



magnetic resources<sup>NL</sup>

**ASX Release  
7 November 2018**

**ASX code: MAU**

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## **1.1km NNW Mineralised Gold Intersections at HN9.**

Further to announcing strongly anomalous gold-in-soil results (5 soil samples averaging 0.7g/t over a 200m width) within the HN9 area at its 100%-owned Hawks Nest project near Laverton (MAU ASX release 15 October'18), Magnetic has carried out a field inspection and compiled historical data on this promising area where historical gold diggings and pits extend over a 1.1km strike length in a NNW direction, as shown in Figure1.

The geology of the area comprises a sequence of fine to medium grained amphibolites (mafic volcanics and intrusions) extensively intruded by felsic porphyries trending in a N-S or NNE direction. Two mineralization styles have been observed; quartz veining and stockworking in the porphyries and shear-hosted quartz veins on porphyry-amphibolite contacts. The porphyries and the mineralization show a mainly flat dip to the east not unlike several other mineralized systems in the Laverton region. A number of promising shallow intersections are present including 12m at 1.25g/t from surface including 4m at 3.54 g/t from 4m in hole RFR-37 and 12m at 1.96 g/t from 16m including 4m at 2.66g/t from 16m in hole RFR-31. Other promising intersections over this 1.1km length are shown on Figure 1 and Table 1.

The mineralized zone remains open to the SSE below alluvial and colluvial cover. Other areas of historical gold diggings occur on NNE trends both to the east and west of the central NNW-trending zone, indicating some complexity in the structural control of the mineralization. Extensive prospector activity using dryblowers and metal detectors in the general area also attests to widespread bedrock mineralization

Historical exploration was completed mainly by Sons of Gwalia NL in 1988 and by Placer Pacific in 1989 (see References). Significant intersections from this drilling are summarized in Figure 1 and Table 1. Geochemical soil sampling by Magnetic Resources has outlined an anomalous zone some 1.1km in length broadly coinciding with the known mineralization but significantly the recently announced highly anomalous gold-in soil results occur NE of the main trend suggesting the possibility of other bedrock sources.

A follow-up 587-soil sampling programme to outline the extent of the gold anomalies is in progress and will include an area to the SW which has several high-grade intersections as shown on Figure 1 and Table 1.

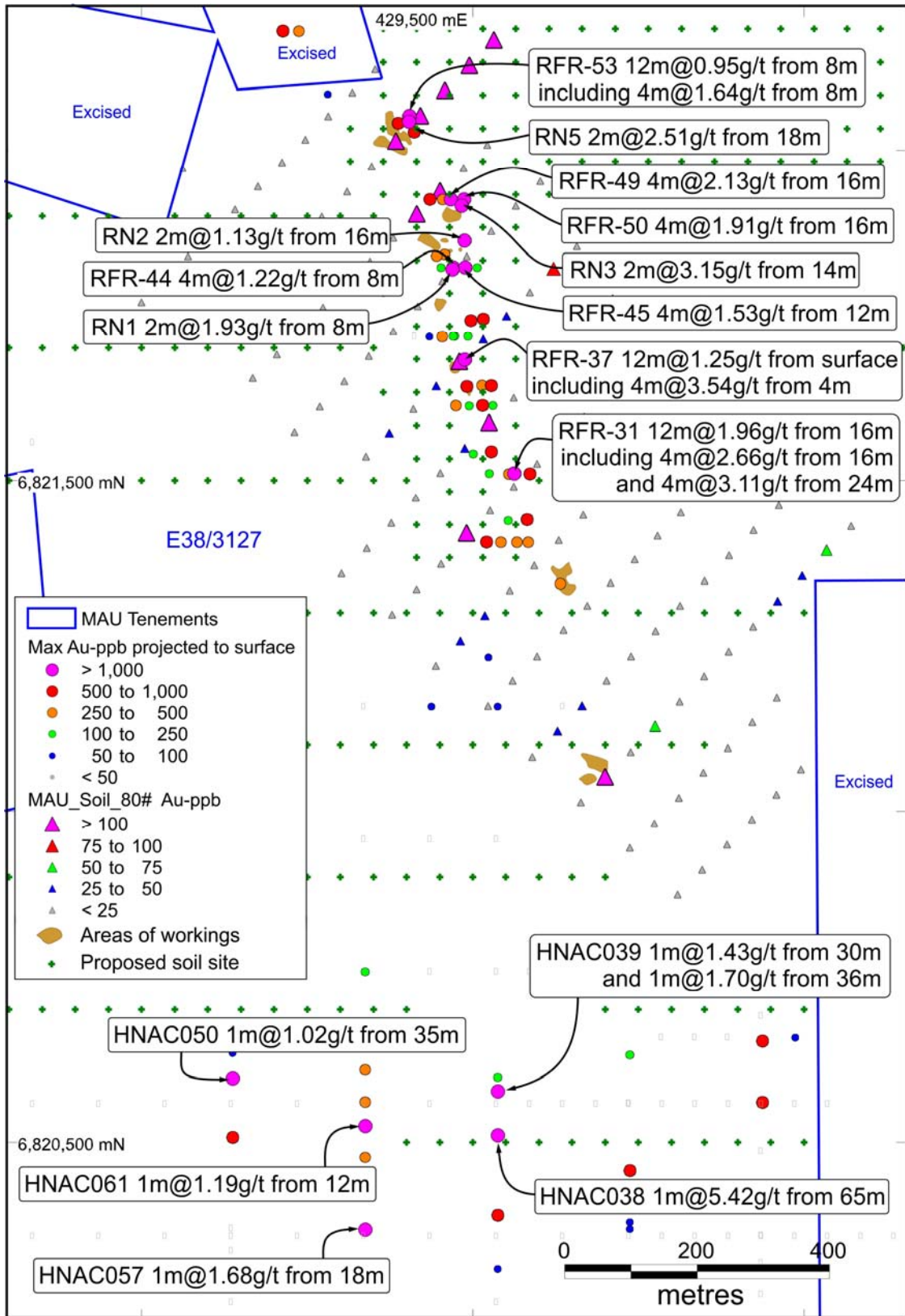


Figure 1 HN9 Workings, Historical Drilling, Soil Geochemistry Results and planned Soil Programme.

Managing Director George Sakalidis commented: "The HN9 area, which is only 15km NW of the Granny Smith Deposit owned by Gold Fields and only 10km NE of the Jupiter Deposit owned by Dacian Gold Ltd, shows a lot of early promise with these extensively mineralized flat-lying porphyries over a large 1.1km distance which are open to the south where they go under cover and also to the NE where 5 soil samples averaged 0.7g/t

over a 200m width. A follow up programme of RC drilling and an extensive 587 infill soil sampling programme is planned and will commence shortly.

Magnetic is also awaiting follow up RC assay results from the promising Hawks Nest 5, Mt Jumbo East and Christmas Well Projects, after an extensive drilling programme was recently completed”.

**Table 1. Historical Intercepts > 0.5g/t Au**

Hole_Id	Easting MGAz51	Northing MGAz51	From metres	To metres	Width metres	Gold ppm
<i>AC - Metex Resources Ltd 2006 A74219</i>						
HNAC037	429538	6820358	62	63	1	0.658
HNAC038	429538	6820478	65	66	1	5.415
			66	67	1	0.935
			68	69	1	0.674
HNAC039	429538	6820558	30	31	1	1.426
			36	37	1	1.704
			37	38	1	0.653
			39	40	1	0.820
HNAC049	429138	6820463	89	90	1	0.672
HNAC050	429138	6820578	33	34	1	0.542
			34	35	1	0.646
			35	36	1	1.022
			41	42	1	0.850
HNAC057	429338	6820358	18	19	1	1.676
HNAC061	429338	6820518	12	13	1	1.192
<i>AC - Metex Resources Ltd 2001 A62445</i>						
RFAC357	429937	6820538	44	45	1	0.721
RFAC358	429937	6820618	69	70	1	0.824
RFAC402	429737	6820438	37	38	1	0.849
<i>RAB - Gwalia 1989 A29728</i>						
RFR-25	429535	6821406	28	32	4	0.577
RFR-31	429575	6821511	16	20	4	2.660
			24	28	4	3.110
RFR-32	429595	6821510	12	16	4	0.873
RFR-32			16	20	4	0.920
RFR-35	429515	6821614	0	4	4	0.797
RFR-37	429491	6821684	0	4	4	1.120
			4	8	4	3.540
			12	16	4	0.501
RFR-44	429475	6821823	8	12	4	1.220
RFR-45	429496	6821823	12	16	4	1.530
			16	20	4	0.858
RFR-47	429436	6821925	0	4	4	0.751
RFR-49	429476	6821925	16	20	4	2.130
RFR-50	429496	6821926	12	16	4	0.686
			16	20	4	1.910
RFR-51	429416	6822031	8	12	4	0.977
RFR-52	429391	6822044	8	12	4	0.923
			12	16	4	0.753
RFR-53	429409	6822054	8	12	4	1.640
			16	20	4	0.683
<i>RC - Julia Mines 1986 A18060</i>						
RN1	429469	6821820	8	10	2	1.930

			10	12	2	0.700
			20	22	2	0.750
RN2	429487	6821863	16	18	2	1.130
			22	24	2	0.700
RN3	429483	6821916	14	16	2	3.150
RN5	429404	6822044	12	14	2	0.950
			18	20	2	2.510
<i>RC - Placer Exploration Ltd 1991 A34935</i>						
RRC065	429588	6821441	10	15	5	0.658
RRC067	429531	6821543	5	10	5	0.925
RRC069	429495	6821642	5	10	5	0.735
RRC071	429537	6821643	10	15	5	0.548
			15	20	5	0.664
RRC072	429503	6821742	5	10	5	0.637
			10	15	5	0.695
RRC073	429525	6821744	15	20	5	0.978

#### References:

Final Surrender Report by Metex Resources Ltd (A74219), E38/411 for period 19/01/1992 to 03/02/2006 (Hawks Nest Project).

Combined Annual Technical Report Period 1 February 2000 to 31 January 2001. Laverton Project (A62445) by Metex Resources Ltd

Annual report for the period 01/05/1988 to 01/03/1989, Red Flag Project (A29728), M38/96 M38/97 M38/100 M38/186 P38/1868 by Placer Exploration Ltd.

Final Report March 1988 on Exploration on the Red Flag Project M38/96, M38/97, M38/100, M38/186 and P38/1868 (A29728) by Gwalia Minerals.

Nicholson Well, P38/132, Final (surrender) report, February 1986 (A18060) by Julia Mines NL

Annual report for the period 01/01/91-31/12/91 Red Flag Project M38/96 M38/97 M38/100 M38/186 P38/902 P38/1868 P38/1942 P38/2093 (A34935) by Placer Exploration Ltd

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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. Promising 200m wide 0.7g/t soil geochemistry associated with extensive 1km long NS porphyries at newly named Hawks Nest 9. MAU ASX Release 16 October 2018.

All of which are available on [www.magres.com.au](http://www.magres.com.au)

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 materialize, 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"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>For RAB sampling, 4m composites completed by Gwalia (A29728)</li> <li>For AC sampling, 4m composites and 1m splits completed by Metex (A62445, A72419)</li> <li>For RC sampling, 2m composites completed by Julia Mines (A18060) and 5m composites completed by Placer (A34935)</li> <li>All the reported drilling is historical and their relevant sampling procedures, QAQC and analytical methods etc. are refer to in the original WAMEX reports (references in the main text of this release).</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Rotary air blast (RAB) drilling with a blade bit.</li> <li>Reverse Circulation (RC) drilling was carried out using a face sampling hammer with a nominal diameter of 140mm.</li> <li>Aircore (AC) drilling .</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>RAB, RC &amp; AC sample recoveries refer to the original reports (references in the main text of this release).</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Where available lithology, alteration and veining is recorded and imported into the Magnetic Resources central</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p>database. The logging is considered to be of sufficient standard to support a geological resource.</p> <ul style="list-style-type: none"> <li>• Refer to the original reports (references in the main text of this release).</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <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></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Refer to the original reports (references in the main text of this release).</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Refer to the original reports (references in the main text of this release).</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No independent verification of drill intersections has yet been carried out.</li> <li>• Twin holes are planned to be drilled.</li> <li>• Primary data is stored in both physical and electronic format.</li> <li>• Assay data has not been adjusted.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• <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</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drillholes were located from historical maps and locations confirmed by field inspection.</li> <li>• Grid system: MGaz51 GDA94.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>estimation.</i></p> <ul style="list-style-type: none"> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Topographic control using regional DEM data.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <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></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• RAB, RC and AC drilling was carried out at various spacing.</li> <li>• RAB drilling 1m samples were composited into 4m composite samples for assay.</li> <li>• RC drilling was carried out and 1m samples were composited into 2m and 5m composite samples for assay</li> <li>• AC drilling was carried out and 1m samples were composited into 4m composite samples for assay.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• At HN9 historical geological mapping and the trends of old gold diggings indicate a general NNW to SSE trend to the geological structures. The historical drilling was carried out orthogonal to this trend.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable.</li> </ul>

## 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"> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• The HN9 target area is situated on exploration Licence E38/3127 held 100% by Magnetic Resources NL.</li> <li>• The Licence is granted with no known impediments to obtaining a Licence to operate.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The HN9 area has been subject to historical exploration as detailed in this release.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Two mineralization styles have been observed; quartz veining and stockworking in the porphyries and</li> </ul>

Criteria	JORC Code explanation	Commentary
		shear-hosted quartz veins on porphyry-amphibolite contacts.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>• <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"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Refer to table in the text.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>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').</i></li> </ul>	<ul style="list-style-type: none"> <li>• The relationship between mineralization widths and intercept lengths at HN9 remain to be clarified.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Refer to text.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and</i></li> </ul>	<ul style="list-style-type: none"> <li>• Plus 0.5g/t Au intersections from the RAB, RC and AC drilling have been reported.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<p><i>high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Soil geochemistry has previously been reported in Magnetic's 15th October 2018 release and are shown in Figure 1.</li> </ul>
<p><i>Further work</i></p>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• Follow-up RC drilling and in fill soil geochemistry (587 samples) is being planned at HN9.</li> </ul>