



magnetic resources<sup>NL</sup>

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## **STRATEGIC NORTHAM TENEMENT APPLICATION**

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### **HIGHLIGHTS:**

- **Magnetic Resources applies for large tenement holding close to Northam known as Mt Joy.**
- **Builds on Company vision of securing prospective ground to feed future mine developments**
- **Tenement application covers over 19,000 Ha of highly prospective magnetic anomalies**
- **Tenement area includes approx. 70 strike km of magnetic anomalies**
- **Key drilling targets already identified**
- **Discussions with key landholder, results in a secured access agreement allowing for the immediate commencement of drilling**

## INTRODUCTION:

Magnetic Resources NL (**Magnetic or the Company**) is pleased to announce that as part of its broader strategy of securing highly prospective ground to feed into planned future mines, it has applied for over 19,000Ha of highly prospective tenements located less than 5km from the town of Northam and the Government owned, open access Trans Australian Railway.

The Mt Joy land holding is located 15 kms to the North of the Company's other projects at Kauring and Ragged Rock, and potentially offers the Company significant benefits in terms of securing synergies on processing and construction for any future mine development.

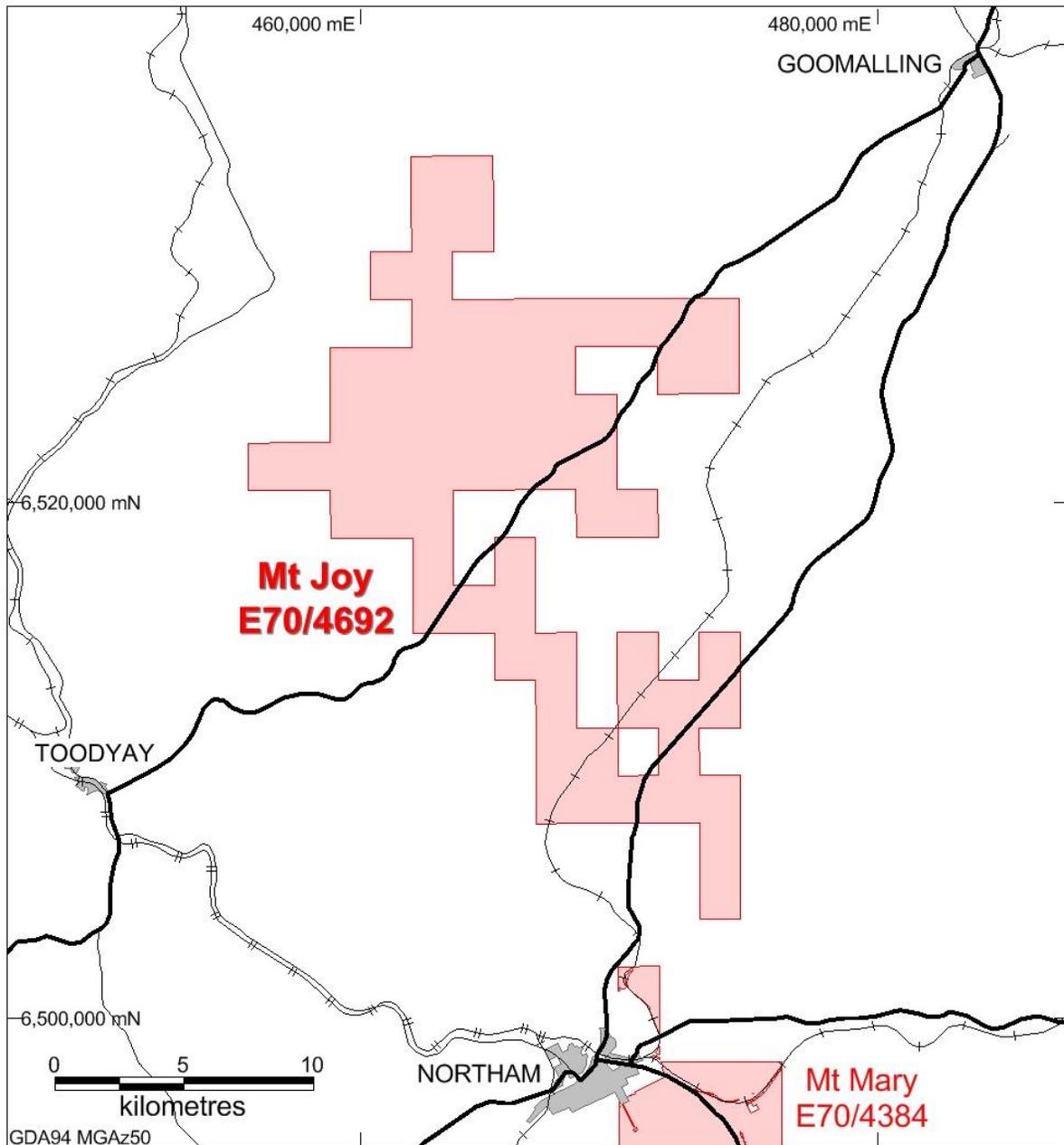


Figure 1: Location Map Mt Joy Project

## Tenement Application

The company made an application for 66 sub blocks (19,306.22Ha) under Exploration Licence EL 70/4692. A competing application was made by another ASX listed company on the same day for a sub lot of 19 blocks (approx. 5600Ha) under EL 70/4693. The areas of greatest interest to Magnetic are not contained within this competing application.

The objection period for both tenement applications expired on 9 March 2015 with no objections currently lodged against either application. This means that the Magnetic application E70/4692 has no competing interests for at least 47 of the blocks originally applied for. The priority over the remaining 19 blocks will be resolved by negotiation with the other partner or by a ballot conducted by the Mining Warden, at a date yet to be determined in the near future.

The diagram below outlines the location and relationship of the 2 tenement applications:

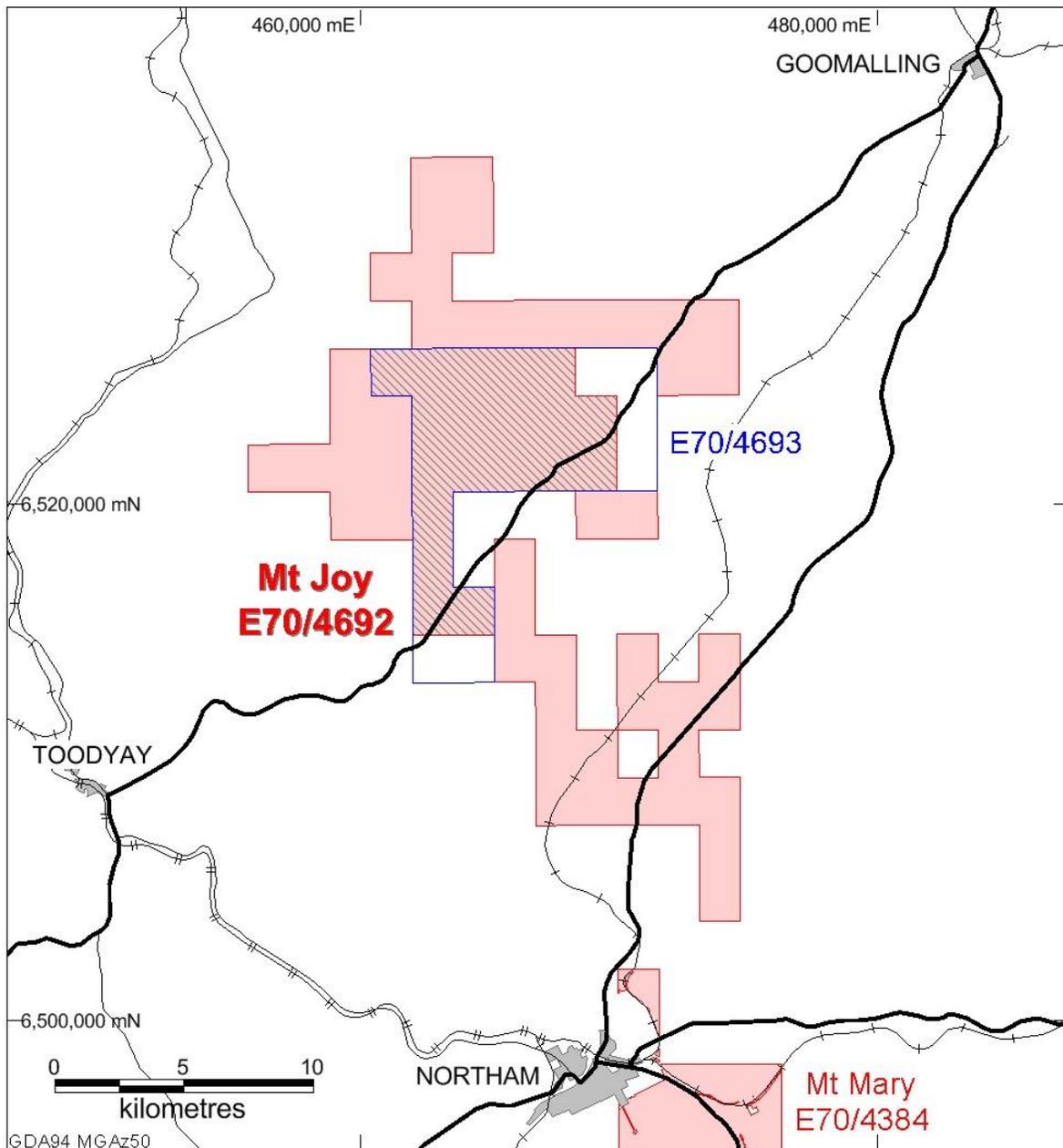


Figure 2: Mt Joy E70/4692 and competing application E70/4693

### Prospectivity of the area

The Company is very excited about the potential of the area, given that the magnetic anomalies are generally more pronounced, wider and more continuous than many other areas within the same metamorphic belt of geology.

The magnetic anomalies are similar to those seen on the Company's Kauring project where drilling has intersected numerous very thick and high yielding BIF intersections, giving the Company strong belief that the Mt Joy area will contain similar or better intersections.

The figure below outlines a number of significant anomalies totalling some 70 km of strike.

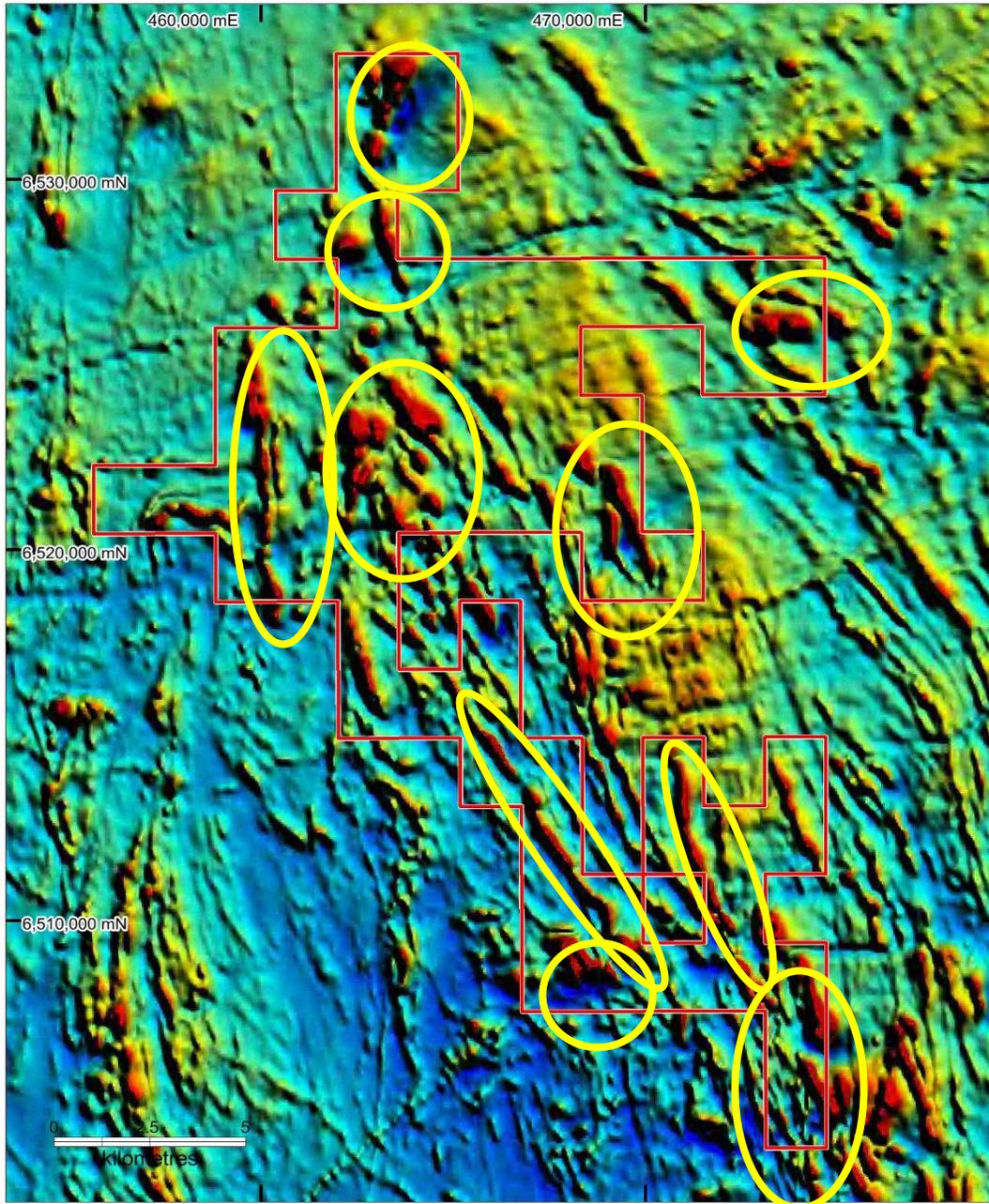


Figure 3: Mt Joy E70/4692 anomalies and strike kilometres

## **Consultation with the Landholders**

The company has been very proactive in the area since making the tenement application and has met with many of the farmers to negotiate land access agreements.

At least one agreement has been concluded over a very strategic area, and the company are in the advanced stages of negotiation with the surrounding farmers.

The negotiated agreement covers a feasibility stage and operations phase but most importantly Magnetic has the ability to take the project all the way through to a mine which gives the company the confidence to commence drilling on the project

The agreement involves a number of staged payments on normal industry terms when certain milestones are reached, followed by a production royalty payment to the landholder if the project eventually reaches production.

For more information on the company visit [www.magres.com.au](http://www.magres.com.au)

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## **Competent Person's Statement**

The information in this report that relates to exploration results is based on information compiled or reviewed by Mr Cyril Geach BSc (Hons-Geology) who is a member of the Australian Institute of Geoscientists. Cyril Geach is an independent consultant with his own business, Cyril Geach - Geologist and 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 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Cyril Geach consents to the inclusion of this information in the form and context in which it appears in this report.