



magnetic resources^{NL}

QUARTERLY REPORT for the Quarter Ended 30 September 2018

Magnetic Resources NL
ABN 34 121 370 232

ASX Codes: MAU and
MAUCA

Level 1
44A Kings Park Road,
West Perth, WA 6005

T +61 8 9226 1777
F +61 8 9321 6571

PO Box 1388
West Perth WA 6872

Issued Capital:
Shares - Quoted:

190,976,870 ordinary shares.
20,418,862 partly paid shares
(\$0.20 unpaid).

Options – Unquoted

- 3,000,000 options
exercisable at \$0.377 on or
by 31 December 2021

- 2,986,667 options
exercisable at \$0.138 on or
by 11 October 2020

- 3,000,000 options
exercisable at \$0.218 on or
by 31 December 2021

Cash: \$4m

Directors:

George Sakalidis
Managing Director

Eric Lim
Non-Executive Chairman

Julien Sanderson
Non-Executive Director

Company Secretary
Ben Donovan

HIGHLIGHTS

- At Christmas Well 11 RC holes totalling 620m are planned to follow up an open 180m long near surface mineralised quartz lodes with best intersections of 2m at 15.1g/t from 17m in MCWRB38, 4m at 1.1g/t from 12m in MCWRB34 and 4m at 1g/t from 8m in MCWRB51.
- At Mount Jumbo East 12 RC holes totalling 705m are planned to follow up shallow intersections within BIF of 4m at 4g/t from 16m in MMJERC04 and 8m at 0.4g/t from 8m IN MMJERC03.
- At Hawks Nest 9 detailed infill geochemistry of 310 samples on a 50m x 50m grid is planned to infill and extend a 1.1km long anomalous Au and multielement anomalous soil geochemistry zone, which is up to 200m wide, having 5 successive samples averaging 0.7g/t, that correlate with a plethora of mapped N–S-trending porphyries that have potential for bulk tonnage.
- At Hawks Nest 5 A 20-hole, 1300m RC drilling programme is about to commence, focused on testing the down-dip extensions of the mineralised black shale unit, following up intersections of 7m at 4.5g/t from 5m in MHNRC48, 4m at 1g/t from 4m in MHNRC89, 4m at 1g/t from 2m in MHNRC103 and testing the 200m-long Emerald workings and several IP targets.

Gold Projects Summaries

The September 2018 quarter was a busy period for Magnetic Resources with a total of 258 holes for 7454m drilled, 187 soil samples collected, and 201-line km of ground magnetic surveys conducted at 50m spacings.

In the Laverton region 187 soil samples were taken and a total of 40 RC holes for 2106m drilled at the Hawks Nest project and 6 RC holes for 544m at Mt Jumbo East.

In the Laverton region 65 RAB holes were drilled for 2070m at the Mertondale project and 61 RAB holes for 1987m and 1 RC hole for 120m at the Christmas Well project. Further south at Raeside East there were 85 RAB holes for 627m and ground magnetic surveys at Kowtah and Braiser.

Ground magnetic surveys were also conducted at the Kowtah tenements between Leonora and Laverton. Details are shown in Tables 1 to 3.

Table 1. All Drilling Summary since grant

Project	Tenement	Drillhole Type	This Quarter		Total	
			No. Holes	Metres	No. Holes	Metres
Mertondale	E37/1258	RAB	65	2070	899	5313
Mertondale	E37/1258	RC			26	1452
Mt Jumbo	E38/3100	DDH			2	456
Mt Jumbo	E38/3100	RC			2	334
Hawks Nest	E38/3127	AC			2	66
Hawks Nest	E38/3127	RAB			164	1814
Hawks Nest	E38/3127	RC	40	2106	110	6377
Christmas Well	P37/8687	RAB			6	18
Christmas Well	P37/8688	RAB			15	53
Christmas Well	P37/8689	RAB			8	30
Christmas Well	P37/8691	RAB			6	20
Christmas Well	P37/8692	RAB			5	15
Christmas Well	P37/8693	RAB	17	539	96	858
Christmas Well	P37/8693	RC	1	120	1	120
Christmas Well	P37/8694	RAB	43	1448	162	1884
Birthday Patch	P53/1627	RAB			8	166
Birthday Patch	P53/1628	RAB			20	415
Raeside	P37/8906	RAB	52	385	52	385
Raeside	P37/8907	RAB	23	175	23	175
Raeside	P37/8908	RAB	10	67	10	67
Mt Jumbo East	P38/4317	RC	1	108	1	108
Mt Jumbo East	P38/4318	RC	2	156	2	156
Mt Jumbo East	P38/4319	RC	1	96	1	96
Mt Jumbo East	P38/4322	RC	2	184	2	184
Total			257	7454	1623	20562

Table 2. Surface Geochemical Sampling September Quarter 2018

Project	Tenement	Sample Type	Sept Quarter	Total
Christmas Well	P37/8687-94	Rockchip		4
Kowtah	P39/5594-97	Rockchip		1
Hawks Nest	E38/3127	Rockchip		118
Hawks Nest	E38/3127	Soil-2mm		19
Hawks Nest	E38/3127	Soil-80#	187	2,524
Mt Ajax	E38/3209	Rockchip		3
Mt Jumbo	E38/3100	Lag		67
Mt Jumbo	E38/3100	Rockchip		7
Mt Jumbo East	P38/4317-24	Lag		131
Mt Jumbo East	P38/4317-24	Rockchip		19
Mertondale	E37/1258	Costean		22
Mertondale	E37/1258	Laterite		345
Mertondale	E37/1258	Rockchip		57
Mertondale	E37/1258	Soil-80#		455
Mertondale East	E37/1177	Clay		1
Mertondale East	E37/1177	Laterite		148
Mertondale East	E37/1177	Rockchip		15
Mertondale East	E37/1177	Soil-80#		144
Nambi	E37/1303	Rockchip		1
Birthday Patch	E53/1978	Rockchip		5
Birthday Patch	E53/1978	Soil-2mm		20

Table 3. Ground magnetic surveys September Quarter 2018

Project	Tenement	September Quarter		Total	
		Line km	Spacing (m)	Line km	Spacing (m)
Mertondale	E37/1258			156	50
Mt Jumbo	E38/3100 & P38/4201			143	50
Mt Jumbo East	P38/4317-18			50	50
Mt Jumbo East	P38/4319-24			179	50
Hawks Nest	E38/3127			383	50
Raeside East	P37/8909-12			26	50
Christmas Well	P37/8687-94			25	50
Hawks Nest	E38/3127			383	50
Nambi	E37/1303			47	50
Kowtah	P39/5594-97	74	50	186	50
Braiser	P37/8909-12	127	50	127	50
Total		201	50	1322	50

Laverton region

Hawks Nest E38/3127

In the September 2018 quarter Magnetic Resources completed a total of 40 RC holes for 2106m at the Hawks Nest 3 and 5 targets as well as 187 soil samples at the Hawks Nest 9 project, approximately 15km SW of Laverton (Figure 1).

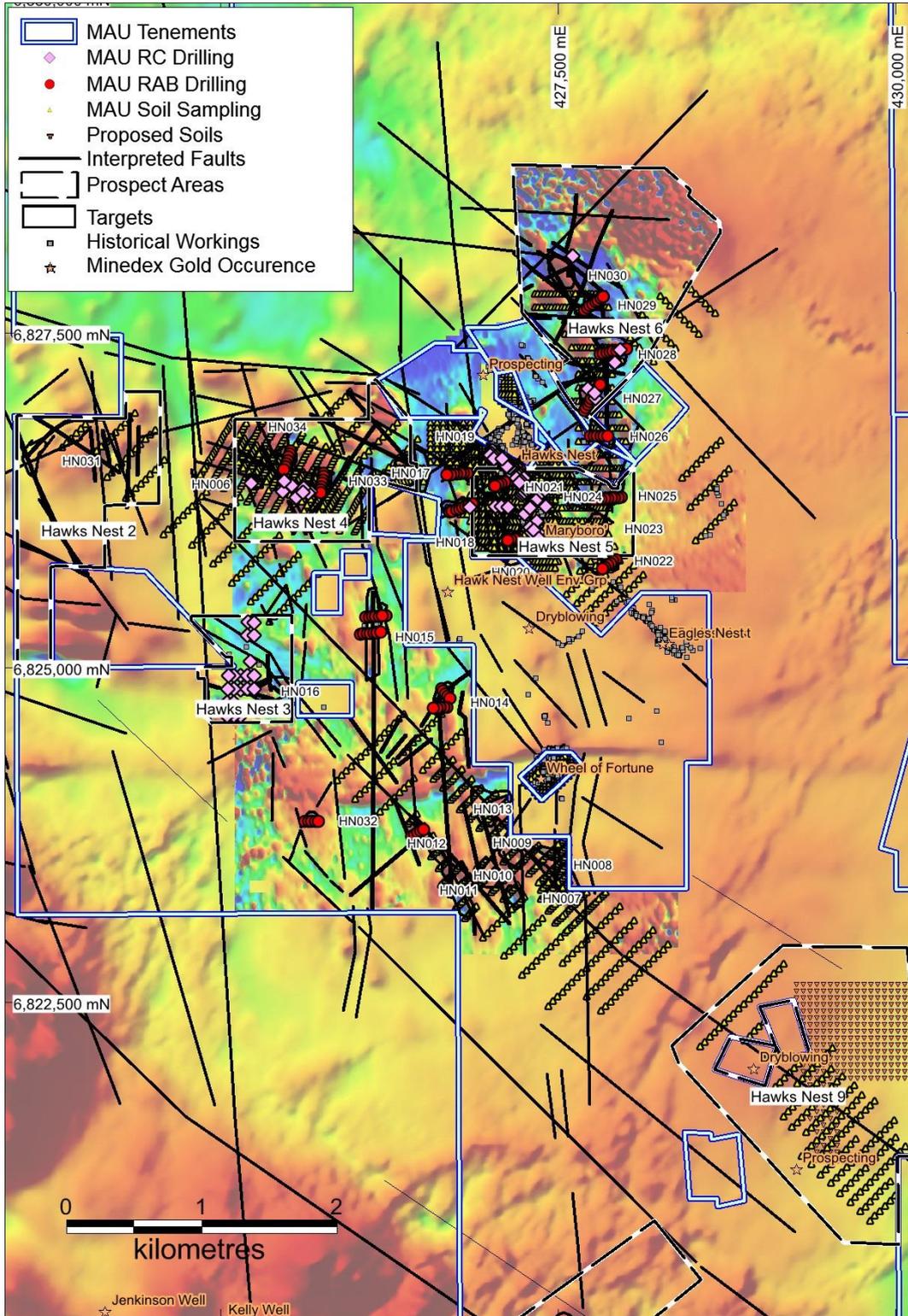


Figure 1. E38/3127 Hawks Nest ground magnetic interpretation showing major NW faults and Targets HN3–6 & HN9, showing drill and soil programmes completed

Hawks Nest 9 target

In the September 2018 quarter Magnetic Resources completed 187 soil samples (HN7401–7587) at the newly named Hawks Nest 9. This was as a follow up to the 397 samples collected in the June quarter (HN7001–7394), for which assays were received in August.

The soil sampling was designed to follow up several interpreted ground magnetic NW–SE gold-bearing structures that link up with HN3, which is 5km to the NW of this target. There is a very promising 200m-wide anomalous Au-rich soil zone with five soil samples spaced 50m apart averaging 0.7g/t Au that correlate with a plethora of mapped N–S-trending porphyries. This zone is open to the north and east. Significant results are shown in Figures 2 and 3 and summarised in Table 4 (see MAU ASX Release 15 October 2018).

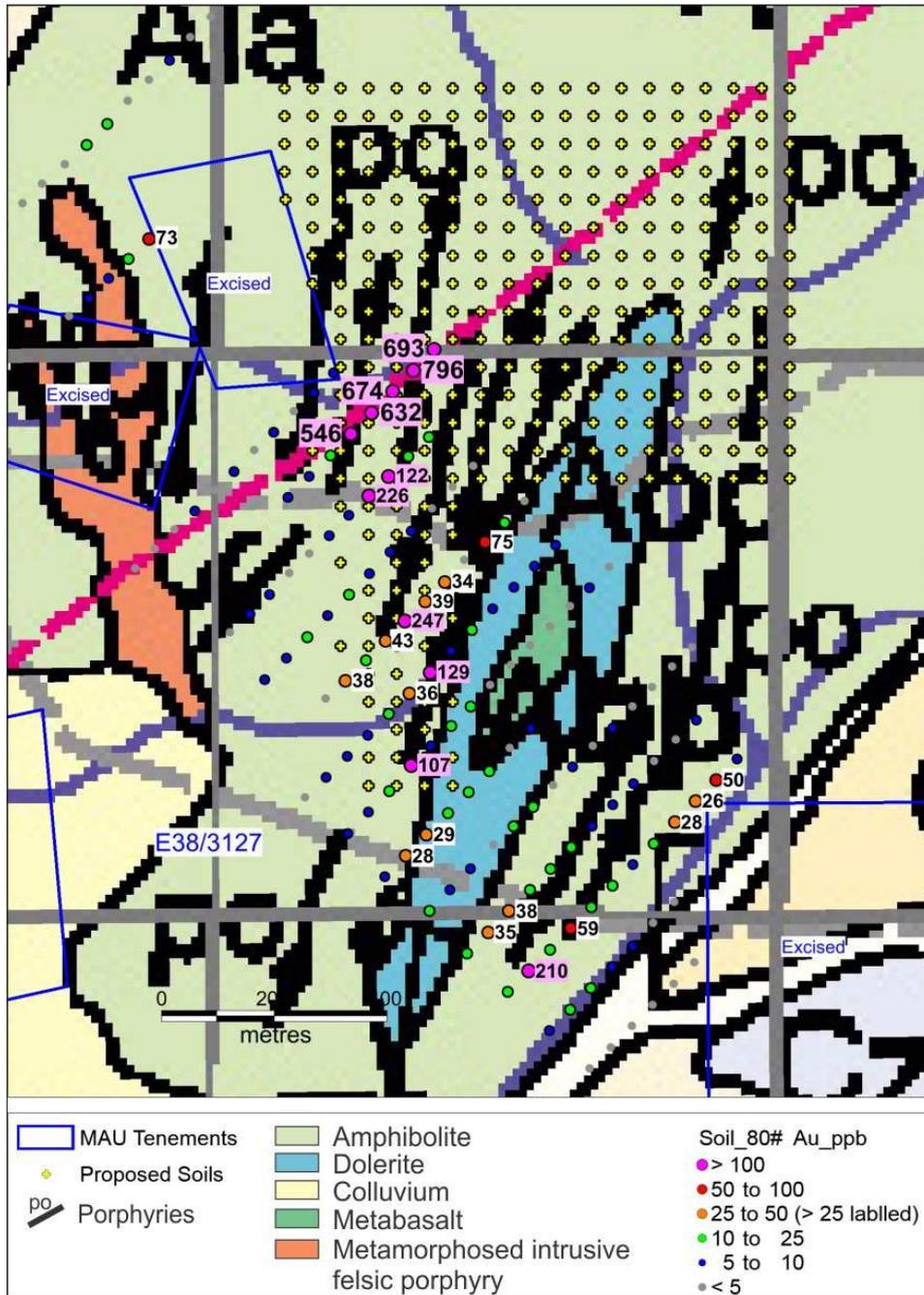


Figure 2. HN9 Soil gold results with proposed follow-up soil programme on GSWA 100k Geology

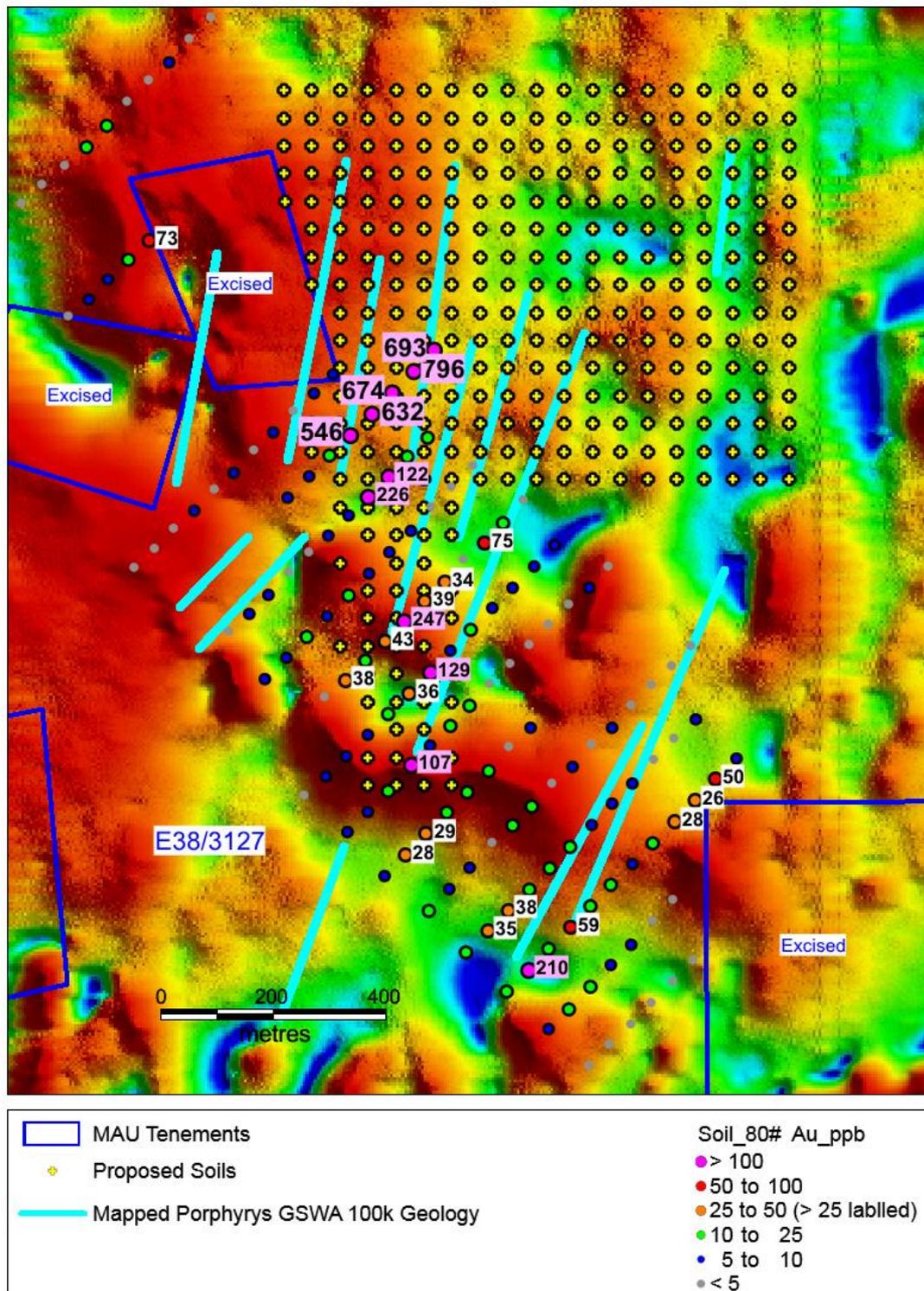


Figure 3. HN9 Soil gold results with proposed follow-up soil programme on aeromagnetics with mapped porphyry (GSWA 100k Geology)

These values are highly elevated, and a large 310 soil geochemical programme on a 50m x 50m grid has just commenced to follow up these results. This will help outline the NS and EW extent of these very anomalous soils associated with the porphyry units, which total over 1.2km in length. There appears to be N–S structural control with at least 10 samples with more than 100ppb Au. Note that a previous soil sampling programme completed by the company at HN5 with elevated gold anomaly peaking at 0.4g/t gold, which when drill tested returned 7m @ 4.5g/t Au from 5m (ASX Release 5th March 2018).

There is also a strong highly anomalous multielement correlation, which is characterised by an Au–Te–Mo–Bi–W–Zn–Ni association (Table 4), somewhat similar as that reported to occur at Ramelius Resources’ Mt Magnet gold project in the Murchison region (Genesis Minerals, GRD ASX release 20 July 2017), where felsic porphyries are being explored for large, low strip ratio gold deposits. The Hawks Nest area is a well-known prospecting area where eluvial and alluvial gold has been recovered over many years, however the source of these extensive gold occurrences may be related to the extensive intrusive porphyries.

Table 4. HN9 Anomalous Soil Results Gold >25ppb September quarter 2018

Sample_Id	Easting	Northing	Au	Bi	Cu	Ni	Te	W	Zn
	MGAz51	MGAz51	ppb	ppm	ppm	ppm	ppm	ppm	ppm
HN7012	429491	6821419	107	0.17	101	31	0.04	-0.05	53
HN7024	429374	6821571	38	0.09	144	29	0.03	0.12	30
HN7026	429445	6821642	43	0.17	42	20	0.03	0.09	33
HN7027	429480	6821678	247	0.26	39	27	0.07	-0.05	51
HN7028	429516	6821713	39	0.17	53	28	0.04	-0.05	36
HN7029	429551	6821748	34	0.17	74	54	0.04	-0.05	58
HN7031	429622	6821819	75	0.16	105	37	0.04	-0.05	81
HN7041	429416	6821902	226	0.23	50	29	0.07	-0.05	46
HN7042	429451	6821937	122	0.23	55	31	0.07	-0.05	45
HN7060	429024	6822363	73	0.2	22	14	0.05	-0.05	30
HN7061	428551	6822176	40	0.42	39	17	0.1	0.08	15
HN7062	428587	6822211	29	0.43	40	18	0.14	0.09	16
HN7415	429700	6821051	210	0.25	56	32	0.06	-0.05	45
HN7417	429775	6821127	59	0.21	60	32	0.06	-0.05	58
HN7422	429960	6821317	28	0.7	59	25	0.05	-0.05	39
HN7423	429997	6821355	26	0.39	65	29	0.05	-0.05	49
HN7424	430034	6821393	50	0.62	67	29	0.05	-0.05	49
HN7427	429628	6821120	35	0.27	69	37	0.05	-0.05	50
HN7428	429665	6821158	38	0.25	64	29	0.06	-0.05	46
HN7442	429481	6821257	28	0.22	47	32	0.05	0.05	48
HN7443	429518	6821295	29	0.25	45	37	0.06	-0.05	60
HN7457	429488	6821548	36	0.2	54	26	0.04	0.05	44
HN7458	429525	6821586	129	0.22	48	24	0.05	0.06	50
HN7479	429384	6822013	546	0.29	84	37	0.14	0.1	49
HN7480	429421	6822051	632	0.3	170	63	0.15	0.08	63
HN7481	429458	6822089	674	0.25	109	37	0.14	0.16	51
HN7482	429495	6822127	796	0.32	200	54	0.16	0.12	59
HN7483	429532	6822165	693	0.32	212	58	0.18	0.09	61

Hawks Nest 5 target

A total of 31 RC holes for 1250m (MHNRC59 Ext, MHNRC77–106) were drilled at the Hawks Nest 5 target (HN5) within E38/3127. The drilling was designed to follow up previously reported gold intercepts from the HN5 area (MAU ASX release 19 June 2018). Significant intersections are summarised in Table 5 and Figure 4.

Previous drilling intersected mineralised black shale in six drillholes over a 220m strike length at HN5, with a best intercept of 7m @ 4.5g/t Au from 5m in hole MHNRC48. The black shale is interpreted to be a gently SW-dipping interflow sediment within a mafic volcanic shear zone which has acted as a ductile horizon in the volcanics, forming a favourable host for gold mineralisation. This September quarter drilling programme focused on testing the down-dip extensions of the mineralised black shale unit and included one hole (MHNRC106) at the nearby Emerald workings. An additional mineralised black shale has been intersected in hole MHNRC77, 170m NW of the main black shale unit intersected to date.

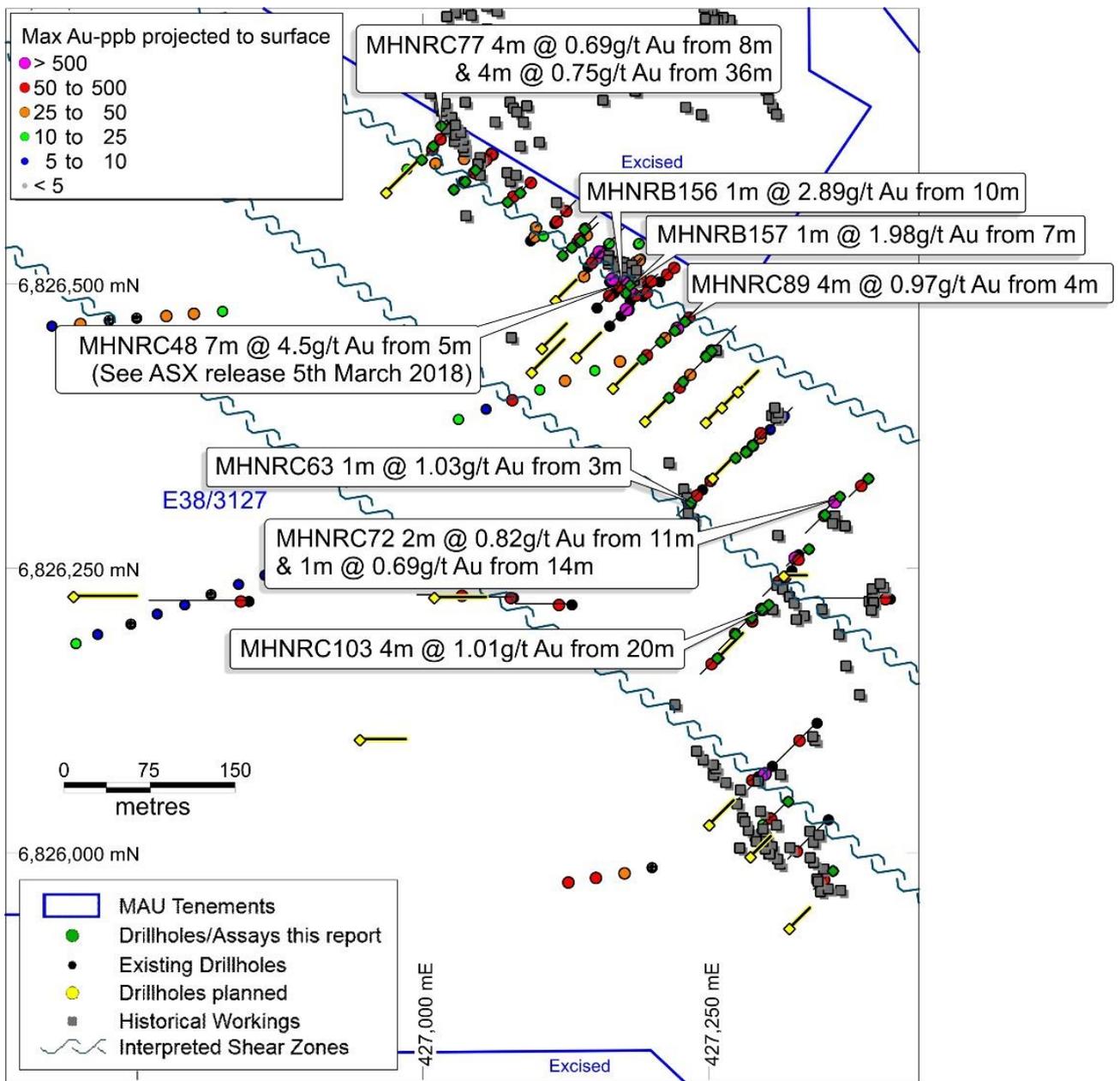


Figure 4. HN5 drilling intersections, soil geochemistry and planned RC drilling

A 20-hole, 1300m RC drilling programme is about to commence, focused on testing the down-dip extensions of the mineralised black shale unit as shown in Figure 4. This drilling will also include three holes at the nearby Emerald workings, testing of three induced polarisation targets and one hole to test undrilled gold diggings.

Table 5. HN5 RC Intercepts >0.5g/t gold

Hole_Id	From	To	Width	Gold
	m	m	m	ppm
MHNRC77	8	12	4	0.689
	36	40	4	0.746
MHNRC89	4	8	4	0.973
MHNRC103	20	24	4	1.009

Hawks Nest 3 target

Previous 3D modelling of historical results indicates a shallow (20 to 30m depth) N- to NW-trending 150m-wide mineralized shear zone dipping shallowly (10°-20°) to the west over a 150m strike length.

Historical drilling to the north and south appears to have been far too shallow to intersect this interpreted mineralized position (ASX release 26 July 2017). There were 59 intercepts with more than 0.5g/t Au and 22 intercepts with more than 1g/t Au, generally being 1 to 4m thick with the highest value of 1m @ 13g/t Au from 22m in hole HNRC007.

A 10-hole RC drilling programme intersected 4m at 1.9g/t from 32m in hole MHNAC01 and 4m at 1.8g/t from 44m in hole MHNRC 24 (Table 6).

Recent interpretation shows that there is potential for multiple mineralised flat west-dipping horizons with at least two of these zones shown in Figure 5.

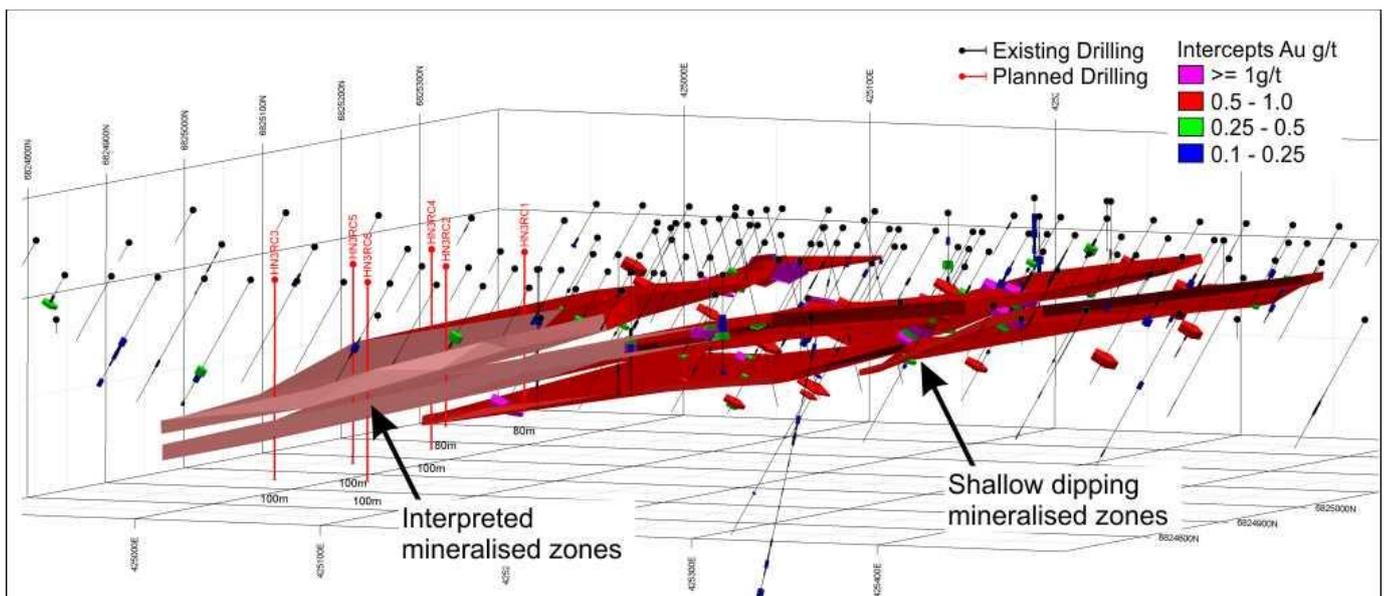


Figure 5. Hawks Nest E38/3127 HN3 Perspective plot of drilling showing shallow west-dipping multiple shear zone gold mineralization being open to the west and south where the interpreted mineralised zones are shown and planned RC holes

Table 6. Hawks Nest 3 RC Intercepts >0.1g/t gold

Hole_Id	Easting	Northing	From	To	Width	Gold
	MGAz51	MGAz51	m	m	m	ppm
MHN3RC01	425100	6824961	36	40	4	0.122
			40	44	4	0.181
			56	60	4	0.247
			60	64	4	0.329
MHN3RC02	425101	6824862	16	20	4	0.118
			20	24	4	0.375
			24	28	4	0.104
			72	76	4	0.174
MHN3RC03	425051	6824762	28	32	4	0.158
MHN3RC04	425060	6824960	12	16	4	0.112
			48	52	4	0.104
			52	56	4	0.179
			60	64	4	0.242
			68	72	4	0.116
			80	84	4	0.144
			84	88	4	0.198
MHN3RC05	425052	6824861	68	72	4	0.119
MHN3RC06	425100	6824761	28	32	4	0.101
			32	36	4	0.108
			36	40	4	0.251
MHN3RC07	425152	6824661	20	24	4	0.619
			24	28	4	0.401
			28	32	4	0.191
MHN3RC08	425101	6824660	44	48	4	0.216
			56	60	4	0.128
MHN3RC09	425049	6824660	24	28	4	0.105
			28	32	4	0.166
			32	36	4	0.192
			44	48	4	0.131

The mineralised zones are often related to secondary ironstones interpreted to be weathered shear-hosted mineralisation. There appear to be two coherent mineralised horizons which are open down dip. Stacked flat mineralised structures provide excellent large-scale drilling targets in the Laverton area. The big mines at Laverton, including Wallaby (7Moz), Sunrise Dam(10Moz) and Jupiter (1.3Moz) all exhibit flat mineralised stacked structures.

All previous drillholes in the down-dip position were too shallow to intersect the interpreted mineralised structures. A 9-hole, 856m RC drilling programme (MHN3RC01–09) completed at the HN3 area in the September quarter (Table 6) did not intersect significant gold mineralisation at the interpreted down-dip position of shallow mineralisation identified in historical drilling (MAU ASX release 17 July 2018). Studies are in progress to examine NW-SE possible sources of the extensive supergene mineralisation in this area.

Mt Jumbo East P38/4317–4324

The Mt Jumbo East Prospect comprises eight prospecting licences P38/4317 to P38/4324 of 11.5km² (Figure 6) located 16km SSW from Laverton and covering an 8km strike length of prospective iron formations, ultramafics, mafics and black shales.

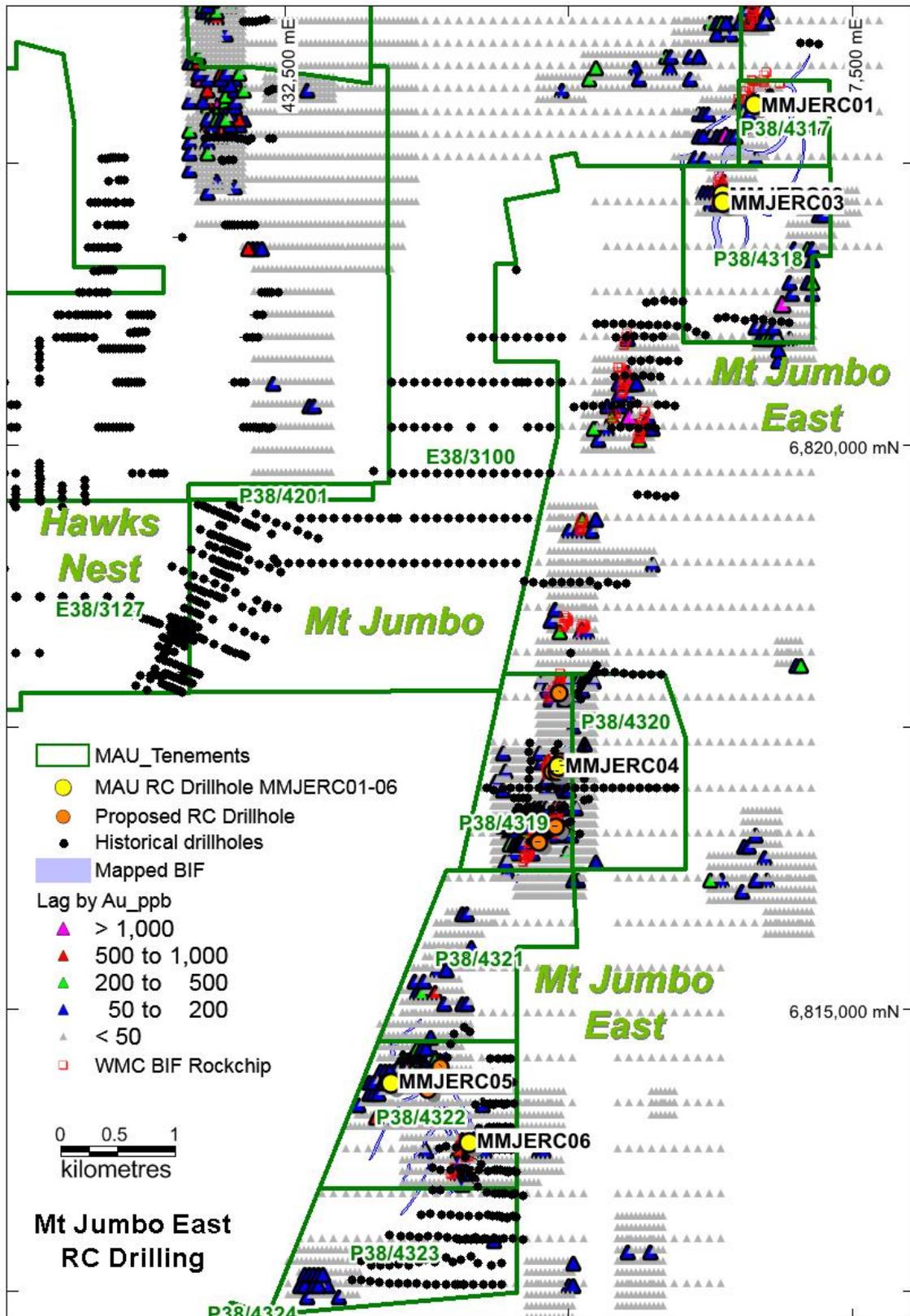


Figure 6. Mt Jumbo East P38/4317–4324 RC drilling September 2018

The maiden drill programme in the September 2018 quarter consisted of 6 RC drillholes for 544m (MMJERC01–06) targeting shallow easterly dipping banded iron-formations with anomalous historical lag (0.2–6.5g/t Au) and rock chip (1–7.2g/t Au) results (WMC). Results are shown in Table 7 and Figures 7–10.

Early results are promising after 4m composites were taken for all holes showing anomalous gold in:

- hole MMJERC04 of 4m @ 4g/t from 16m targeting an anomalous 3.6g/t Au rock chip sample and 220–320ppb Au lag geochemical samples (Figures 6–8);
- hole MMJERC03 of 8m @ 0.4g/t from 8m targeting 1750ppb Au and 2300ppb Au rock chips (Figures 6, 9,10);
- hole MMJERC05 of 4m @ 0.12g/t from surface targeting 6500ppb Au and 480ppb Au in lag (Figure 6).

Table 7. Mt Jumbo East Drill Intercepts >0.1g/t Au

Hole_Id	From m	To m	Width m	Au (FA50AAS) ppm
MMJERC02	0	4	4	0.192
MMJERC03	8	12	4	0.401
MMJERC03	12	16	4	0.399
MMJERC03	24	28	4	0.187
MMJERC03	28	32	4	0.165
MMJERC04	16	20	4	4.013
MMJERC04	20	24	4	0.310
MMJERC04	28	32	4	0.111
MMJERC05	0	4	4	0.119

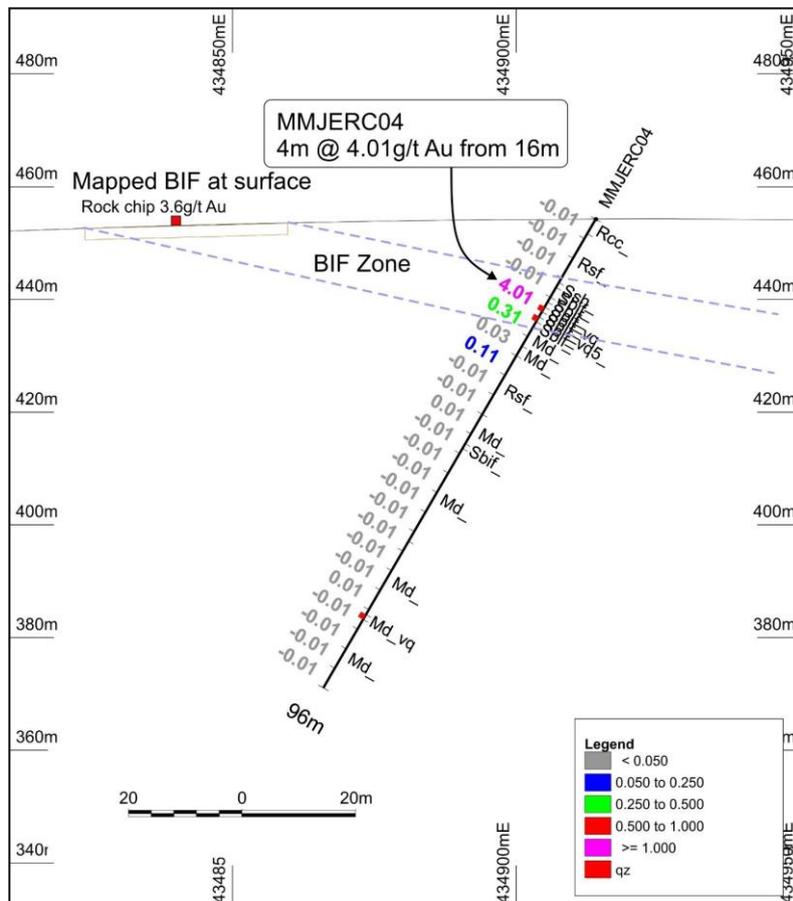


Figure 7. Mt Jumbo East drillhole MMJERC04 Cross Section

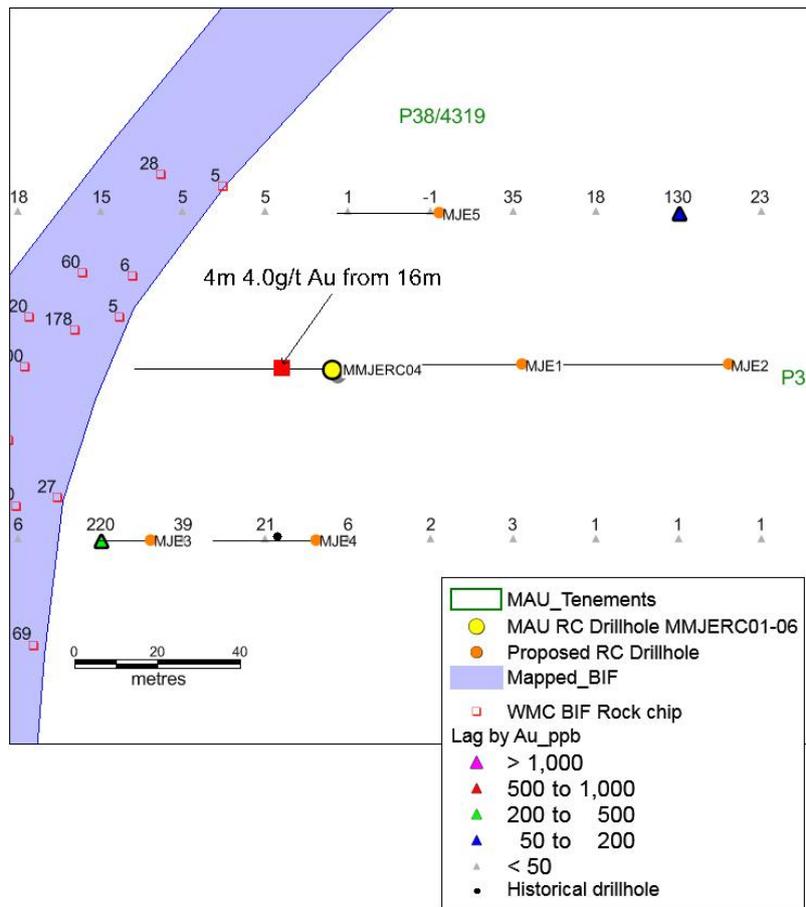


Figure 8. Mt Jumbo East drillhole MMJERC04 plan

These results are considered significant due to the strong alteration and associated anomalous gold in a favourable shallow east-dipping altered BIF sequence. Check assaying of the relevant 1m samples is in progress.

Historical exploration and drilling on the ground has identified three areas of gold mineralisation termed No Name, Horseshoe Pass and Saddle. These prospects also comprise quartz-veined and sulfidic BIF in areas of cross faulting and structural complexity. Significant historical drill intersections at No Name include 10m @ 1.2g/t Au from 10m in hole MJC04, 8m @ 2.0g/t Au from 36m in hole MJC03 and 3m @ 10.9g/t Au from 13m in hole MJC09.

The significant intersection in MMJERC04 of 4m @ 4g/t from 16m is approximately 600m north in the same BIF horizon with these intersections within the No Name prospect, creating significant exploration potential.

The BIF sequence covered by the tenements is the same sequence which hosts the old Gladiator, Gladiator South and Morrissey's open pits situated some 10km to the north. This sequence is interpreted to host the 2Moz Lancefield deposit about 18km north of Mt Jumbo East. The southern part of the tenements is just 5km along trend from the +7Moz Wallaby gold mine and about 10km NW of the +2Moz Granny Smith mine, highlighting the prospectively of this area. A number of circular magnetic lows have been identified adjacent to the BIF sequence which are interpreted to be granite intrusions, indicating potential for Granny Smith – Windich style gold mineralisation in both BIF and granite.

These new intersections highlight the potential of the 8km-long Mt Jumbo East BIF sequence, which starts only 4km north of the 7Moz Wallaby Mine. A Further 12 RC holes totalling 705m are being planned to step out and test the down-dip extensions of the recent intersections and also to test several other areas targeted, using historical geochemical and drilling data.

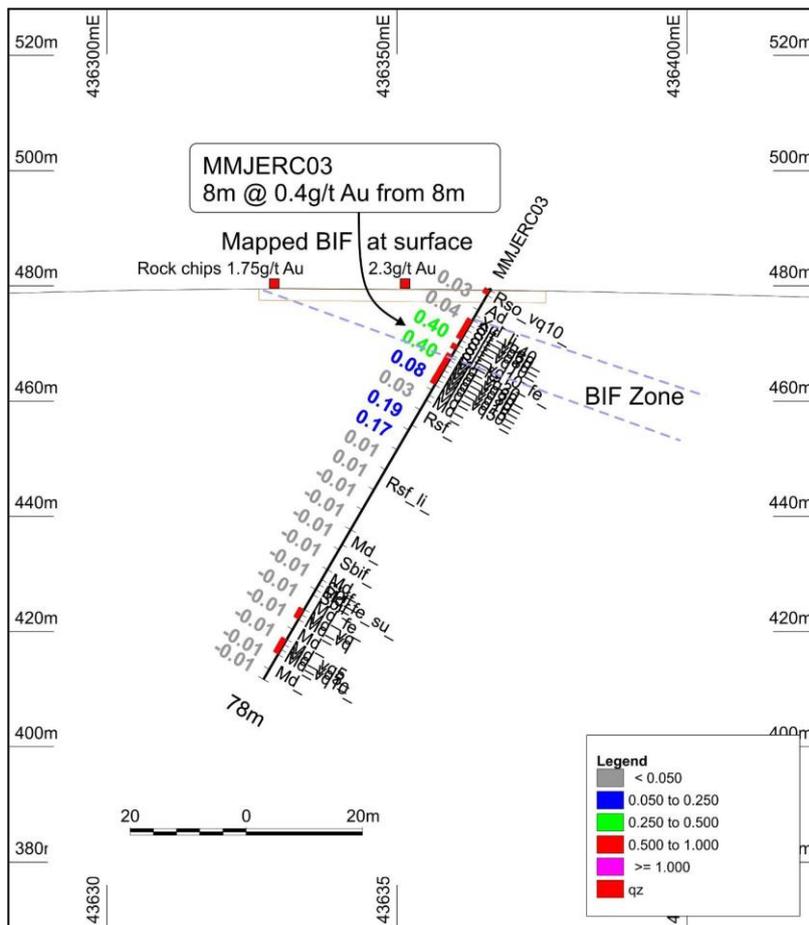


Figure 9. Mt Jumbo East MMJERC03 Cross Section

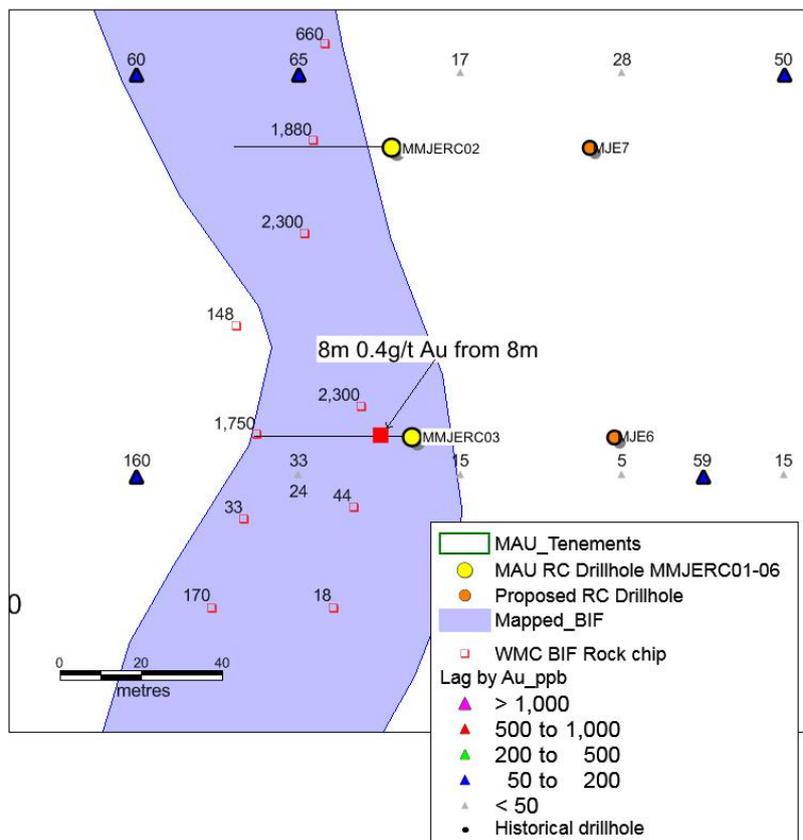


Figure 10. Mt Jumbo East MMJERC03 plan

Leonora region

Mertondale E37/1258

Magnetic Resources has 180km² of tenements in the Mertondale region (Figure 11), which has numerous dilation targets at changes in orientation of the Mertondale shear and parallel shears.

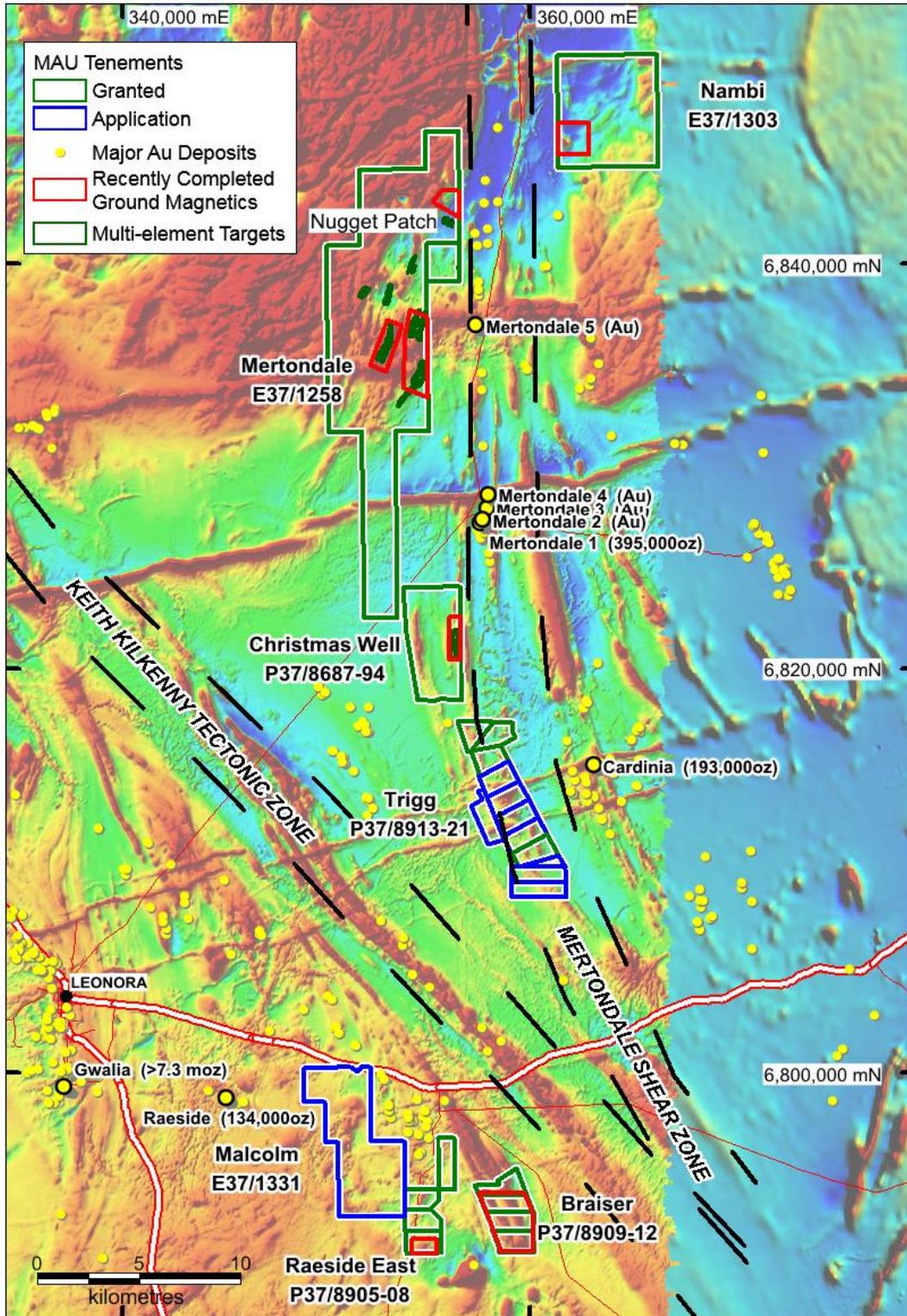


Figure 11. Mertondale, Mertondale East, Christmas Well, Trigg, Raeside, Raeside East, Braiser and Nambi Projects, showing major shear zones, targets and gold deposits and historic workings

Around 8.4km of multi-element geochemical targets (Figure 12) have been delineated after below hardpan shallow RAB drilling comprising 834 holes totaling 3242m was completed, approximately 20km NW of the Cardinia Gold Project (193,000oz) and only 5km west of the Mertondale Deposit (395,000oz). Previous soil geochemical work was too shallow to be effective. The 8.4km of anomalous multi-element anomalies were followed up with 65 RAB holes for 2070m during the September quarter. Assays were unencouraging and future work will focus on the Nugget Patch area to the northeast, including the 1km long copper geochemical anomaly.

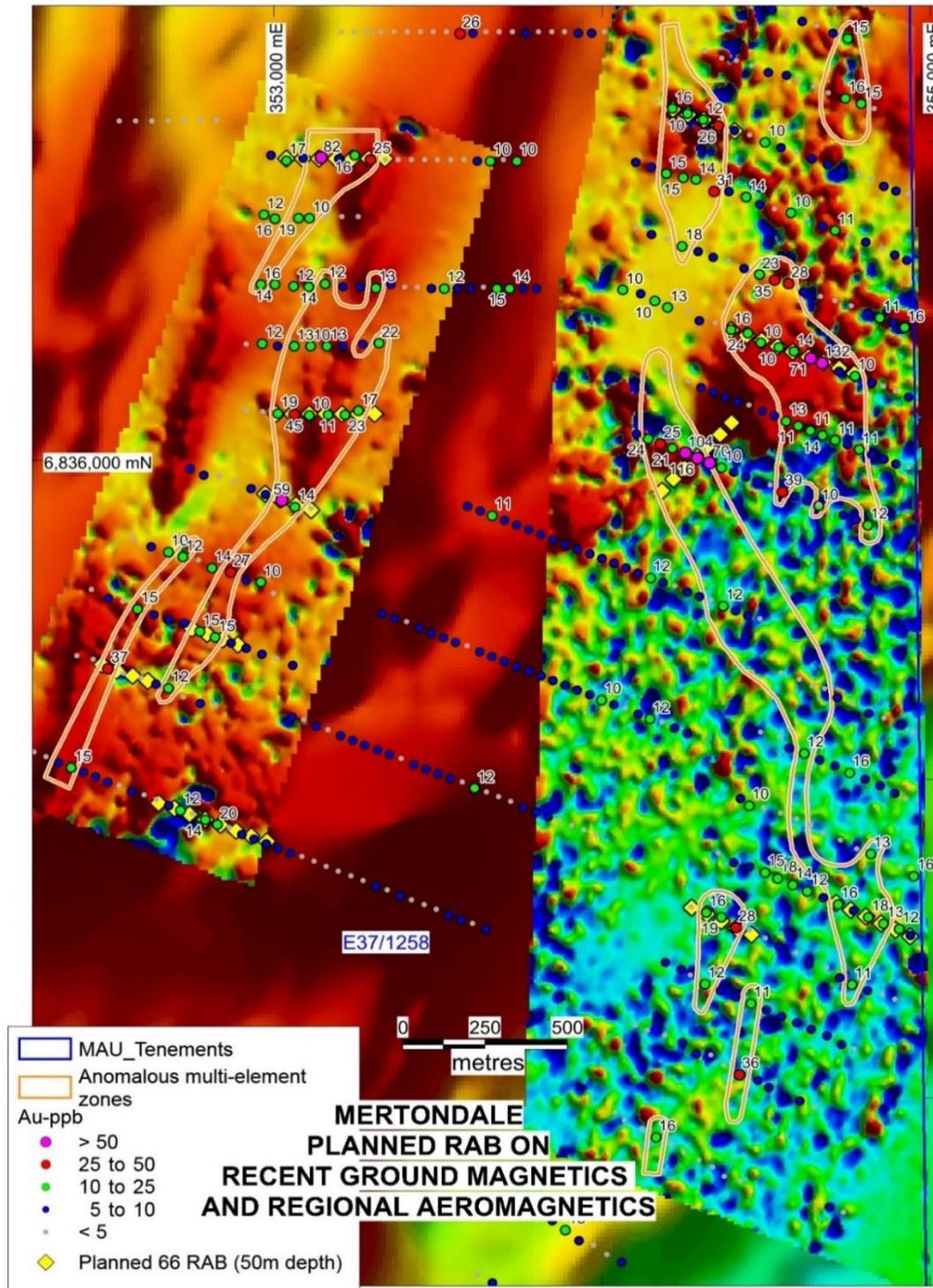


Figure 12. Multi-element geochemical anomalies superimposed on ground magnetics, completed shallow RAB drillholes and planned deeper RAB drillholes

Christmas Well P37/8687–8694

Ground magnetic surveys and shallow RAB drilling at the Christmas Well project (P37/8687–8694; Figure 13), 5km south of the Mertondale gold deposits and 10km NW of Kin Mining’s Cardinia project in the Leonora district, delineated a significant 1.8km-long anomalous below-hardpan multi-element geochemical target, with gold values up to 194ppb and 39.7g/t (39,730ppb) centred on the historical Triumvirate workings.

In the September 2018 quarter 60 RAB holes for 1987m (MCWRB01–56) and one RC hole for 120m (MCWRC01) were drilled at Christmas Well (Table 8 and Figure 14).

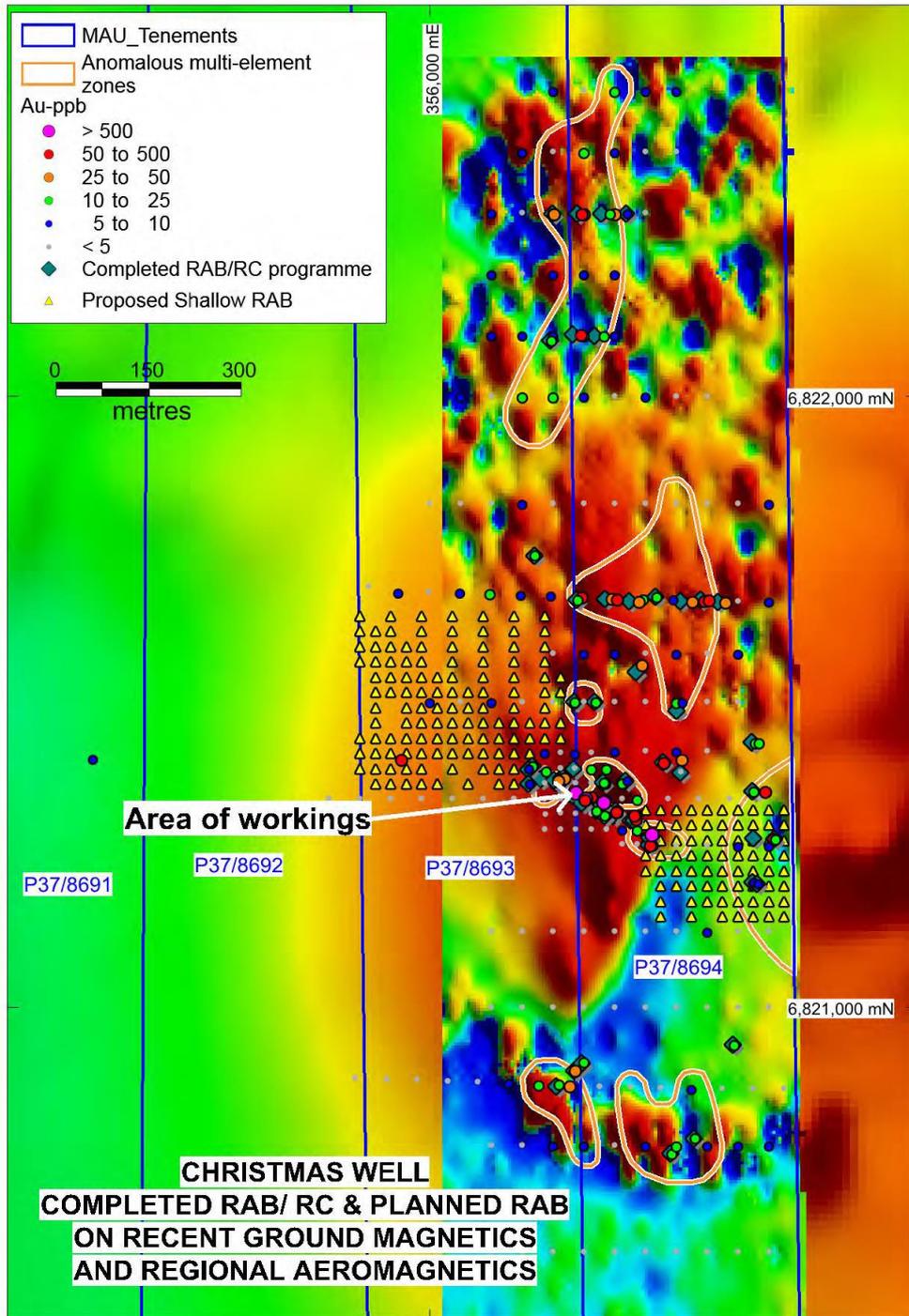


Figure 13. Christmas Well Maximum Gold projected to Surface and planned RAB over Detailed Ground and Aeromagnetics

Preliminary results of some of this drilling were released in the MAU ASX release 3 August 2018. Significant intersections are shown in Figure 14 and summarised in Table 8 and reported in the MAU ASX Release of 10 October 2018.

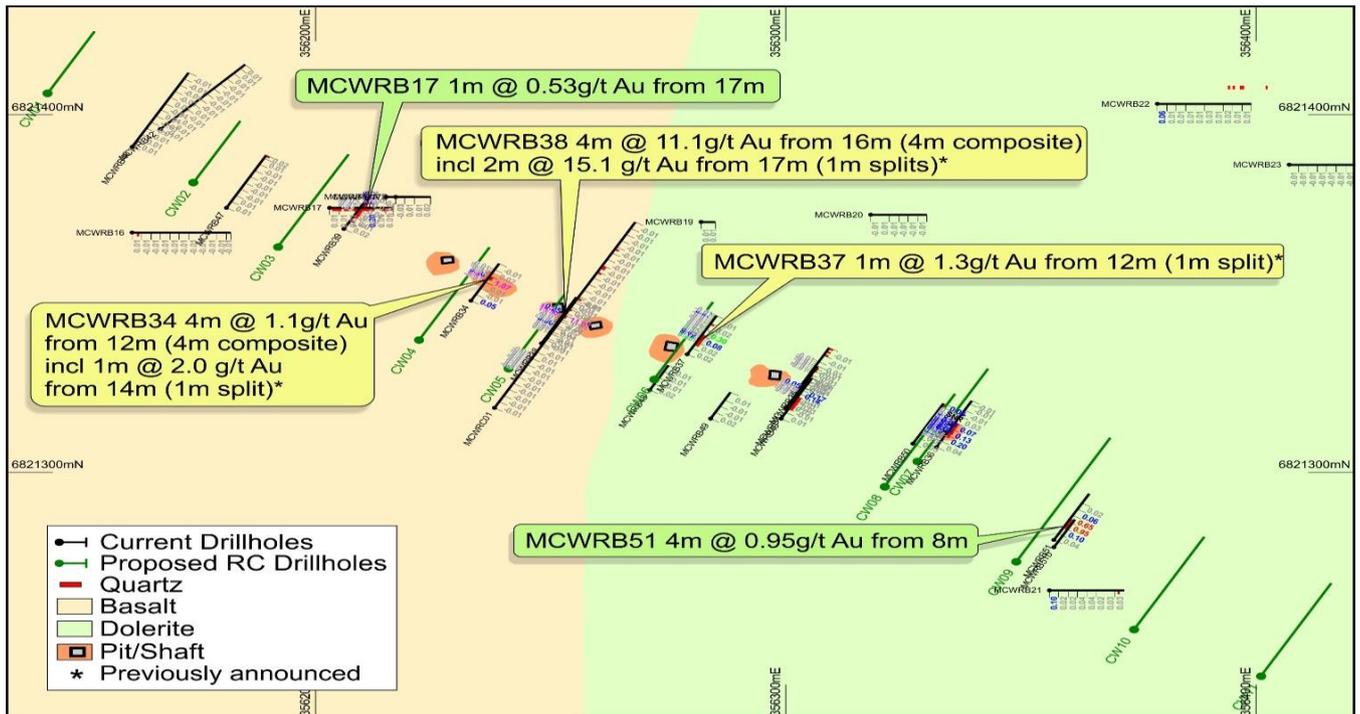


Figure 14. Christmas Well RAB drilling showing 4m composite and 1m split gold results and proposed RC drilling.

Table 8. Triumvirate RAB Intercepts >0.5g/t Gold

Hole_Id	From_metres	To_metres	Width-m	Au_ppm
MCWRB17	17	18	1	0.53
MCWRB34	12	16	4	1.066
MCWRB34	14	15	1	2.011
MCWRB37	12	13	1	1.344
MCWRB38	16	20	4	11.067
MCWRB38	17	18	1	15.506
MCWRB38	18	19	1	14.79
MCWRB51	8	12	4	0.946
CWRB51	12	16	4	0.649

The scout RAB drilling confirmed quartz vein-hosted mineralisation over a 180m strike length at Triumvirate, with a best intercept of 4m at 11.1g/t from 16m (4m composite) including 2m @ 15.1g/t Au from 17m in drillhole MCWRB38. The quartz veining is interpreted to be sub-vertical, indicating true widths to be around 50–60% of intersected widths. The most eastern hole drilled, MCWRB51, intersected 8m at 1g/t Au from 8m and two extra drillholes are designed to test for further extension to the SE. A change in orientation of the vein system is shown up at hole MCWRB51 and may represent a potential dilational position favourable for gold. The mineralisation remains open along strike to the SE and possibly to the NW.

Further shallow geochemical drilling (194 holes totalling 776m), through hardpan cover at Triumvirate is proposed, with the aim of testing possible strike extensions to the SE and NW and

to look for possible parallel zones (Figure 13). In addition, follow-up RC drilling (11 holes totalling 620m) is being planned to test down-dip of the shallow RAB intercepts and to test immediate strike extensions (Figure 14). Further ground magnetic surveys totalling 270-line km are planned over the remainder of the Christmas Well tenements looking for prospective cross-cutting parallel NW structures like the Triumvirate workings.

The remainder of the RAB holes in this programme tested a series of gold and multi-element anomalies, and intersected a sequence of mafic, ultramafic and felsic rocks with minor sediments. No significant gold mineralisation was detected.

Raeside East P37/8905–8908

In the September quarter RAB drilling was carried out at the Raeside East project (P37/8905–8908) after a ground magnetic survey on P37/8908. A total of 85 holes were drilled for 627m (MRDRB01–103) as shown in Figure 15. In future drilling a larger drilling rig is required to penetrate extensive near surface clays.

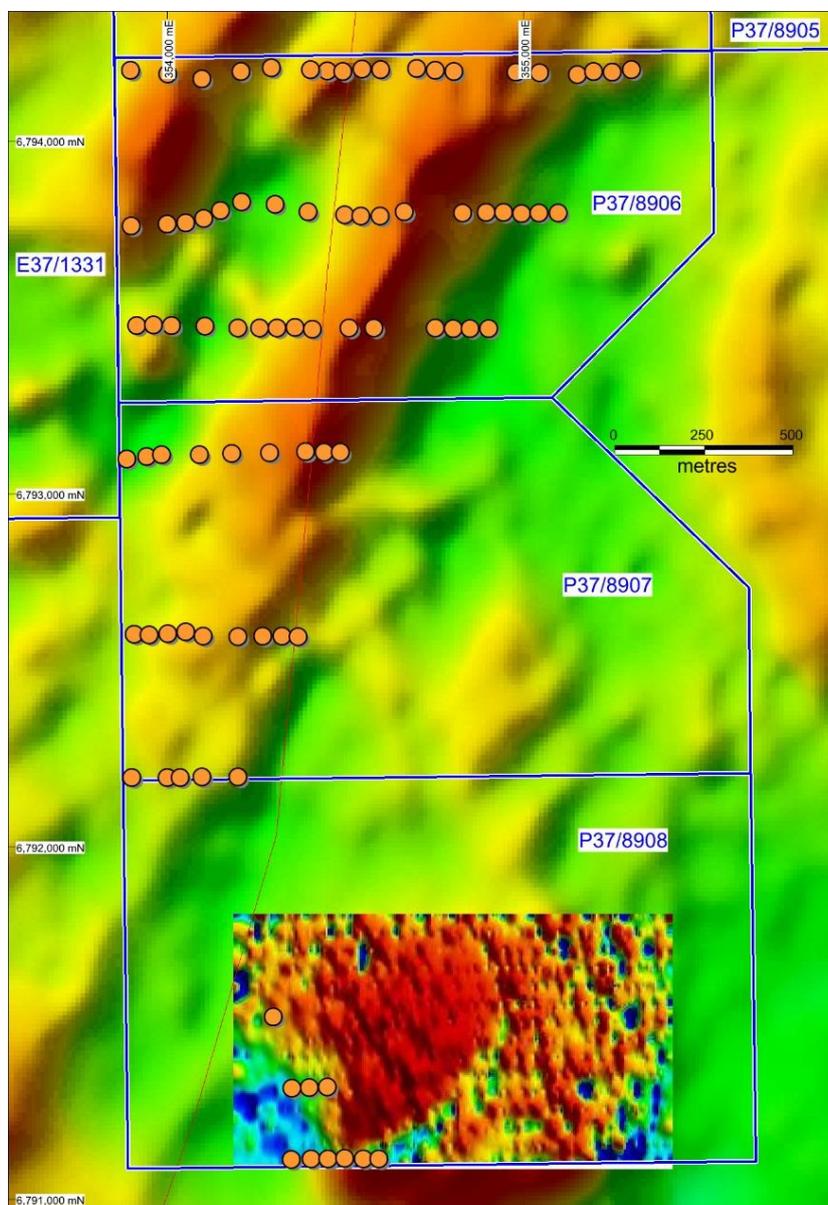


Figure 15. Raeside East P37/8905–8908 RAB drilling September 2018

Braiser P37/8909–8912

In the September quarter a ground magnetic survey comprising 127-line km at 50m spacings was conducted on the Braiser tenements (P37/8909–8912) just east of Raeside East. The image is shown in Figure 16. Shallow drilling is being planned.

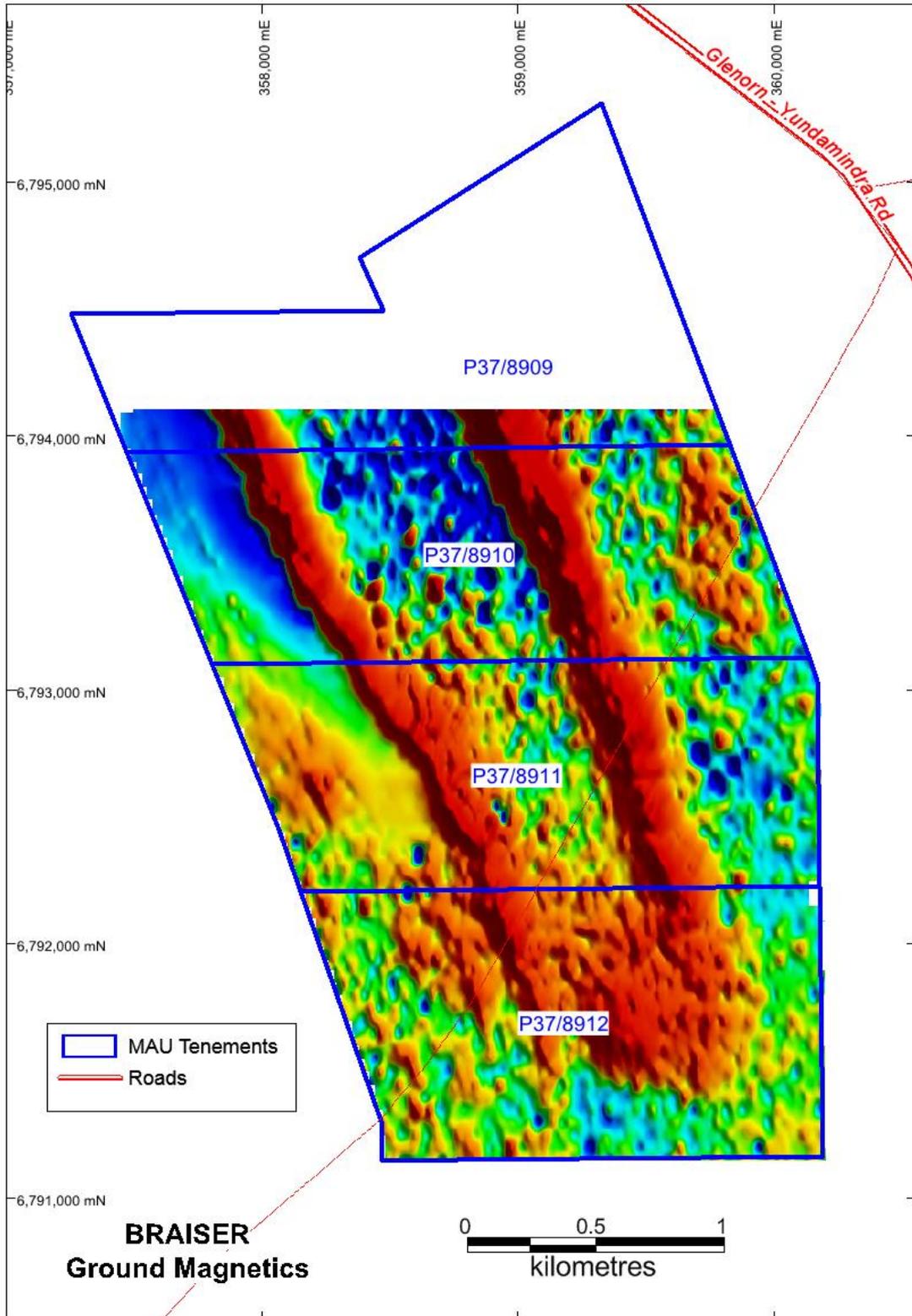


Figure 16. Braiser P37/8909–8912 ground magnetic survey September 2018

Kowtah P39/5594–5597, P39/5517

In the September quarter a ground magnetic survey comprising 74 line km at 50m spacings was conducted on the Kowtah tenements (P39/5594–5597, P39/5517) between Leonora and Laverton. The image is shown in Figure 17. Shallow drilling is being planned.

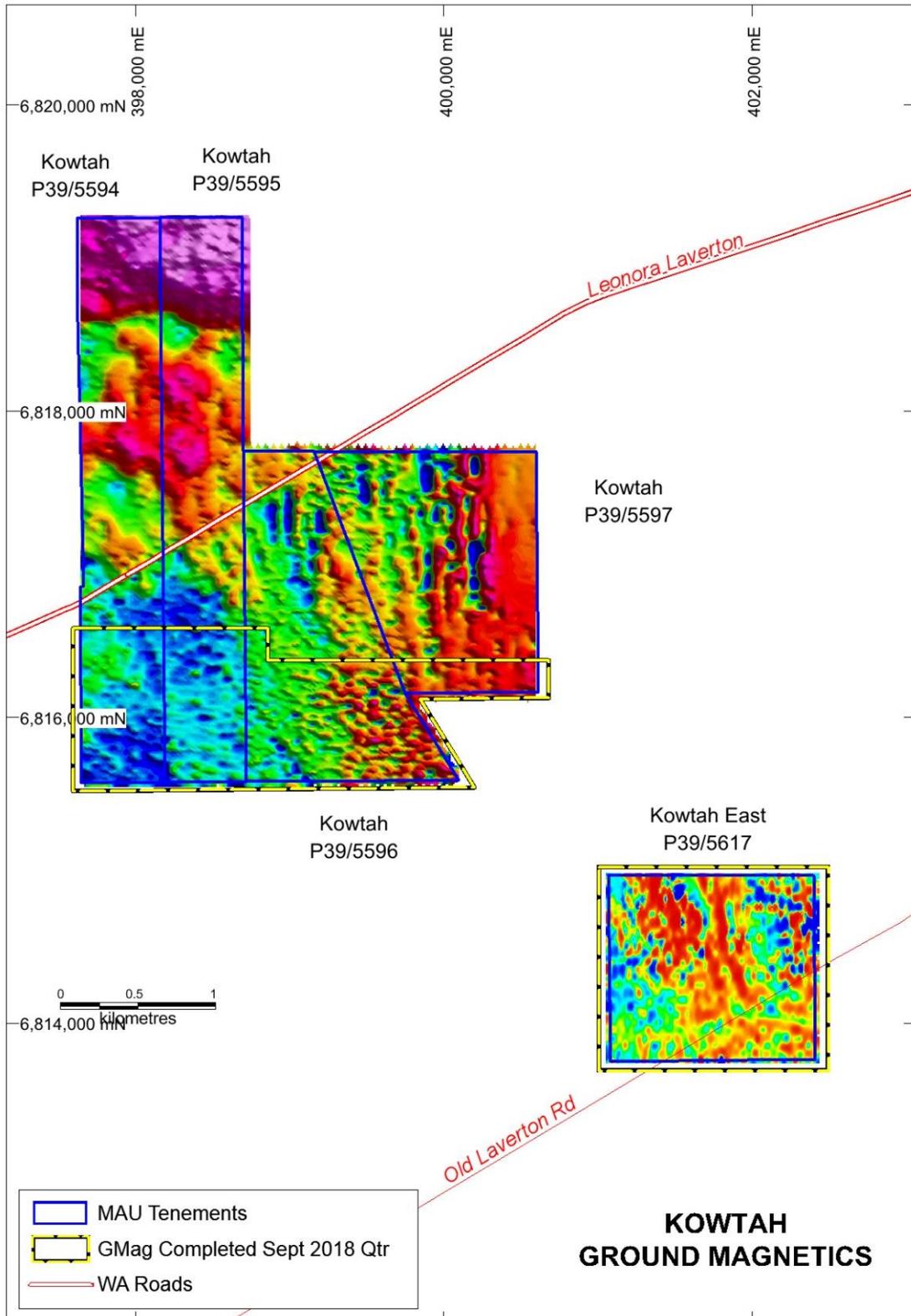


Figure 17. Kowtah P39/5594–5597 & P39/5517 ground magnetic survey September 2018

Other Projects

The Company is actively reviewing other projects and tenements for acquisition and development within the Leonora–Laverton region.

Iron Ore

The Company has an agreement signed with Northam Iron Pty Ltd regarding the sale of the Company's iron ore assets, with the agreement providing for further payments totalling \$1,000,000 and a sliding scale royalty with payments starting at \$0.25/t for a sale price of \$80.00/t or less, and thereafter, for every increase in the sale price of \$10.00/t the royalty rate will increase by \$0.25/t.

Corporate

On 30 July 2018, the Company announced a placement at \$0.12 per share to raise approximately \$4.6M for ongoing working capital and to predominately fund drilling at the Company's Hawk's Nest, Mt Jumbo East, Mertondale and Christmas Well projects. The shares were issued on 8 August 2018. A total of 33,365,425 shares were to be issued.

During the quarter, numerous investor presentations and roadshows were also undertaken in Singapore and Australia wide.

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

George Sakalidis
Managing Director
Phone (08) 9226 1777
Mobile 0411640 337
Email gsakalidis@magres.com.au

Competent Person's Statement

Information in this report that relates to Exploration is based on information reviewed or compiled 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. He 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 2012 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.

Note:

Where historical exploration results are mentioned, the Company's Competent Person has examined these historical results and confirms that no additional work has been carried out to change the reporting of those results other than as disclosed in this announcement.

Tenement Schedule in accordance with ASX Listing Rule 5.3.3

Tenements held at the end of the Quarter

Location	Tenement	Nature of Interest	Project	Equity (%) held at start of Quarter	Equity (%) held at end of Quarter
WA	E70/3536	Granted	JUBUK	-	Royalty Retained
WA	E70/4243	Granted	RAGGED ROCK	-	Royalty Retained
WA	E70/4508	Granted	KAURING	-	Royalty Retained
WA	E70/4528	Granted	KAURING	-	Royalty Retained
WA	E70/4692	Granted	MT JOY	-	Royalty Retained
WA	E38/3100	Granted	MT JUMBO	100%	100%
WA	P39/5594	Granted	KOWTAH	100%	100%
WA	P39/5595	Granted	KOWTAH	100%	100%
WA	P39/5596	Granted	KOWTAH	100%	100%
WA	P39/5597	Granted	KOWTAH	100%	100%
WA	P38/4201	Granted	MT JUMBO	100%	100%
WA	E37/1258	Granted	MERTONDALE	100%	100%
WA	P37/8687	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8688	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8689	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8690	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8691	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8692	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8693	Granted	CHRISTMAS WELL	100%	100%
WA	P37/8694	Granted	CHRISTMAS WELL	100%	100%
WA	P39/5617	Granted	KOWTAH EAST	100%	100%
WA	E38/3127	Granted	HAWKS NEST	100%	100%
WA	P38/4317	Granted	MT JUMBO EAST	100%	100%
WA	P38/4318	Granted	MT JUMBO EAST	100%	100%
WA	P38/4319	Granted	MT JUMBO EAST	100%	100%
WA	P38/4320	Granted	MT JUMBO EAST	100%	100%
WA	P38/4321	Granted	MT JUMBO EAST	100%	100%
WA	P38/4322	Granted	MT JUMBO EAST	100%	100%
WA	P38/4323	Granted	MT JUMBO EAST	100%	100%
WA	P38/4324	Granted	MT JUMBO EAST	100%	100%
WA	E38/3205	Granted	HAWKS NEST EAST	100%	100%
WA	E38/3209	Granted	MT AJAX	100%	100%
WA	E37/1303	Granted	NAMBI	100%	100%
WA	P37/8905	Granted	RAESIDE EAST	100%	100%
WA	P37/8906	Granted	RAESIDE EAST	100%	100%
WA	P37/8907	Granted	RAESIDE EAST	100%	100%
WA	P37/8908	Granted	RAESIDE EAST	100%	100%
WA	P37/8909	Granted	BRAISER	100%	100%
WA	P37/8910	Granted	BRAISER	100%	100%
WA	P37/8911	Granted	BRAISER	100%	100%
WA	P37/8912	Granted	BRAISER	100%	100%
WA	P37/8913	Granted	TRIGG	100%	100%
WA	P37/8914	Granted	TRIGG	100%	100%

WA	P37/8915	Granted	TRIGG	100%	100%
WA	P37/8916	Application	TRIGG	100%	100% Pending Grant
WA	P37/8917	Application	TRIGG	100%	100% Pending Grant
WA	P37/8918	Application	TRIGG	100%	100% Pending Grant
WA	P37/8919	Application	TRIGG	100%	100% Pending Grant
WA	P37/8920	Application	TRIGG	100%	100% Pending Grant
WA	P37/8921	Granted	TRIGG	100%	100%
WA	P37/9044	Application	CARDINIA	-	100% Pending Grant
WA	P37/9045	Application	CARDINIA	-	100% Pending Grant
WA	P37/9046	Application	CARDINIA	-	100% Pending Grant
WA	E37/1331	Application	MALCOLM	-	100% Pending Grant
WA	E37/1177	Granted	MERTONDALE	100%	100%
WA	E53/1981	Application	YELMA	-	100% Pending Grant
WA	P37/9204	Application	MALCOLM	-	100% Pending Grant
WA	P37/9205	Application	MALCOLM	-	100% Pending Grant
WA	P37/9206	Application	MALCOLM	-	100% Pending Grant
WA	P37/9207	Application	MALCOLM	-	100% Pending Grant

Mining Tenements acquired during the Quarter

WA	P37/9204	Application	MALCOLM	-	100% Pending Grant
WA	P37/9205	Application	MALCOLM	-	100% Pending Grant
WA	P37/9206	Application	MALCOLM	-	100% Pending Grant
WA	P37/9207	Application	MALCOLM	-	100% Pending Grant

Mining Tenements disposed during the Quarter

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