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ASX Announcement

ASX: MMB

DRILLING UPDATE – THUNDER BAY NORTH

KEY POINTS

- **Strongly mineralized area outlined in the Bridge Zone, results include:**
 - **BL09-155:** 35m @ 5.47g/t Pt+Pd, 0.70% Cu & 0.36% Ni from 140m, *including 19m @ 9.31g/t Pt+Pd, 1.17% Cu & 0.56% Ni.*
 - **BL09-156:** 17m @ 8.25g/t Pt+Pd, 0.93% Cu & 0.47% Ni from 155m, *including 13m @ 10.35g/t Pt+Pd, 1.15% Cu & 0.56% Ni.*
- **50,000m infill diamond drilling program in progress in the Bridge Zone and Beaver Lake areas to upgrade Inferred Resources to the Indicated category.**
- **Further encouraging results from wide-spaced drilling at Steepledge Lake:**
 - **SL09-33:** 27.4m @ 1.84g/t Pt+Pd, 0.36% Cu & 0.18% Ni from 61.6m, *including 10m @ 2.13g/t Pt+Pd, 0.48% Cu & 0.23% Ni.*

Drilling is continuing with two diamond drill-rigs at the Thunder Bay North project in Ontario. One drill-rig is infill drilling in the Bridge Zone and Beaver Lake areas within the Current Lake Intrusive Complex, while the other is undertaking reconnaissance exploration in the Steepledge Lake Intrusive Complex, approximately 3km to the west (Figure 1).

Recent close-spaced drilling on a 25m x 20m pattern in the central part of the Bridge Zone targeted electro-magnetic (EM) conductors around a previous intersection of **5.98m @ 17.14g/t Pt+Pd, 2.55% Cu & 1.29% Ni** from 157.25m in drill-hole BL09-89 in semi-massive and massive sulphides (Figure 2). Several holes in this pattern intersected zones of heavily disseminated to semi-massive (net-textured) sulphides towards the base of the magma conduit. Assay results included the following excellent intersections (Tables 1 and 2):

BL09-155: 35m @ 5.47g/t Pt+Pd, 0.70% Cu & 0.36% Ni from 140m,
including 19m @ 9.31g/t Pt+Pd, 1.17% Cu & 0.56% Ni.

**BL09-156: 17m @ 8.25g/t Pt+Pd, 0.93% Cu & 0.47% Ni from 155m,
including 13m @ 10.35g/t Pt+Pd, 1.15% Cu & 0.56% Ni,
including 5.55m @ 14.19g/t Pt+Pd, 1.52% Cu & 0.78% Ni.**

**BL09-157: 22m @ 4.84g/t Pt+Pd, 0.56% Cu & 0.28% Ni from 143m,
including 13m @ 7.23g/t Pt+Pd, 0.83% Cu & 0.38% Ni,
including 4m @ 13.29g/t Pt+Pd, 1.45% Cu & 0.70% Ni.**

Further results from drilling in this area are pending. The geology in this area is complex and is currently being interpreted and some further drilling is planned to assist in this work.

Drilling is in progress in the western part of the Bridge Zone as part of a major approximately 50,000m infill drilling program in the Bridge Zone and Beaver Lake areas (Figure 2). The aim of this drilling is to convert the Inferred Resources in these areas to the Indicated category.

Reconnaissance exploration drilling is in progress in the Steepledge Lake Intrusive Complex to investigate the geology and mineralization potential of this poorly known magma conduit (Figure 3). At present a helicopter supported program is drilling one hole every approximately 150m-200m along the strike of the magma conduit to the south of Steepledge Lake. Final results from the recently completed barge drilling program on Steepledge Lake included the following encouraging results (Tables 1 and 2):

**SL09-33: 27.4m @ 1.84g/t Pt+Pd, 0.36% Cu & 0.18% Ni from 61.6m,
including 11.4m @ 2.25g/t Pt+Pd, 0.40% Cu & 0.17% Ni,
and 10.0m @ 2.13g/t Pt+Pd, 0.48% Cu & 0.23% Ni.**

Given the drill-spacing, the results from the barge drilling program were encouraging and follow-up drilling is planned on the lake once the ice is thick enough to support drilling activities in early 2010.

Reconnaissance drilling is also planned for the Lone Island Lake Intrusive Complex once the swampy ground in that area has frozen during the (northern) winter (Figure 1).

Deeper drilling will also be undertaken this winter from the ice in the southern part of Current Lake (Figure 2) to investigate a number of EM conductors reported previously on 20 April 2009 in the Company's March 2009 Quarterly Report.

Please direct enquiries or requests for further information to:

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Competent Person's Statement:

The information in this report that relates to Exploration Results or Mineral Resources is based on information reviewed or compiled by Dr Keith Watkins, the Executive Chairman 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" (the JORC Code). 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.

Table 1. Significant Drilling Results from the Bridge Zone & Steepledge Lake

Drill Hole	From (m)	To (m)	Length (m)	Pt (g/t)	Pd (g/t)	Pt+Pd (g/t)	Cu (%)	Ni (%)	Pt+Pd Cut-Off (g/t)
Bridge Zone Drill Intercepts									
BL09-154	156.00	159.00	3.00	0.98	0.96	1.94	0.22	0.17	1.0
BL09-155	140.00	175.00	35.00	2.86	2.61	5.47	0.70	0.36	0.5
including	155.00	174.00	19.00	4.87	4.44	9.31	1.17	0.56	3.0
BL09-156	155.00	172.00	17.00	4.19	4.06	8.25	0.93	0.47	0.5
including	158.00	171.00	13.00	5.27	5.08	10.35	1.15	0.56	3.0
including	163.00	168.55	5.55	7.15	7.04	14.19	1.52	0.78	10.0
BL09-157	143.00	165.00	22.00	2.41	2.43	4.84	0.56	0.28	0.5
including	151.00	164.00	13.00	3.59	3.64	7.23	0.83	0.38	3.0
including	159.00	163.00	4.00	6.59	6.70	13.29	1.45	0.70	10.0
BL09-160	114.30	120.00	5.70	2.12	2.10	4.22	0.59	0.25	1.0
Steepledge Lake Drill Intercepts									
SL09-33	61.60	89.00	27.40	0.83	1.01	1.84	0.36	0.18	0.5
including	61.60	73.00	11.40	0.99	1.26	2.25	0.40	0.17	1.0
and	78.00	88.00	10.00	0.98	1.15	2.13	0.48	0.23	1.0

Results are reported for intercepts >1.0g/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

Table 2. Drill Hole Collar and Depth Information

Drill Hole	Easting (m)	Northing (m)	Azimuth (Deg)	Dip (Deg)	Depth (m)
BL09-154	357865	5402486	0	-90	213.0
BL09-155	357855	5402521	0	-90	225.0
BL09-156	357865	5402539	0	-90	223.5
BL09-157	357846	5402504	0	-90	225.0
BL09-160	357780	5402539	0	-90	201.0
SL09-33	354057	5403810	0	-90	231.0

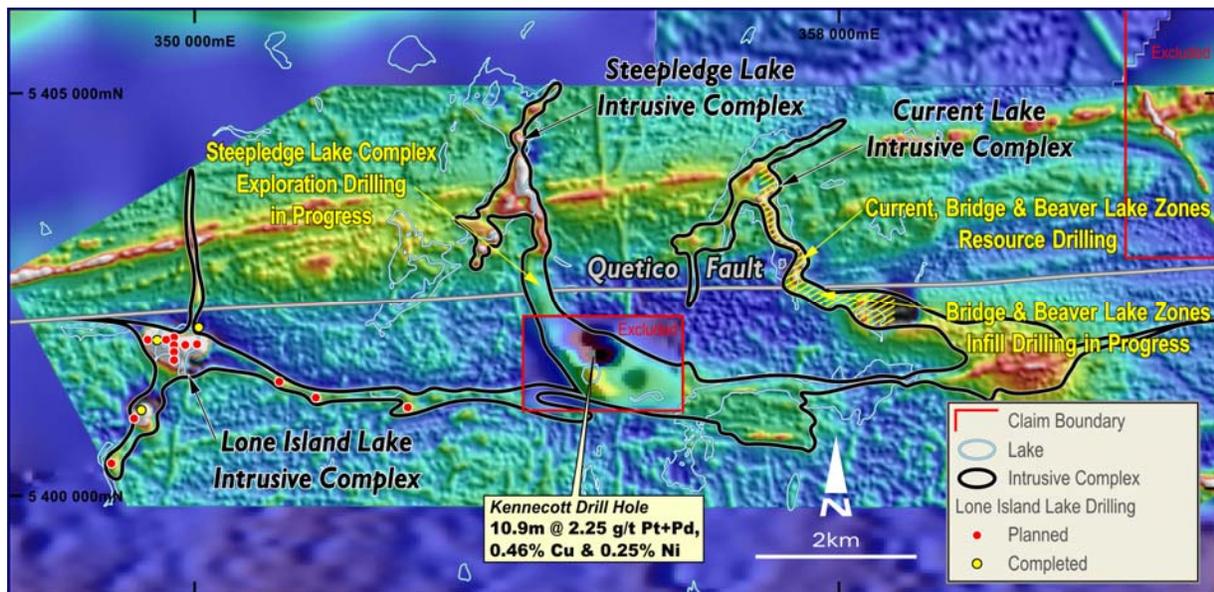


Figure 1. Intrusive Complexes and Exploration Drilling Programs on Regional Magnetics.

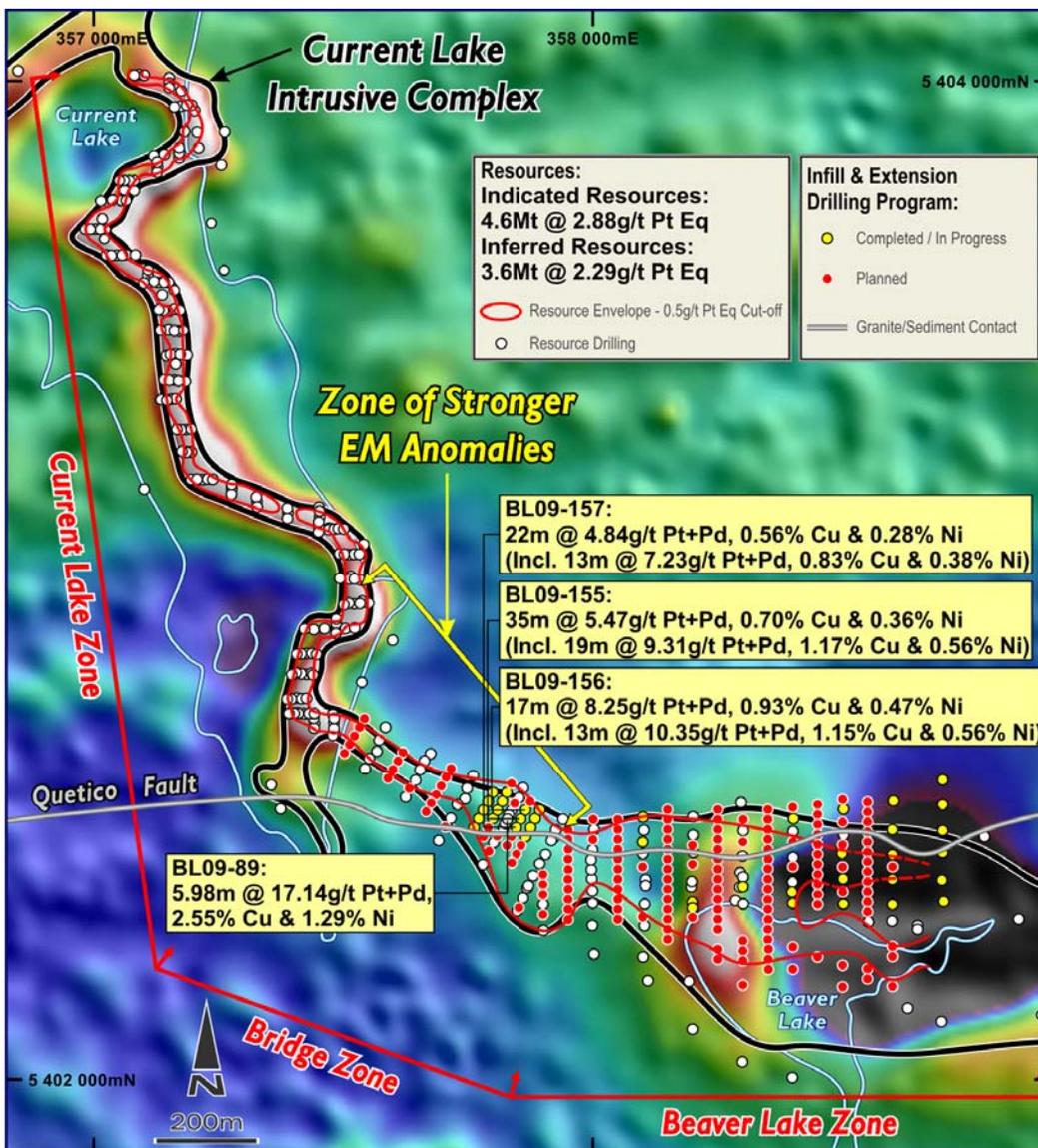


Figure 2. Drilling & Magnetics: Current Lake Intrusive Complex.
 (Further information on the Mineral Resources is available in an ASX announcement made on 7th September 2009 which is available on the Company's website)

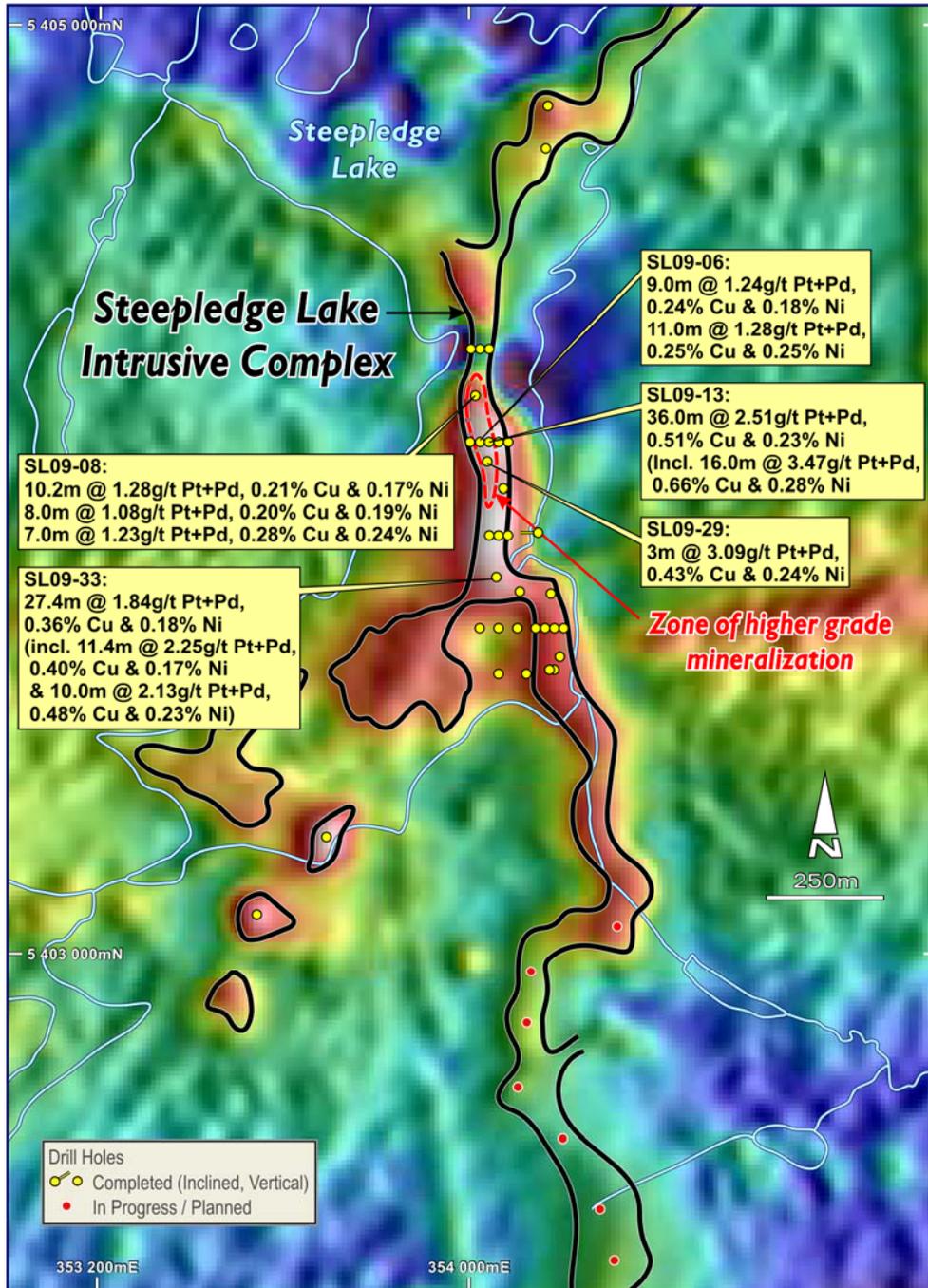


Figure 3. Drilling & Magnetics: Steepledge Lake Intrusive Complex