

magnetic resources^{NL}

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magnetic resources^{NL}

ASX Code: MAU

30 April 2010

Company's Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

NOTICE OF GENERAL MEETING

In accordance with the Company's Constitution, the attached Notice convenes a General Meeting of the Members of the Company to be held 11.00am on Wednesday 2 June 2010 at the Company's offices, Level 2, 16 Ord Street West Perth.

A copy of the Notice of Meeting and personalised Proxy will be mailed to shareholders appearing on the register of members as at 5.00pm WST today.

END OF RELEASE

MAGNETIC RESOURCES NL

(ABN 34 121 370 232)

NOTICE OF GENERAL MEETING

incorporating Explanatory Notes and Proxy Form

to be held on

Wednesday 2 June 2010 at 11:00am (WST)

At

Level 2, 16 Ord Street, West Perth, Western Australia

**This is an important document and should be read in its entirety.
If you are in doubt as to the course you should follow, consult your financial or other
professional adviser.**

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NOTICE OF GENERAL MEETING



NOTICE IS HEREBY GIVEN that a General Meeting (**Meeting**) of the Shareholders of Magnetic Resources NL (ABN 34 121 370 232) (**Magnetic or the Company**) will be held at Level 2, 16 Ord Street, West Perth, Western Australia on Wednesday 2 June 2010 at 11:00am (WST).

The *Explanatory Statement* that accompanies and forms part of this Notice of Meeting (**Notice of Meeting**) describes in more detail the matters to be considered.

AGENDA

BUSINESS:

To consider and, if thought fit, to pass the following as ordinary resolutions:

Resolution No. 1 – Ratification of Share Placements on 23 February 2010:

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 3,700,000 fully paid ordinary shares in the capital of the Company on 23 February 2010 at an issue price of \$0.40 each to selected professional and/or sophisticated investors who satisfied either one of the definitions contained in section 708(8), 708(10) and 708(11) of the Corporations Act 2001 and otherwise on the basis set out in the Explanatory Statement accompanying this Notice of General Meeting, is ratified and approved.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by any of the persons, or an associate of those persons, who participated in the issue of the shares, the subject of Resolution 1. However, the Company need not disregard a vote if either the vote is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution No. 2 – Ratification of Share Placements on 7 April 2010:

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 3,960,230 fully paid ordinary shares in the capital of the Company on 7 April 2010 at an issue price of \$0.40 each to selected professional and/or sophisticated investors who satisfied either one of the definitions contained in sections 708(8), 708(10) and 708(11) of the Corporations Act 2001 and otherwise on the basis set out in the Explanatory Statement accompanying this Notice of General Meeting, is ratified and approved.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 2 by any of the persons, or an associate of those persons, who participated in the issue of the shares, the subject of Resolution 2. However, the Company need not disregard a vote if either the vote is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution No. 3 – Approval for the Proposed Issue of Ordinary Fully Paid Shares:

That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue of up to 20,000,000 fully paid ordinary shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement at a price which is the higher of \$0.70 per share or a price that is at least 80% of the average market price for the Company's quoted shares, as calculated over the 5 trading days on which sales in the securities were recorded before the day on which the issue is to be made, to selected professional and/or sophisticated investors who satisfy either of the definitions contained in sections 708(8), 708(10) and 708(11) of the Corporations Act 2001.

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by a person, or an associate of that person, who may participate in the proposed issue and a person who might obtain a benefit, the subject of Resolution 3, except a benefit derived solely in the capacity of a holder of ordinary securities, if the resolution is passed. However, the Company need not disregard a vote if either the vote is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

NOTICE OF GENERAL MEETING



By order of the Board

R TIELEMAN

COMPANY SECRETARY

DATED: 30 April 2010

PROXIES

For the purposes of determining voting entitlements at the general meeting, shares will be taken to be held by persons who are registered as holding shares at 5.00pm on Monday 31 May 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the general meeting. A shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. A proxy may, but need not be, a shareholder of the Company. Proxy forms must reach the Registered Office of the Company (Level 2 16 Ord Street West Perth) by hand delivery or by mail (PO Box 1388 West Perth WA 6872), or be received by facsimile on (08) 9485 2840, or be received by email at info@magres.com.au at least 48 hours prior to the meeting. For the convenience of shareholders, a Proxy Form is enclosed.

NOTICE OF GENERAL MEETING Explanatory Statement - 30 April 2010



Introduction

This Explanatory Statement has been prepared for the information of members of the Company in connection with the business to be conducted at the general meeting of members to be held at Level 2, 16 Ord Street, West Perth, Western Australia on Wednesday 2 June 2010 at 11:00am (WST).

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of General Meeting.

1. Ratification of Share Placements on 23 February 2010 and 7 April 2010 (Resolutions 1 and 2)

ASX Listing Rule Requirements

ASX Listing Rule 7.1 relevantly provides that the prior approval of the shareholders of the Company is required to an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The issue and allotment of shares outlined in Resolutions 1 and 2 does not exceed the 15% limit, however, ASX Listing Rule 7.4 provides that, where a company in general meeting ratifies an issue of equity securities, the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.4, thereby enabling the company to issue further equity securities without exceeding the 15% in 12 months limitation.

Shareholder approval is sought so as to refresh the Company's 15% equity security placement limit pursuant to ASX Listing Rule 7.1.

The information required by ASX Listing Rule 7.5 to be provided to shareholders is contained within this Explanatory Statement and the Notice of General Meeting.

Resolutions 1 and 2 of the Notice of General Meeting propose the ratification for the issue of 3,700,000 Shares as announced on 17 February 2010 and 3,960,230 Shares as announced on 7 April 2010, thereby satisfying the requirements of ASX Listing Rule 7.4.

In compliance with the information requirements of ASX Listing Rule 7.5, members are advised of the following particulars in relation to the placements.

- (a) Number of securities issued: 7,660,230 Shares
- (b) Price at which the securities were issued: \$0.40 cents per Share
- (c) The Shares rank equally in all respects with the existing fully paid ordinary shares on issue.
- (d) The shares were issued to selected professional and/or sophisticated investors who satisfied either one of the definitions contained in sections 708(8), 708(10) and 708(11) of the Corporations Act 2001;
- (e) No shares were issued to any related party of the Company; and
- (f) The intended use of the funds raised will be directed towards financing exploration of the Company's iron ore and uranium prospects in the southern Yilgarn region of WA.

The Board recommends that Shareholders vote in favour of Resolutions 1 and 2.

2. Proposed Issue of Ordinary Fully Paid Shares (Resolution 3)

ASX Listing Rule Requirements

ASX Listing Rule 7.1 relevantly provides that the prior approval of the shareholders of the Company is required to an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The issue and allotment of shares outlined in Resolution 3 will exceed the 15% limit and therefore requires such approval.

In compliance with the information requirements of ASX Listing Rule 7.3, members are advised of the following particulars in relation to the proposed placement.

- (a) The maximum number of securities the Company may issue is 20,000,000 ordinary fully paid shares;
- (b) The Company will issue and allot the shares either simultaneously or progressively, in whole or in part (if at all) and will be completed by no later than 3 months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver;
- (c) The shares will be issued at a minimum issue price that is the higher of \$0.70 per share or a price that is at least 80% of the average market price for the Company's quoted shares, as calculated over the 5 trading days on which sales in the securities were recorded before the day on which the issue is to be made;
- (d) The shares are proposed to be issued to professional and/or sophisticated investors who satisfy either one of the definitions contained in sections 708(8), 708(10) or 708(11) of the Corporations Act 2001. No shares are to be issued to any related party of the Company. The participants are not yet known;
- (e) The Shares will rank equally in all respects with the existing fully paid ordinary shares on issue; and
- (f) The intended use of the funds raised will be directed towards continued financing of the Company's projects in the southern Yilgarn region and general working capital.

The Board recommends that Shareholders vote in favour of Resolution 3.

Proxy Form



Reference Number	
Number of Shares	

Appointment of Proxy

I/We appoint as proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy or Chairperson sees fit) at the general meeting of the Company to be held at the Level 2, 16 Ord Street, West Perth, Western Australia on Wednesday 2 June 2010 at 11.00am WST (**Meeting**) (and at any adjournment thereof). This proxy empowers the person appointed as proxy to vote on any other resolutions validly put to the Meeting as the proxy sees fit.

Name of person you are appointing (if not the Meeting Chairperson)

OR

the Chairperson of the Meeting

	For	Against	Abstain (1)	No Direction to Vote (2)
Resolution 1 Ratification of Share Placement on 23.2.2010				
Resolution 2 Ratification of Share Placement on 7.4.2010				
Resolution 3 Approval for Proposed Issue of Shares				

- (1) IF YOU MARK THE **ABSTAIN BOX** FOR A PARTICULAR ITEM, YOU ARE DIRECTING YOUR PROXY **NOT** TO VOTE ON THAT ITEM.
- (2) IF YOU DO **NOT** WISH TO DIRECT YOUR PROXY HOW TO VOTE, PLEASE PLACE A MARK IN THIS BOX. **The Chairman intends to vote undirected proxies in favour of the resolution.** By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box and you have not directed your proxy how to vote, the Chairman will vote these proxies in favour of the resolution.

Appointing a Second Proxy (if applicable)

	or	%
The number of shares applicable to this proxy form		The percentage of your voting rights

Signature(s)

Shareholder 1	Shareholder 2	Shareholder 3
Director	Director/Secretary	Sole Director and Secretary

Company Seal (if required)

Proxy Forms may be lodged with Magnetic Resources NL either by facsimile on (08) 9485 2840, or by mail to PO Box 1388, West Perth WA 6872 or by hand delivery to Level 2, 16 Ord Street West Perth. To be valid, a Proxy Form must be received not less than 48 hours before the time appointed for the Meeting. For assistance in completing this form, please refer to the rear of this form.

Contact Telephone Number		
	Area Code	Telephone Number

Instructions for Completion of the Proxy Form

Shareholder's Name & Address

This is the name and address of the shareholder as it appears on the Company's share register. For the purposes of the Meeting, shares will be taken to be held by those persons who are the registered holders thereof 48 hours before the time appointed for the commencement of the Meeting.

Appointment of Proxy

A shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two other persons (whether shareholders or not) as proxy or proxies to attend in the shareholder's place at the Meeting. The proxy has the same right as the shareholder to speak and vote at the Meeting. If you leave this section blank, the Chairperson of the Meeting will be your proxy to vote your shares even if you attend the Meeting (unless you revoke your proxy before the Meeting).

Vote on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the resolution/s you wish to direct your proxy to vote on. If you do so, all your shares will be voted in accordance with your direction. You can split your vote on any resolution /s by inserting the number/s of shares you wish to vote in the appropriate box/es. Please ensure you clearly mark the box in black or blue ink by placing a mark or the number of shares you are voting.

Appointing a Second Proxy

If a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes.

Contact Telephone Number

This will help us if there are any problems with your proxy form.

Signature(s)

Each shareholder must sign this form. If your shares are held in joint names, all shareholders must sign in the boxes. If you are signing as an Attorney, then the Power of Attorney must have been noted by the Company or be duly stamped and accompany this form. Only duly authorised officer/s can sign on behalf of a company. Please sign in the boxes provided which state the office held by the signatory.