



magnetic resources<sup>NL</sup>

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Company Announcements Office  
ASX Limited  
Level 4, 20 Bridge Street  
**SYDNEY NSW 2000**

Dear Sir/Madam

On 3 August 2010 Magnetic Resources NL (**MAU**) released details of a presentation which was then made at the Diggers & Dealers Conference being held in Kalgoorlie Western Australia (the **Release**).

At ASX's request, Magnetic wishes to clarify a number of references included in that Release.

The reference to a target tonnage of 2,500Mt on page 6 should be substituted with a range of iron projects targeting from 1,500Mt to 3,000Mt of magnetite and/or DSO BIF. Targeted grades range from 25% Fe to 35% Fe for magnetite ores and from 50% Fe to 60% Fe for DSO as shown in the attachment.

On page 24, the reference to 200Mt Exploration Target at Jubuk should be expanded to show a range of between 100Mt to 200Mt as detailed on page 9 of the Release.

Any reference to "Total Output Potential" and "Possible Project Development" included in the various tables shown on page 33 is purely conceptual in nature. Once the Company has identified any Resources as defined in the JORC Code, announcements will be made advising those details together with an economic evaluation. Until that time, no economic decision should be made based on output potential, project development, net present value (NPV), internal rate of return (IRR) or earnings before interest and tax (EBIT) which were referred to in the Release and any reference to those terms are retracted.

Yours faithfully,

**George Sakalidis**  
**Managing Director**

The information in this report is based on information compiled 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.

