND172: 40.35m @ 5.48g/t Pt+Pd, 0.64% Cu & 0.33% Ni from 21.65m, including 23.00m @ 8.53g/t Pt+Pd, 0.98% Cu & 0.46% Ni, including 7.00m @ 13.26g/t Pt+Pd, 1.46% Cu & 0.71% Ni.

TBND173: 19.00m @ 3.51g/t Pt+Pd, 0.48% Cu & 0.25% Ni from 47.00m, including 12.00m @ 4.36g/t Pt+Pd, 0.60% Cu & 0.28% Ni.

TBND176: 12.00m @ 2.02g/t Pt+Pd, 0.22% Cu & 0.19% Ni from 32.00m.

TBND180: 44.90m @ 3.64g/t Pt+Pd, 0.42% Cu & 0.26% Ni from 14.60m, including 34.50m @ 4.53g/t Pt+Pd, 0.52% Cu & 0.31% Ni, including 9.00m @ 8.07g/t Pt+Pd, 0.91% Cu & 0.48% Ni.

TBND189: 32.83m @ 3.54g/t Pt+Pd, 0.43% Cu & 0.23% Ni from 13.17m, including 11.83m @ 6.47g/t Pt+Pd, 0.72% Cu & 0.28% Ni.

For most intercepts, Pt and Pd have a ratio of approximately 1:1. Drill-hole information and assay results are shown in Tables 1 and 2.

The results confirm the continuity of high-grade mineralization in the central part of the lake (Figure 3). The high-grade zones shown in Figure 3 in the southern and central part of the lake are mapped from assay results. Those in the northern part of the lake have been mapped from a combination of assay results and visual inspection of drill-core from which assay results are pending. Generally, drill intercepts in the high-grade zones contain significant widths of >3g/t Pt+Pd mineralization. The zones form a series of linear bodies with a cumulative strike length of about 1400m. They occupy most of the drilled strike extent of the host mafic-ultramafic magma conduit beneath Current Lake with only relatively short strike lengths of lower-grade mineralization separating them. The high-grade mineralization is open to the north and to the south-east (Figure 3).

A similar high-grade zone was previously identified from drilling at Beaver Lake (Figure 4). At both Current Lake and Beaver Lake the high-grade zones are enveloped by significant volumes of >0.5g/t Pt+Pd mineralization (Figures 3 and 4).

The drilling is currently focused on an approximately 30-hole program for about 6,000m in the untested area between Current Lake and Beaver Lake (Figure 4). It is anticipated that this drilling will be completed by the end of June.

The 31,000m resource definition drilling campaign commenced in mid-2008 and 25,000m had been completed by end-March 2009. The 6,000m program at Beaver Lake described above will complete the drilling campaign.

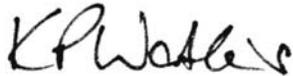
Information from this 31,000m drilling campaign will be combined with that from 17,000m of previous drilling to form the basis for initial resource estimates for the Thunder Bay North project. These should be available early in the second half of 2009.

Electro-Magnetic Surveys

By analogy with other mafic-ultramafic magma conduit systems around the world, the Current Lake Intrusive Complex is prospective for Ni-Cu rich massive sulphide mineralization as well as the PGM-rich disseminated sulphide mineralization identified so far. A series of electro-magnetic (EM) surveys has just been completed to test the potential for massive sulphides. These include regional airborne VTEM surveys, a deep-probing surface EM survey over the entire 5km strike-length of the Current Lake Intrusive Complex and down-hole EM surveys on over 20 drill-holes mainly in the Beaver Lake area.

Data interpretation is in progress, but several anomalies have been identified so far. These include a series of anomalies in the Current Lake area defined by a high-resolution VTEM survey flown along the strike length of the Current Lake mineralization (Figure 5). The anomalies shown in Figure 5 may represent zones of net-textured (semi-massive) and/or massive-sulphide mineralization. Modelling is in progress to determine the shapes, positions and depths of the conductors. A number of these conductors may represent deeper and/or untested targets. Some of the anomalies are due to heavy equipment on the surface (drill-rig, barge, bulldozer, etc.) (Figure 5).

A complete analysis and interpretation of the EM survey results will be completed over the next 4-6 weeks and a drilling program will then be designed to test identified priority targets.



Keith Watkins
Managing Director
Magma Metals Limited

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Dr Keith Watkins, the Managing Director of Magma Metals Ltd, who is a Fellow of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy. 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". 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.

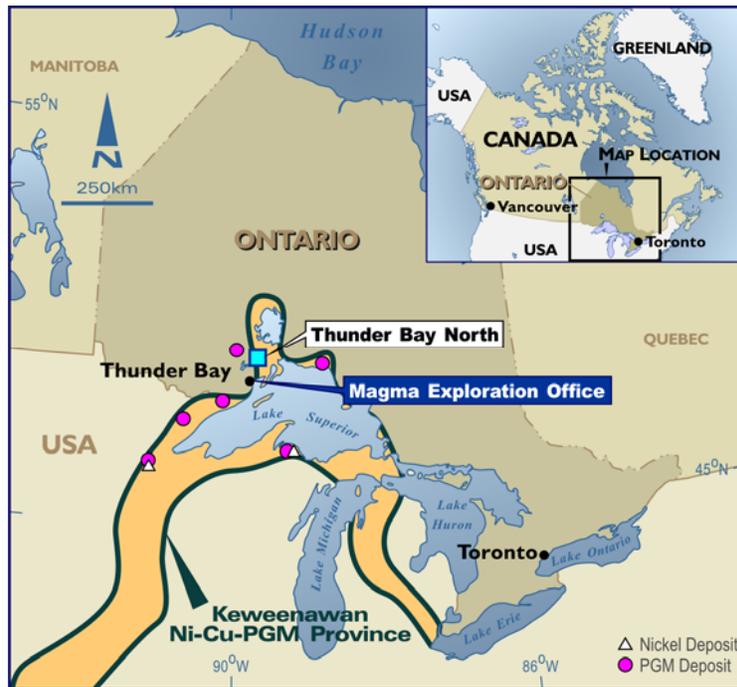


Figure 1. Project Location

Table 1. Drill Hole Collar and Depth Information

Drill Hole	Easting (m)	Northing (m)	Azimuth (Deg)	Dip (Deg)	Depth (m)
TBND152	357522	5403000	0	-90	96
TBND164	357275	5403160	0	-90	69
TBND165	357227	5403200	0	-90	66
TBND166	357207	5403200	0	-90	66
TBND167	357237	5403200	0	-90	69
TBND168	357195	5403255	0	-90	69
TBND169	357185	5403255	0	-90	69
TBND170	357175	5403254	0	-90	69
TBND171	357185	5403300	0	-90	72
TBND172	357175	5403300	0	-90	72
TBND173	357195	5403300	0	-90	75
TBND175	357165	5403360	0	-90	75
TBND176	357145	5403360	0	-90	72
TBND178	357172	5403453	0	-90	66
TBND180	357160	5403500	0	-90	66
TBND183	357080	5403800	0	-90	66
TBND184	357128	5403540	0	-90	63
TBND186	357107	5403620	0	-90	60
TBND187	357055	5403650	0	-90	60
TBND189	357070	5403800	0	-90	66

Table 2. Significant Assay Results

Drill Hole	From (m)	To (m)	Length (m)	Pt (g/t)	Pd (g/t)	Pt+Pd (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Ni (%)	Pt+Pd Cut-Off (g/t)
TBND152	27.00	82.00	55.00	0.76	0.69	1.45	0.05	-	0.15	0.16	0.5
including	72.00	82.00	10.00	1.26	1.17	2.43	0.09	1.74	0.30	0.22	1.0
TBND164	51.00	60.00	9.00	0.65	0.66	1.31	0.05	-	0.18	0.17	0.5
TBND165	23.80	28.00	4.20	0.51	0.52	1.03	0.03	-	0.11	0.14	0.5
TBND166	19.80	36.00	16.20	1.16	1.08	2.24	0.07	-	0.24	0.17	0.5
including	24.00	30.00	6.00	1.79	1.66	3.45	0.11	2.35	0.36	0.21	3.0
TBND167	22.65	39.00	16.35	0.42	0.37	0.79	0.02	-	0.09	0.13	0.5
TBND168	33.00	43.00	10.00	0.56	0.53	1.09	0.04	-	0.15	0.15	0.5
including	35.00	39.00	4.00	0.95	0.89	1.84	0.06	1.25	0.25	0.18	1.0
TBND169	28.00	50.00	22.00	0.67	0.65	1.32	0.05	-	0.17	0.17	0.5
including	38.00	47.00	9.00	1.04	1.01	2.05	0.08	2.00	0.28	0.22	1.0
TBND170	24.20	26.30	2.10	0.67	0.62	1.29	0.04	-	0.14	0.11	0.5
TBND171	24.55	65.00	40.45	3.64	3.48	7.12	0.22	4.20	0.84	0.41	3.0
including	30.00	39.00	9.00	5.44	5.24	10.68	0.31	6.12	1.21	0.50	10.0
TBND172	21.65	62.00	40.35	2.82	2.66	5.48	0.17	3.47	0.64	0.33	1.0
including	28.00	51.00	23.00	4.38	4.15	8.53	0.26	5.56	0.98	0.46	3.0
including	40.00	47.00	7.00	6.87	6.39	13.26	0.40	8.36	1.46	0.71	10.0
TBND173	47.00	66.00	19.00	1.81	1.70	3.51	0.13	3.52	0.48	0.25	1.0
including	54.00	66.00	12.00	2.25	2.11	4.36	0.17	4.48	0.60	0.28	3.0
TBND175	30.35	36.00	5.65	0.47	0.43	0.90	0.03	-	0.14	0.12	0.5
including	61.00	64.00	3.00	0.67	0.62	1.29	0.05	-	0.26	0.16	1.0
TBND176	32.00	44.00	12.00	1.05	0.97	2.02	0.07	-	0.22	0.19	1.0
TBND178	35.00	38.00	3.00	0.93	0.89	1.82	0.06	-	0.25	0.20	1.0
TBND180	14.60	58.50	44.90	1.88	1.76	3.64	0.11	-	0.42	0.26	0.5
including	25.00	58.50	34.50	2.34	2.19	4.53	0.14	3.53	0.52	0.31	1.0
including	39.00	48.00	9.00	4.17	3.90	8.07	0.24	5.78	0.91	0.48	5.0
TBND183	56.00	60.10	4.10	0.89	0.86	1.75	0.06	-	0.22	0.20	1.0
TBND184	24.00	28.20	4.20	1.25	1.16	2.41	0.11	-	0.26	0.16	0.5
TBND186	26.00	29.75	3.75	0.76	0.70	1.46	0.05	-	0.18	0.13	1.0
TBND187	20.30	35.00	14.70	0.55	0.51	1.06	0.04	-	0.14	0.15	0.5
including	25.00	30.00	5.00	0.86	0.81	1.67	0.06	-	0.22	0.19	1.0
TBND189	13.17	45.00	32.83	1.84	1.70	3.54	0.12	2.89	0.43	0.23	1.0
including	13.17	25.00	11.83	3.36	3.11	6.47	0.22	4.72	0.72	0.28	3.0

Results are reported for intercepts >0.5g/t Pt+Pd at the lower cut-off grades shown in the right hand column; these may include internal intervals up to 3m below the cut-off grade

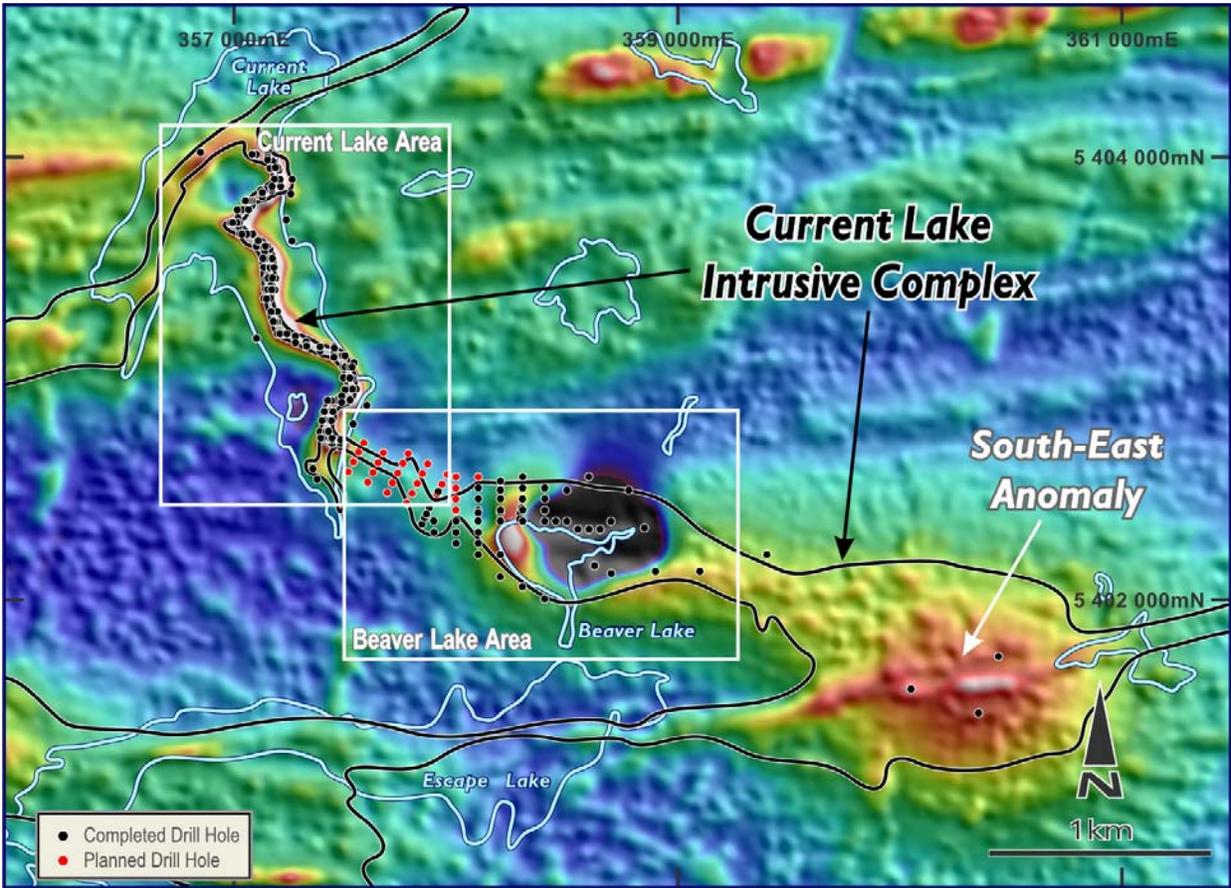


Figure 2. Aeromagnetic Image Showing Current Lake Intrusive Complex and Drilling

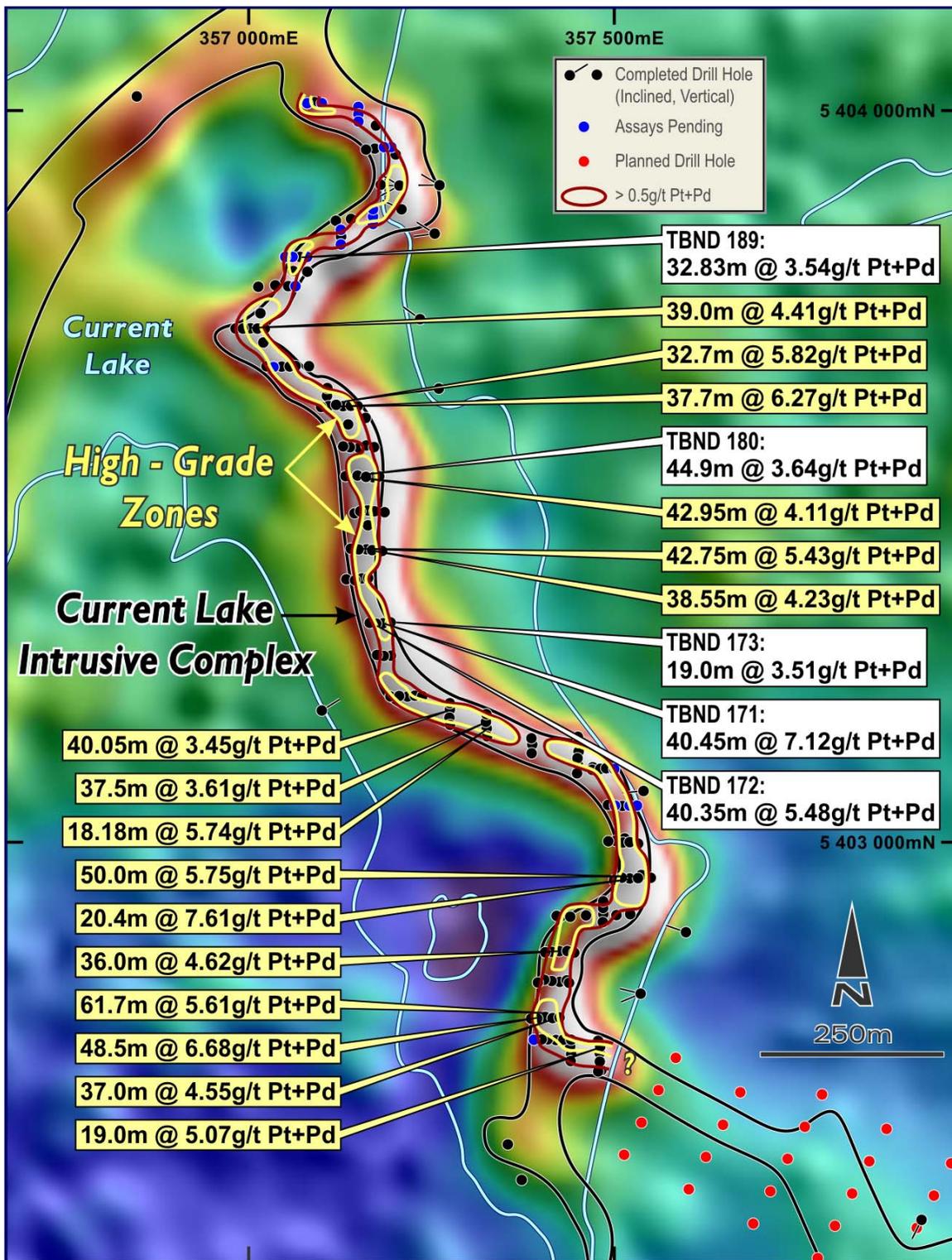
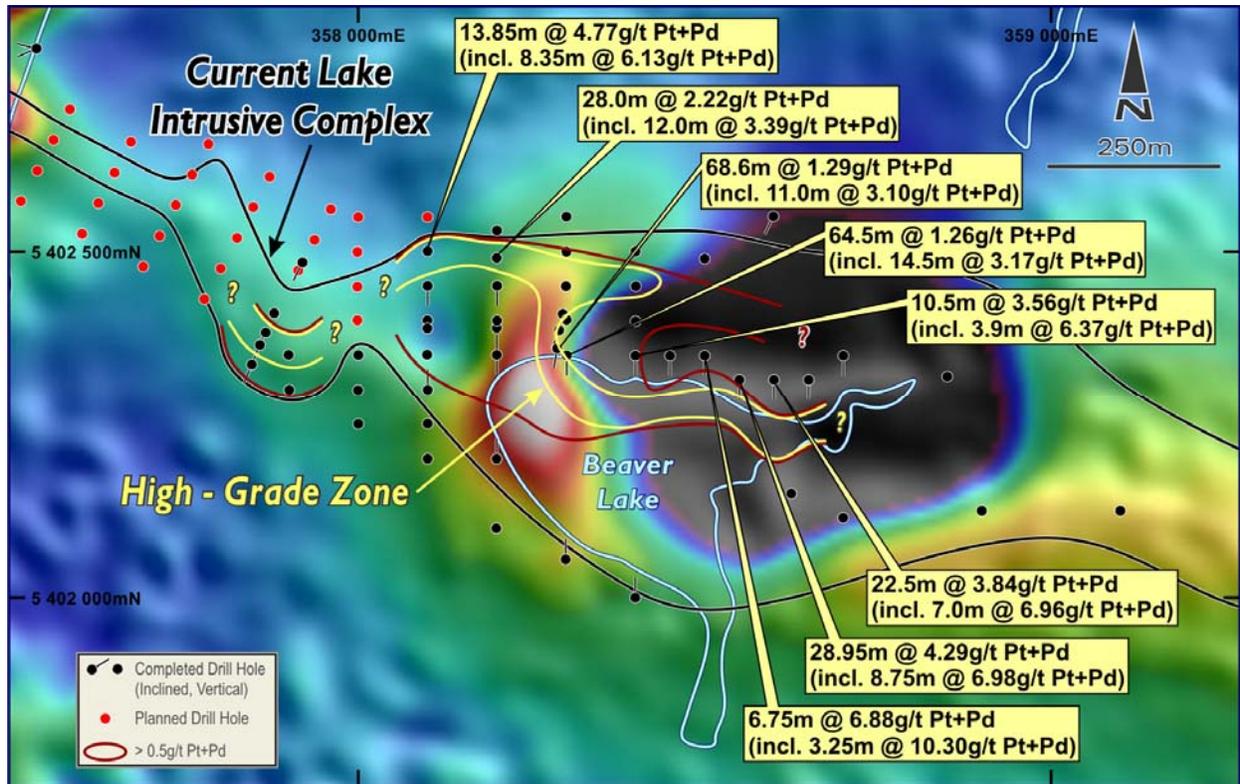


Figure 3. Current Lake Area: Magnetics and Drilling



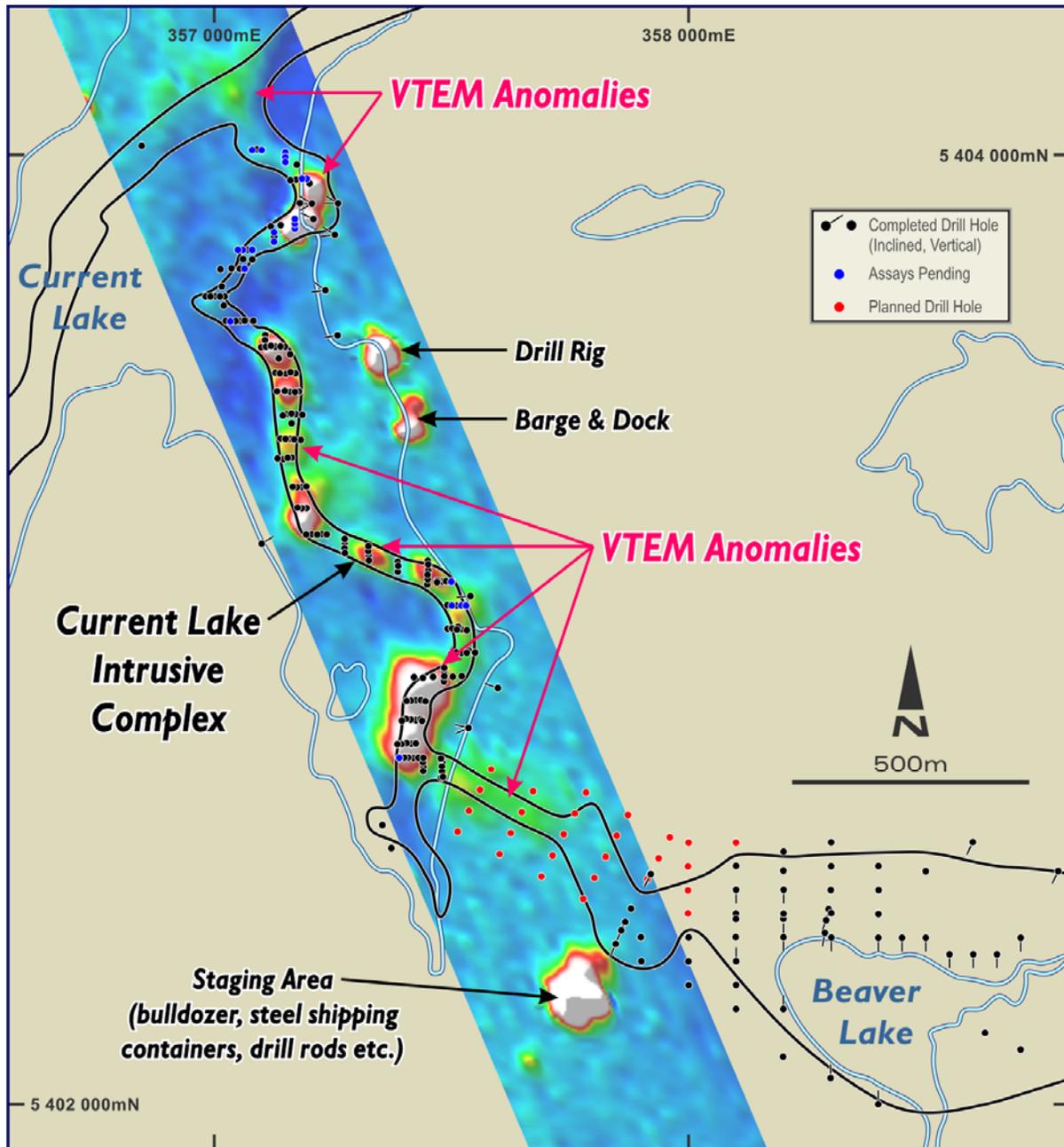


Figure 5. VTEM anomalies (Ch10 – B-Field) at Current Lake