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Jubuk

Following the previously reported encouraging drilling and test work results from its 100%owned Jubuk magnetite project near Corrigin, Magnetic has completed the second stage of the latest reverse circulation (RC) drilling programme. The drilling programme was aimed at testing of strike extensions of the prospective coarse-grained magnetite banded iron formation (BIF) and providing information for a preliminary resource estimate.

Expanded Jubuk Programme

The second stage focussed on completion of intermediate sections within the main outcrop area and testing down-dip extensions of the mineralized horizons. Better intersections include **18m @ 29.43%Fe** from 33m in drill hole JRC061 and **30m @ 22.93%Fe** from 99m in drill hole JRC067. The location of the recently completed drilling is shown on the map below. Significant results are summarised as follows:

Hole	Coordinates		Dip	Azimuth	From	То	Interval	Fe
Number	ш	N			m	m	m	%
JRC054	555865	6434822	-60	295	78	90	12	21.6
					114	129	15	22.6
JRC055	555793	6434969	-60	300	27	36	9	16.9
JRC056	555847	6434947	-60	300	18	45	27	18.9
		including			18	27	9	24.4
					93	102	9	24.2
JRC057	555740	6434990	-60	100	3	15	12	20.6
JRC058	555704	6434872	-60	100	NSI			
JRC059	555672	6434882	-60	110	NSI			
JRC060	555970	6435174	-60	300	69	99	30	21.7
		including			69	87	18	25.9
JRC061	555903	6435202	-90	0	21	51	30	21.6
					33	51	18	29.4
JRC062	555880	6435216	-90	0	NSI			
JRC063	555866	6435223	-60	110	NSI			
JRC064	555868	6435468	-80	135	81	90	9	20.7
JRC065	556115	6435572	-60	330	NSI			
JRC066	556136	6435522	-60	330	3	9	6	33.3
JRC067	555975	6435171	-80	300	99	129	30	22.9
		including			102	111	9	33.9
JRC068	555864	6435220	-90	0	54	60	6	23.6
JRC069	555701	6434873	-90	0	9	15	6	22.8
JRC070	555734	6434667	-60	270	6	15	9	27.2
					69	84	15	18.2
					111	117	6	19.9
JRC071	555794	6434682	-60	270	9	24	15	22.3
					117	126	9	19.3
JRC072	556162	6435477	-60	330	NSI			
JRC073	556808	6435464	-60	200	NSI			

Jubuk RC Drilling Results

3m composite samples. Fe determined by fused disc XRF

Preliminary geological interpretation indicates that the magnetite BIF is both faulted and folded, with further interpretation of the structure and continuity of the BIF in progress. In addition, Davis Tube recovery (DTR) tests are being carried out on 297 composite samples from this drilling program as part of the metallurgical testwork. As previously reported, DTR tests on drill samples have indicated that Jubuk magnetite can probably be upgraded to a premium grade product using a coarse grind and magnetic separation.

Given the encouragement to date in extending the strike length of the mineralisation, the company has completed an orientation gravity survey to examine methods by which it can further improve its drill targeting. The gravity survey has clearly defined the Jubuk BIF and has demonstrated the value of the gravity method in assisting the interpretation of the geometry of the iron formation. As a result the entire 7km strike length around the Jubuk dome will be surveyed by gravity, together with six separate targets totalling a further 16km of strike in the vicinity of Jubuk. It is anticipated that further drilling will be carried out as a result of these surveys. In addition, further gravity surveys are planned at Mt Vernon and Rock Dam to assist in the identification of drilling targets in these areas.



Jubuk: Location of Completed Drilling

Wubin

A 147-hole, 2528m air-core drilling program was completed in March 2011 in the Wubin project area testing for near surface hematite-goethite enrichments. Full analytical results are yet to be received and will be reported when available.

Areas targeted included those associated with magnetic anomalies and areas of ferruginous enrichment identified from photo-interpretation and regolith mapping, potentially hosting equivalents of channel-style iron deposits.

Sewell Rock

A 60-hole aircore drilling program will commence in the next month to test the source of magnetic anomalies identified from Magnetic's aeromagnetic surveys and situated some 65km SSE of Jubuk.

The target areas, shown in the map below, comprise soil covered agricultural land where samples of iron-enriched lateritic detritus have returned values up to 50.3%Fe. The drilling is targeted to identify areas of possible iron enrichment or magnetite mineralisation.



Sewell Rock: Location of Proposed Drilling on Aeromagnetic Image

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 Allan Younger (Dip Applied Geol), who is a member of the Australasian Institute of Mining and Metallurgy. Allan Younger is a consultant to Magnetic Resources NL. Allan Younger 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 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Allan Younger consents to the inclusion of this information in the form and context in which it appears in this report.