



ASX Release

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Bonanza Grades of 2m@110g/t Gold from Historical Drilling at the Marabou Project

Magnetic Resources NL (“Company”) is very pleased to announce that the Company has identified a 2.3km-long NW shear target that has some broad spaced historical drill lines that encountered **shallow bonanza grades of 2m@110g/t Au (or 2m@3.9oz/tonne) from 38m depth in hole LJA0035** drilled by Metex Resources Ltd in 2005¹ (Figs 1, 2 and 3). The Marabou tenements E38/3114 and P38/4202 totaling 55sqkm in area, were applied for recently.

This drilled high grade mineralisation is open at depth and along strike. The previous aircore hole lines were between 300m and 600m apart and were too far apart and did not effectively test this high grade intersection which was along the sheared contact between mafics and ultramafics.

The NW end of this shear zone has two magnetic ultramafics bodies that are sheared as well from evidence of shallow air core drilling and deeper drilling by Magma Metals in 2011². RC holes MRFRC09 and MRFRC10 both hit this shear zone at depth with quartz veining and porphyry recorded. Magma were looking for Ni conductors and there is no evidence of having assayed for Gold. Also there is a parallel 2km long shear zone 1.5km to the NE that has not been drill tested.

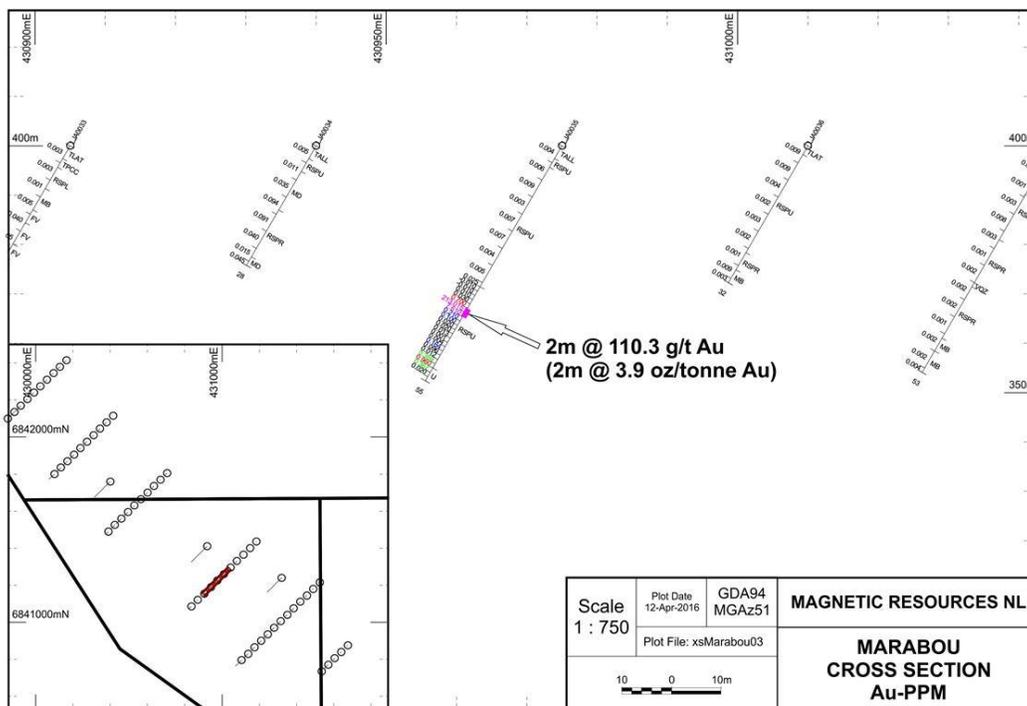


Figure 1. Cross section showing bonanza Gold grades in AC Hole LJA0035

¹ Barrick (Granny Smith) Pty Ltd, Annual Exploration Report for the period 1 January 2005 to 31 December 2005, C5/2002, Laverton Exploration JV, GSWA WAMEX Report A72705.

² Barrick (Australia Pacific) Limited, Annual Report C5/2002, Laverton Joint Venture, Period 1 January 2009 to 31 December 2009, GSWA WAMEX Report A86798.

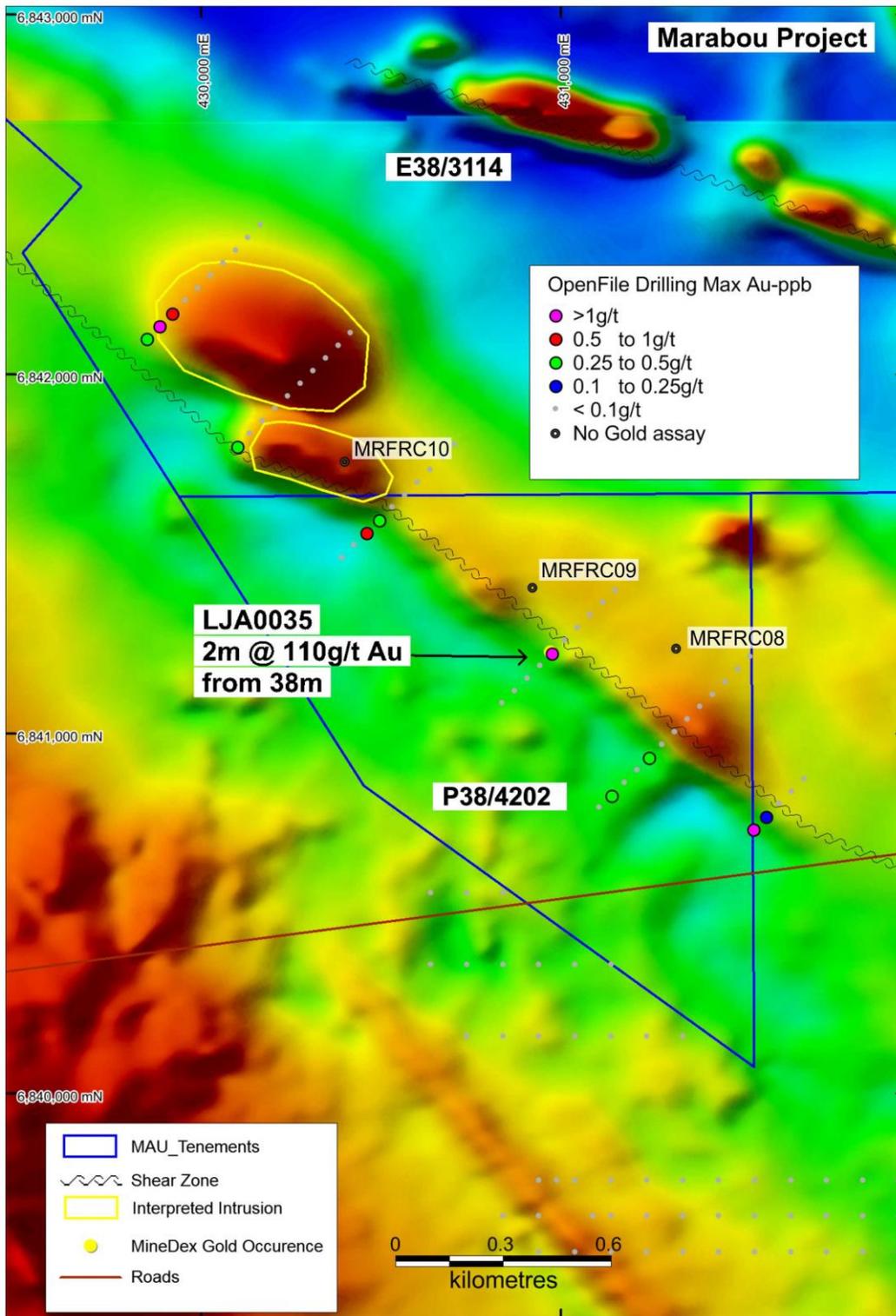


Figure 2. Marabou Project Gold results from historical drilling and aeromagnetics

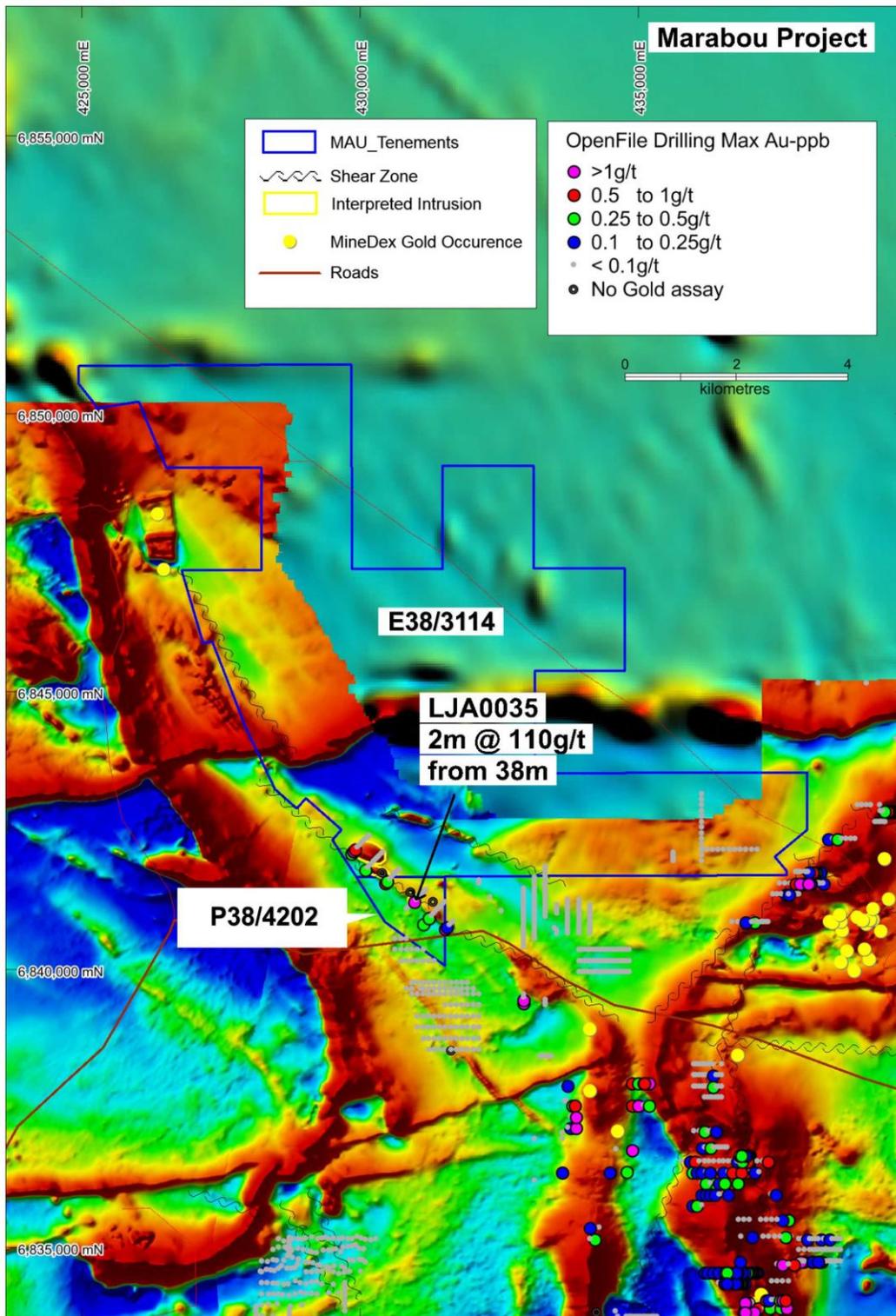


Figure 3. Marabou Project Gold Results overview from Historical drilling

FUTURE WORK

Follow up ground magnetics is warranted at both shear zones at Marabou to help define and detail the shear zones. Follow up drilling beneath and along strike of the intersection of 2m@110/g/t will help define the extent of this near surface very anomalous zone within the 2.3km shear zone as shown in Figs 2 and 3.

NEW TENEMENTS AND BACKGROUND

The Leonora-Laverton district is well endowed with large world class gold deposits. A regional study by the Company has so far identified a total of 6 Project areas totaling 191sq km (Fig.4) that have the potential to host large scale deposits. These tenements are within 50km of existing gold operations, opening the possibility for toll treating. The Gold tenements now held by Magnetic include: Marabou E38/3114 and P38/4202 (55sqkm); Mt Jumbo E38/3100 and P38/4201 (17sqkm); Kowtah P39/8697-8694 and P39/5617 (9sqkm); Hawks Nest E38/3101 (15sqkm); Mertondale E37/1258 (81sqkm); Christmas Well P37/8687-8694 (14sqkm).

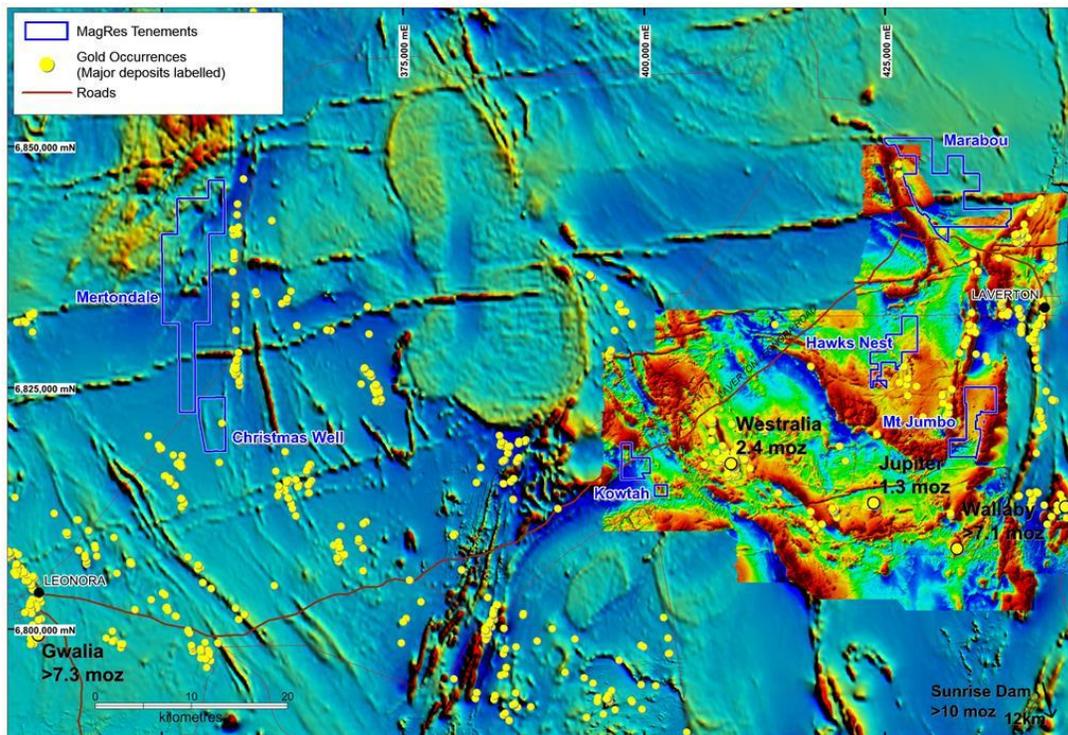


Figure 4. **Magnetic Resources tenements, gold deposits and detailed aeromagnetics**

Detailed summaries have been now announced for both Marabou and Mt Jumbo (refer to Mt Jumbo ASX release 29/02/2016). Further summaries for the remaining Projects will be released in the near future after review of historical work and interpretations are completed.

The objective of Magnetic Resources' gold exploration program is to identify large gold deposits of 1Moz or greater utilising the geological and geophysical

characteristics of the known surrounding deposits. This belt is well endowed with over 34Moz (mined plus resources) being second to the Kalgoorlie region in WA.

A number of very large deposits (Fig.4) are present including: Wallaby (>7.1Moz mined plus resource), Sunrise Dam (>10Moz mined), Granny Smith (>6Moz mined), Gwalia (7.3Moz mined plus resource), Westralia (2.4Moz mined plus resource) and Jupiter (1.3Moz mined resource). The Mt Jumbo and Hawks Nest tenements are only 10km and 20km north of the Wallaby deposit respectively.

Work planned by the Company will be focused on extensions of any known mineralised zones within the tenements, identified by previous exploration, and large scale localised features identified by geological and geophysical interpretation, that are prospective for large scale deposits which appear to be largely untested.

Initial work over targets identified is expected to be will include gold soil geochemistry and ground magnetics, which in some cases can identify near surface mineralisation. The Company will also examine the effectiveness of any historical work including assessment of whether the drill depth was adequate.

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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.