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SEABROOK URANIUM DRILLING COMMENCES. NEW URANIUM ANOMALIES AT LAKE HARVEY

Magnetic Resources continues to advance exploration on several of its uranium projects in the southwest region of Western Australia. The Lake Harvey and Seabrook uranium prospects continue to show promise.

LAKE HARVEY (Magnetic 100%)

First pass soil sampling has been completed over several radiometric anomalies in the central portion of Magnetic's exploration licence using a 400m x 400m offset array. This sampling has identified extensive anomalous areas with a maximum value of 196ppm uranium (233ppm U₃O₈). The distribution of anomalous soil geochemistry confirms the patterns outlined by the radiometric data as shown in Figure 1.

These anomalous geochemical responses define two zones totalling approximately 4km in length and up to 800m in width. It is not known at this stage if the geochemical anomalism extends at depth under the lake sediments.

Wide spaced shallow historical drilling carried out in the 1970's (to maximum depth of 12m) peripheral to the lake system did not return anomalous results, neither did the one hole which tested the radiometric anomaly in the southwest part of the soil sampling area. However the historical drilling did intersect strongly anomalous results on a small clay pan situated 1km to the north of the soil sampling area, where 2m @ 200ppm uranium was intersected from surface. This clay pan shows a strong radiometric response, as shown in Figure 1. Preparation and permitting of scout drilling to follow up these encouraging results is in hand.

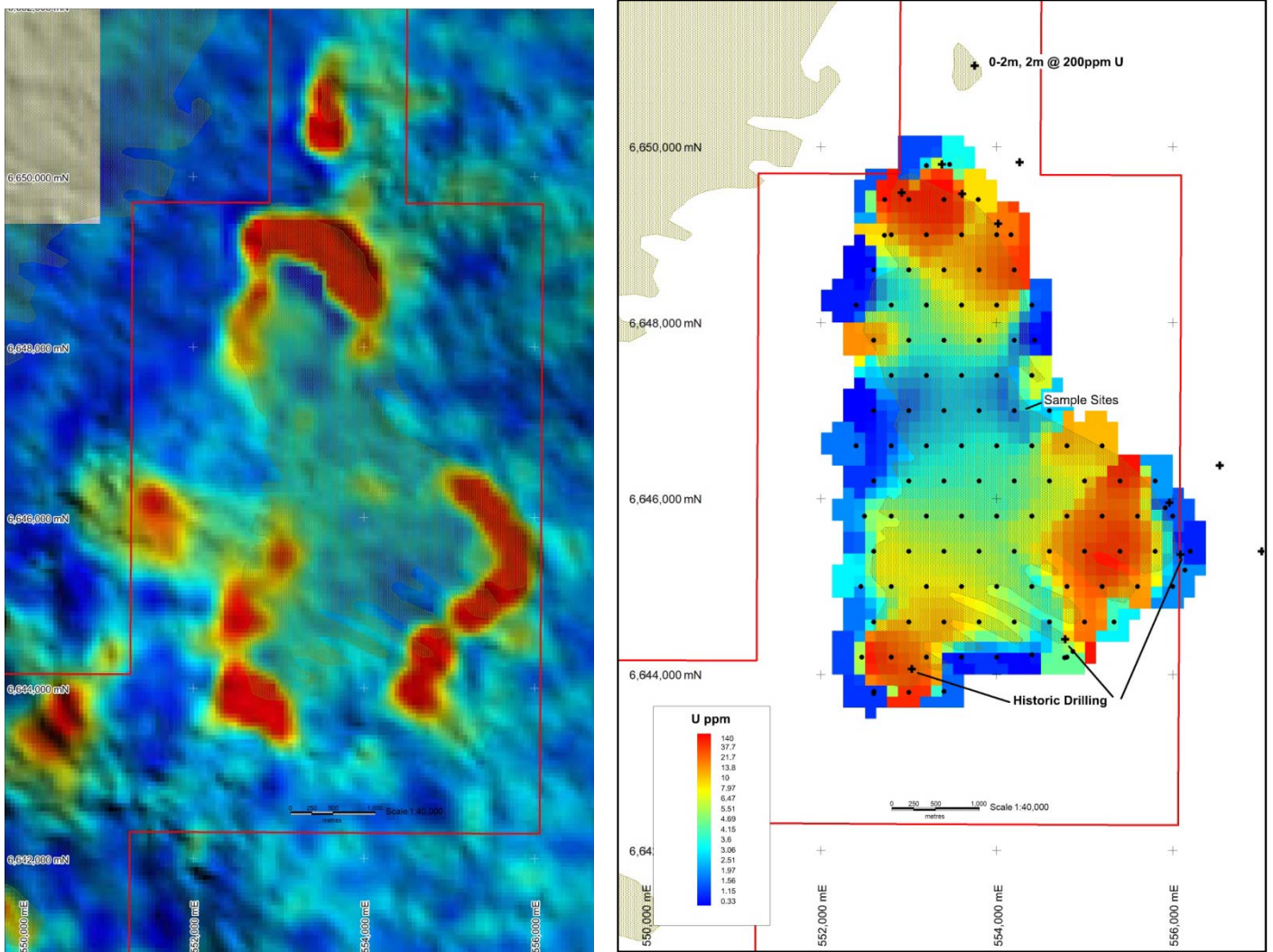


Figure 1

**Lake Harvey
Radiometric Image (uranium channel)
Geochemistry**

**Lake Harvey
Uranium Soil
Geochemistry**

SEABROOK (Magnetic 80%, earning up to 100%)

Extensive areas of anomalous uranium in soils and lake sediments have been identified by Magnetic's sampling of radiometric anomalies. The sampling has identified anomalous levels of uranium of up to 50ppm uranium from soil sampling and up to 249ppm uranium in hand auger samples from this lake and the associated palaeochannel system.

A 160-hole, 3,500m aircore drilling programme has commenced with the aim of testing the extent and tenor of uranium mineralisation and particularly its distribution at depth in the lake sediment in the areas of defined uranium anomalism. The drilling will also test the geometry and type of the basement to the lake and palaeodrainage channels in order to verify the mineralisation model being applied to this area. The location of the proposed drilling is shown in Figure 2.

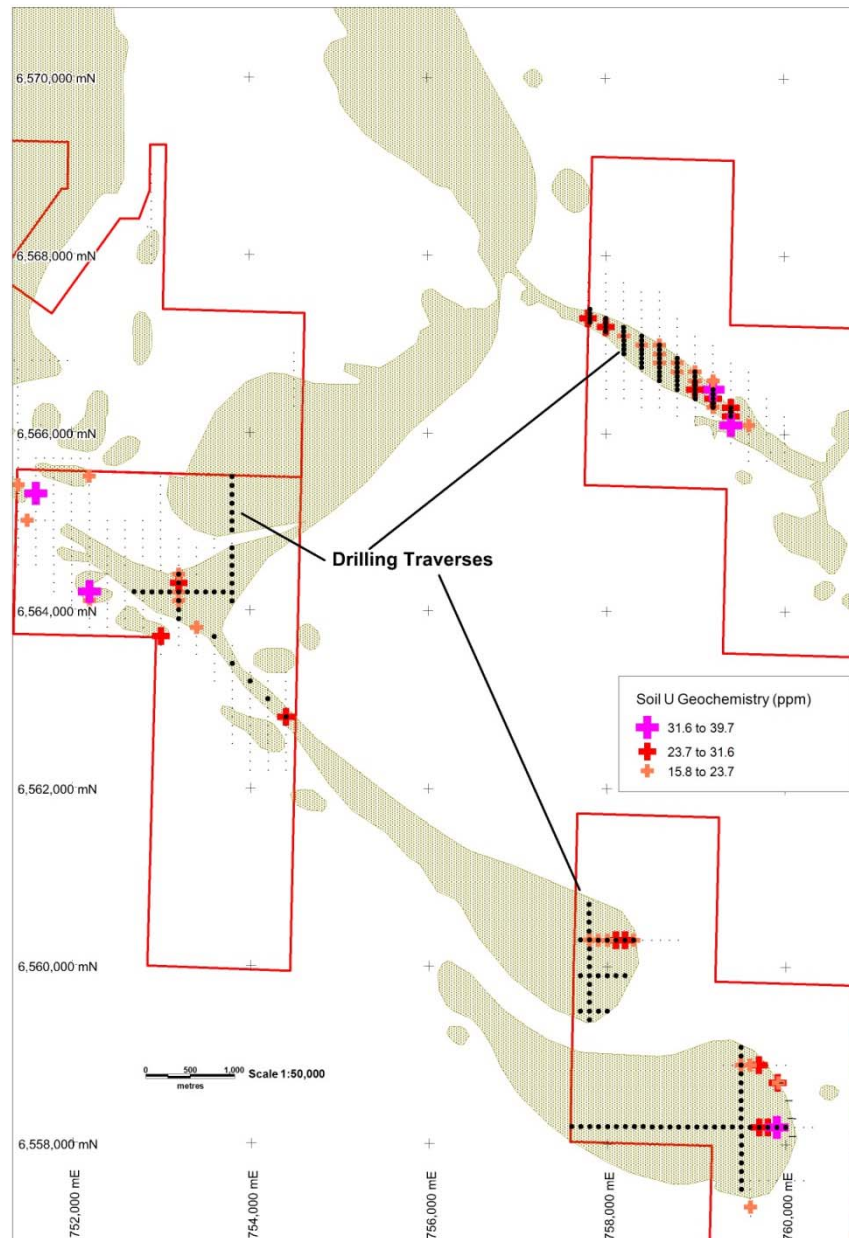


Figure 2
Seabrook Uranium Geochemistry and Proposed Drilling

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 or reviewed 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 2004 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.