

20KM OF THICKENED PORPHYRY UNITS OUTLINED BY GROUND MAGNETIC INTERPRETATION AT HAWKS NEST 9

An extensive interpretation of a detailed 50m spaced 124-line km ground magnetic survey covering HN9 has defined 20km of subsurface porphyry units shown in pink in Figure 1. Within the 3km long mineralised gold zone envelope shown in yellow in Figure 1 there are 6km of interpreted porphyry units shown in pink. The area that has the most thickened gold mineralised porphyry, which are up to 70m thick in the southern part of the 3km mineralised zone have a distinct magnetic low signature. **These negative magnetic zones are effectively outlining the subsurface thickened porphyries some of which are expected to be mineralised and are high priority targets.** It can also be assumed that the areas within the 3km long gold zone envelope have only been partially tested as the drilling was testing the near surface shallowly dipping porphyries within the first 50m and more than likely have missed other potential thickened porphyries, which can be found down to at least 100m depth.

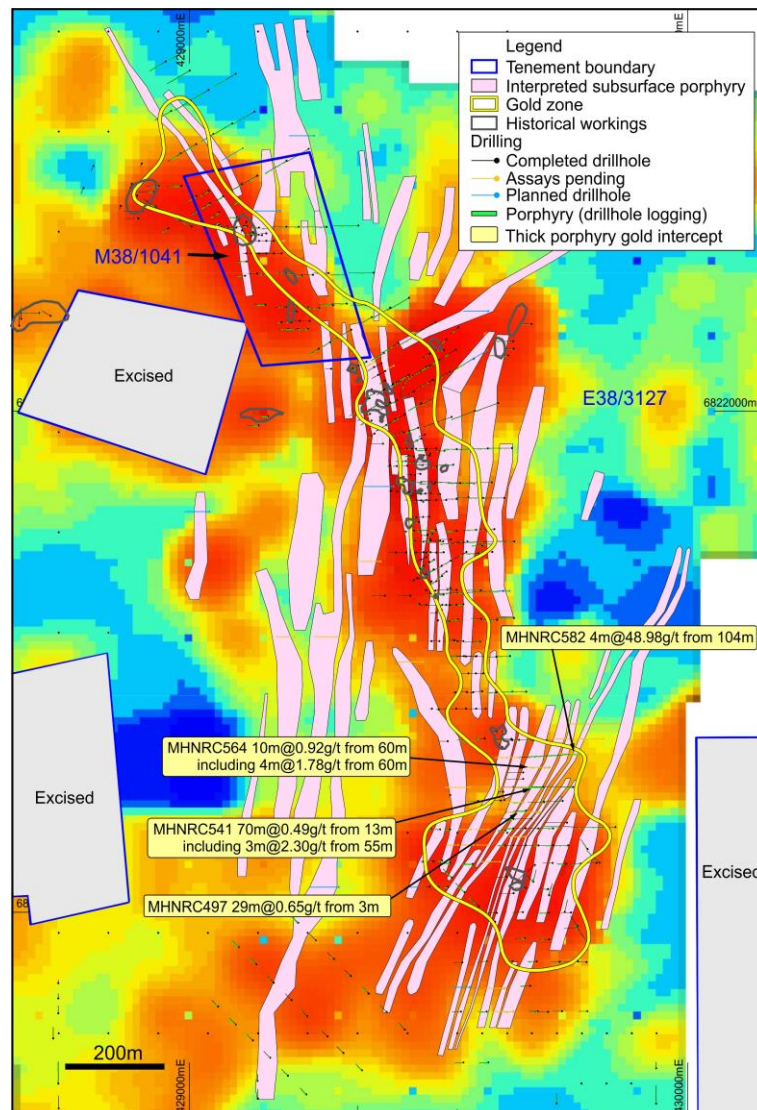


Figure 1 Three kilometre gold zone outlined in yellow, interpreted porphyries in pink, with thickened drilled porphyries labelled and overlaid on anomalous gold soil geochemistry image.

A deeper drill programme of 17 holes totaling 1460m (averaging 85m) is designed to outline and define the strike extent, thickness and width of the thickened porphyry mineralised area where 12 NE trending interpreted porphyry units are located. Within this zone some of the thickened intercepts include 20m at 0.67g/t from 52m in MHNRC582 and 16m at 12.46g/t from 96m in MHNRC582, 28m at 0.645g/t from 4m in hole MHNRC497, 57m at 0.5g/t from 13m and 32m at 0.68g/t from 51m in MHNRC541, 14m at 0.7 g/t from 25m in MHNRC179 (Figure 1). These thickened mineralised intersections correlate with three of the twelve interpreted units shown in pink.

Note in addition there are 14km in strike length of interpreted porphyries outside the 3km long gold zone, which only contains 6km of interpreted porphyries. A number of these are planned for drill testing and the drill traces are shown in blue and brown on Figure 1. Some of these interpreted porphyries are within anomalous soil geochemical areas and have not been previously drill tested. There are 24 holes totaling 1870m (averaging 78m) designed to ascertain the nature and potential extent of any gold mineralisation outside the known gold areas within these interpreted porphyries and their mafic contacts.

The 50m spaced 124-line km detailed ground magnetic survey that covers HN9 is being extended mainly to the east and will cover the Lady Julie area where an addition 230-line km survey is planned shortly, looking for subsurface porphyries especially over areas that already have porphyry units drilled recently within the northern part of the Lady Julie area (ASX Release 23 January 2020, “Lady Julie has promising shallow gold results over 1.3km”). Also, an additional 200 soil samples will be taken in areas where previous sampling was too widely spaced in areas where porphyry units have been interpreted outside the 3km gold mineralised zone.

In the southern part of HN9 there is a distinct bend in the 3km long shear zone from SSE to SSW and there is a considerable thickening of the mineralised zone within an altered silicified porphyry. This thickened porphyry is so far delineated over a 400m strike length, is open and plunges shallowly to the NNE, and dramatically thickens from commonly 2-5m up to 10-70m (Figure 1). This newly identified thickened silicified porphyry crosscuts the NNW-trending near-surface flat-dipping mineralisation and may represent a blowout zone at the intersection of the NNW shear zone with NE trending porphyries and dolerites, where two separate porphyry shallow dipping zones coalesce and thicken (Figure 2). Also, further investigation of the extension to the 3km shear is being investigated to the north and south examining existing geology and ground magnetics carried out in these areas.

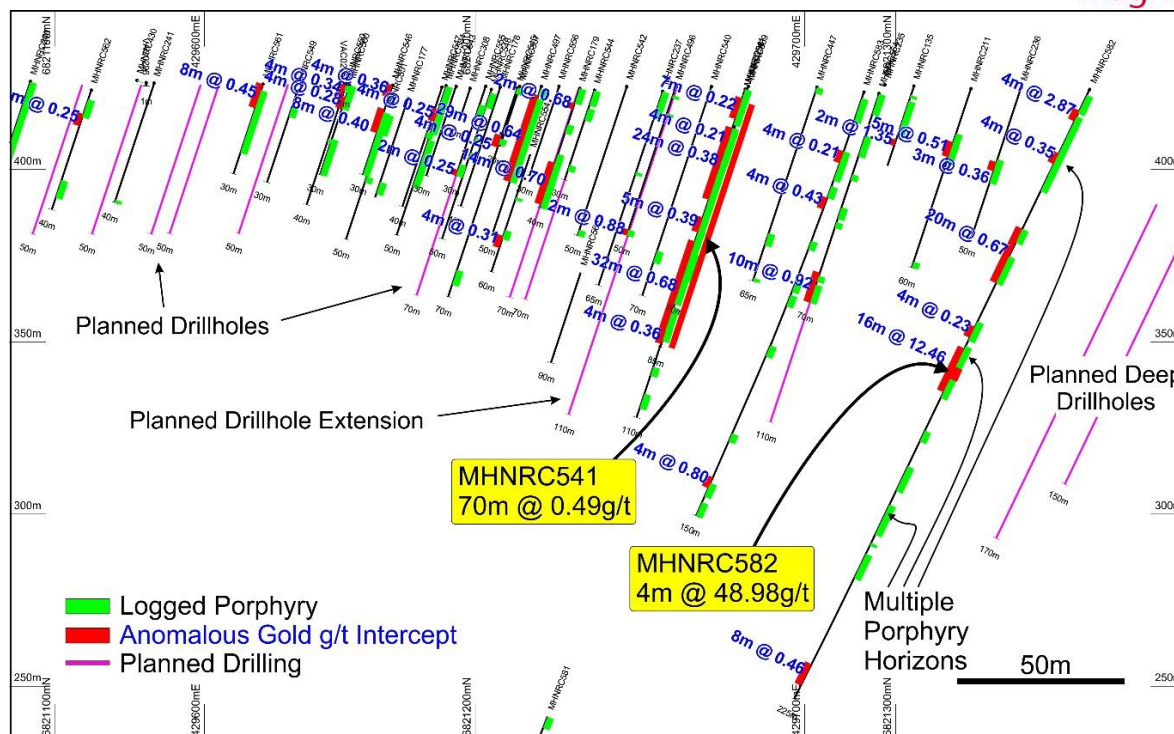


Figure 2 Thickened porphyry zone with upper and lower mineralised porphyries coalescing and thickening showing 70m at 0.49g/t in MHNRC541 from 13m and 4m at 49g/t from 104m IN MHNRC582.

RC hole MHNRC582 was designed to test for the down plunge continuity of our thickened gold rich porphyry within MHNRC541 which intersected 70m at 0.49g/t from 13m. The intersection of 4m at 49g/t from 108m within MHNRC582 is an exceptional high-grade result and is being further investigated with an additional 17 holes totaling 1460m (Figures 1). This hole also had some thicker intersections including 20m at 0.67g/t from 52m and 16m at 12.5g/t from 96m which included 4m at 49g/t from 104m. MHNRC582 is the last hole on the long section and augers well for the continuation of the thickened porphyry zone mineralisation further to the NE where 3 deeper holes have been recently drilled.

There are many new shallow intersections (ASX Release 17th January 2020, "Multiple Silicified Porphyry Horizons from Deep Drilling and 57m Mineralised Feeder Zone at HN9) with a total of 351 intersections (ranging from 1 to 9m) greater than 0.5g/t Au, which includes 162 greater than 1g/t Au, 57 greater than 2g/t Au, 27 greater than 3g/t Au and 21 greater than 4g/t Au. It should be noted that most of the intersections are very shallow and within the first 50m of the surface and are within the yellow outline of the 3km gold zone shown on Figure 1. There are now three discernable mineralised zones recognised that mostly dip shallowly around 20-30° to the east within the sheared porphyry and sheared mafic/porphyry contacts. Previously there was only one mineralised zone recognised.

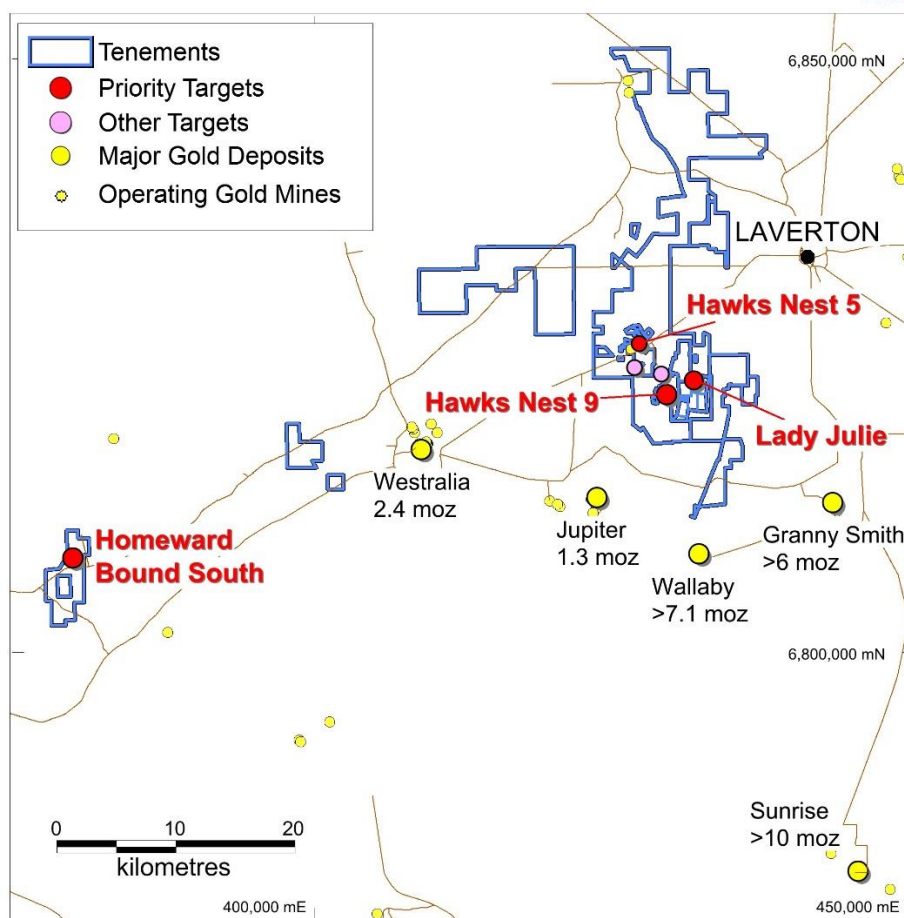


Figure 3 Location Map showing Hawks Nest 9 and Lady Julie Projects.

The newly discovered multiple shallow dipping extensive zones at HN9 are a potential indicator for deeper mineralisation because all the numerous nearby large deposits in the region including Wallaby (7Moz), Sunrise Dam (10Moz) and Jupiter (1.3Moz) have persistent internal shallow-dipping mineralised lodes that are often called shear zones, which are ubiquitous throughout these deposits and have been defined down to 1500m depth at the Wallaby deposit (Figure 3). In addition, many discoveries in recent times have been made by drilling below 100m because the historical drilling was far too shallow. At HN9 the average hole depth is only 46m providing tremendous scope for upside potential. In addition, the length of our 3km mineralised shear zone is like the length of the large Jupiter, Wallaby and Sunrise Dam Deposits.

Managing Director George Sakalidis commented: “With the Australian gold price at record levels of \$2,518 the HN9 Project being only 15km NW of the Granny Smith Operations owned by Gold Fields Australia Pty Ltd and only 10km NE of the Jupiter Operations owned by Dacian Gold Ltd at Laverton, WA. (Figure 3), is shaping up and has potential for a large-scale shallow deposit. This significant 3km mineralised zone is so far defined by 465 RC holes totaling 20,484m is coherent and is not closed off to the north or south or at depth and a new thickened mineralised porphyry zone is also open in both directions and is being drill tested over a 500m length.

The discovery of a thick mineralised porphyry zone up to 70m thick and an outstanding intersection of 16m at 12.5g/t from 96m including 4m at 49g/t from 104m in MHNRC582 augers well for the potential NE extension of this thickened mineralised zone to the NE.



Importantly the recognition that the ground magnetics uniquely defines the thickened mineralised porphyry down to at least 100m depth is a fantastic tool to find other similar zones both within the existing 3km mineralised zone and outside this zone where there are respectively 6km and 14km of subsurface porphyry targets interpreted which are currently being investigated with 41 holes totaling 3,330m. Also extending the ground magnetic survey over the Lady Julie area will allow the subsurface mapping in areas where there is known mineralised porphyry intersections closer to surface.”

This announcement has been authorised for release by Managing Director George Sakalidis. 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 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. George Sakalidis 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.

The Information in this report that relates to:

1. Promising 200m wide 0.7g/t soil geochemistry associated with extensive 1km long NS porphyries at newly named Hawks Nest 9. MAU ASX Release 15 October 2018.
2. 1.1km NNW Mineralised Gold Intersections at HN9. MAU ASX Release 7 November 2018.
3. Surface drilled Mineralisation extends to significant 1.5km at HN9. MAU Release 20 November 2018
4. Hawks Nest Delivers with 8m@4.2g/t Gold from 4m MAU Release 29 January 2018
5. Robust Near Surface High-grade Zone of 7m @ 4.5g/t Gold from 5m from 1m splits. MAU Release 5 March 2018
6. Hawks Nest Geochemical Survey Outlines Potential Extensions to the Prospective 7m @ 4.5g/t Gold Intersected. MAU Release 20 March 2018
7. An 865m RC drilling programme started testing promising 7m at 4.5g/t gold and eight separate anomalous soil geochemical targets at HN5. MAU Release 10 May 2018
8. Large Gold Mineralised Shear Zone Greater Than 250m at Hawks Nest 5. MAU Release 9 June 2018
9. Gold Geochemical Target Zone Grows to Significant 2km in Length at HN9. MAU Release 7 January 2019
10. Significant 2km Gold Target is open to the East on 83% of the 24 Lines Drilled at HN9. MAU Release 4 February 2019.
11. Significant 2.1km Gold Target Still open to North, South, East and at Depth. MAU Release 25 March 2019
12. Gold Target Enlarged By 47% to Significant 3.1km and is still open to the North, East and at Depth. MAU Release 22 May 2019
13. HN9 Prospective Zone Enlarged by 170% with Lady Julie Tenements. MAU Release 24 June 2019.
14. 200m-Wide Gold Zone Open to The Northeast and Very Extensive Surface Gold Mineralisation Confirmed at HN9 Laverton. MAU Release 27 June 2019
15. 200m Wide Gold Zone Open to the North and New 800m Anomalous Gold Zone defined at HN9 Laverton. MAU Release 4 September 2019
16. Highest Grades Outlined at HN9 and are being Followed Up and Lady Julie Shallow Drilling Commencing Shortly. MAU Release 14 October 2019
17. Central Part of HN9 Shows Significant Thickening of The Mineralised Zone to 28m. MAU Release 28 November 2019
18. Multiple Silicified Porphyry Horizons from Deep Drilling and 57m Mineralised Feeder Zone at HN9 MAU Release 17 January 2020
19. Lady Julie has promising shallow gold results over 1.3km 23 January 2020.
20. Very High-grade intersection of 4m at 49g/t adjacent to 70m thick mineralised feeder zone 5 February 2020

All of which are available on www.magres.com.au

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.



JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> For RAB sampling, 1m completed by Duketon (A22722) For RAB sampling, 4m composites completed by Gwalia (A29728) For AC sampling, 4m composites and 1m splits completed by Metex (A62445, A72419) For RC sampling, 2m composites completed by Julia Mines (A18060) and 5m composites completed by Placer (A34935) All the reported historical drilling and their relevant sampling procedures, QAQC and analytical methods etc. are referred to in the original WAMEX reports (references in the main text of ASX release of 7 November 2018). The targets at HN9 have been tested by RC drilling. A 1 metre split is taken directly from a cone splitter mounted beneath the rig’s cyclone. The cyclone and splitter are cleaned regularly to minimize contamination. Sampling and QAQC procedures are carried out using Magnetic’s protocols as per industry sound practice. RC drilling was used to obtain bulk 1 metre samples from which composite 4m samples were prepared by spear sampling of the bulk 1m samples. 3kg of the composite sample was pulverized to produce a 50g charge for fire assay for gold. The assay results of the composite samples are used to determine which 1m samples from the rig’s cyclone and splitter are selected for fire assay using the same method.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Rotary air blast (RAB) drilling with a blade bit. Reverse Circulation (RC) drilling was carried out using a face sampling hammer with a nominal diameter of 140mm. Aircore (AC) drilling.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> RC sample recoveries are visually estimated qualitatively on a metre basis. Various drilling additive (including muds and foams) have been used to condition the RC holes to maximize recoveries and sample quality.



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Insufficient drilling and geochemical data is available at the present stage to evaluate potential sample bias. Drill samples are sometimes wet which may result in sample bias because of preferential loss/gain of fine/coarse material.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Lithology, alteration and veining is recorded and imported into the Magnetic Resources central database. The logging is considered to be of sufficient standard to support a geological resource. All drill holes were logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> RC samples are cyclone split to produce a 2-3kg sample. 4m composite samples are prepared by tube sampling bulk 1m samples. No field duplicates were taken Sample sizes are appropriate for the grain size being sampled
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> RC samples are assayed using a 50g charge and a fire assay method with an AAS finish which is regarded as appropriate. The technique provides an estimate of the total gold content Industry standard standards and duplicates are used by the NATA registered laboratory conducting the analyses
Verification of sampling	<ul style="list-style-type: none"> The verification of significant intersections by 	<ul style="list-style-type: none"> No independent verification of drill intersections



Criteria	JORC Code explanation	Commentary
<i>and assaying</i>	<p><i>either independent or alternative company personnel.</i></p> <ul style="list-style-type: none"> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<p>has yet been carried out.</p> <ul style="list-style-type: none"> Twin holes are planned to be drilled. Primary data is entered into an in-house database and checked by the database manager. No adjustment of assay data other than averaging of repeat and duplicate assays No verification of historically reported drilling has been carried out
<i>Location of data points</i>	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Drill collars located by hand- held GPS with an accuracy of +/- 5m. Grid system: MGAz51 GDA94. Topographic control using regional DEM data.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> RC drilling was carried out at HN9 prospect. 1m samples were composited into 4m composite samples for assay. RC drilling was carried out and 1m samples were composited into 2m and 5m composite samples for assay
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> At HN9 historical geological mapping and the trends of old gold diggings indicate a general NNW to SSE trend to the geological structures. The historical drilling was carried out orthogonal to this trend.
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples were stored in the field prior to dispatch to Perth using a commercial freight company.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits or reviews of the sampling techniques and data from historical drilling have been carried out.



Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The HN9 target area is situated on exploration Licence E38/3127 held 100% by Magnetic Resources NL. M38/1041 is owned 100% by Messrs. Flesser and Hanna and subject to an option to purchase as described in this release. Both E38/3127 and M38/1041 are granted tenements with no known impediments to obtaining a licence to operate.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The HN9 area has been subject to historical exploration refer to text
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> HN9 Two mineralization styles have been observed: quartz veining and stockworking in the porphyries and shear-hosted quartz veins on porphyry-amphibolite contacts.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Refer to table in the text of this release.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually 	<ul style="list-style-type: none"> No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses.



Criteria	JORC Code explanation	Commentary
	<p><i>Material and should be stated.</i></p> <ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The relationships between mineralization widths and intercept lengths at HN9 remain to be clarified.
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Refer to text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Plus 1g/t Au intersections from the RC drilling have been reported in this release.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none">
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or 	<ul style="list-style-type: none"> Further deeper drilling will be planned to follow up results from deeper intersections



Criteria	JORC Code explanation	Commentary
	<i>depth extensions or large-scale step-out drilling).</i> <ul style="list-style-type: none">• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	<p>with 41 holes totaling 3,330m at HN9.</p> <ul style="list-style-type: none">• As outlined in this release.• A map is shown in this release.• A 230-line km ground magnetic survey and a 200 soil sampling programme is planned both at HN9 and Lady Julie.