



ROBUST GEOCHEMICAL GOLD TARGETS AT WHEEL OF FORTUNE AND CHRISTMAS WELL

Wheel of Fortune

Soil sampling at Wheel of Fortune, part of Magnetic Resources NL's 100% owned Hawks Nest project (E38/3127), 15km southwest of Laverton, has mainly outlined two NNW-trending gold anomalies within a 250m x 150m area, as shown in Figure 1.

A detailed ground magnetic survey indicates two north-trending magnetic zones (Figure 2) with the western magnetic anomaly having an anomalous gold western contact with **soil gold values up to 33.9g/t (33900ppb), 1.1g/t and 0.6g/t** with some workings on the northern end. After some field checking, AC drilling is planned to test this highly anomalous gold zone.

Gold values in the eastern anomalous zone range from 141 to 607ppb Au (Figure 1 and 2) and are generally associated with the western to central parts of a well-defined eastern magnetic anomaly assumed to be mafic rocks. A series of shallow historical diggings occurs in the area in both meta-basalt and porphyry rock types. Shallow historical drilling, as shown in Figure 1, does not appear to have tested all the eastern gold anomaly.

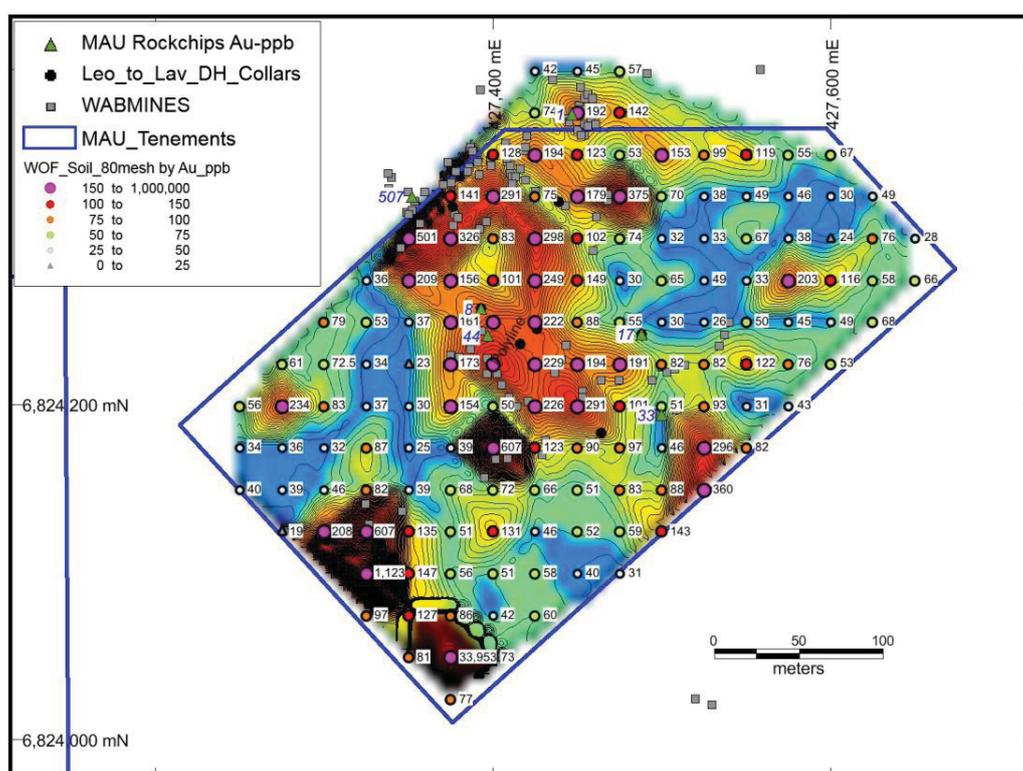


Figure 1. Wheel of Fortune Gold geochemistry, historical workings and drill holes

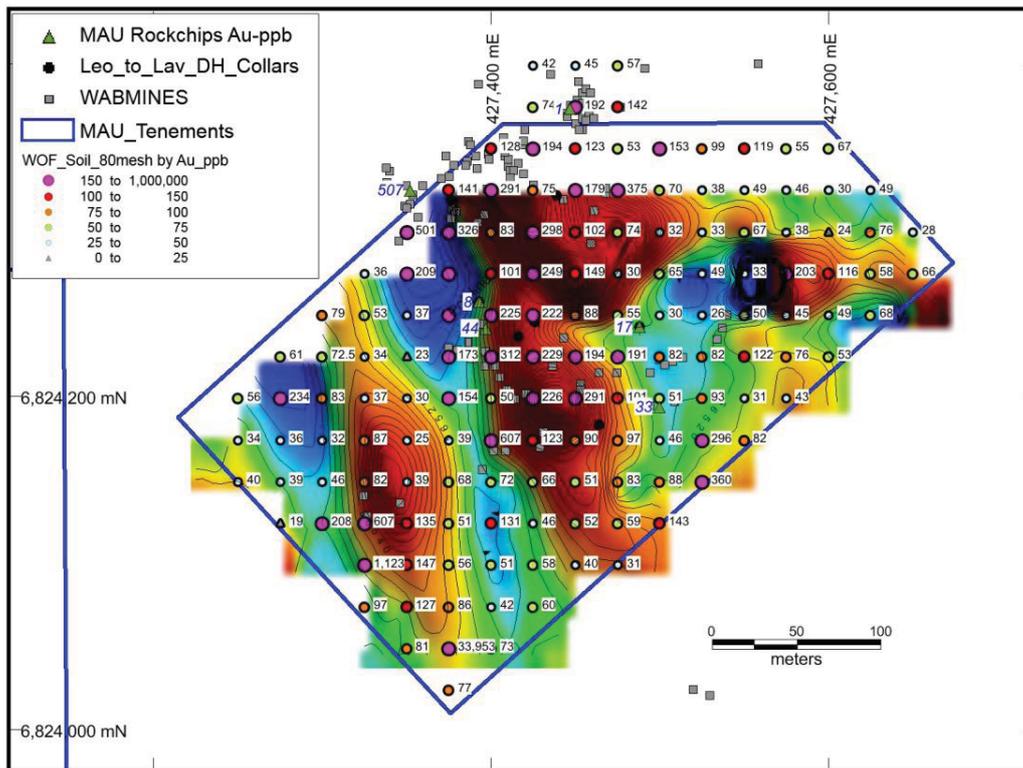


Figure 2. Wheel of Fortune Ground magnetic image, gold geochemistry, historical workings and drill holes

Christmas Well

Shallow RAB (<4m) below hardpan geochemical sampling have been carried out at the Christmas Well project (P37/8687–8694) 10km NW of Kin Mining’s Cardinia project.

A significant 800m-long N–S anomalous gold zone, which is open to the north and south has been defined with values up to 194ppb and 39.7g/t (39,730ppb) centred on the historical Triumvirate workings. Historically similar high grades were mined with 1500g of gold being recovered from 50 tonnes of ore extending over 110m of workings, striking SSE in a vertically dipping quartz lode hosted by meta-basalts near the contact with felsic schists (WAMEX report A27915).

This N–S structural zone is parallel and close to the Mertondale shear zone where a number of significant mines have been mined including Mertondale 1,2,3,4,5 (395,000oz) and the recent Kin Mining Discovery at Cardinia (>193,000oz). Magnetic Resources is encouraged by these early geochemical results and 10 new shallow RAB lines are planned, shown in yellow in Figure 3, to both infill and extend this anomalous gold geochemical zone.

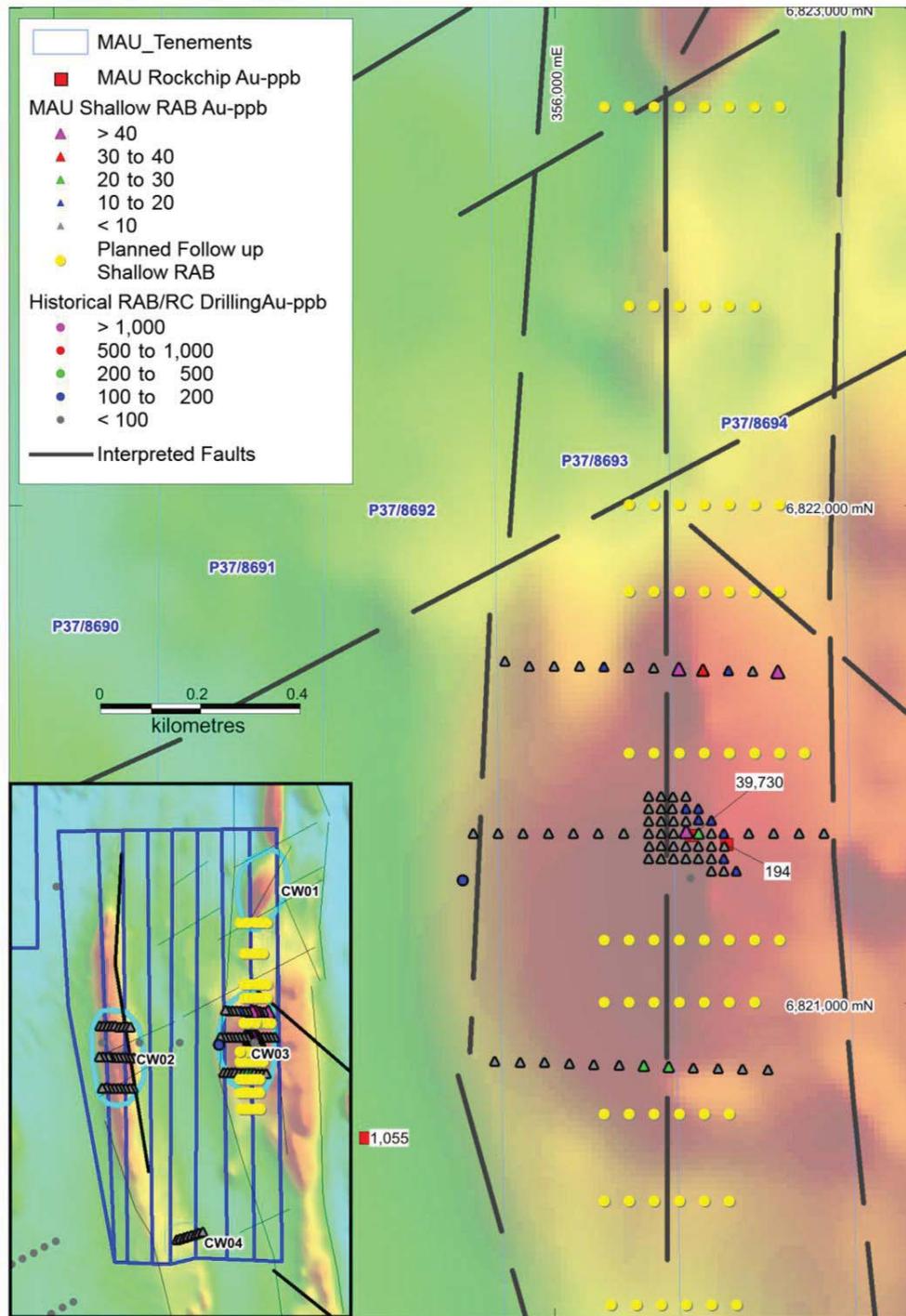


Figure 3. Christmas Well Shallow RAB Results, Aeromagnetics Image

For more information on the company visit www.magres.com.au

George Sakalidis
 Managing Director
 Phone (08) 9226 1777
 Mobile 0411 640 337
 Email george@magres.com.au

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 2012 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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Wheel of Fortune: Soils samples of approximately 2kg were taken at a depth of 25cm using hand held tools. In total 197 samples were taken on a 25 x 25m spacing with duplicate samples taken on average every 30 samples. Christmas Well: RAB geochemical drilling below hardpan for total of 110 DH's (360m)
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Christmas Well: Rotary air blast
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Not Applicable.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the 	<ul style="list-style-type: none"> Not applicable.

Criteria	JORC Code explanation	Commentary
	<i>relevant intersections logged.</i>	
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Wheel of Fortune: Prior to the survey an orientation exercise was completed analyzing both -80 mesh and -2mm soil fractions to determine the more representative fraction for that environment. Examination of the orientation analytical results indicated that the -80 mesh fraction was appropriate for that area. 2kg of initial sample was considered adequate to provide a representative sample.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Samples were dispatched to MinAnalytical laboratory in Perth where the samples were dried and sieved to produce approximately 250g of minus 80 mesh material. The fine fraction was analysed using an aqua regia digest and determination of Au (lower limit of detection 1ppb), Ag, As, Bi, Cu, Mo, Ni, Pb, Sb, Te, W and Zn by ICPMS. Aqua regia will dissolve most oxides, sulphides and carbonates but will not totally digest refractory and silicate minerals. In a weathered, oxidized environment aqua regia digestion is considered adequate for exploration purposes. QA/QC measures included repeat analyses and the use of internal lab standards which indicated acceptable levels of accuracy and precision although in rare cases there is some indication of the presence of coarse gold. Some elevated gold results were checked by a fire assay method.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Where duplicate samples were taken the analytical results were averaged. Where samples were checked by fire assay the fire assay result was accepted over the ICPMS result.
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource</i> 	<ul style="list-style-type: none"> • Samples were located using a hand held GPS with an accuracy of +- 4m.

Criteria	JORC Code explanation	Commentary
	<p>estimation.</p> <ul style="list-style-type: none"> • Specification of the grid system used. • Quality and adequacy of topographic control. 	
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Wheel of Fortune: Samples were taken on 25m centres. The samples were not composited. • Christmas Well: Drilling on 50m spacing
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • There is evidence of two main structural trends at Wheel of Fortune; a NW trend and a WSW trend. Sampling on a square grid at 25m centres is considered unlikely to introduce a sampling bias. • Christmas Well: Drilling was perpendicular to target strike
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Samples were stored in a locked freight container in Laverton prior to dispatch to Perth using a commercial freight company.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • The sampling techniques and results have not been subject to audit.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> • Wheel of Fortune is situated on exploration licence E38/3127 held by Magnetic Resources NL. The licence is granted with no known impediments to obtaining a licence to operate. • Christmas Well is situated on the following prospecting leases: P37/8687, P37/8688, P37/8689, P37/8690, P37/8691, P37/8692, P37/8693 and P37/8694
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • The Wheel of Fortune comprises a group of shallow historical diggings with evidence of seven more recent drill holes, however no open file reports on the results of this drilling have been located. • Christmas Well shows minimal historical exploration

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Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Wheel of Fortune is situated in the Hawks Nest area about 16km SW of Laverton in an area of Archean mafic volcanic rocks intruded by porphyry. Numerous historical workings and current prospector activity in this area point to the widespread nature of gold mineralization. At Wheel of Fortune the old diggings are centred on narrow quartz veins in both mafic rocks and porphyry however there is evidence in outcrop of quartz stockwork-style mineralization in the porphyry. • Christmas Well contains a number of north – south interpreted mafic units that are intersected by a number of north-south shear zones which are parallel to the main Mertondale shear zone to the east.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • Searches at DMP have not been able to locate any information on seven drill holes identified in the prospect area.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • No weighting or cutting of gold values, other than averaging of duplicate and repeat analyses.

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<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Not applicable.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Refer to text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • All analytical results from the sampling have been reported.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Wheel of Fortune: Results of a ground magnetic survey have been reported.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Subject to field inspection drill testing of the main gold anomalies is envisaged.