ASX Release
3 August 2018
ASX code: MAU

magnetic resources NL
Level 1
44A Kings Park Road
PO Box1388
West Perth WA 6872
Telephone 08 9226 1777
www.magres.com.au

ABN 34 121 370 232

Christmas Well delivers with early high-grade result of 4m @ 11.1 from 16m.

Initial shallow first-pass drilling and assaying of only 5 RAB holes totalling 134m (Figure 1) testing below the Triumvirate historic workings, have successfully intersected **4m at 11.1g/t from 16m (4m composite) including 2m at 15.1 g/t from 17m (1m split) in hole MCWRB38.** These 5 RAB holes are only a small part of a large drilling programme of 37 holes totalling approximately 1100m (Figure 2) testing 1800m of anomalous geochemistry at Christmas Well.

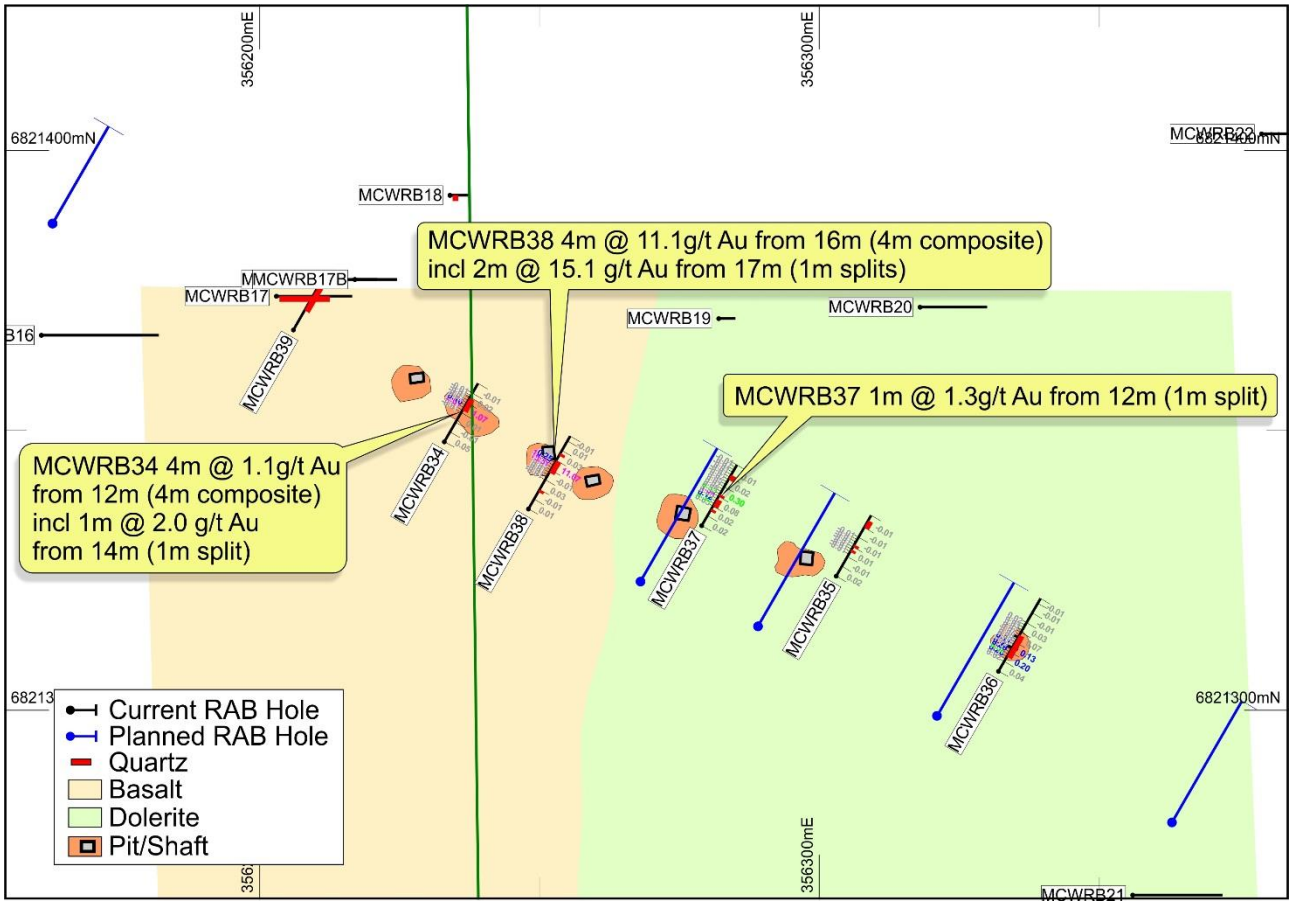

Figure 1. Christmas Well RAB Drilling showing 4m Composite and 1m split Gold Results and Proposed RAB Drilling

At least a further 5 shallow RAB holes are planned in this current programme designed to map out the extensions of the Triumvirate workings and extent of the mineralised quartz veins which are up to 18m thick beneath the workings (Figure 1and Table 3). A sixth hole to the west of the workings, MCWRB39, has also hit a significant 14m thick quartz vein which will be assayed shortly. The 5 holes planned will test a length of 220m and will be extended even further if thick quartz veins and alteration are encountered.

Historically similar high grades were mined with 1500g of gold being recovered from 50t of ore extending over the central 110m of workings, striking SE in a vertically dipping quartz lode hosted by meta-basalts near the contact with felsic schists. There are 5 vertical shafts with the deepest being 20m deep (GSWA WAMEX report A27915).

These early exciting results will be followed up with more rigorous and reliable deeper RC drilling, which is currently being planned.

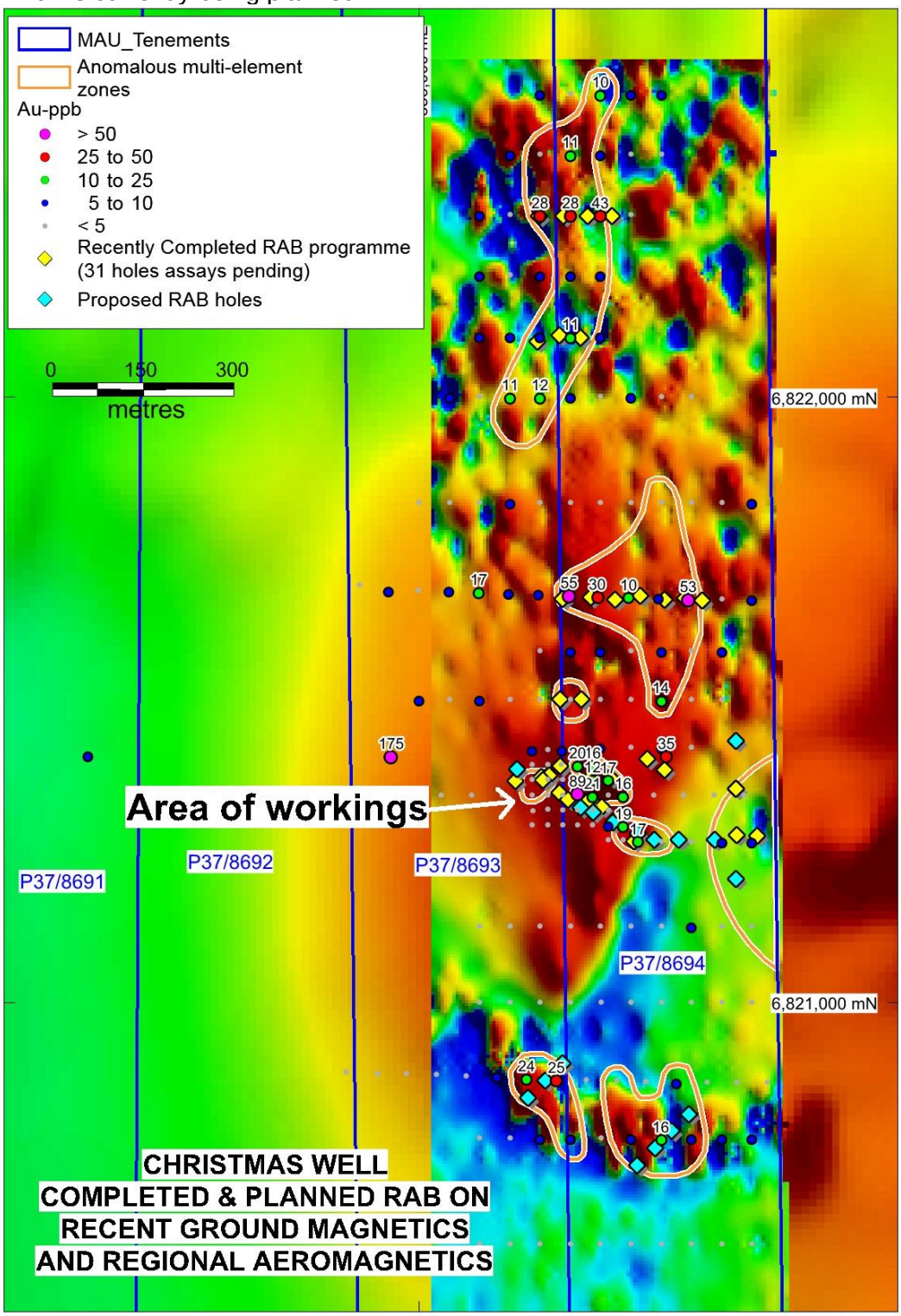

Figure 2. Christmas Well multielement anomalies superimposed on ground magnetic image, previous shallow RAB drilling and planned deeper RAB drilling

Magnetic Resource's Managing Director commented, "now that we are well funded after raising around $4.6M recently, this new discovery will be tested promptly by further RAB and RC drilling. Currently, we are scoping out the length of this quartz lode system beneath the Triumvirate diggings with shallow RAB drilling and it has increased in size to approximately 150m, yet it is open to the west and east. This augers well for our testing of the remaining 9km of multielement geochemical targets remaining on Christmas Well and Mertondale. The Triumvirate early promising result of 4m @ 11.1g/t is only 10km NW of Kin Mining's Cardinia gold centre. Furthermore, a number of NW trending structures shown up on the ground magnetics will also be looked at for possible parallel repetitions of the Triumvirate quartz lodes."

Table 1. CW RAB Drill Assays (Gold > 1.0g/t Au red)

Hole_Id	From_metres	To_metres	Width_m	Au_ppm
MCWRB34	0	4	4	0.054
	4	8	4	-0.005
	8	12	4	0.013
	12	13	1	-0.005
	12	16	4	1.066
	13	14	1	0.008
	14	15	1	2.011
	15	16	1	0.16
	16	17	1	0.009
	16	20	4	0.017
	17	18	1	-0.005
	18	19	1	-0.005
	19	20	1	-0.005
	20	24	4	-0.005
MCWRB35	0	4	4	0.016
	4	8	4	-0.005
	8	12	4	0.009
	9	10	1	-0.005
	10	11	1	-0.005
	11	12	1	0.008
	12	13	1	-0.005
	12	16	4	-0.005
	13	14	1	-0.005
	14	15	1	-0.005
	15	16	1	-0.005
	16	20	4	-0.005
	20	25	4	-0.005
MCWRB36	0	4	4	0.04
	4	5	1	0.017
	4	8	4	0.195
	5	6	1	0.035
	6	7	1	0.2
	7	8	1	0.323
	8	9	1	0.199
	8	12	4	0.132
	9	10	1	0.133
	10	11	1	0.078
	11	12	1	0.106
	12	13	1	0.093
	12	16	4	0.067
	13	14	1	0.055
	14	15	1	0.063
	15	16	1	0.065
	16	17	1	0.034
	16	20	4	0.033
	17	18	1	0.085
	18	19	1	0.009
	19	20	1	0.016
	20	24	4	-0.005
	24	28	4	-0.005
	28	30	4	-0.005
MCWRB37	0	4	4	0.019

	4	8	4	0.016
	8	9	1	0.047
	8	12	4	0.077
	9	10	1	0.318
	10	11	1	0.119
	11	12	1	0.051
	12	13	1	1.344
	12	16	4	0.297
	13	14	1	0.352
	14	15	1	0.044
	15	16	1	0.016
	16	17	1	0.012
	16	20	4	0.018
	17	18	1	0.048
	18	19	1	0.02
	19	20	1	-0.005
	20	21	1	-0.005
	20	25	4	0.006
	21	22	1	0.007
	22	23	1	-0.005
	23	24	1	0.065
	24	25	1	-0.005
MCWRB38	0	4	4	0.01
	4	8	4	-0.005
	8	12	4	0.031
	12	13	1	-0.005
	12	16	4	-0.005
	13	14	1	-0.005
	14	15	1	0.005
	15	16	1	0.008
	16	17	1	0.046
	16	20	4	11.067
	17	18	1	15.506
	18	19	1	14.79
	19	20	1	0.247
	20	24	4	0.028
	24	28	4	0.009
	28	30	4	-0.005

Table 2. CW RAB Drilling 2017–18

Hole_ID	MGA_East	MGA_North	Depth	Dip	Azimuth
MCWRB01	356200	6822300	25	-60	90
MCWRB02	356240	6822300	38	-60	90
MCWRB03	356280	6822300	30	-60	90
MCWRB04	356320	6822300	36	-60	90
MCWRB05	356197	6822093	33	-60	90
MCWRB06	356233	6822103	27	-60	90
MCWRB07	356268	6822100	30	-60	90
MCWRB08	356239	6821668	25	-60	90
MCWRB09	356285	6821670	40	-60	90
MCWRB10	356325	6821666	30	-60	90
MCWRB11	356367	6821673	20	-60	90
MCWRB12	356407	6821666	44	-60	90
MCWRB13	356440	6821669	40	-60	90

MCWRB13A	356469	6821665	55	-60	90
MCWRB14	356235	6821502	24	-60	90
MCWRB15	356269	6821502	24	-60	90
MCWRB16	356161	6821367	42	-60	90
MCWRB17	356203	6821374	27	-60	90
MCWRB17A	356215	6821377	12	-60	90
MCWRB17B	356217	6821377	15	-60	90
MCWRB18	356234	6821392	7	-60	90
MCWRB19	356282	6821370	6	-60	90
MCWRB20	356318	6821372	24	-60	90
MCWRB21	356356	6821267	32	-60	90
MCWRB22	356379	6821403	40	-60	90
MCWRB23	356407	6821386	40	-60	90
MCWRB24	356525	6821355	6	-60	90
MCWRB24A	356525	6821355	54	-60	90
MCWRB25	356526	6821278	66	-60	90
MCWRB26	356560	6821277	32	-60	90
MCWRB34	356233	6821348	24	-60	30
MCWRB35	356303	6821324	25	-60	30
MCWRB36	356332	6821307	30	-60	30
MCWRB37	356279	6821333	25	-60	30
MCWRB38	356248	6821336	30	-60	30
MCWRB39	356206	6821368	24	-60	30

Table 3. Quartz zones encountered within RAB drillholes

Hole_Id	From_metres	To_metres	Width
MCWRB03	20	25	5
MCWRB06	11	12	1
	17	19	2
MCWRB13	9	10	1
	12	13	1
	21	29	8
MCWRB13A	37	53	16
MCWRB17	1	19	18
MCWRB18	1	3	2
MCWRB22	32	37	5
MCWRB24A	19	20	1
	38	46	8
MCWRB25	27	38	11
MCWRB34	13	18	5
MCWRB35	10	11	1
	12	13	1
	20	23	3
MCWRB36	6	15	9
MCWRB37	6	7	1
	8	11	3
	12	13	1
	19	21	2
MCWRB38	7	8	1
	15	20	5
	22	23	1
MCWRB39	8	22	14

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

George Sakalidis
Managing Director
Phone (08) 9226 1777
Mobile 0411 640 337
Email george@magres.com.au

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. Magnetic Resources NL Quarterly Report June 2018.

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

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. 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 materialise, 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	• *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 RAB sampling, 1m samples are laid out in 10m rows on the ground. • Sampling and QAQC procedures are carried out using Magnetic's protocols as per industry sound practice. • Composite 4m samples were prepared from the 1m RAB 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. • Sieved RAB chip samples are stored in 1m intervals in chip trays.
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).*	• Rotary air blast (RAB) drilling with a blade bit.
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.*	• RAB sample recoveries are visually estimated qualitatively on a metre basis. • Bearing in mind the shallow nature of the drilling, the sample recovery is considered adequate for purpose. • Insufficient drilling and geochemical data is available at the present stage to evaluate potential sample bias.
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,*	• The RAB chip samples are geologically logged.

Criteria	JORC Code explanation	Commentary
	channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
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.*	• RAB samples are trowel sampled by hand to produce a 4m composite sample. • No field duplicates were taken. • Sample sizes are appropriate for the grain size 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.*	• RAB samples are analysed using a 10g charge, aqua regia digestion and ICPMS determination for gold and pathfinder elements, which is a partial method but considered appropriate for weathered and oxidized material. • 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.*	• No verification of drill intersections has yet been carried out. • Primary data is stored in both physical and electronic format. • Assay data has not been adjusted.
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.*	• Samples were located using a hand held GPS with an accuracy of +- 4m.
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*	• RAB drilling was carried out at various spacing to follow up previous workings. • 1m samples were composited into 4m composite samples for assay.

Criteria	JORC Code explanation	Commentary
	Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been 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.*	• At Christmas Well geological mapping and the trends of old gold diggings indicate a general WNW to ESE trend to the geological structures. The drilling was carried out orthogonal to this trend.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored in the field prior to dispatch to Perth using a commercial freight company.
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.*	• The Christmas Well target area is situated on prospecting licences P37/8693 and P37/8694 held 100% 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.*	• The Christmas Well area has been subject to historical exploration, however, we could not find many records of this work, and there is not much evidence of systematic modern exploration.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Triumvirate workings are at the intersection of dolerite and basalt with mineralization present in quartz lodes.

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*
		• Refer to tables in the text.

Criteria	JORC Code explanation	Commentary
	○ *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.*	
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 typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses.
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').*	• The relationship between mineralization widths and intercept lengths at Christmas Well remain to be clarified.
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 to avoid misleading reporting of Exploration Results.*	• Plus 0.1g/t Au intersections from the RAB drilling have been reported.
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.*	• Ground magnetic survey results and below hardpan soil geochemical results have previously been reported in Magnetic's June 2018 quarterly and are shown in Figure 2.
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*	• Follow-up RC drilling is planned at Christmas Well.

Criteria	JORC Code explanation	Commentary
	geological interpretations and future drilling areas, provided this information is not commercially sensitive.	