



Magma Metals Limited

Level 3, 18 Richardson Street, West Perth WA 6005 Australia
PO Box 1221, West Perth WA 6872 Australia

Tel +61 (0)8 9324 1500 Fax +61 (0)8 9324 1700

Email: magma@magmametals.com.au

Web: www.magmametals.com.au

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ASX Announcement

ASX: MMB

DRILLING UPDATE – THUNDER BAY NORTH

KEY POINTS

- Recent results from the resource definition drilling program include the following excellent intersections:

Current Lake:

- TBND122: 42.75m @ 5.43g/t Pt+Pd, 0.66% Cu & 0.33% Ni,
including 26.75m @ 7.19g/t Pt+Pd, 0.85% Cu & 0.39% Ni

Beaver Lake:

- BL08-69: 22.50m @ 3.84g/t Pt+Pd, 0.50% Cu & 0.16% Ni,
including 7.00m @ 6.96g/t Pt+Pd, 0.90% Cu & 0.47% Ni.

- Reconnaissance drilling in regional magnetic anomalies has confirmed the potential for additional mineralized intrusive complexes within the project.
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Resource Definition Drilling

Further results have been received from the resource definition diamond drilling program at the Thunder Bay North project in Ontario (Figures 1 and 2). The drilling results include the following excellent intersections:

Current Lake: TBND122: 42.75m @ 5.43g/t Pt+Pd, 0.66% Cu & 0.33% Ni from 23.25m,
including 26.75m @ 7.19g/t Pt+Pd, 0.85% Cu & 0.39% Ni.

TBND123: 38.55m @ 4.23g/t Pt+Pd, 0.63% Cu & 0.35% Ni from 27.10m,
including 6.00m @ 6.20g/t Pt+Pd, 0.83% Cu & 0.42% Ni,
and 4.65m @ 5.35g/t Pt+Pd, 0.84% Cu & 0.49% Ni.

Beaver Lake: BL08-69: 22.50m @ 3.84g/t Pt+Pd, 0.50% Cu & 0.16% Ni from 353.00m,
including 7.00m @ 6.96g/t Pt+Pd, 0.90% Cu & 0.47% Ni.

Drill-hole information and assay results are shown in Tables 1 and 2. Maps and cross-sections illustrating the drilling results are shown in Figures 3 to 6.

This drilling is part of an approximately 30,000m diamond drilling program in progress in the north-western half of the Current Lake Intrusive Complex over a strike length of about 2.5km. Approximately 18,000m of this program has been drilled to date. When completed, information from the drilling program will be combined with that from 17,000m of previous drilling to form the basis for initial resource estimates for the project.

The drilling has now stopped for the Christmas – New Year break and will re-commence in mid-January. The remaining planned Current Lake drill-holes (Figure 3) will be completed from the ice on the lake in February and March and then the remaining Beaver Lake drilling (Figure 5) will be completed in the June quarter. It is anticipated that the drilling program will be completed by the end of the June quarter 2009 with the initial resource estimates following early in the second half of 2009.

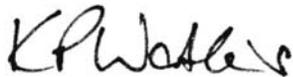
Reconnaissance Drilling

In addition to the resource definition drilling, a program of reconnaissance drilling was recently completed to test several regional magnetic anomalies interpreted to reflect potentially mineralized intrusive complexes (Figure 2). Eight diamond drill holes were completed for 3,466m. Targets included the south-eastern part of the Current Lake Intrusive Complex and the Steepledge Lake and Lone Island Lake Intrusive Complexes as well as the Sunday Lake magnetic anomaly, approximately 25km west-south-west of Current Lake.

The drilling at Steepledge Lake and Lone Island Lake intersected peridotite, melagabbro and hybrid rocks similar to those seen at Current and Beaver Lakes. A number of intervals contained disseminated sulphides. The drilling has therefore confirmed that these magnetic anomalies reflect intrusive complexes similar to the Current Lake Intrusive Complex. While considerable further drilling is required to investigate these intrusive complexes, the reconnaissance drilling indicates that the project has significant additional potential for mineralization outside of the Current Lake and Beaver Lake areas.

The drill-holes in the south-eastern part of the Current Lake Intrusive Complex and at Sunday Lake terminated within thick zones of hybrid rocks. These rocks are interpreted as precursor intrusions to the mineralized peridotite and melagabbro in the Current Lake Intrusive Complex. Further drilling, including deepening the recent holes, will be undertaken in these areas to investigate the potential for mineralization.

Assay results for the reconnaissance drill-holes are anticipated in January 2009.



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.

Table 1. Drill Hole Collar and Depth Information

Drill Hole	Easting (m)	Northing (m)	Azimuth (Deg)	Dip (Deg)	Depth (m)
TBND108	357500	5403000	0	-90	99
TBND113	357450	5403105	0	-90	81
TBND118	357510	5403000	0	-90	45
TBND119*	357510	5403000	0	-90	86
TBND121	357500	5402950	0	-90	96
TBND122	357150	5403400	0	-90	75
TBND123	357170	5403400	0	-90	78
BL08-68	358600	5402315	180	-72	420
BL08-69	358600	5402315	180	-75	420

*Drill-hole TBND118 was abandoned at 45m and re-drilled as TBND119

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)
TBND108	56.50	60.00	3.50	1.57	1.33	2.90	0.12	2.67	0.31	0.14	0.5
TBND113	27.00	59.00	32.00	0.65	0.59	1.24	0.04	1.12	0.15	0.17	0.5
including	39.00	54.00	15.00	0.95	0.88	1.83	0.05	1.71	0.23	0.20	1.0
TBND118	32.00	37.00	5.00	0.85	0.80	1.65	0.06	1.64	0.20	0.14	1.0
TBND119	32.00	38.00	6.00	0.84	0.82	1.66	0.05	1.50	0.19	0.15	1.0
	63.00	70.00	7.00	0.46	0.44	0.90	0.03	0.99	0.12	0.15	0.5
	73.00	80.00	7.00	0.66	0.61	1.27	0.05	1.43	0.18	0.17	0.5
TBND121	57.00	87.00	30.00	0.67	0.63	1.30	0.05	-	0.19	0.16	0.5
TBND122	23.25	66.00	42.75	2.80	2.63	5.43	0.18	4.62	0.66	0.33	1.0
including	23.25	50.00	26.75	3.70	3.49	7.19	0.24	6.01	0.85	0.39	5.0
TBND123	27.10	65.65	38.55	2.18	2.05	4.23	0.14	3.95	0.63	0.35	1.0
including	41.00	47.00	6.00	3.19	3.01	6.20	0.19	5.25	0.83	0.42	5.0
and	61.00	65.65	4.65	2.71	2.64	5.35	0.18	5.02	0.84	0.49	5.0
BL08-68	294.00	322.00	28.00	0.54	0.50	1.04	0.04	-	0.13	0.19	0.5
including	316.00	322.00	6.00	0.99	0.90	1.9	.06	1.35	0.24	0.25	1.0
	370.25	379.80	9.55	0.93	0.94	1.87	0.06	1.48	0.26	0.16	1.0
including	373.90	377.60	3.70	1.37	1.26	2.63	0.09	2.19	0.36	0.21	2.0
BL08-69	353.00	375.50	22.50	2.00	1.84	3.84	0.12	3.23	0.50	0.16	1.0
including	368.50	375.50	7.00	3.62	3.34	6.96	0.21	5.72	0.90	0.47	5.0

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

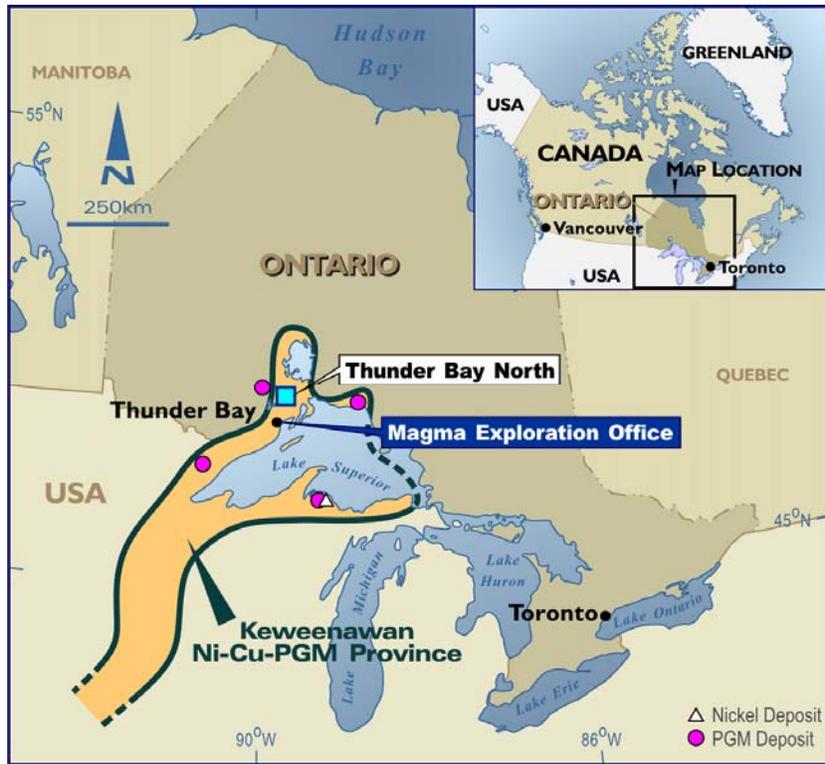


Figure 1. Project Location

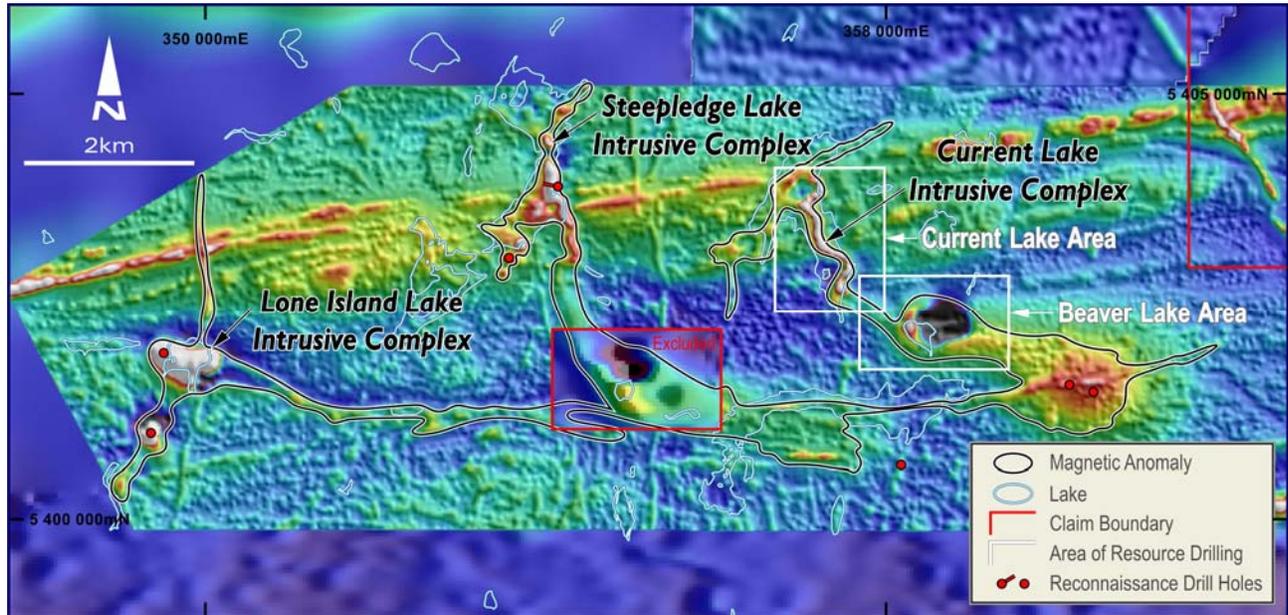


Figure 2. Aeromagnetic Image Showing Intrusive Complexes and Drilling

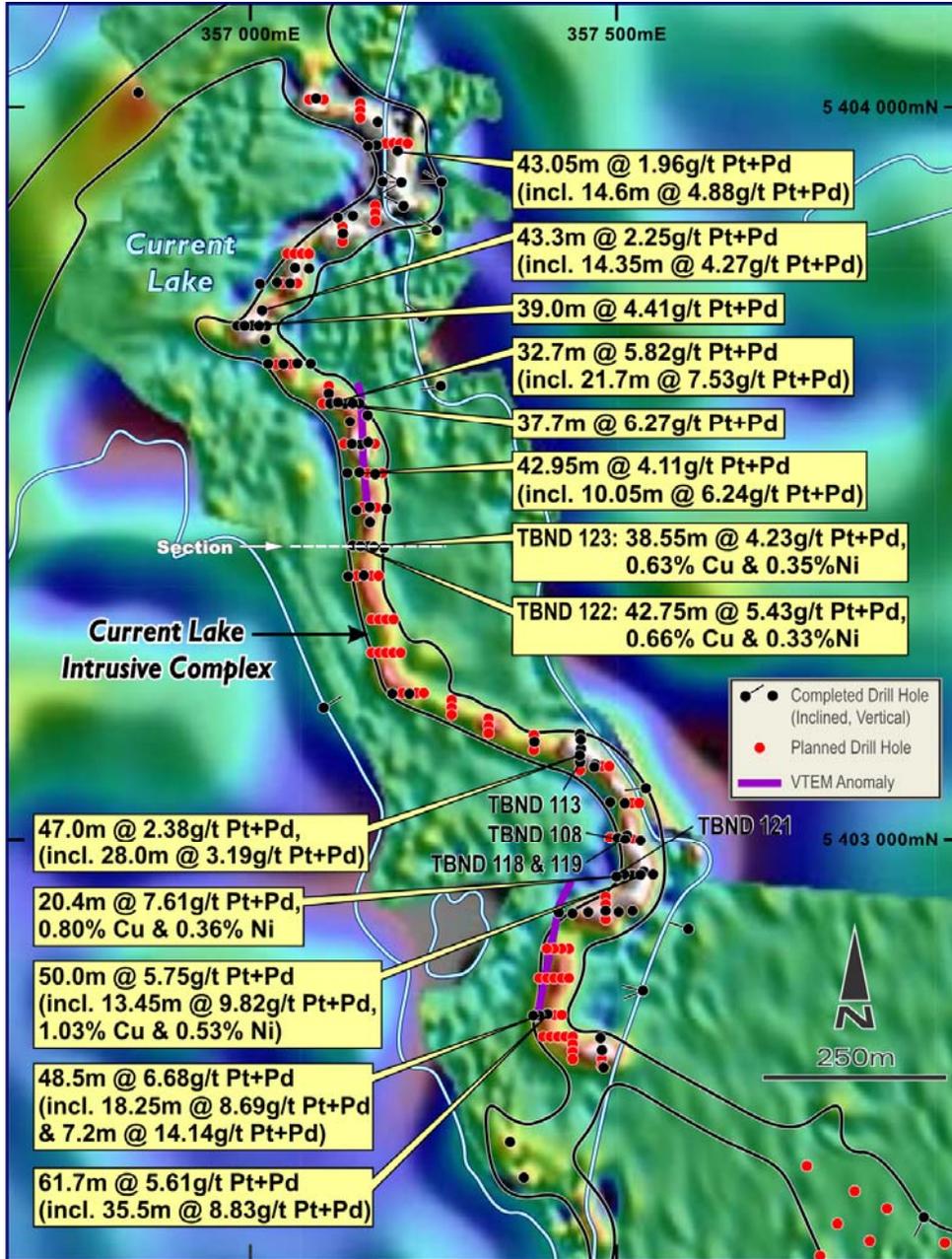


Figure 3. Current Lake Area: Magnetics and Drilling

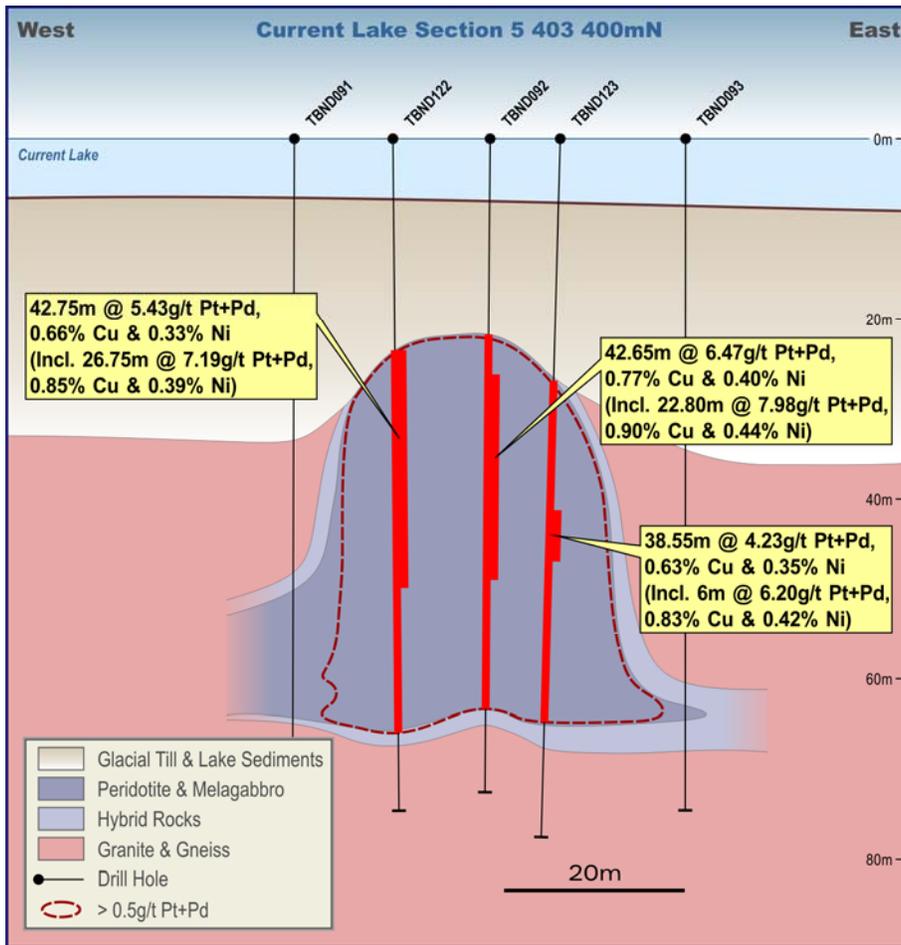


Figure 4. Current Lake Area: Cross-Section 5403400mN

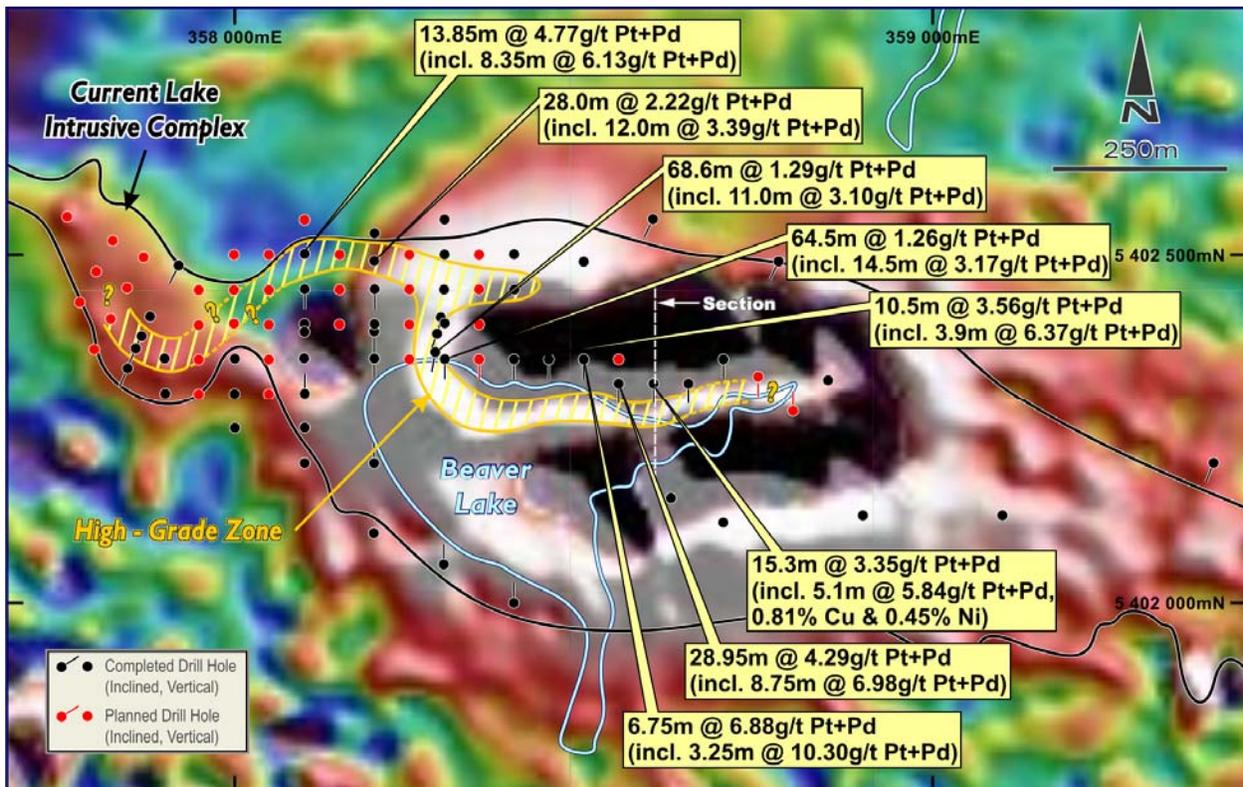


Figure 5. Beaver Lake Area: Magnetics and Drilling

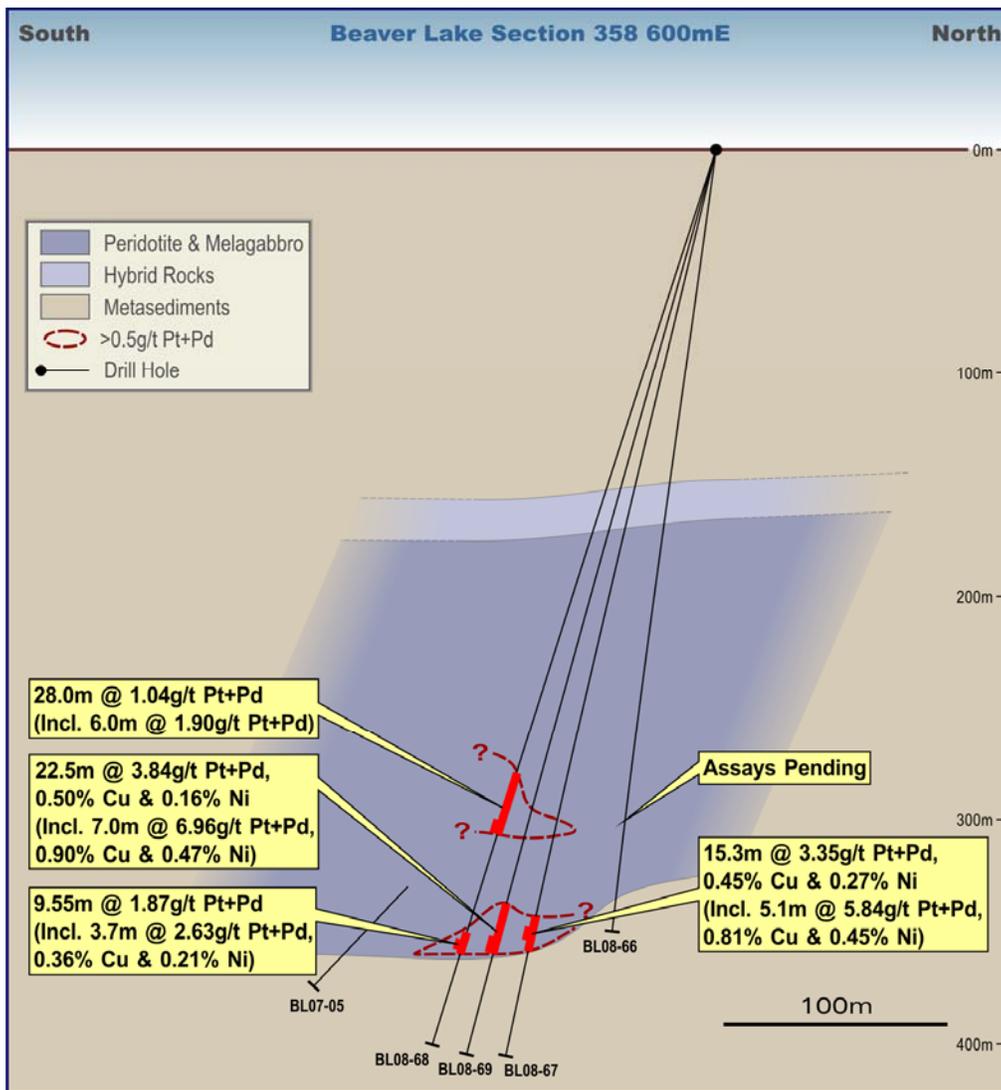


Figure 6. Beaver Lake Area: Cross-Section 358600mE