



magnetic resources[™]

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**SIGNIFICANT SHALLOW HISTORICAL INTERSECTIONS ACQUIRED
INCLUDING 6M @ 5.8G/T FROM 10M AT MT JUMBO EAST, LAVERTON**

Magnetic Resources is pleased to report that it has applied for 11sq km of tenements covering a 6km strike length of prospective iron formations in the Mt Jumbo east area near Laverton. These iron formations are structurally complex being disrupted by a series of NE faults. The tenement applications about Magnetics' existing tenements at Mt Jumbo where RC drilling has commenced on mineralised shear zone targets.

Historical exploration and drilling on the newly acquired ground has identified three areas of gold mineralisation termed No Name, Horseshoe Pass and Saddle and cover a cumulative length of 800m. These prospects comprise quartz veined and sulphidised banded iron formations (BIF) in areas of cross faulting and structural complexity as highlighted in the aeromagnetic image in Fig.1. Previous drilling was carried out by CEC in 1980-89, WMC 1989-91 and Metex 1998-99.

Significant **shallow** historical drill intersections at the No Name prospect include **6m @ 5.8g/t Au from 10m** in hole MJC09, including 3m@10g/t from 13m, 10m @ 1.2 Au g/t from 10m in drill hole MJC04, 8m @ 2.0 g/t Au from 36m in hole MJC03. These shallow intercepts remain open at depth within a flat east-dipping BIF sequence, as shown in the section on MJC03 and MJC04 in Fig.2 and the section on MJC09 AND MJC10 in Fig.3.

The BIF sequence covered by the new tenements is the same sequence which hosts the old Gladiator, Gladiator South and Murray's open pits situated some 10 km to the north. Sulphidised BIF also occurs at the nearby Sunrise Dam (>10Moz) and Westralia (>2.4Moz) deposits. The southern parts of the tenements are also just 5 km 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 GrannySmith-Windich style gold mineralisation in both BIF and granite.

Detailed ground magnetic surveys are planned to map the complex structure and BIFS and interpreted intrusions. Upon grant of the tenements Magnetic plans to carry out step out drilling down dip and along strike from the known gold mineralisation.

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Executive Director George Sakalidis commented; 'This new acquisition complements Magnetic's prospective Laverton land package and provides additional walk up shallow drilling targets with significant resource potential'.

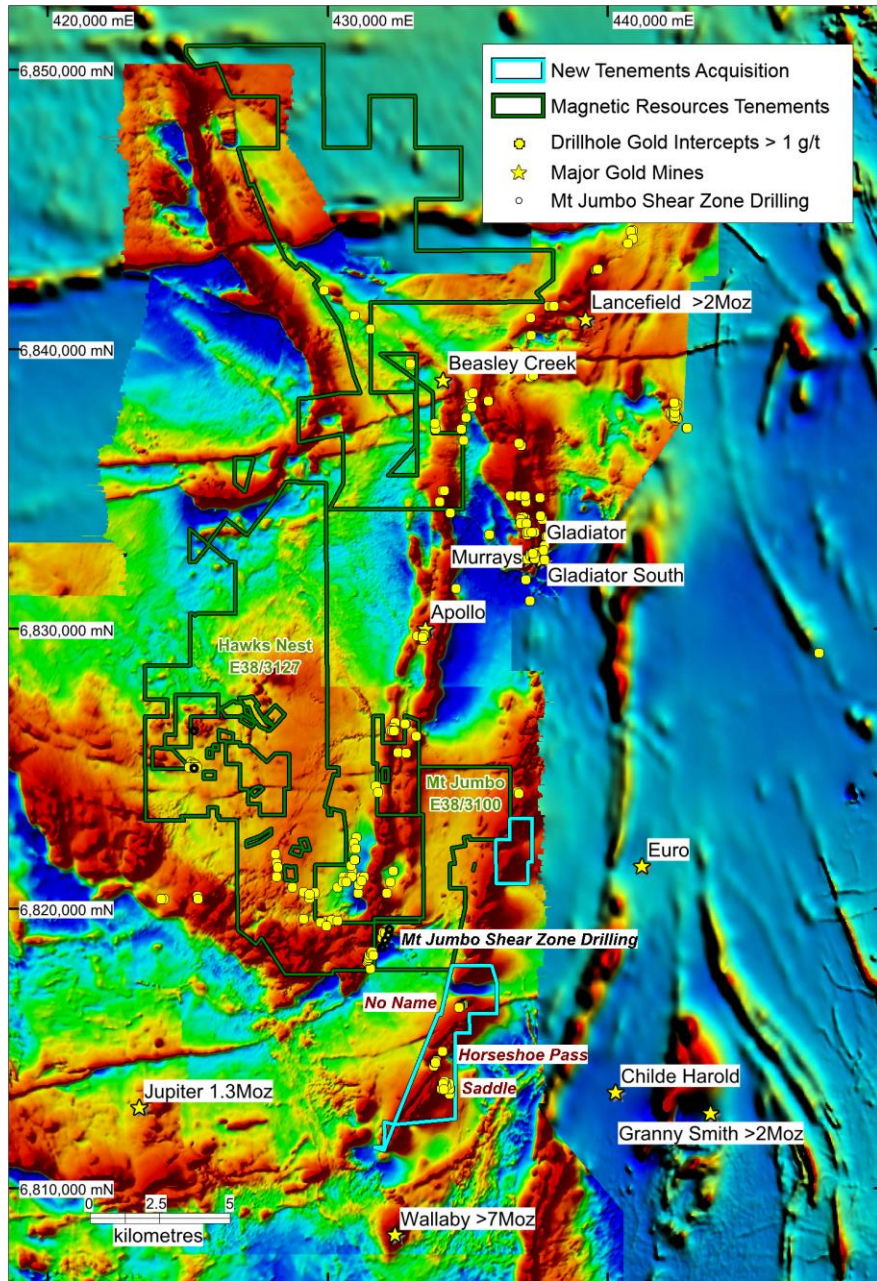
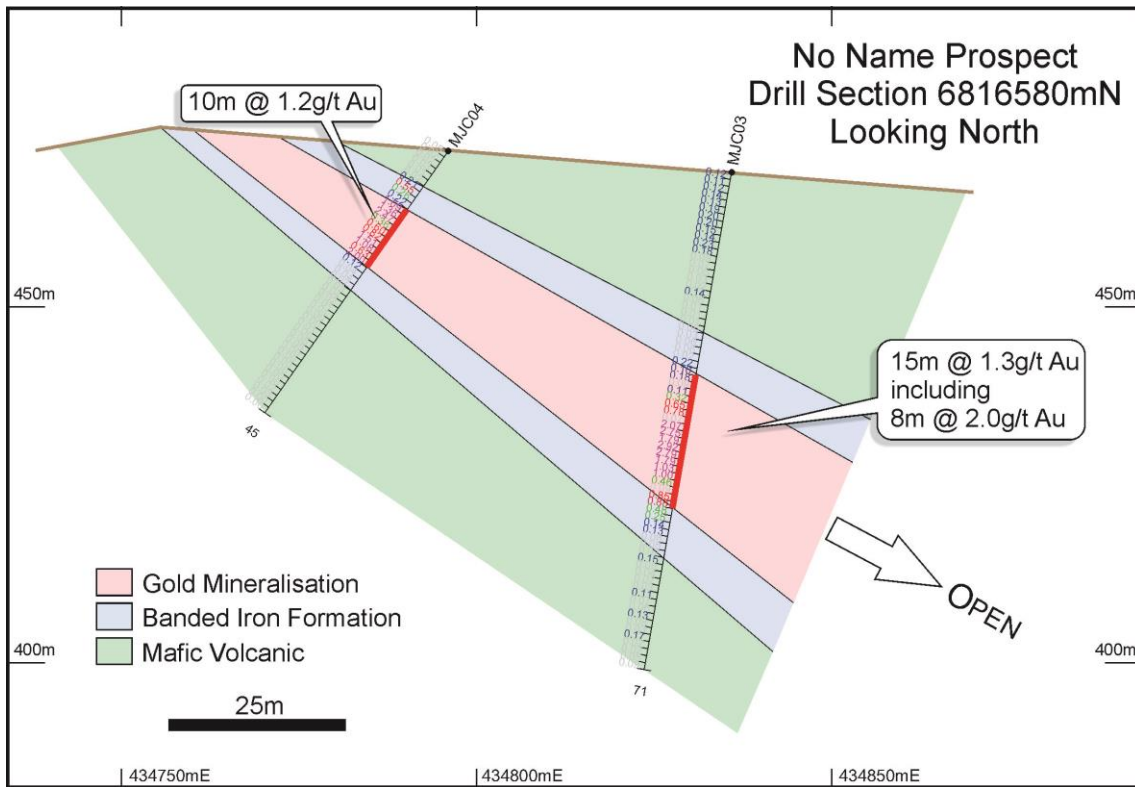


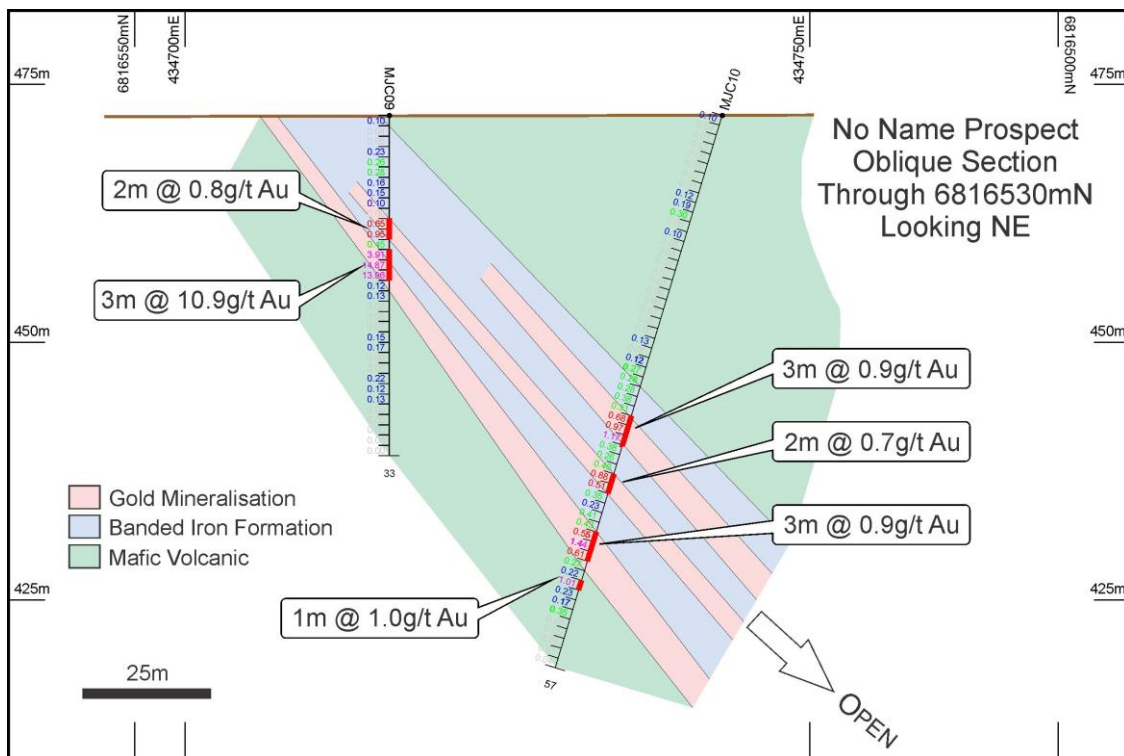
Fig 1
Mt Jumbo Aeromagnetic Image Showing Magnetic Resources' Tenements and New Applications

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**Fig 2
No Name Drill Section 6816580N**



**Fig 3
No Name Oblique Section Through 6816530N**

BACKGROUND

The Leonora-Laverton district is well endowed with large world class gold deposits. A study of the Company's tenements has so far identified a total of 6 project areas totaling 283sq km (Figures 1 and 2) that have the potential to host large scale deposits. These targets are within 50km of existing gold operations, opening the possibility for toll treating. The gold tenements held by Magnetic include: Mt Jumbo E38/3100 and P38/4201 (17sqkm); Kowtah P39/8694-8697 and P39/5617 (9sqkm); Hawks Nest E38/3127 (150sqkm); Mertondale E37/1258 (81sqkm); Christmas Well P37/8687-8694 (14sqkm). Mt Jumbo East(11sqkm).

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.

Many large deposits (Figure.1) are present including: Wallaby (>7.1Moz mined plus resource), Sunrise Dam (>10Moz mined), Granny Smith (>2Moz 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 the targets identified is expected to 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.

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