



ASX Release
10 October 2018
ASX code: MAU

New RC drilling to test further extension to SE at Triumvirate Workings.

Magnetic Resources has completed a 60-hole 1987m RAB and a 1-hole 120m RC drilling programme at its 100%-owned Christmas Well (CW) tenements 5km south of the Mertondale gold deposits and 10km NW of the Cardinia gold deposits in the Leonora gold district. The programme was designed to follow up gold and multi-element anomalies in shallow geochemical drilling and to test the historic Triumvirate gold workings. Preliminary results of some of this drilling were released in August (see MAU ASX release 3 August 2018). Significant intersections are shown in Figure 1 and summarised in Table 1.

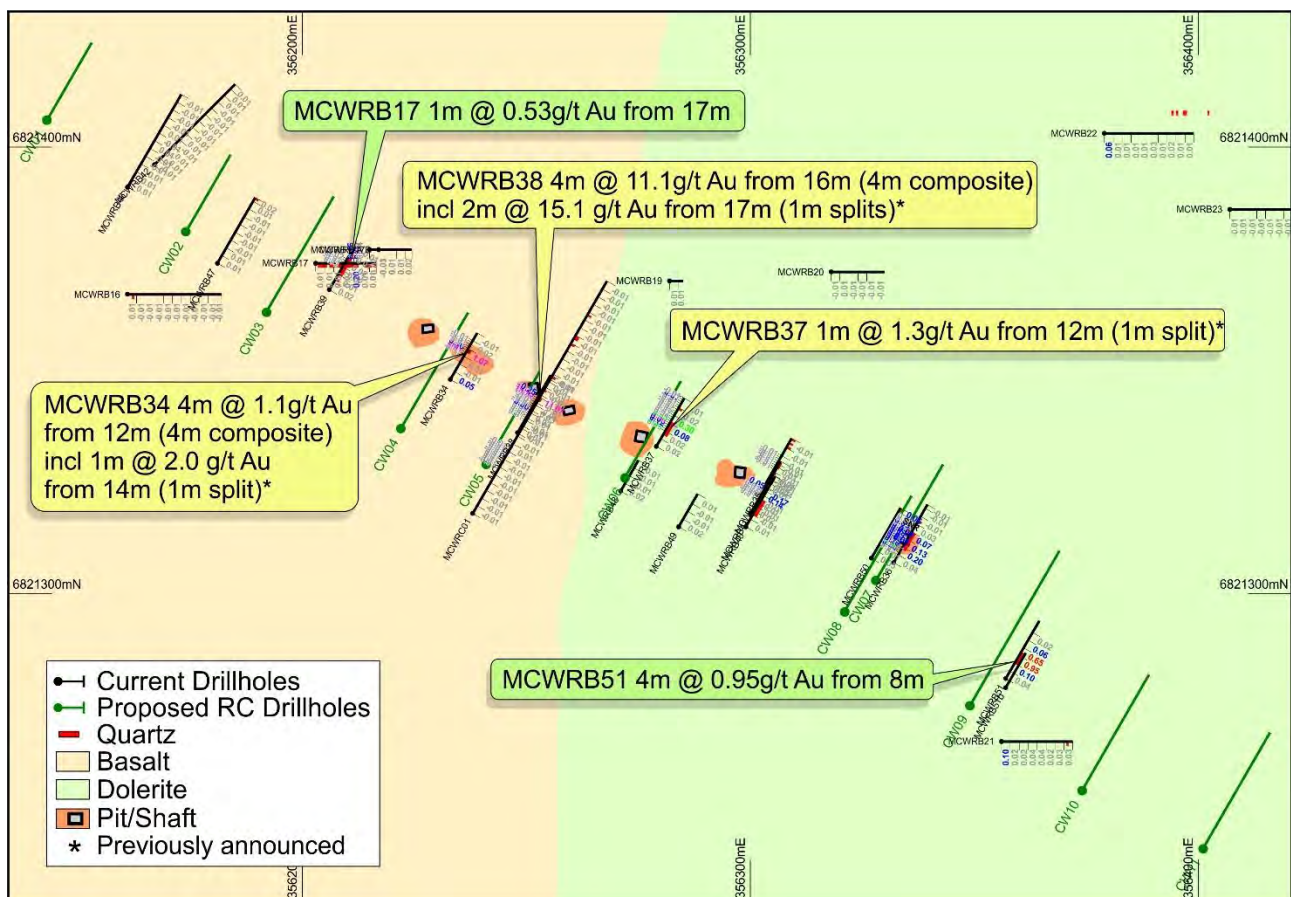


Figure 1. Triumvirate RAB & single RC drilling showing gold intersections and proposed RC drilling

Scout RAB drilling has confirmed quartz vein-hosted mineralisation over a 180m strike length at Triumvirate, with a best intercept of 2m @ 15.1g/t Au from 17m in drillhole MCWRB38. The quartz veining is interpreted to be sub-vertical, indicating true widths to be around 50-60% of intersected widths. The most eastern hole drilled, MCWRB51, intersected 8m at 0.8g/t Au from 8m and two extra drillholes are designed to test for further extension to the SE. A change in orientation of the vein

system is shown up at hole MCWRB51 and may represent a potential dilational position favourable for gold. **The mineralisation remains open along strike to the SE** and possibly to the NW

Further shallow geochemical drilling (194 holes totalling 776m), through hardpan cover at Triumvirate is proposed, with the aim of testing possible strike extensions to the SE and NW and to look for possible parallel zones (Figure 2). In the meantime, follow-up RC drilling (11 holes, 620m) is being planned to test down-dip of the shallow RAB intercepts and to test immediate strike extensions (Figure 1). Also, further ground magnetic surveys totalling 270-line km are planned over the remainder of the Christmas Well tenements looking for prospective crosscutting parallel NW structures like the Triumvirate workings.

The remainder of the RAB holes in this programme, tested a series of gold and multi-element anomalies, and intersected a sequence of mafic, ultramafic and felsic rocks with minor sediments. No significant gold mineralisation was detected. Details for the all the drilling completed are shown in Table 2.

Managing Director George Sakalidis commented, “the Triumvirate near-vertical dipping mineralised quartz vein system is emerging as a significant area for the company and extensive below-hardpan geochemical surveys testing for both NW and SE extensions are ready to proceed. More directly an 11-hole 620m RC programme to test for the extension of the mineralised quartz veins will also begin shortly. Also, a detailed 270 km ground magnetic survey is planned to help look for repetitions and extensions of the Triumvirate mineralised gold veins and any other prospective dilational positions favourable for gold in this area.”

Table 1 Triumvirate RAB Intercepts >0.5g/t Gold

Hole_Id	From_metres	To_metres	Width-m	Au_ppm	
MCWRB17	17	18	1	0.530	
MCWRB34	12	16	4	1.066	*
	14	15	1	2.011	*
MCWRB37	12	13	1	1.344	*
MCWRB38	16	20	4	11.067	*
	17	18	1	15.506	*
	18	19	1	14.790	*
MCWRB51	8	12	4	0.946	
	12	16	4	0.649	
* Previously announced ASX 3 August 2018					

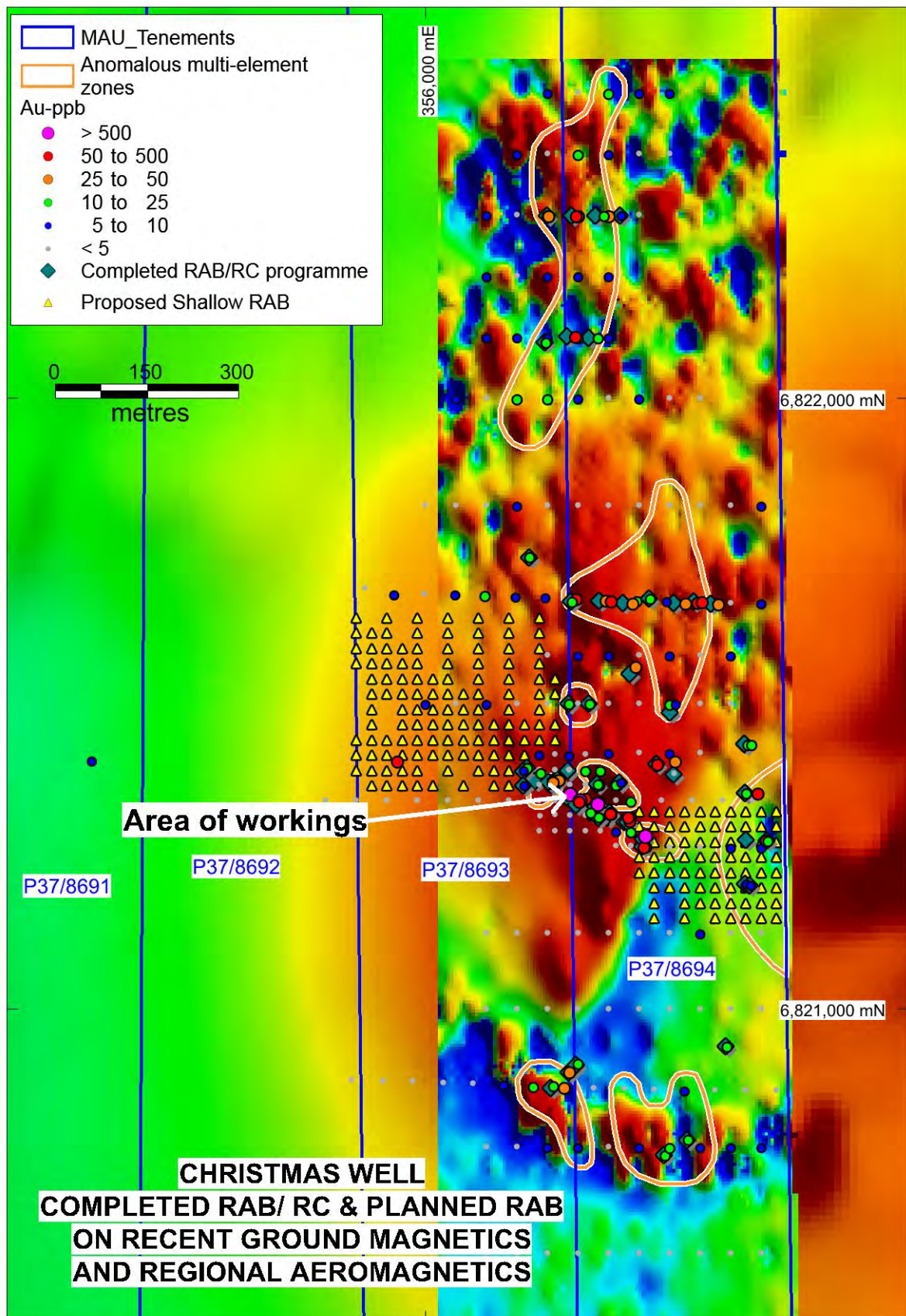


Figure 2. Christmas Well Maximum Gold projected to Surface and planned RAB over Detailed Ground and Aeromagnetics

Table 2. Complete CW RAB/RC Drillhole Programme

Hole_ID	Drillhole Type	Easting MGAz51	Northing MGAz51	Depth m	Dip deg	Azimuth deg
MCWRB01	RAB	356200	6822300	25	-60	90
MCWRB02	RAB	356240	6822300	38	-60	90
MCWRB03	RAB	356280	6822300	30	-60	90
MCWRB04	RAB	356320	6822300	36	-60	90
MCWRB05	RAB	356197	6822093	33	-60	90
MCWRB06	RAB	356233	6822103	27	-60	90
MCWRB07	RAB	356268	6822100	30	-60	90
MCWRB08	RAB	356239	6821668	25	-60	90
MCWRB09	RAB	356285	6821670	40	-60	90
MCWRB10	RAB	356325	6821666	30	-60	90
MCWRB11	RAB	356367	6821673	20	-60	90
MCWRB12	RAB	356407	6821666	44	-60	90
MCWRB13	RAB	356440	6821669	40	-60	90
MCWRB13A	RAB	356469	6821665	55	-60	90
MCWRB14	RAB	356235	6821502	24	-60	90
MCWRB15	RAB	356269	6821502	24	-60	90
MCWRB16	RAB	356161	6821367	42	-60	90
MCWRB17	RAB	356203	6821374	27	-60	90
MCWRB17A	RAB	356215	6821377	12	-60	90
MCWRB17B	RAB	356217	6821377	15	-60	90
MCWRB18	RAB	356234	6821392	7	-60	90
MCWRB19	RAB	356282	6821370	6	-60	90
MCWRB20	RAB	356318	6821372	24	-60	90
MCWRB21	RAB	356356	6821267	32	-60	90
MCWRB22	RAB	356379	6821403	40	-60	90
MCWRB23	RAB	356407	6821386	40	-60	90
MCWRB24	RAB	356525	6821355	6	-60	90
MCWRB24A	RAB	356525	6821355	54	-60	90
MCWRB25	RAB	356526	6821278	66	-60	90
MCWRB26	RAB	356560	6821277	32	-60	90
MCWRB27	RAB	356206	6820872	48	-60	45
MCWRB28	RAB	356248	6820910	39	-60	45
MCWRB29	RAB	356235	6820898	40	-60	45
MCWRB31	RAB	356392	6820762	48	-60	45
MCWRB32	RAB	356430	6820787	43	-60	45
MCWRB33	RAB	356493	6820940	46	-60	45
MCWRB34	RAB	356233	6821348	24	-60	30
MCWRB35	RAB	356303	6821324	25	-60	30
MCWRB36	RAB	356332	6821307	30	-60	30
MCWRB37	RAB	356279	6821333	25	-60	30
MCWRB38	RAB	356248	6821336	30	-60	30
MCWRB39	RAB	356206	6821368	24	-60	30
MCWRB40	RAB	356299	6821315	26	-60	30
MCWRB41	RAB	356300	6821318	27	-60	30
MCWRB42	RAB	356167	6821396	51	-60	45
MCWRB43	RAB	35636	6821680	38	-60	30
MCWRB44	RAB	356525	6821434	39	-60	90
MCWRB45	RAB	356525	6821206	39	-60	90
MCWRB46	RAB	356161	6821391	48	-60	30
MCWRB47	RAB	356181	6821374	34	-60	30
MCWRB48	RAB	356271	6821323	16	-60	30

MCWRB49	RAB	356284	6821315	17	-60	30
MCWRB50	RAB	356327	6821308	26	-60	30
MCWRB51	RAB	356357	6821281	30	-60	30
MCWRB51b	RAB	356357	6821279	18	-60	30
MCWRB52	RAB	356532	6821204	57	-60	90
MCWRB53	RAB	356524	6821436	60	-60	100
MCWRB54	RAB	356402	6821487	33	-60	30
MCWRB55	RAB	356336	6821550	35	-60	30
MCWRB56	RAB	356171	6821741	47	-60	30
MCWRC01	RC	356238	6821318	120	-60	30

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. [Quarterly Activities Report - Ended 30 June 2018](#)
2. [Christmas Well delivers with early high-grade result of 4m @ 11.1 g/t Au from 16m](#) MAU ASX Release 3 August 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	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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. • 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. • 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"> • <i>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).</i> 	<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.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • RAB & RC 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	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate</i> 	<ul style="list-style-type: none"> • Lithology, alteration and veining is recorded and imported into the Magnetic Resources central database.

Criteria	JORC Code explanation	Commentary
	<p><i>Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>The logging is considered to be of sufficient standard to support a geological resource.</p> <ul style="list-style-type: none"> • Logging of RC drill holes records lithology, mineralogy, mineralisation, weathering and colour, and is qualitative in nature. • All drill holes were logged in full.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • RAB samples are trowel sampled by hand to produce a 4m composite sample. • 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"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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. • 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 and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <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> 	<ul style="list-style-type: none"> • No independent verification of drill intersections has yet been carried out. • No twin holes have been drilled. • Primary data is stored in both physical and electronic format. • Assay data has not been adjusted.
Location of data points	<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"> • Samples were located using a handheld GPS with an accuracy of $\pm 4m$. • Grid system: GDA94. • Topographic control using regional DEM data.

Criteria	JORC Code explanation	Commentary
<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"> • RAB drilling was carried out at various spacing to follow up previous workings. • 1m samples were composited into 4m composite samples for assay. • RC drilling was carried out at 1 targeted site. 1m samples were composited into 4m 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 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.
<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"> • 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
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • 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.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The Triumvirate workings are at the intersection of dolerite and basalt with mineralization present in quartz lodes.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>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:</i> 	<ul style="list-style-type: none"> • Refer to tables in the text.

Criteria	JORC Code explanation	Commentary
	<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. <ul style="list-style-type: none"> ● 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	<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 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. 	<ul style="list-style-type: none"> ● No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses.
Relationship between mineralisation widths and intercept lengths	<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 relationship between mineralization widths and intercept lengths at Christmas Well remain to be clarified.
Diagrams	<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.
Balanced reporting	<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 0.5g/t Au intersections from the RAB drilling have been reported.
Other substantive exploration data	<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 	<ul style="list-style-type: none"> ● Ground magnetic survey results and below hardpan soil geochemical results have previously been reported in Magnetic's June 2018 quarterly and MAU ASX Release 3 August 2018 and are shown in Figure 2.

Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<p><i>substances.</i></p> <ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <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> 	<ul style="list-style-type: none"> • Follow-up RC drilling (620m) and shallow hardpan RAB (776m) is planned at Christmas Well.