



Mining

Magnetic fills gold exploration war chest with \$7.1m placement

September 4, 2020 | [Special Report](#)

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Special Report: Magnetic Resources is cashed-up to advance gold exploration at its Hawks Nest 9 and Lady Julie projects near Laverton, Western Australia, after raising \$7.1m increasing its coffers to \$10m.

The funds were raised through a placement of 5.2 million shares priced at \$1.38 each, a 15 per cent discount to the average closing price of the five prior days of trading, which received strong interest from new and existing brokers and shareholders.

Magnetic Resources (ASX:MAU) will use the funds for additional reverse circulation (RC) and deeper diamond drilling at Hawks Nest 9 (HN9) and Lady Julie.

It will also be used for metallurgical test work along with resource and scoping studies.

Managing director George Sakalidis said that while the company had enjoyed significant exploration success at both projects, the funds would allow it to carry out additional RC drilling to extend the near-surface H9 project from 3km to 4.5km in length.

Funds will also be used on deeper diamond drilling to be carried out on the thickened multiple gold-rich porphyry lodes that remain open to the northeast.

“The company is moving towards the release of a JORC resource by the end of the year, with the current intention to have feasibility studies commenced,” Sakalidis added.

Thickened lodes a sign of deep gold potential

- Last month, Magnetic noted that the identification of at least four stacked thickened porphyry zones **were an indicator for deeper mineralisation** at the HN9 project, as all the large deposits in the region had internal shallow-dipping mineralised lodes. Thickened zone has some large intersections:
 - 104m at 0.8g/t from 8m including 20m at 2.2g/t from 95m.
 - 70m at 0.5g/t from 13m including 14m at 1g/t from 55m.
- Thickened zone is being drill tested over 700m and is still open to the NE and at depth.
- Has similarities to the Wallaby and Jupiter Deposits.
- Trends to the NE towards the Lady Julie Deposit.

This is highlighted by the 7-million-ounce Wallaby deposit where the lodes have been defined down to a depth of 1,500m.

The company added the southern part of HN9 was split into two northeast trending zones that are open to the northeast and southwest.

MAU Magnetic Resources			
Mkt Price \$1.415 +0.015 +1.1% 1:36 pm	High \$1.42	Open \$1.40	Volume 47,690
	Low \$1.40	Prev. Close \$1.40	Turnover \$67,389
<p>1 mth 3 mths 1 yr 2 yrs 5 yrs 10 yrs</p> <p>Click for other stocks</p> <p>MAU</p> <p>Share prices and news by StockNessMonster Prices and news delayed by 20 minutes</p>			

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