



magnetic resources^{NL}

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SIX URANIUM TARGETS AT SEABROOK

Magnetic Resources continues to advance exploration on its uranium targets in the southwest region of Western Australia. The locations of the tenements covering these targets are shown in Figure 1.

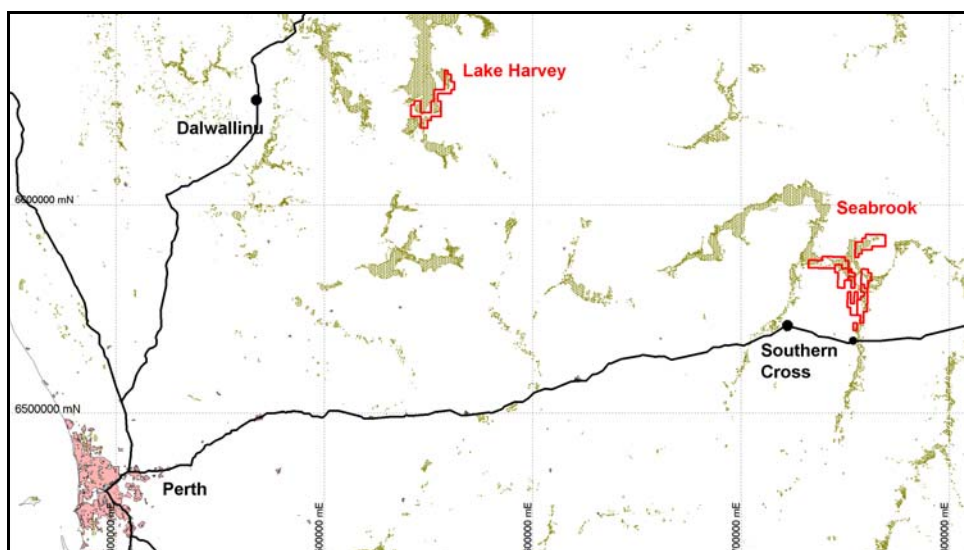


Figure 1
Project Location Map

Recent progress is summarised as follows:

SEABROOK (Magnetic 80%, earning up to 100%)

Additional exploration licences have been applied for at Seabrook, increasing the project area from 100sq km to 318sq km. The new tenements cover paleochannel targets associated with the Lake Seabrook drainage system (shown in brown in the figures below). Reconnaissance sampling of lake sediments (30cm depth) has continued within the expanded area of interest.

Values ranging from 30ppm to 50ppm uranium (compared to a background of 3ppm uranium) in surface samples indicate that this lake complex and the associated drainage system contain extensive areas of anomalous uranium – see Figure 2. **Six target areas have now been identified** from the 676 samples taken to date. Anomalous levels of cerium and strontium (maximum values 315ppm and 4980ppm respectively) are associated with the uranium. The elevated geochemistry shows a strong correlation with interpreted basement structures – see Figures 2 & 3, which suggest a possible source of the uranium.

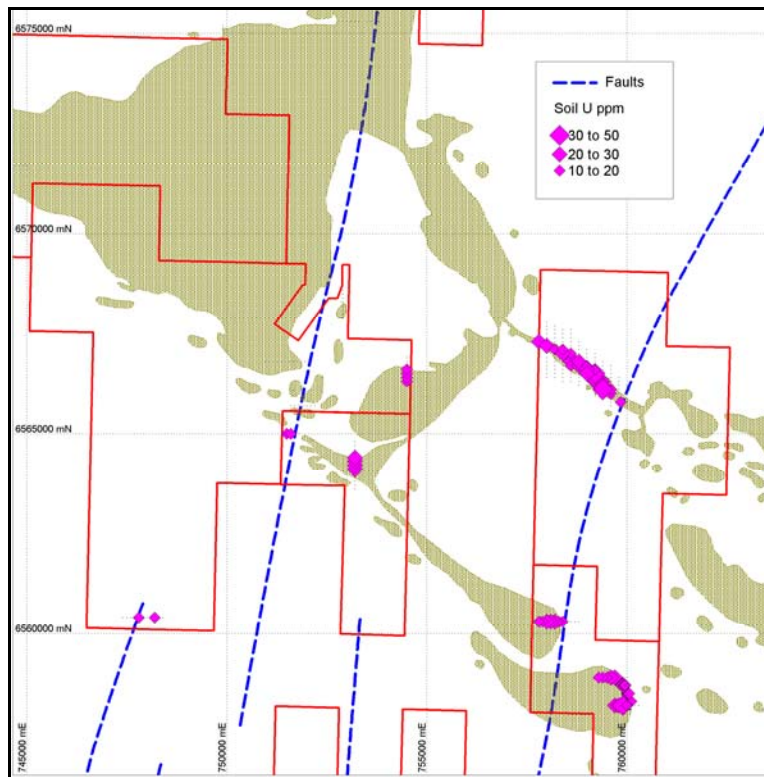


Figure 2
Location of Anomalous Uranium and Interpreted Structures

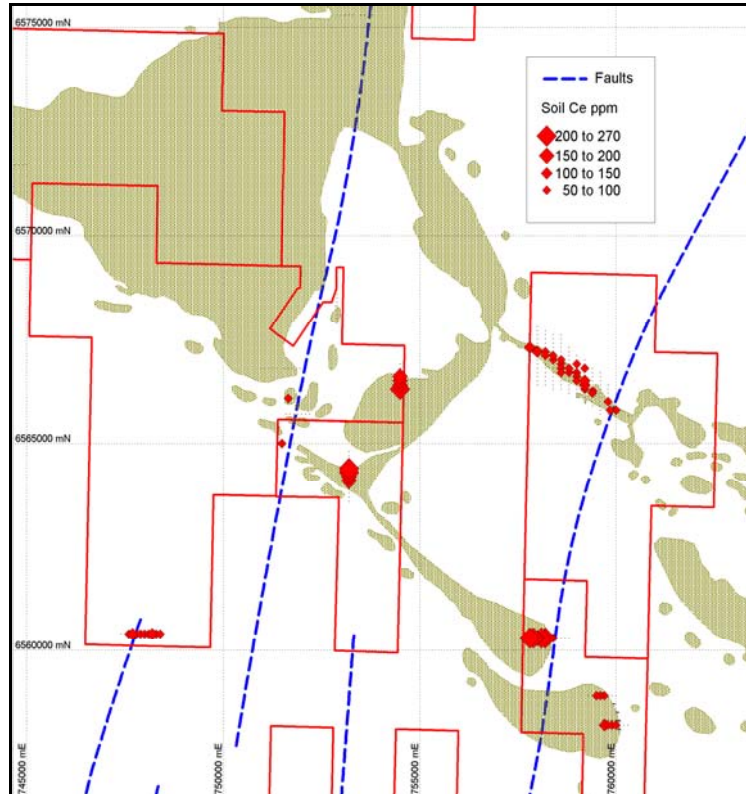


Figure 3
Location of Anomalous Cerium and Interpreted Structures

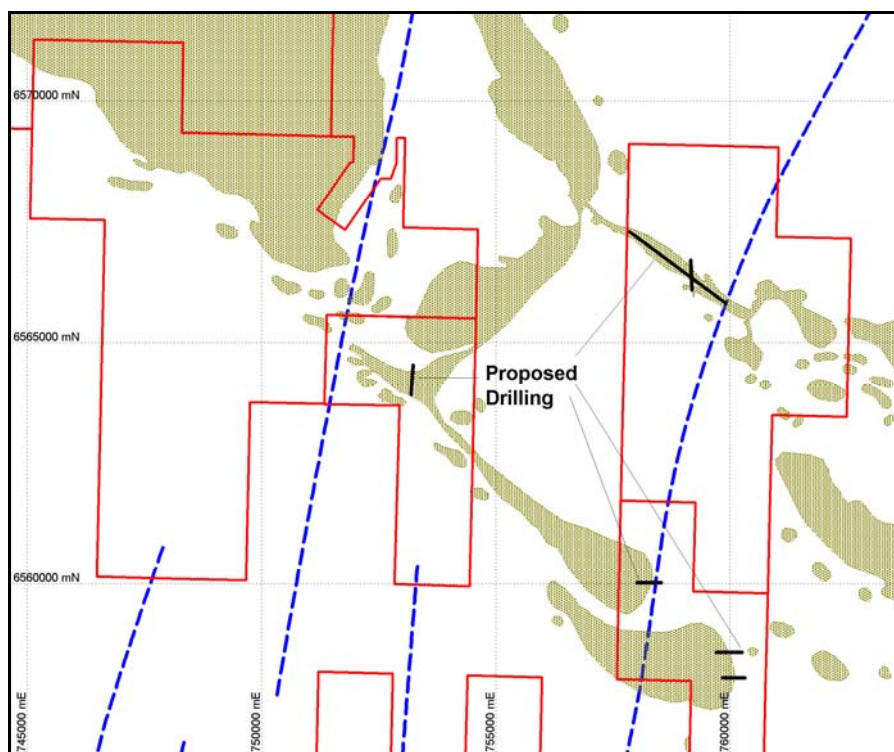


Figure 4
Proposed Drilling

Subject to the necessary permitting and to weather conditions, Magnetic is planning an initial 2,000m aircore drilling programme to test the nature and extent of the anomalous uranium in this previously untested area, as shown in Figure 4. The drilling is anticipated to commence in the September quarter.

LAKE HARVEY

Magnetic has acquired a new tenement covering a significant area of uranium radiometric anomalism surrounding Lake Harvey about 35km east of Kalannie in the northern wheatbelt.

The area has not previously been explored for uranium but the strong anomalism around the periphery of the salt lakes appears to be similar to the occurrences at Seabrook. A programme of surface sampling and ground radiometric traverses is being planned to further investigate these airborne radiometric anomalies.

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

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The information in this report is based on information compiled or reviewed by Roger Thomson BSc, ARSM, MAIG who is a member of the Australasian Institute of Mining and Metallurgy. Roger Thomson is a director of Magnetic Resources NL. Roger Thomson 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'. Roger Thomson consents to the inclusion of this information in the form and context in which it appears in this report.