

RIU EXPLORERS CONFERENCE *PREVIEW*

# Bold claim suggests magnetite code cracked

One of Australia's most thoughtful geophysical thinkers seems to have the golden touch, only this time it is iron ore that has ignited the share price of one of his stable of companies.

During January, Magnetic Resources Ltd share price jumped a staggering 400% (from 15-54 cents by the second half of the month) on the back of the realisation that the junior's managing director – George Sakalidis – had “cracked the code” and uncovered magnetite iron ore in some previously unrecognised banded iron formations (BIFs) in areas of Western Australia's South West and Mid West.

This turn of events had come about following some geophysical and aeromagnetic interpretation work.

There was, according to Sakalidis, the possibility that these magnetite BIFs could also have sections of hematite or direct shipping ore (DSO) material. However, this concept is yet to be tested and proven.

The key objective of the junior is to identify iron ore that can readily be upgraded to a quality product in areas of good infrastructure which are close to ports.

In Magnetic's case, harbour options for its South West holdings are Albany, Esperance or Kwinana, while in the Mid West the mooted Oakajee facility is the obvious choice. This is currently scheduled to come on line during 2014.

“There really are a whole pile of alternatives for us, but that really is still some time away yet,” Sakalidis – who will be presenting at the RIU Explorers Conference

on behalf of Image Resource NL – said.

The company has been quick to add to its holdings and recently applied for additional exploration licences which, when granted, will take its real estate position to some 4,750 square kilometres.

A total of 10 BIFs have been uncovered by Magnetic and will be assessed for both their magnetite and hematite potential. Close to half of this is in the Dalwallinu area.

Quotes for high resolution aeromagnetic and radiometric surveys are being obtained and this data will be used to hone in on its target areas before embarking on a sampling program.

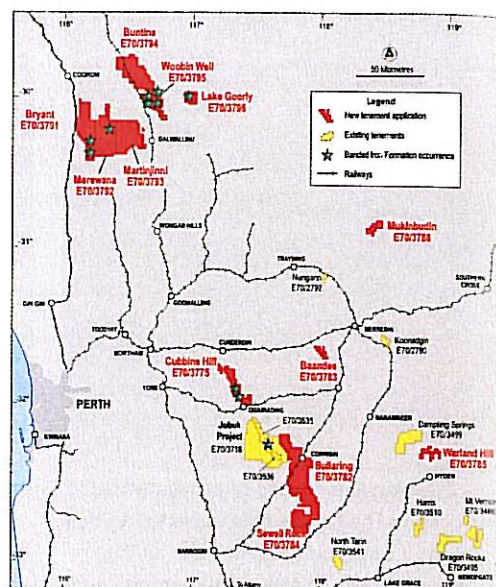
In the Jubuk area, located near the wheatbelt town of Corrigin, the company was keen to grow its presence after rock chips collected last year returned significant widths of magnetite (with up to 108 metres at 39.9% iron ore).

Earlier this year, Magnetic tripled its holdings in the region following a detailed aeromagnetic survey, which outlined five metamorphosed, coarse grained magnetite occurrences (known as targets 1-5) associated with magnetic anomalies and covered 70 km of potential iron ore targets.

Also in Magnetic's favour, the eastern end of Target 3 is only 15 km from the Corrigin rail line and Target 5 only 15 km south of the Quairading-Bruce Rock rail track.

Drilling is currently underway in a small area of granted tenure at Jubuk.

“The plan is to test Targets 1-3 at Jubuk,”



Magnetic's iron ore holdings in WA.

Sakalidis explained.

“There is probably 30 km of targets and we are only testing 3 km at the moment. We have sampled the hill (Target 1) and that is where we are doing some more drilling, as well as a bit more to the south.

“The other two targets have not been granted and are next in line.”

With \$1.4 million in the bank and plans to spend \$2 million this year on exploration, Sakalidis said a capital raising was probably on the horizon.

“We have already had a lot of interest from people, so I don't think raising extra funds will be an issue,” he added.

By Tania Winter

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