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HAWKS NEST DELIVERS WITH 8M @ 4.2G/T FROM 4M IN HOLE 48

Magnetic Resources NL (the Company or Magnetic) is very pleased to announce a **significant very shallow gold mineralised zone at HN5 near old workings** (Figure 1), within the Hawks Nest tenement E38/3127,which is associated with a shear zone that contains a black shale and quartz veining adjacent to a NNW trending porphyry. In drill hole MHNRC48, 4m composite sampling has intersected **8m @ 4.2g/t gold from 4m** with a peak tellurium assay of 35ppm from 8 to 12 metres suggesting a possible gold-telluride association and may be similar to some of the Kalgoorlie deposits. Also of note in drill hole MHNRC48 is the elevated gold and multi elements including tellurium assay values in the porphyry from 32m to the end of the hole at 60m, which is where there is also ubiquitous silica alteration from visual logging (Table 1and mineralogical report). The porphyry with crowded texture is part of the shearing noted by the mapping completed here recently. Analyses of the relevant 1 metre "split" samples by fire assay is to be carried out shortly.

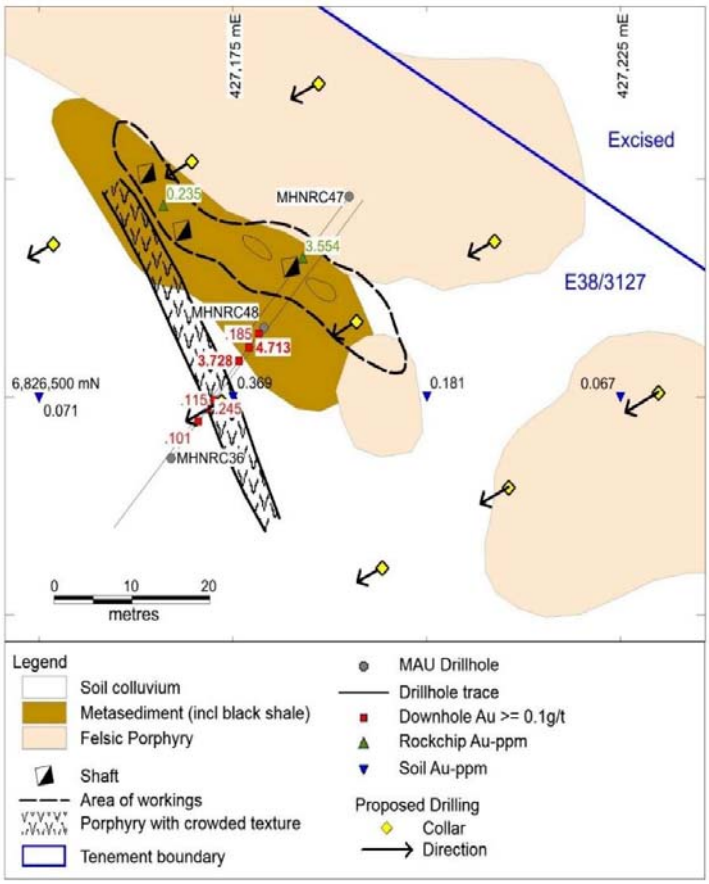


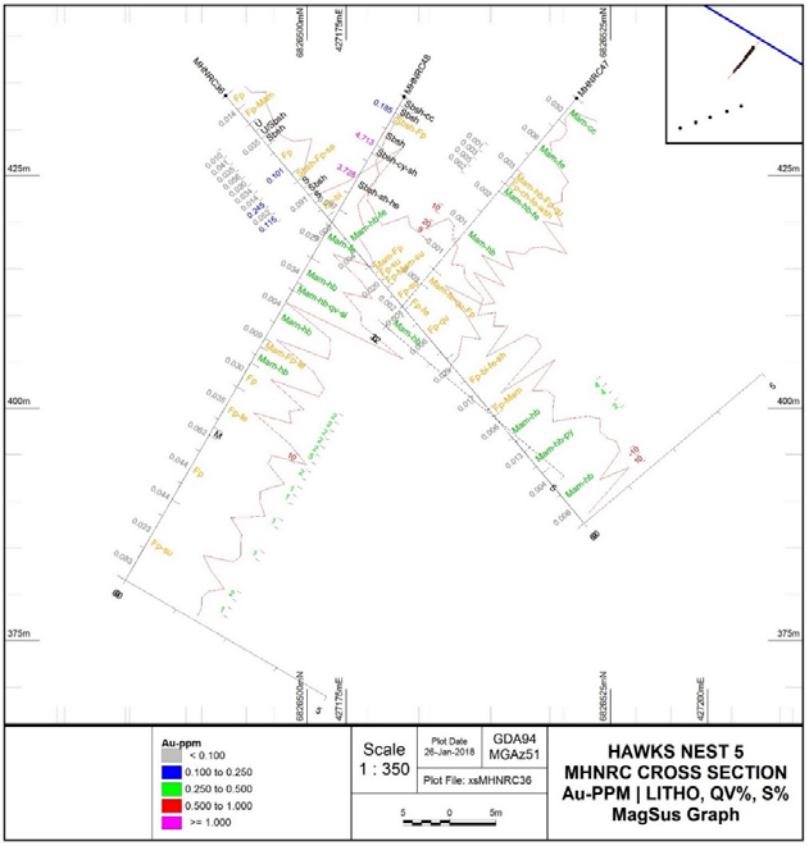
Figure 1 Geological, workings drilling and intersection summary plan.

Other significant intersections from the recent RC drilling and 4 metre composite sampling (Refer: Table 1and 2) include:

- MHNRC42 4m @ 0.203g/tAu from 4m – 8m at HN4
- MHNRC41 4m @ 0.782g/tAu from 8m – 12m at HN4
- MHNRC38 4m @ 0.486g/tAu from 8m – 12m at HN4

Due to the encouraging result in MHNRC48 at HN5 further drilling is warranted to confirm the orientation of the mineralised zone to the NNW, the structural setting of the mineralisation and the host rock stratigraphy. Three RC drill holes 20m apart in 50m drill traverses to the NNW and SSE of the shallow intersection (8m - 12m) in MHNRC 48 is planned to a depth of approximately 60m.Also, more detailed soil geochemistry on a 20x20m grid will be carried out to help define the size and direction of the anomalous rock and soil geochemistry as the original siting of the holes was based on the HNR52 rock sample of 3.55g/t and a soil value of 369ppb (Fig.1).

An infill70-sample soil programme completed recently on the western side of HN5 (Figure 3), has shown up a much larger Au geochemical anomaly being 80m wide by 500m long which has values ranging from 52-229ppb and peaks and correlates with a number of different elements including Te, Mo, Bi, W and Pb (ASX Release 24/08/2017). This geochemical target is also being planned to be tested with shallow AC/RC drilling.



. Figure 2. Cross section for Holes 36, 47 and 48

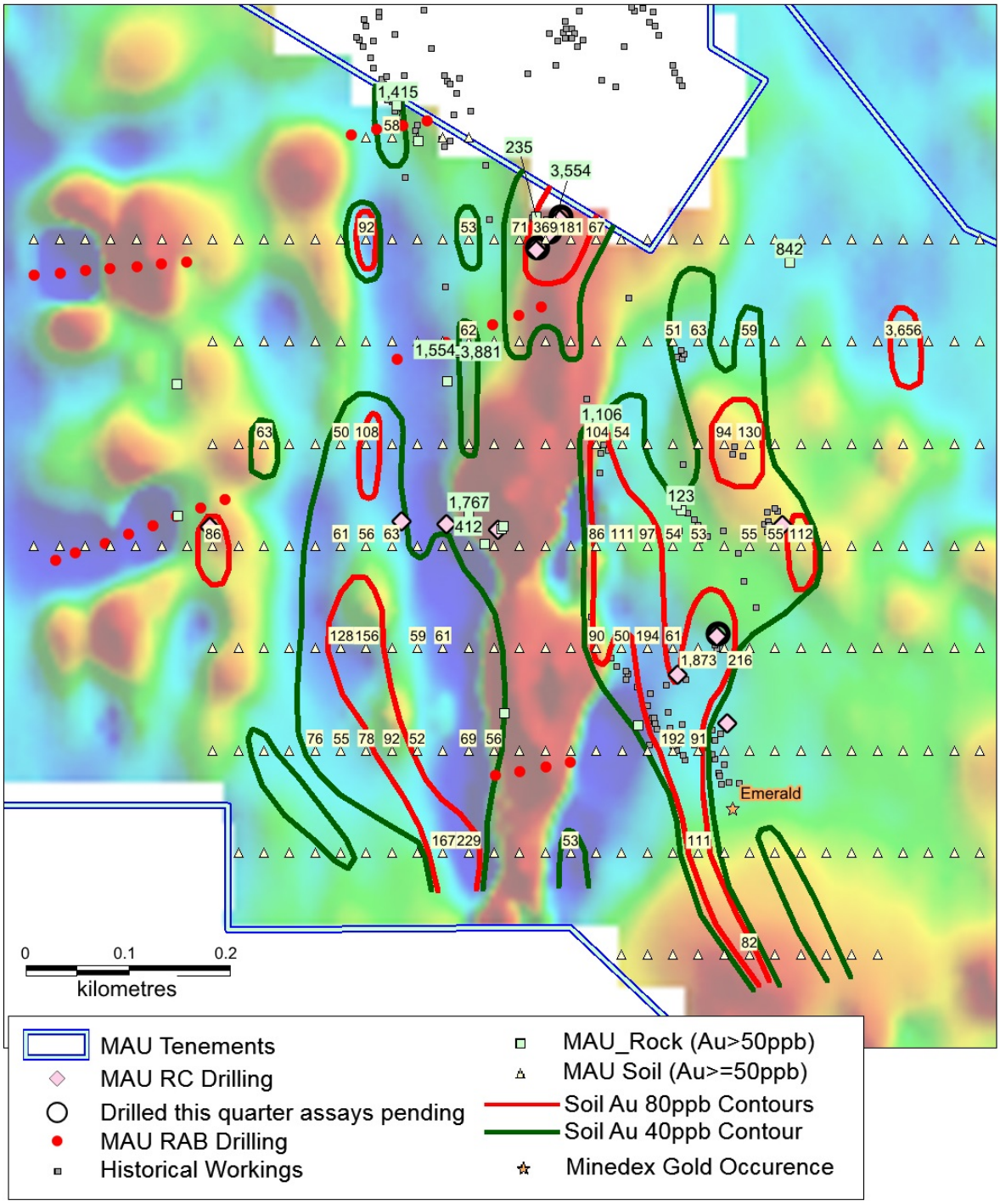


Figure 3. Hawks Nest HN5 ground magnetics with 2x500m soil geochemical anomalies and RC drilling completed in the December 2017 Quarter.

Table 1. Drillhole assays >= 0.1g/t Au

Hole_ID	Easting MGAz51	Northing MGAz51	Depth m	RL DEM	Dip	Azi	Intersection		Assays (4m Composites)		
							From m	To m	Au ppm	Cu ppm	Te ppm
MHNRC31	427963	6827393	66	432.9	-50	270	0	66	nsr		
MHNRC32	427925	6827300	70	434.6	-50	270			nsr		
MHNRC33	427777	6827030	24	434.2	-50	270			nsr		
MHNRC33A	427775	6827030	60	434.2	-50	270			nsr		
MHNRC34	427723	6827104	50	433.4	-50	270			nsr		
MHNRC35	427344	6826115	78	442.2	-50	225	32	36	0.146	121	0.05
MHNRC36	427167	6826493	60	433.6	-50	40			nsr		
MHNRC37	425665	6826337	20	434.4	-60	30			nsr		
MHNRC38	425653	6826327	45	434.7	-60	30	8	12	0.486	721	2.9
MHNRC39	425619	6826379	15	433.9	-60	30			nsr		
MHNRC40	425618	6826366	30	434.3	-60	30			nsr		
MHNRC41	425609	6826328	20	435.1	-60	30	8	12	0.782	239	2.97
MHNRC42	425530	6826387	15	433.8	-60	30	4	8	0.203	285	1.15
MHNRC43	425526	6826383	40	433.9	-60	30			nsr		
MHNRC44	425472	6826421	15	432.6	-60	30			nsr		
MHNRC45	425471	6826412	30	432.8	-60	30	12	16	0.199	534	0.67
MHNRC46	427770	6827071	70	434.3	-50	270			nsr		
MHNRC47	427190	6826523	32	433.4	-50	220			nsr		
MHNRC48	427179	6826508	60	433.5	-60	220	4	8	4.7	140	6.8
							8	12	3.7	274	35.7
							32	60	0.02 - 0.08	nsr	0.15 - 0.35
									nsr - No significant result		

Table 2. Hawks Nest RC drilling December Quarter 2017

Hole ID	Depth	Azi	Dip	East	North	Prospect	Target	Hole type
MHNRC31	66	270	-50	427963	6827393	HN6	57ppb and 69ppb Au in soil on discrete magnetic high	RC
MHNRC32	70	270	-50	427925	6827300	HN6	91, 77 and 56ppb Au in soil on magnetic low	RC
MHNRC33	24	270	-50	427777	6827030	HN6	4m @ 0.6g/t Au in shallow RAB hole MHNRB020 on complex magnetic high	RC
MHNRC33A	60	270	-50	427775	6827030	HN6	narrow N-S geochemical anomaly	RC
MHNRC34	50	270	-50	427723	6827104	HN6	Northern extension of 4m @ 0.6g/t Au in shallow RAB hole MHNRB020 on complex magnetic high	RC
MHNRC46	70	270	-50	427770	6827071	HN6	Northern extension of 4m @ 0.6g/t Au in shallow RAB hole MHNRB020 on complex magnetic high	RC
	340							

MHNRC35	78	225	-50	427344	6826115	HN5	1873ppb and 216ppb Au soil anomaly	RC
MHNRC36	60	40	-50	427167	6826493	HN5	HNR52 rock sample 3.55g/t Au	RC
MHNRC47	32	220	-50	427190	6826523	HN5	HNR52 rock sample 3.55g/t Au	RC
MHNRC48	60	220	-60	427179	6826508	HN5	HNR52 rock sample 3.55g/t Au	RC
	230							
MHNRC37	20	30	-60	425665	6826337	HN4	Rock chip HNR60 6.5g/t Au	RC
MHNRC38	45	30	-60	425653	6826327	HN4	Rock chip HNR60 6.5g/t Au	RC
MHNRC39	15	30	-60	425619	6826379	HN4	Rock chip HNR17 51.7g/t Au	RC
MHNRC40	30	30	-60	425618	6826366	HN4	Rock chip HNR17 51.7g/t Au	RC
MHNRC41	20	30	-60	425609	6826328	HN4	Rock chip HNR18 0.2g/t Au	RC
MHNRC42	15	30	-60	425530	6826387	HN4	Rock chip HNR61 1.4g/t Au	RC
MHNRC43	40	30	-60	425526	6826383	HN4	Rock chip HNR61 1.4g/t Au	RC
MHNRC44	15	30	-60	425472	6826421	HN4	Rock chips HNR54 27.3g/t HNR71 1.2g/t Au	RC
MHNRC45	30	30	-60	425471	6826412	HN4	Rock chips HNR54 27.3g/t HNR71 1.2g/t Au	RC
	230							
Total	**800**							

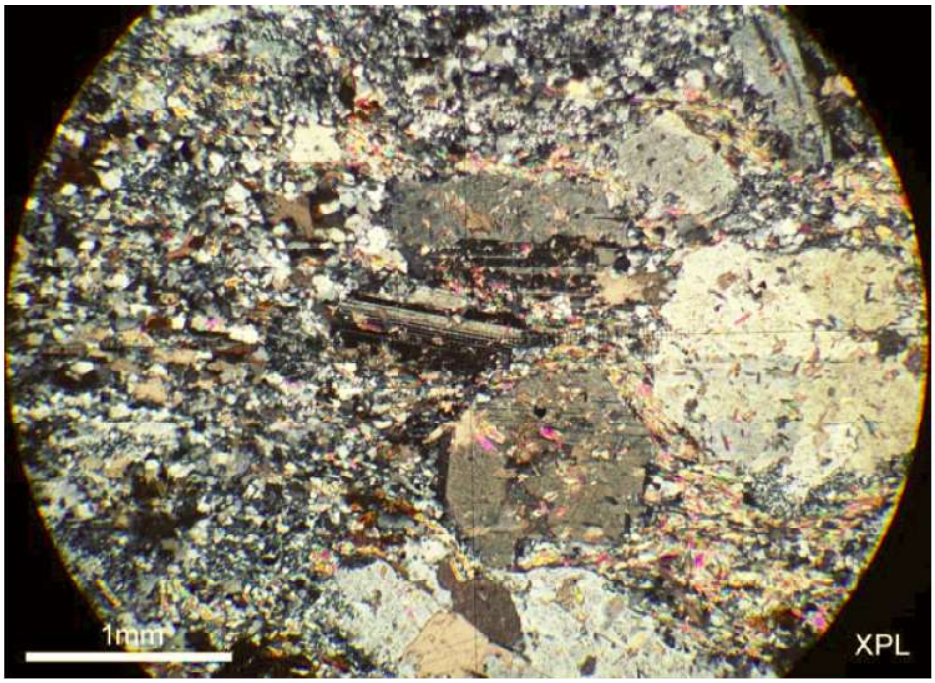
Appendix 1
Thin Section Description

Thin Section No: RC48 (36m depth)
Nature of the sample Chips

A fine to medium-grained quartzofeldspathic groundmass is weakly foliated and exhibits a "crowded" porphyritic texture. Abundant coarse phenocrysts of orthoclase, plagioclase and quartz account for the phenocryst assemblage. Myrmekitic quartz-feldspar mosaics form around deformed and fractured phenocrysts.

The foliation is defined by sinuous bands of sericite, and fine lepidoblastic aggregates occur within the feldspars. Late alteration phases of carbonate and biotite infill pressure shadows and fractures in the phenocrysts. Rare pyrite is present.

FULL ROCK NAME AND CLASSIFICATION:
A foliated, altered quartz-feldspar porphyry



Photomicrograph of RC48 (36m) in XPL. A porphyritic texture is defined by feldspar and quartz phenocrysts throughout a fine-grained, weakly foliated, quartzo feldspathic groundmass.

Magnetic Resources Managing Director commented, "This new very shallow discovery of 8m @ 4.2g/t from 4m, is extremely exciting, which is open to the NW and SE and paves the way for increased work and search for a mineral deposit in the vicinity. In addition, the company has a plethora of further targets to follow up including the 80mx 500m long geochemical target on the western side of HN5. In addition, the lag sampling field work at Mt Jumbo is nearly finished with over 300 samples being taken.

At Mertondale there has been multiple stages of sampling of soils, shallow RAB and laterite sampling and RC test work near the Nugget patch area. A ground mapping programme over the 1000m laterite target starting 300m north of the Nugget Patch area has just been completed in preparation for a shallow drill programme. Southwest of here and at Christmas Well an impressive10.4km of multielement targets have been defined in

preparation for shallow drill test work. Detecting and dozing will continue in March searching for further nuggets in and north of the promising 70 oz. of nuggets found already.

On Tuesday 30/01/2018 a shallow 1000m RAB programme is starting and is following up promising gold in grey quartz veining within a sheared ultramafic/sediment package at the Birthday Patch project 123 km east of Wiluna."

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.

JORC Code, 2012 Edition – Table 2 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• 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.	• For RC sampling, 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 is used to determine which 1m samples from the rig's cyclone and splitter are selected for fire assay using the same method. Composite 4m samples were prepared from the 1m RC drill samples by trowel sampling to produce a 2-3kg sample for pulverizing to produce a 10g charge for ICPMS determination of gold and pathfinder elements. • 70 Soil samples of approximately 1-2kg were taken at a depth of 25cmusing hand held tools. In total 156 samples were taken on a 100m x25m spacing at HN5..
Drilling techniques	• 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).	• Reverse circulation (RC) drilling was carried out using a face sampling hammer with a nominal diameter Wheel of Fortune. No duplicate samples of 140mm.
Drill sample recovery	• 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. • 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.	• RC 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. • Insufficient drilling and geochemical data is available at the present stage to evaluate potential sample bias. Drill samples are sometimes wet which may

Criteria	JORC Code explanation	Commentary
		result in sample bias because of preferential loss/gain of fine/coarse material.
Logging	• 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.	• RC chips and chip trays are being geologically logged. • 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. • Logging of RC drillholes records lithology, mineralogy, mineralisation, weathering and colour, and is qualitative in nature. • All drillholes were logged in full.
Sub-sampling techniques and sample preparation	• 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.	•
Quality of assay data and laboratory tests	• 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.	• RC samples were dispatched to MinAnalytical laboratory in Perth where the samples were pulverized and a 10g sub sample analysed using an aqua regia digest and determination of Au (lower limit of detection 1ppb), Ag, As, Bi, Cu, Mo, Ni, Pb, Sb, Te, W and Zn by ICPMS. Aqua regia will dissolve most oxides, sulphides and carbonates but will not totally digest refractory and silicate minerals. In a weathered, oxidized environment aqua regia digestion is considered adequate for exploration purposes. QA/QC measures included repeat analyses and the use of internal lab standards which indicated acceptable levels of accuracy and precision although in rare cases there is

Criteria	JORC Code explanation	Commentary
		some indication of the presence of coarse gold. • Industry standard standards and duplicates are used by the NATA registered laboratory conducting the analyses.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Where duplicate analyses of individual samples were made the analytical results were averaged. • Verification of gold nugget locations reported by prospectors has not been completed. • No twin holes have been 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.
Location of data points	• 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. • Specification of the grid system used. • Quality and adequacy of topographic control.	• RC drill collars were located using a hand-held GPS with an accuracy of +-4m. • Grid system: GDA94 • Topographic control using regional DEM data.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied.	• RC drilling was carried out at40m spacings on lines 140m apart. • Not for ore resource estimation. • 4m compositing was applied
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • 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.	• Drilling of inclined RC holes 60° to west or orthogonal to the target strike.
Sample security	• The measures taken to ensure sample security.	• Samples were stored in a locked yard in Leonora prior to dispatch to Perth using a commercial freight company. • The gold samples remained in the custody of the prospector.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• The sampling techniques and results have not been subject to audit.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• 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.	• Hawks Nest is situated on exploration licence E38/3127 and isheld by Magnetic Resources NL. The licences are granted with no known impediments to obtaining a licence to operate.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Hawks Nest has been subject to systematic surface sampling by previous explorers but with records of very little drilling being completed. Available historical data has been compiled.
Geology	• Deposit type, geological setting and style of mineralisation.	• Hawks Nest is north of the Wallaby deposit and associated NS structure a known gold-bearing structure with a history of open cut gold mines and the site of recent successful gold exploration by other parties. The area is interpreted to be underlain by Archean greenstone belt rock types including basalt, dolerite and meta-sediments.
Drill hole Information	• 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: • 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.	• A total of 19 RC holes (MHNRC31 to MHNRC48 totalIng800m) were drilled at Hawks Nest. The details of material drillholes are reported in Table 1 and Table 2.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • 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	• No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses. • No metal equivalents have been used.

Criteria	JORC Code explanation	Commentary
	typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• 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').	• Not applicable.
Diagrams	• 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.	• Refer to text.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced, toavoid misleading reporting of Exploration Results.	• Anomalous ranges used are stated in the text.
Other substantive exploration data	• 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.	• Results of a previously reported soil sampling, RAB and RC drilling by Magnetic Resources are shown in the text.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• More detailed soil geochemistry is planned on a 20mx20m grid over the prospective WNW workings and NNW shear zone. • More drilling is planned over a 100m strike length on the NW structural target shown on Figure 1.