



magnetic resources^{NL}

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2023

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The Directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2023

Directors

The following persons were directors of Magnetic Resources NL ("**Magnetic**") during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Eric Lim
Mr George Sakalidis
Mr Benjamin Donovan
Mr Hian Siang Chan

Review of operations

The loss for the company after providing for income tax amounted to \$5,926,969 (31 December 2022: \$3,237,097)

The Company's activities during the six-month period are summarised in this report which unless otherwise stated, should be read as if dated 31 December 2023.

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Laverton Area

Magnetic Resources NL has 203km² in the Laverton region comprising E38/3127 Hawks Nest, E37/3100 Mt Jumbo, E38/3205 Hawks Nest East, E38/3209 Mt Ajax, P38/4317–24 Mt Jumbo East, E39/2125, P39/6134-44 Little Well and P38/4346, P38/4379-84, P38/4170 Lady Julie (Figure 1). Table 1 shows the exploration completed to date and recent/proposed exploration.

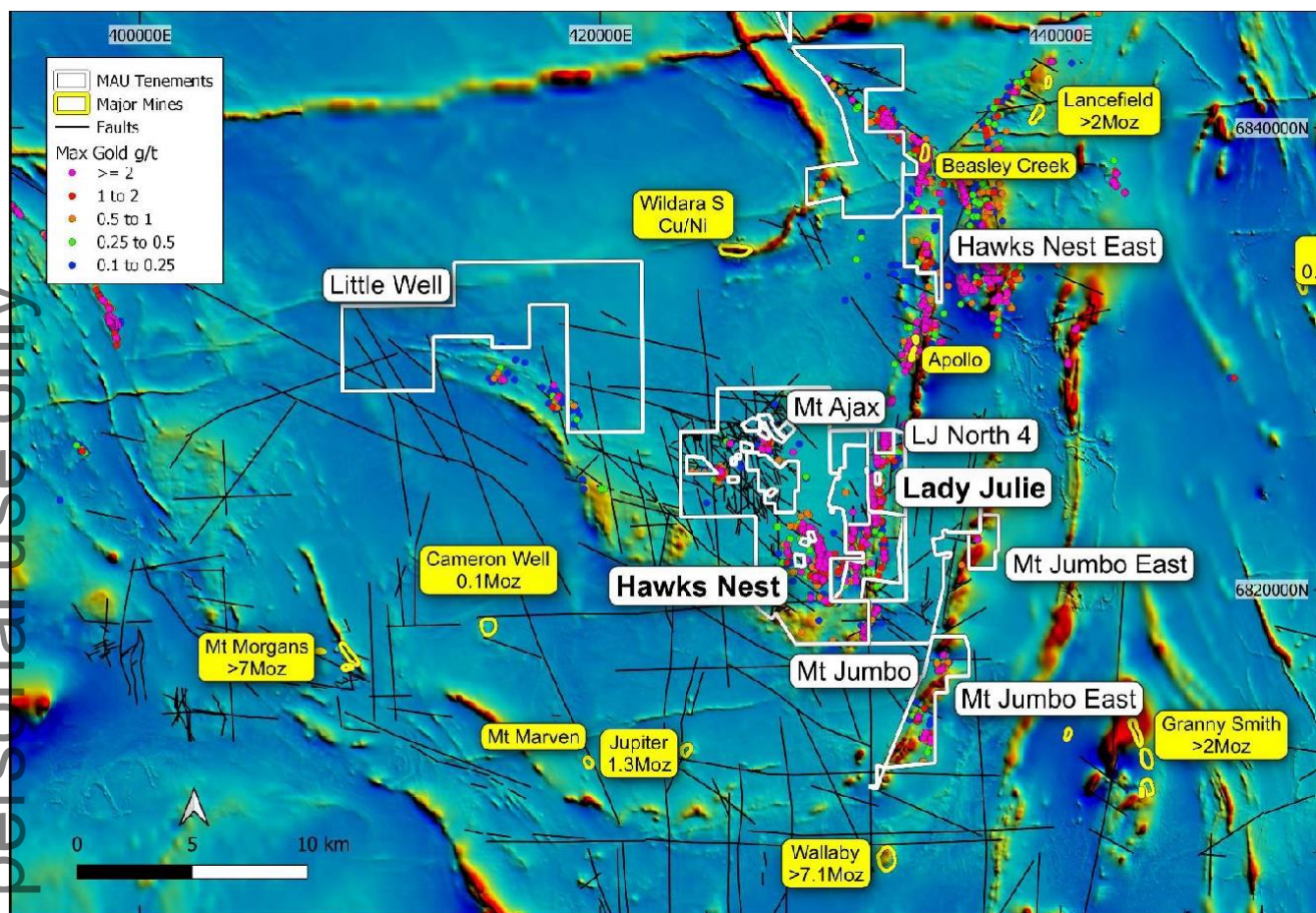


Figure 1. Hawks Nest, Hawks Nest East, Lady Julie, Little Well, Mt Ajax, Mt Jumbo and Mt Jumbo East projects, showing tenements, major shear zones, targets and gold deposits and historic workings.

Table 1. Laverton region drilling summary.

Project/Tenements	Surface sampling completed	Drilling & ground magnetics completed	Proposed exploration
Hawks Nest	5,411 soils	1,122 RC holes for 71,230m	
E38/3127, M38/1041	117 rock chips	201 RAB holes for 2,726m 5 Diamond holes for 501m 67 AC holes for 3,384m 507km ground magnetics	
Lady Julie	2,148 soils	802 RC holes for 79,762m	2 RC holes for 450m
P38/4346, P38/4379-84, E38/3127, P38/4170	15 rock chips	10 RCD hole for 2,450m 22 Diamond holes for 4,864m	1 RCD hole for 370m 6 Diamond tails for 1,840m

		12 Diamond tails for 1,378m	
		237 AC holes for 9,807m	
		290 shallow RAB for 1,691m	
Mt Jumbo E38/3100, E38/3127		125km ground magnetics	
	3 rock chips	3 RC holes for 563m	
	43 lags	2 Diamond holes for 457m	
Mt Jumbo East P38/4317–24		143km ground magnetics	
	23 rock chips	33 RC holes for 2,527m	
	155 lags	229km ground magnetics	

Mineral Resource Estimate update 24 November 2023

This update incorporates recent drilling results at Lady Julie North 4 (LJN4) and Lady Julie Central (LJC) since the last resource report in February 2023 (“Expands Mineral Resources estimate ASX release 3 February 2023”).

Updated combined Mineral Resources estimate for the whole project area of:

- 22.7Mt @ 1.69g/t Au totalling 1.24Moz of gold at 0.5g/t cutoff.
- Increase of 107% of the total ounces over the 3 February 2023 ASX Release.

Significantly, the contained gold in LJN4 has risen from 204,000oz to 852,000oz Au (a 317% increase).

LJN4 is now by far the largest resource in the project area – and it remains open at depth; exploration continues for similar deposits along the extensive 12km Chatterbox shear.

Key deposits are close to each other and form part of one mining field.

Three processing plants are nearby, within 10–35km away providing scope for toll processing. Given the scale of the resource upgrade, consideration is now also being given to a dedicated processing plant.

Ongoing extension drilling continues and is expected to result in further resource increases.

Magnetic Resources NL (Magnetic or the Company) is pleased to announce an Updated Mineral Resource Estimate from its deposits in the Laverton and Homeward Bound area. The main deposits include Hawks Nest 9 (HN9), Lady Julie Central (LJC), Lady Julie North 4 (LJN4), Mount Jumbo and Homeward Bound South (Figure 2), which are all located in an area with well-endowed regional infrastructure including three processing plants within 35kms.

The update follows extensive infill and down-dip drilling mainly at LJN4 and some at LJC.

The verification and reporting of Mineral Resources on behalf of the Company was completed by its JORC Competent Person, Mr M Edwards of Blue Cap Mining. The Mineral Resources Estimate has been prepared and reported in accordance with the 2012 Edition of the JORC Code.

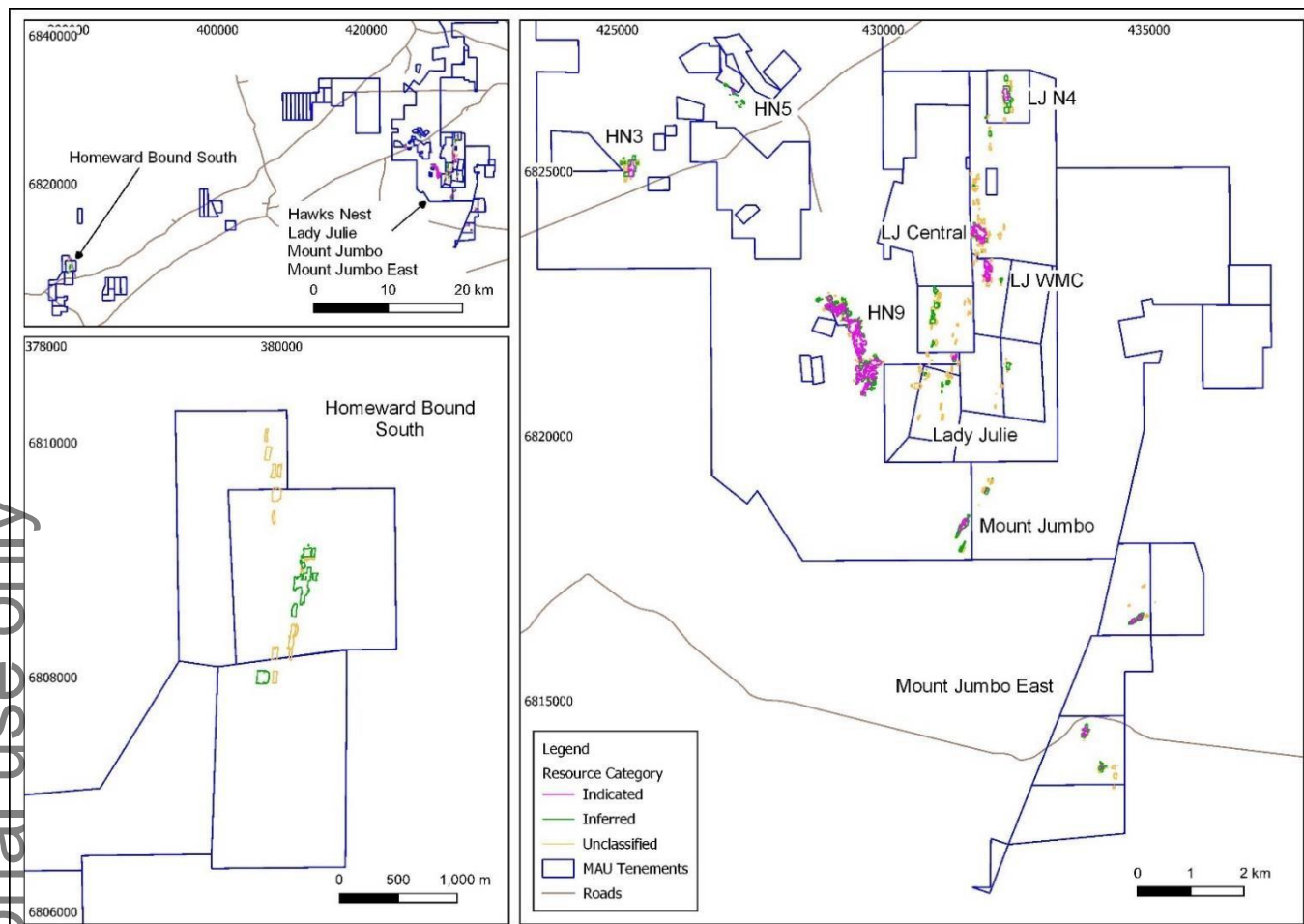


Figure 2. Overview of Magnetic's Laverton and Homeward Bound South Resources

Total Mineral Resources reported for the Laverton and Homeward Bound South projects is now 22.7Mt @ 1.69g/t Au at 0.5g/t cut-off totalling 1,236,000oz of gold (See Table 2 below). The cutoff grade is considered appropriate for a large-scale open pit operation.

The Lady Julie North 4 Resource has been the prime drilling focus as reported in periodic releases to the ASX. It has multiple stacked lodes with a number of thick intersections that have not been closed off at depth. The initial deeper drilling started on the 25 January 2023 and has expanded in subsequent months to a 95-hole RC program for 16,356m. Drilling is continuing, with holes in excess of 400m depth, which is expected to increase the current resource at LNJ4 of 13.1Mt at 2.02g/t for 852,000oz at a 0.5g/t cut off (Table 3).

This LNJ4 deposit sits within a regional structure called the Chatterbox Shear Zone that extends over a 12km length within the Magnetic tenements. This shear extends southwards of LNJ4 and has had initial AC and RC drilling completed and some anomalous intersections that will be followed up with some shallow RC drilling for the purpose of finding further gold deposits.

Drilling in the last 6 months included diamond drill holes for geotechnical evaluation of proposed pits, and for hydrology analysis. Project environmental, heritage and technical background studies are close to completion – optimisation and pit design has commenced on LJC and the expanded LNJ4 – the aim is to prepare and submit a Mining Proposal in early 2024. Other strategic opportunities are also being investigated.

Table 2 below summarises the updated Total Mineral Resource at a 0.5g/t Au cutoff, with Table 3 providing details of the major resources. Details for the smaller resources which have not changed can be found in the 3 February 2023 ASX release.

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Table 2. Total Mineral Resource at 0.5g/t Au Cutoff

Classification	Au Cutoff	Tonnes	Au	Ounces
Indicated	0.50	10,400,000	1.74	584,400
Inferred	0.50	12,200,000	1.65	651,300
Total	0.50	22,700,000	1.69	1,235,800

Table 3. Resource details by Main Deposits @ 0.5g/t Au cutoff

Deposit	Classification	Tonnes	Au g/t	Ounces
LJN4	Indicated	6,807,400	1.95	426,200
LJC	Indicated	792,000	1.97	50,200
HN9	Indicated	1,995,000	1.29	82,800
Other resources	Indicated	837,400	0.94	25,230
Total	Indicated	10,431,800	1.74	584,430
LJN4	Inferred	6,329,700	2.10	426,400
LJC	Inferred	541,600	1.26	22,000
HN9	Inferred	1,182,000	1.25	47,600
Other resources	Inferred	4,193,700	1.15	155,160
Total	Inferred	12,247,000	1.65	651,360
LJN4	Total	13,137,100	2.02	852,600
LJC	Total	1,333,600	1.68	72,200
HN9	Total	3,177,000	1.28	130,400
Other resources	Total	5,031,100	1.12	180,390
Total	Total	22,678,800	1.69	1,235,790

The key deposits that have been drilled in the last six months are LJC and LJN4, which are shown in Table 2 and are further summarised below.

LJC Resource

The Lady Julie Central or LJC (Indicated and Inferred) Resource of 1.33Mt at 1.68g/t Au for 72,200oz is 350m x 200m in plan (Figure 3). 59% of the resource falls in the Indicated category. There are some thicker intersections including a number of intersections that start from surface (Figures 4a,b, c). The long section (Figure 5) shows a thickened, near-surface zone that gently plunges to the southeast forming two distinct zones.

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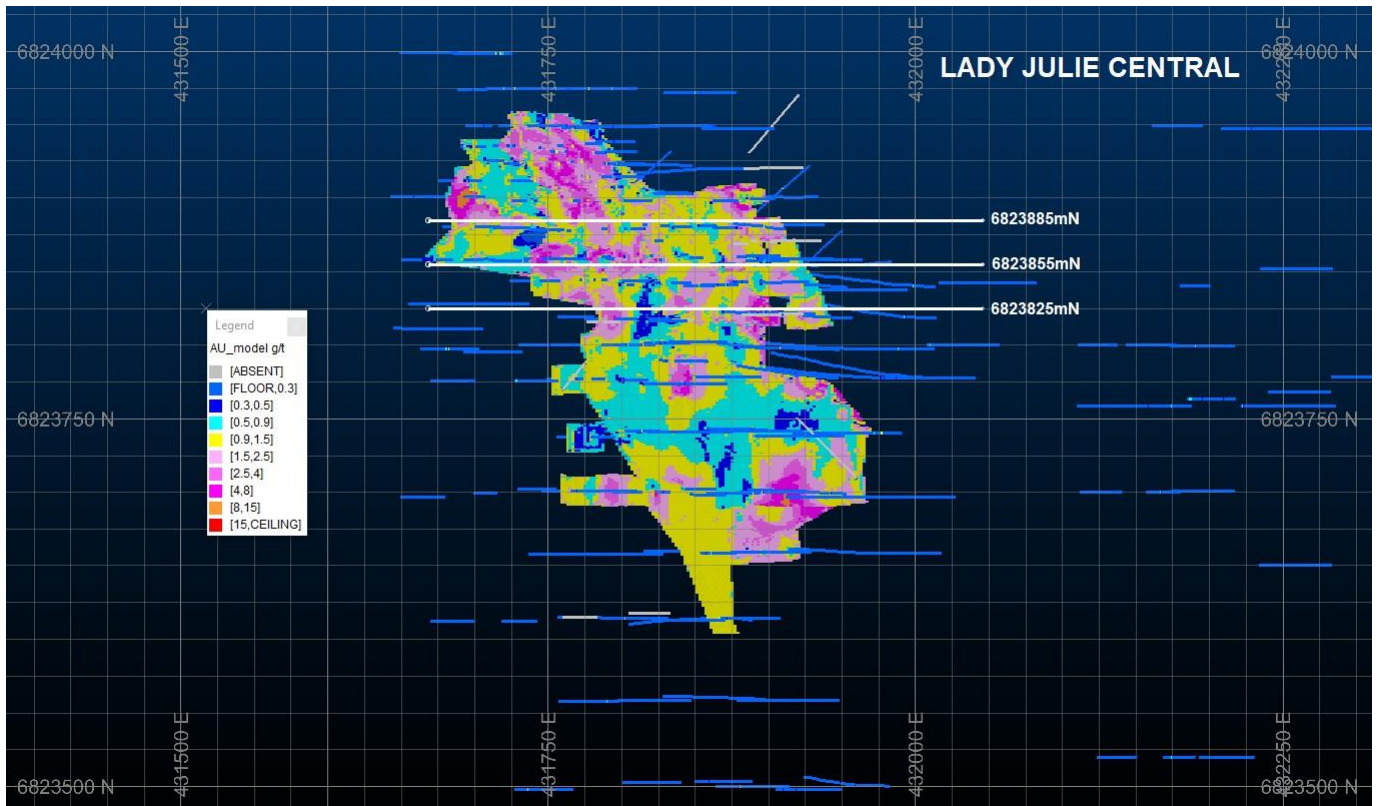


Figure 3. Lady Julie Central plan showing resource block grades and 3 drill sections

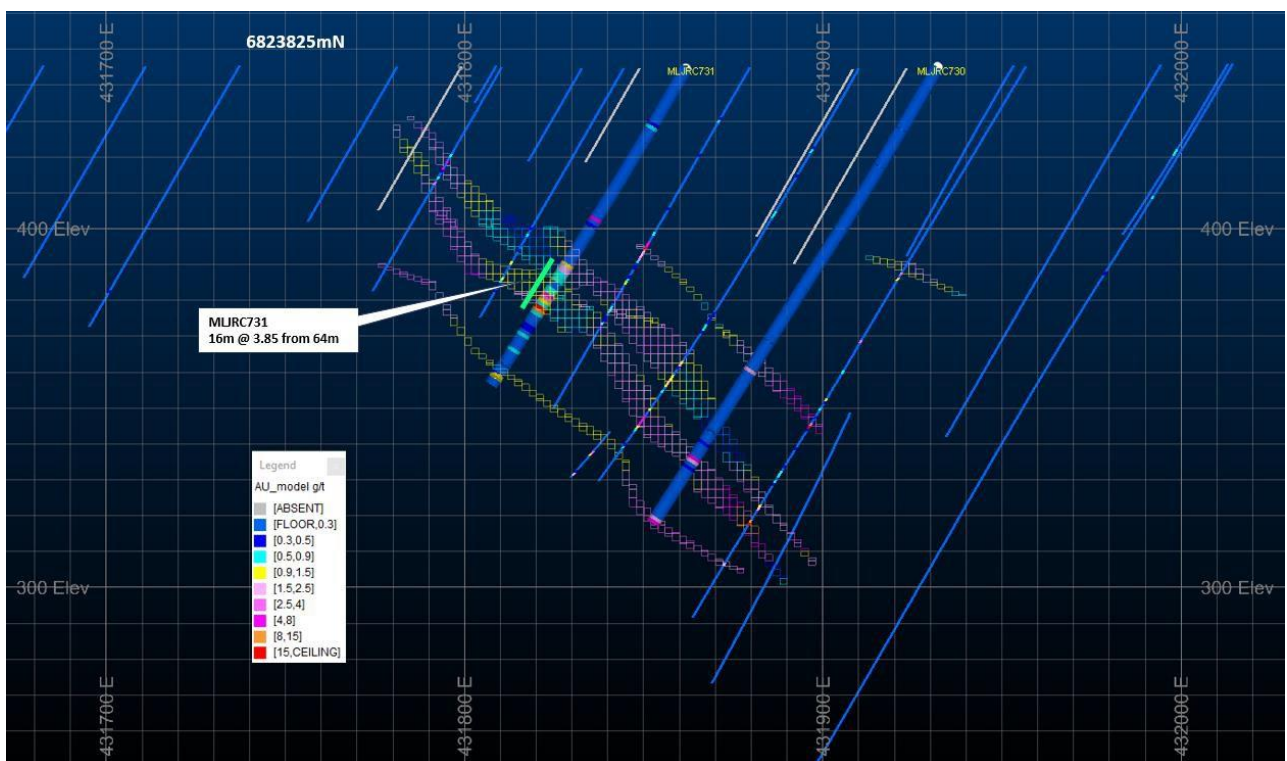


Figure 4a. Lady Julie Central cross sections showing new gold intersections (shown in green) and resource model with block grades

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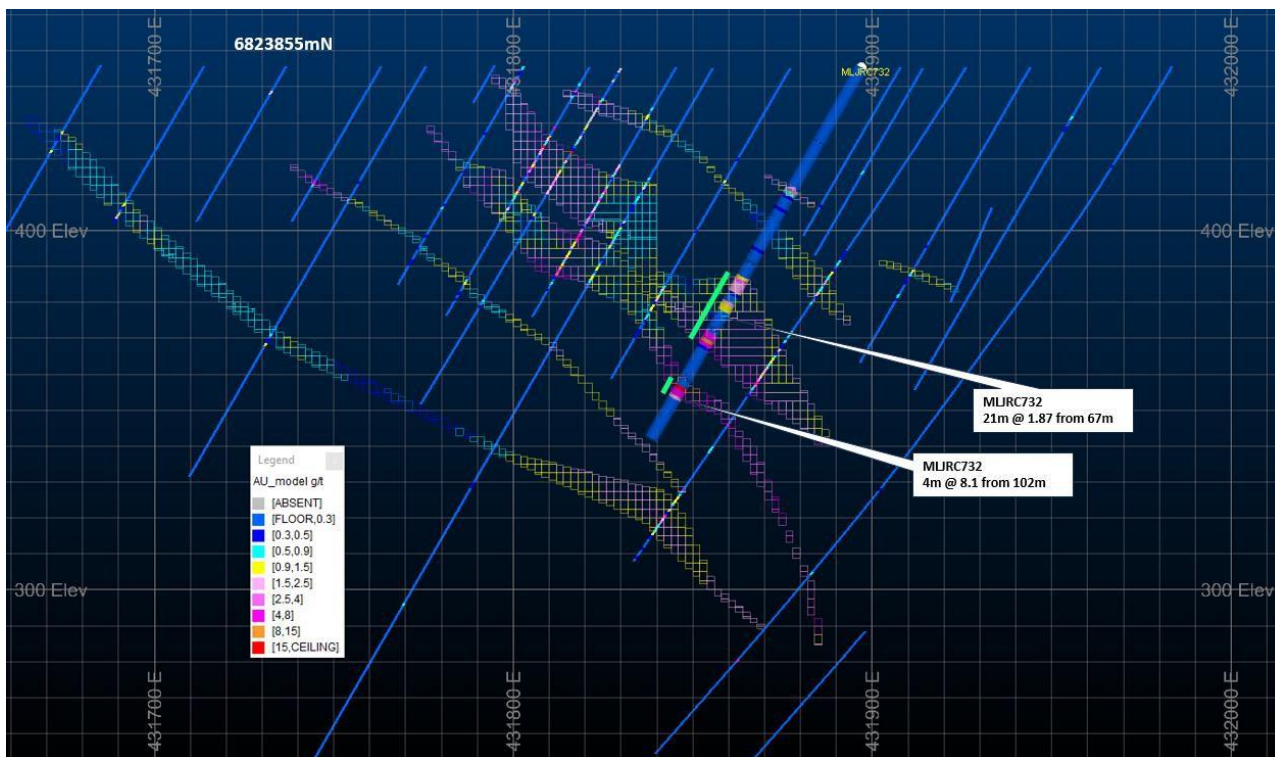


Figure 4b. Lady Julie Central cross sections showing new gold intersections (shown in green) and resource model with block grades

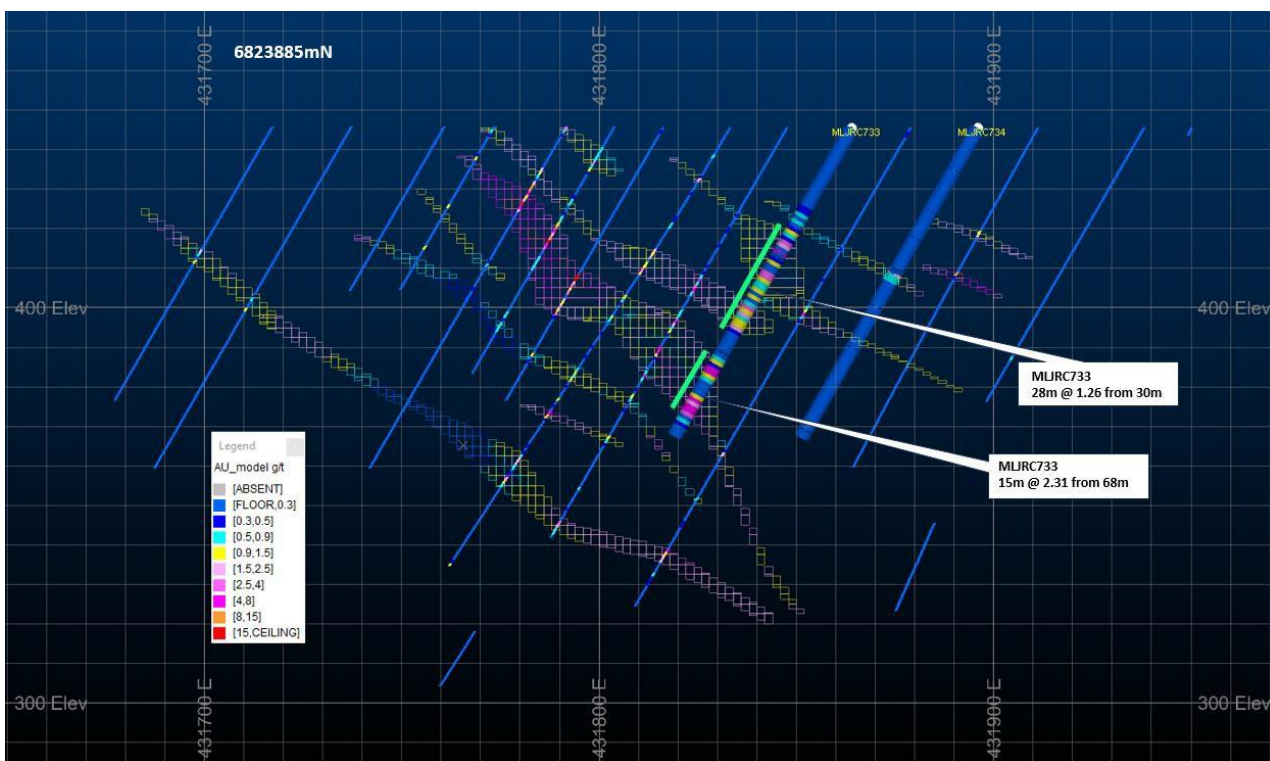


Figure 4c. Lady Julie Central cross sections showing new gold intersections (shown in green) and resource model with block grades

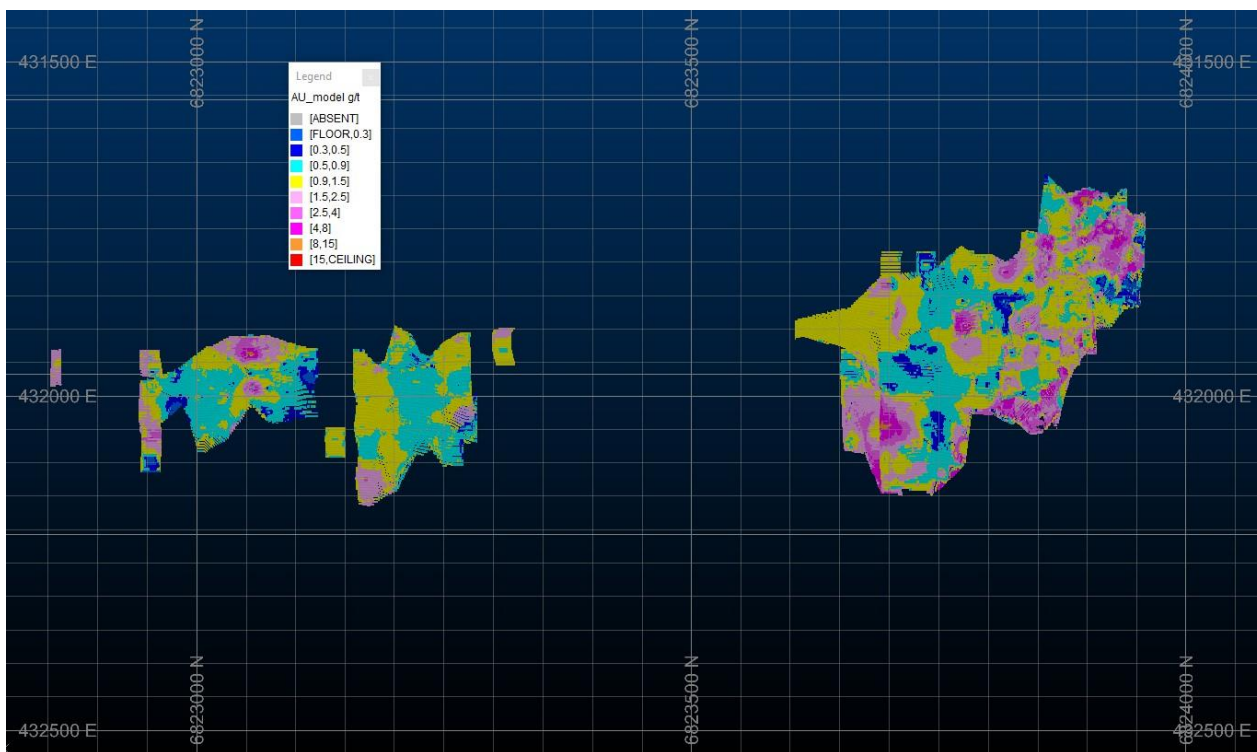


Figure 5. Lady Julie Central Long Section showing resource model with block grades

LJN4 Resource

The LJN4 (Indicated and Inferred) Resource of 13.1 Mt at 2.02g/t for 852,600oz has a present footprint of 750m x 500m (Figure 6) and remains open down dip to the east.

Recent drilling results have confirmed the previous interpretation of a shallow-dipping, multi-lobed structure. Where the drilling encounters breccia, the mineralised structure expands considerably. This is particularly the case below 150m depth. More recent step out drilling has encountered large breccia zones, which auger well for continuation of mineralisation at depth. Additional drilling is being planned to further test these expanded breccia zones.

From February to October 2023, some 95 RC holes were completed for 16,356m with the deepest hole reaching 280m. In the same period, 12 DD holes for 2,174m were also drilled to provide detail on lithology and structure. Drilling is continuing.

Some 52% of the resource is classified in the Indicated Category – this is predominantly the near-surface material where good drill coverage exists.

Figures 7a,b,c and 8 are sections through the deposit.

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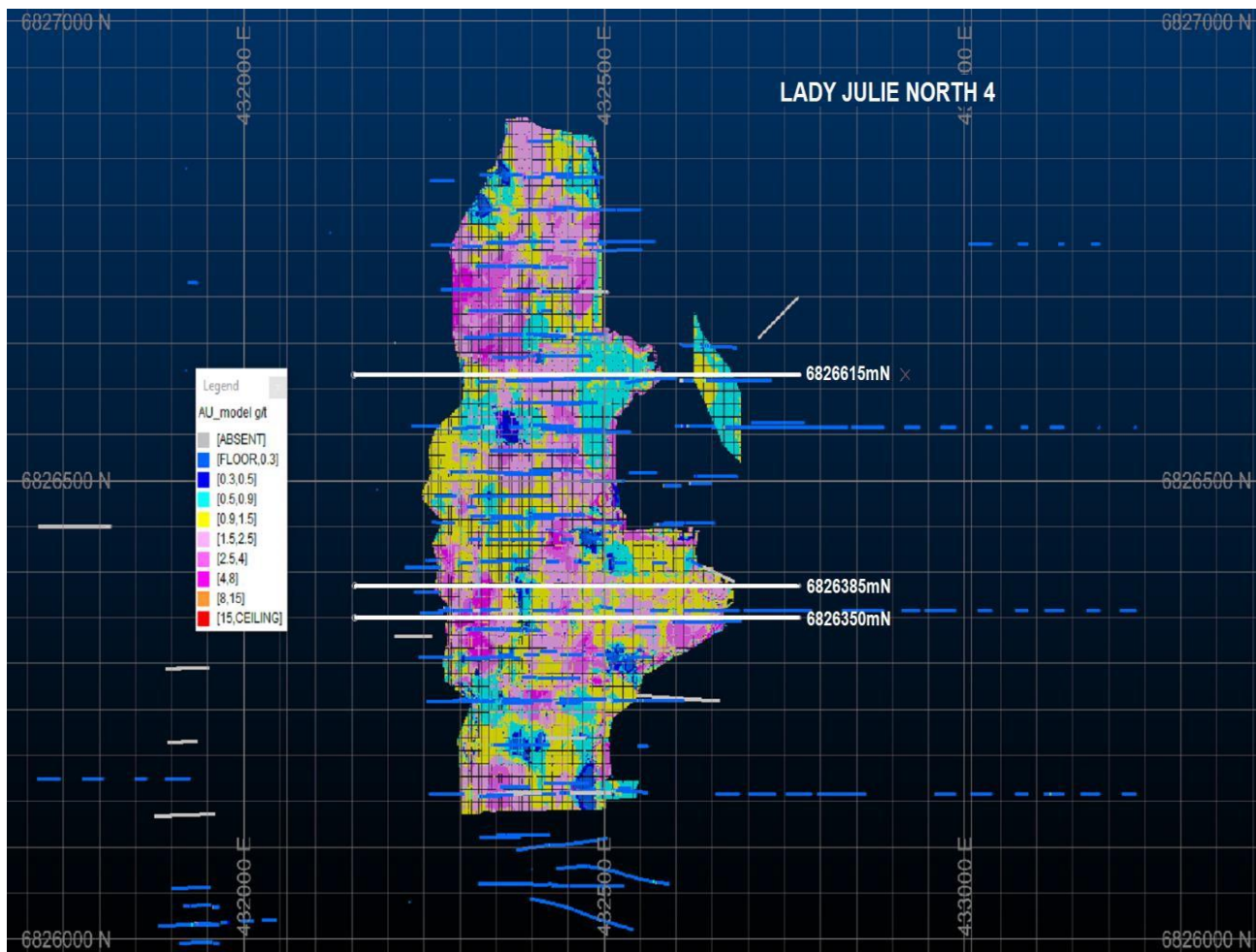


Figure 6. Lady Julie North 4 plan showing resource block grades and 3 drill sections

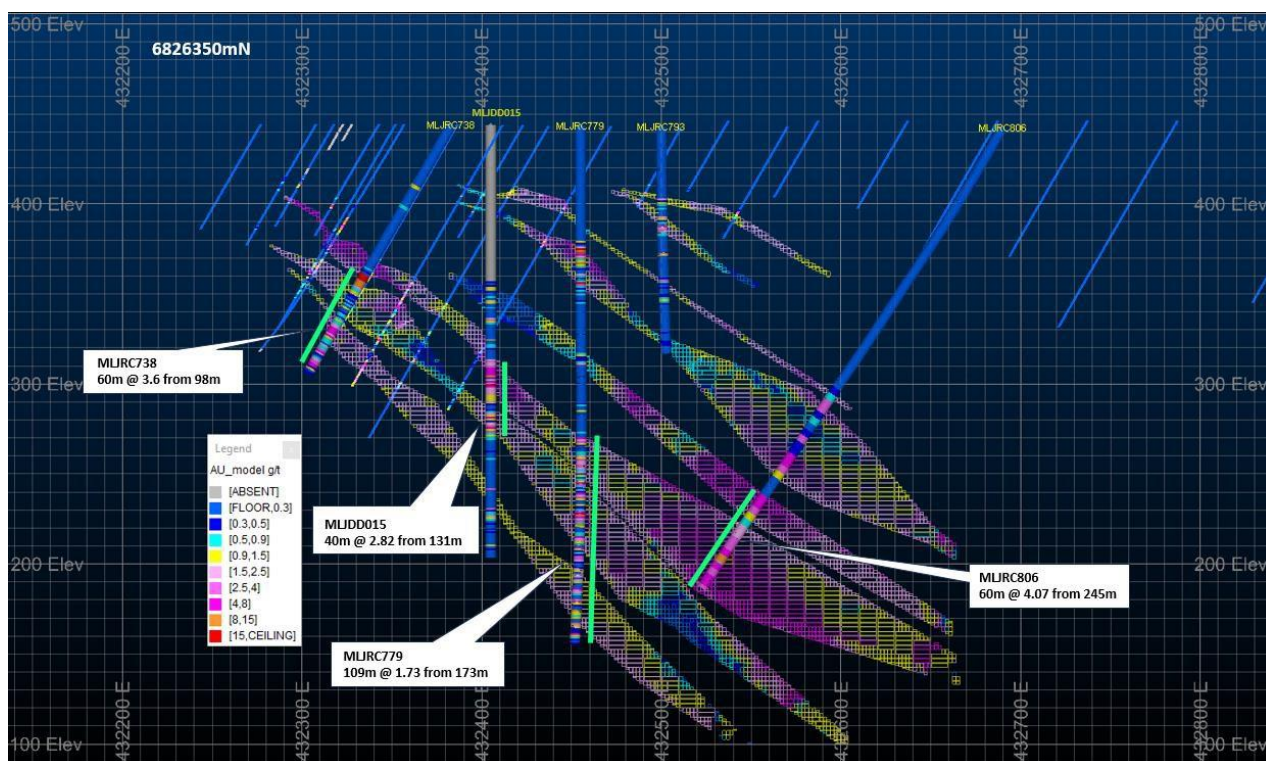


Figure 7a. Lady Julie North 4 cross section showing main gold intersections, resource model with block grades

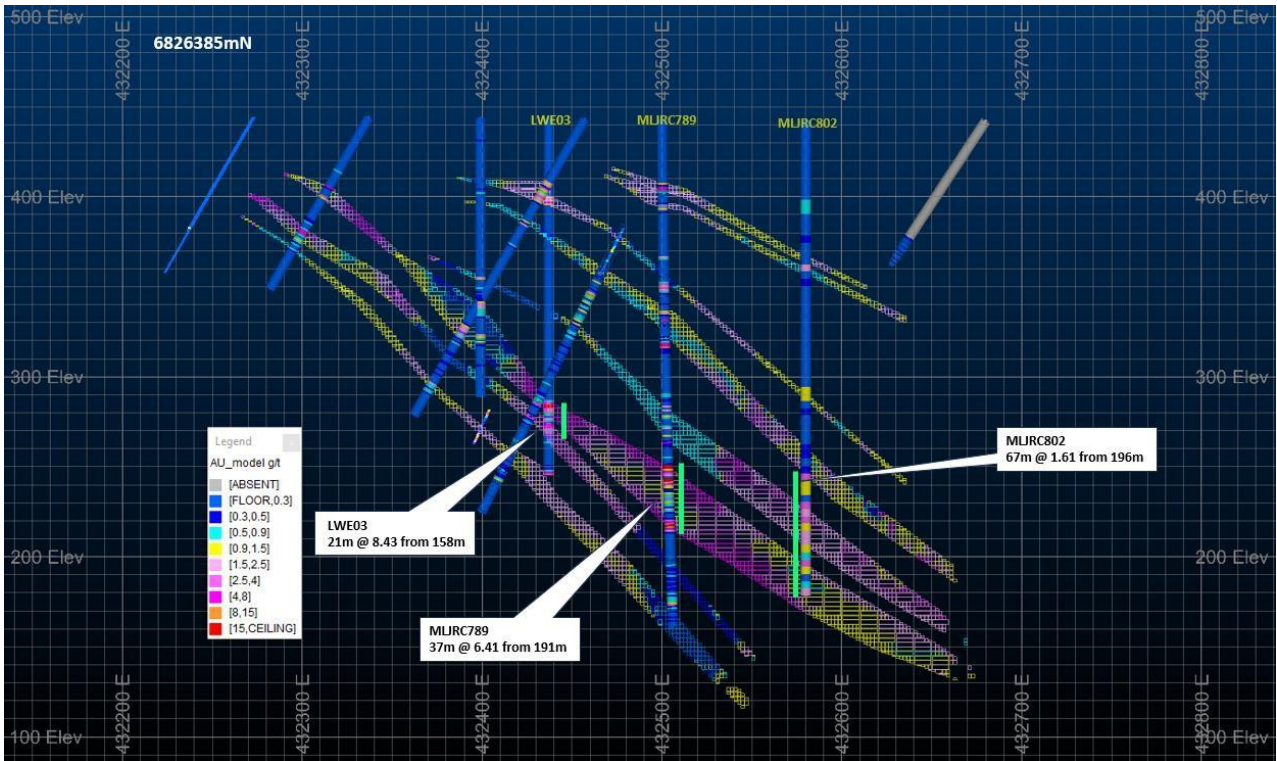


Figure 7b. Lady Julie North 4 cross section showing main gold intersections, resource model with block grades

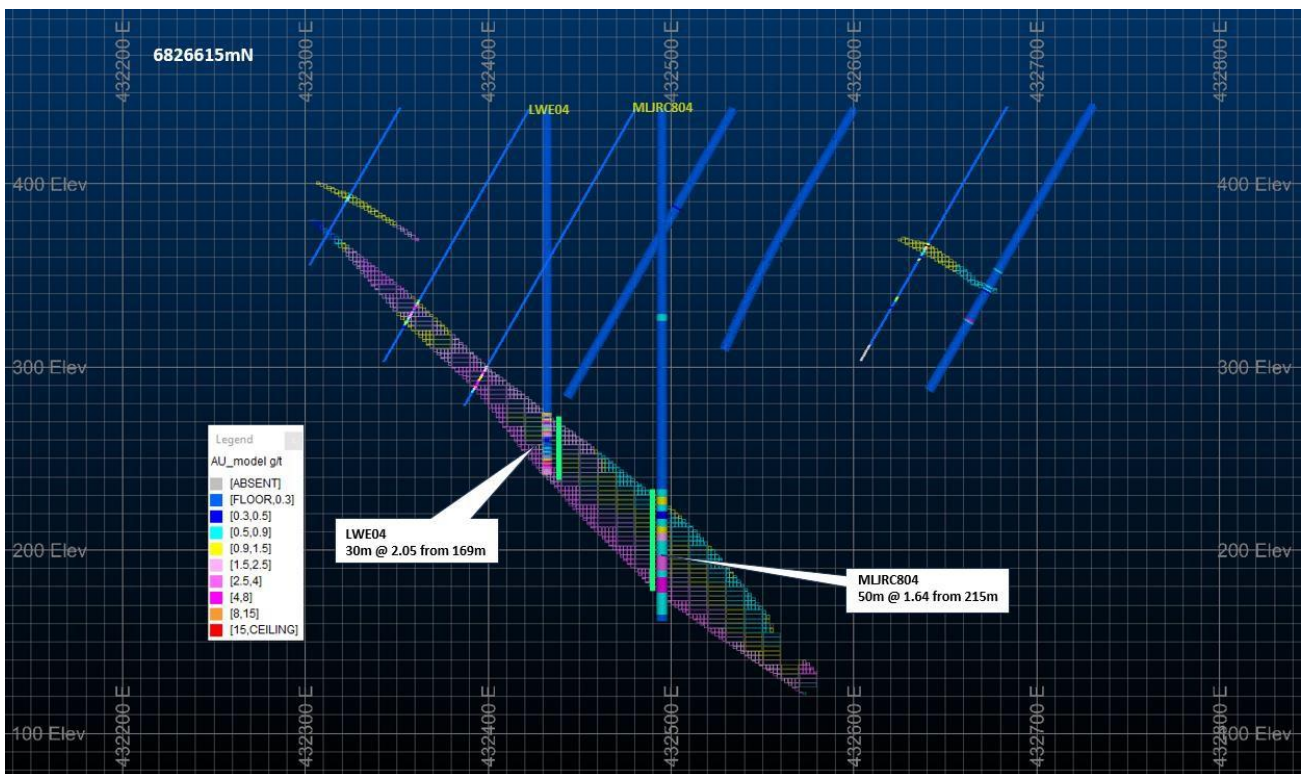


Figure 7c. Lady Julie North 4 cross section showing main gold intersections, resource model with block grades

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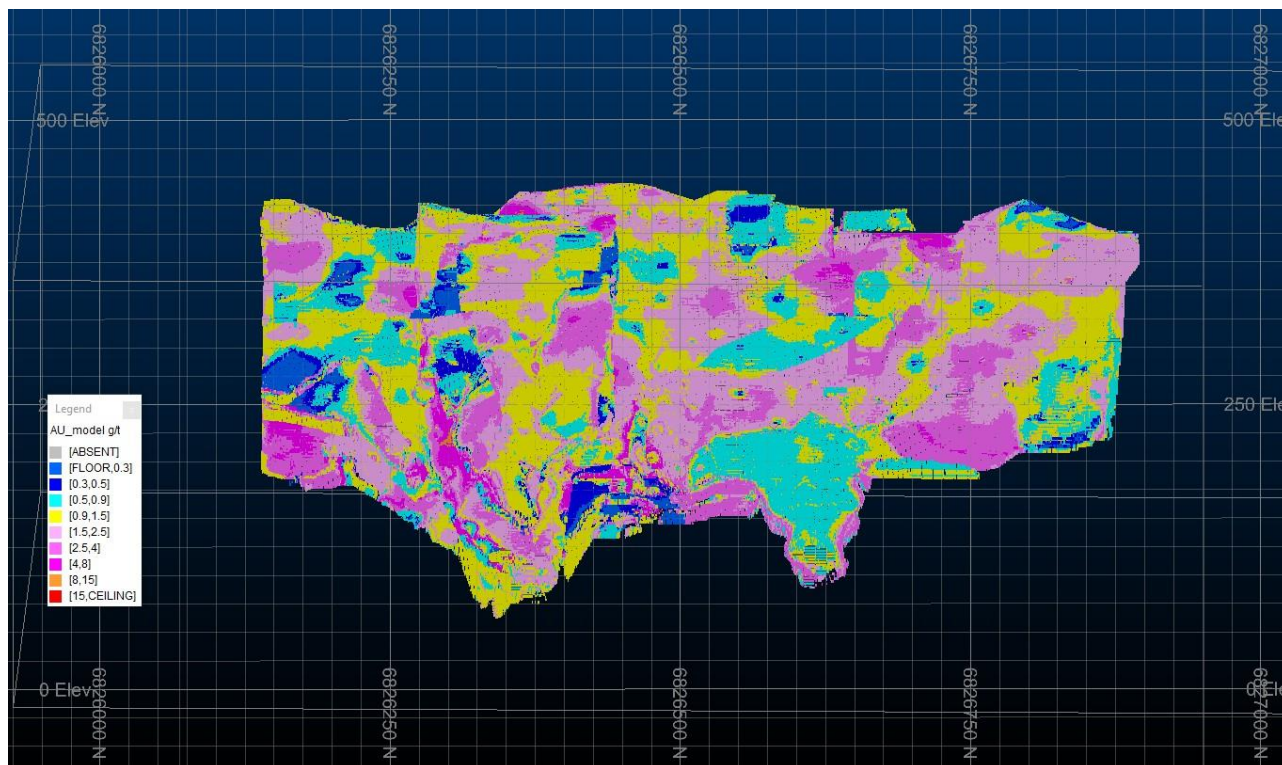


Figure 8. Lady Julie North 4 Long Section showing resource model with block grades

Technical Summary of the Mineral Resource Estimate

Drilling at the various deposits has been by a variety of methods, the drillholes used in the modelling of each deposit are summarised below in Table 4. In general, all holes are used to assist in geological interpretation, while DDH (Diamond), RC (Reverse Circulation) and RAB (Rotary Air Blast) are used for grade estimation.

Table 4. Drillholes used in modelling.

Deposit	Total Metres	Number of Holes
Hawks Nest 9	66,654	1,093
Lady Julie	111,987	1,730
Hawks Nest 3	10,306	249
Hawks Nest 5	6,471	163
Mount Jumbo	28,508	506
Homeward Bound S	11,412	413
Total	235,338	4,154

Drillhole Summary

Historical drilling was generally RAB and Air Core (AC) for initial exploration with most follow up and infill work being carried out using RC. Magnetic has used RC for its recent drilling programs at HN9 and Lady Julie.

One metre RC samples are assayed using a 50g charge and a fire assay method with an AAS finish which is regarded as appropriate. The technique provides an estimate of the total gold content.

Industry standard standards and duplicates are used by the NATA registered laboratory conducting the analyses.

Primary data is entered into an in-house database and checked by Magnetic's database manager.

The data is subsequently exported to Micromine format files and imported into Micromine 2022 software for further validation, statistical analysis and resource estimation. Mineralisation styles in the Laverton-Leonora deposits include:

- quartz veining and stock working in felsic porphyry
- shear-hosted quartz veins on porphyry-amphibolite contacts
- Pyritic polymictic breccias
- Vughy silica-pyrite alteration
- Silicified, quartz-veined shear zones in ultramafic.

Mineralised domains at HN9, LJC and LJN4 have been digitised using mineralised trends. Drill data was flagged inside domain boundaries and composited to 1m intervals. Geostatistical analysis was completed to determine top cut of grades. A Dynamic Anisotropy Modelling methodology was adopted with inverse distance squared for grade estimation.

Model validation has been carried out by comparison of average grades of models and drill hole data, visual examination of models vs drillhole data on section and plan, and swathe plots. All methods have shown good agreement between models and data.

The Mineral Resources have been classified in the Indicated and Inferred categories, in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code).

A range of criteria has been considered in determining this classification including:

- Geological continuity;
- Data quality;
- Drill hole spacing;
- Modelling technique;
- Estimation properties including search strategy, number of informing data and average distance of data from blocks.

Application for a Mining Lease over the Lady Julie North 4 project

Magnetic Resources lodged a Mining Lease application over its Lady Julie North 4 discovery. M38/1315 (pending) overlays Magnetic tenements P38/4170 and E38/3127 and covers an area of 238Ha (Figures 9 and 10).

The application was made on the basis of the declared gold resource at LJN4 of 13.1Mt @ 2.0g/t containing 852,000ozs, bringing the total of the Laverton area resources to 22.7Mt @ 1.69 g/t for 1.24Mozs, which was published recently in an ASX release 23 November 2023 (Tables 2-3).

The rapidly growing LJN4 resource is situated on the Chatterbox shear zone, a regional structure which hosts other significant gold deposits. An aggressive drilling program at LJN4 has led to the recognition of thick high-grade breccia mineralisation and silica-pyrite alteration zones which remain open at depth. Further drilling at depth is anticipated to result in further growth of the LJN4 resource.

Work is continuing on the development of a Mining Proposal which will apply to both M38/1315 and a further Mining Lease over other key deposits (Figure 2). Magnetic can now advise that the application has passed the initial 35-day period and will now move through the Department of Energy, Mines, Industry Regulation and Safety's review and approvals process.

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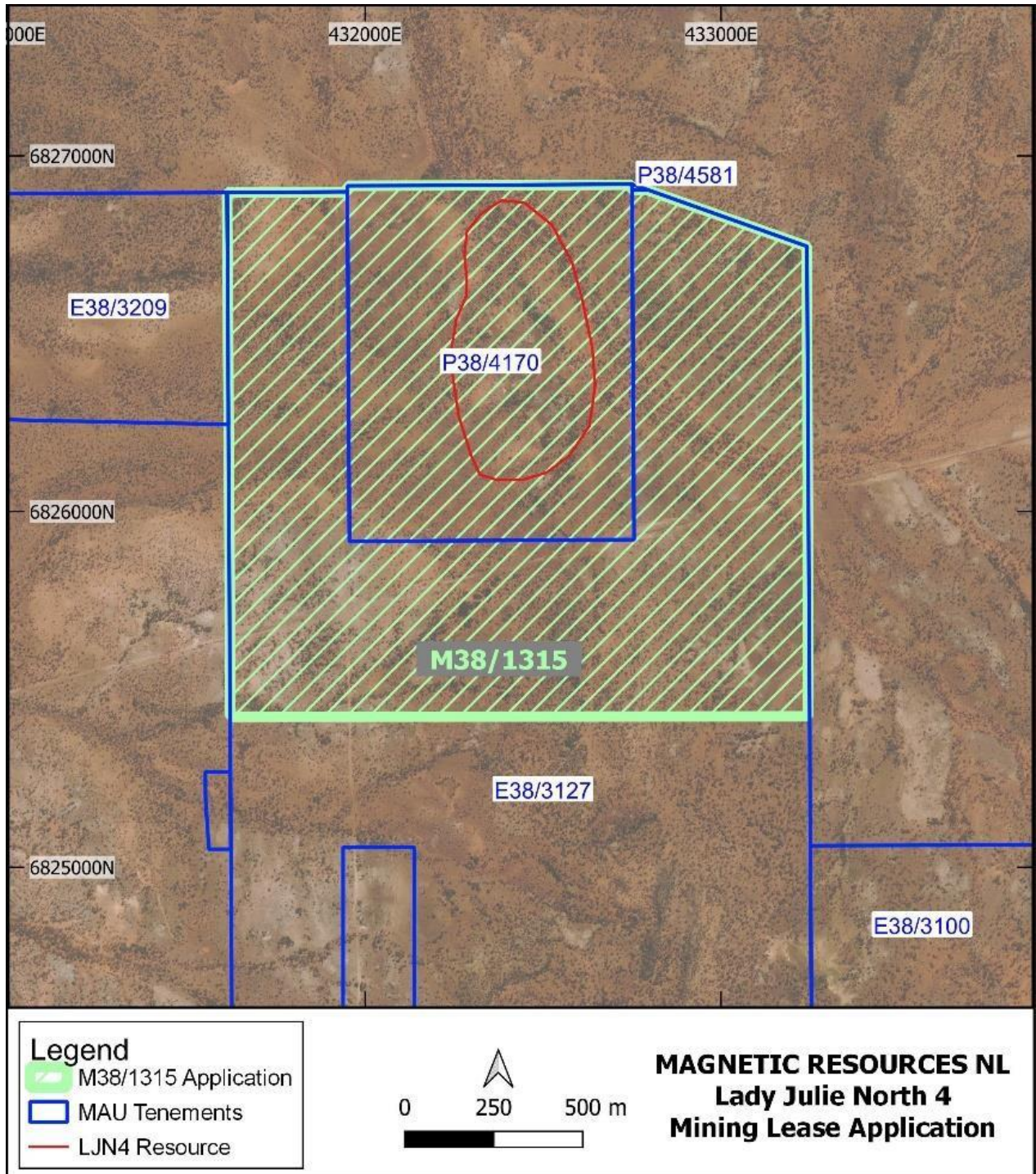


Figure 9. Magnetic's Mining Lease Application (M38/1315)

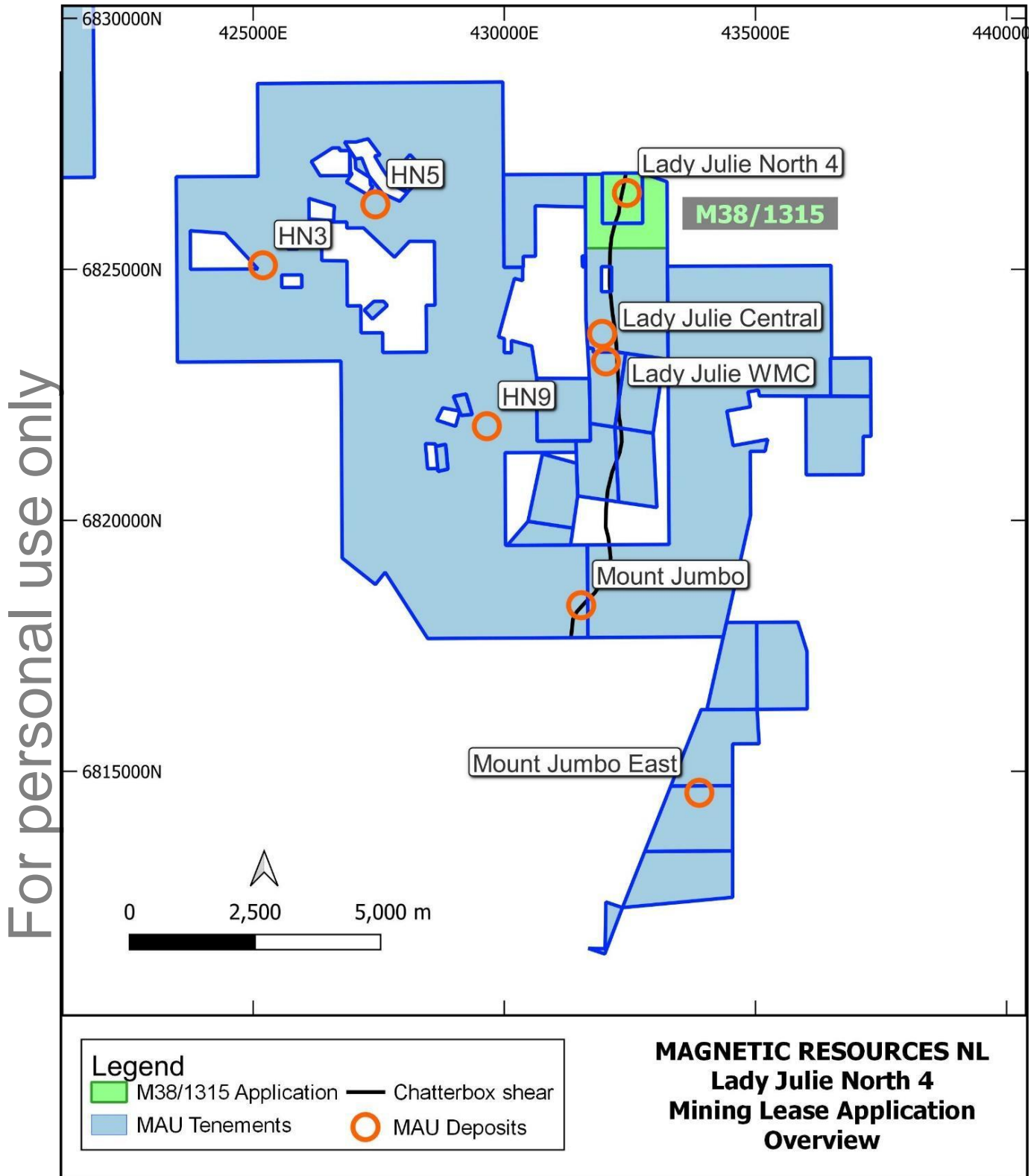


Figure 10. Mining Lease Application (M38/1315) overview

Additional drilling post-resource statement at Lady Julie North 4 project (E38/3127, P38/4170)

After a significant 107% increase in overall resource in our Laverton Project to 22.7Mt @ 1.69g/t totalling 1.24Moz of gold at 0.5g/t cut off and LJV4 increased by 317% from 204,000oz to 852,000oz, which was announced on November 23 2023 (Table 2), a number of deeper step-out holes were drilled to see whether the LJV4 resource could be extended further at depth. Some exciting intersections are outlined below in Figure 11 and significant intersections in Table 5.

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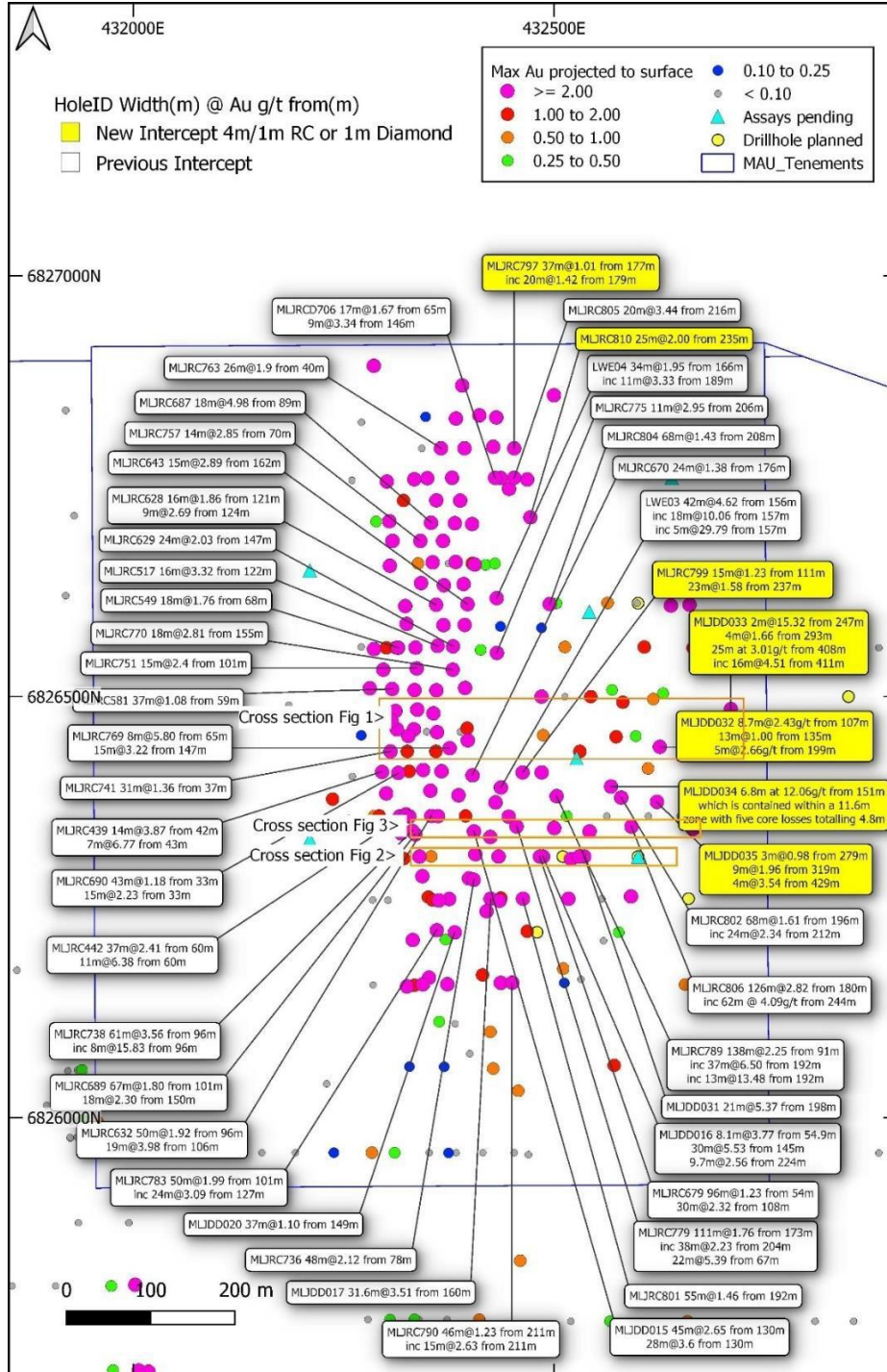


Figure 11. The Lady Julie North 4 deposit has numerous significant thick intersections from the latest drill programme (yellow large rectangular label) and previous drilling (white label) with maximum gold projected to surface and planned deeper drillholes (in yellow).

Table 5. Significant intersections from recent drilling.

Hole_Id	Easting	Northing	From	To	Width	Gold	
	MGA	MGA	Metres	Metres	Metres	g/t	
MLJDD015	432405	6826340	130	175	45	2.65	
MLJDD016	432487	6826310	145	175	30	5.53	
MLJDD031	432536	6826310	198	218	21	5.37	
MLJDD032	432723	6826442	107	116	8.7	15.32	
			135	148	13	1.00	
			199	204	5	2.66	
MLJDD033	432908	6826500	247	249	2	15.32	
			293	297	4	1.66	
			408	433	25	3.01	
		including	411	427	16	4.51	
MLJDD034	432643	6826400	151	158	6.8	12.06	
(contained within a 11.5m zone with 4.8m of core loss) in a gossanous chert breccia.							
MLJDD035	432825	6826385	319	328	9	1.96	
			429	433	4	3.54	1m splits
MLJRC679	432511	6826310	94	148	54	1.95	1m splits
MLJRC736	432465	6826284	78	126	48	2.12	1m splits
MLJRC779	432455	6826345	173	284	111	1.76	1m splits
MLJRC789	432500	6826380	91	229	138	2.25	1m splits
MLJRC802	432580	6826380	173	241	68	2.87	1m splits
		including	243	304	61	4.68	1m splits
MLJRC804	432495	6826610	208	276	68	1.43	1m splits
MLJRC805	432570	6826760	216	236	20	3.44	1m splits
MLJRC806	432690	6826346	180	306	126	2.82	1m splits
		including	244	306	62	4.09	1m splits
MLJRC810	432587	6826705	235	260	25	2.00	1m splits

MLDD033 intersected 16m at 4.51g/t Au from 411m, which was a very large 200m step out below the current resource (Figure 11). This intersection of 72 gram-metres is potentially underground mineable and is still open down-dip. The section in Figure 12 indicates mineralisation continuity of 550m down-dip, which is by far the biggest down-dip extension identified to date within LJN4. This structure and mineralisation is expected to continue at depth within the Chatterbox Shear, which is a regional-scale structure that controls many deposits along its length including LJN4, Apollo, Beasley Creek and Wallaby (Figures 24 and 25). A seismic survey Magnetic completed (ASX Release 15 February 2021) shows a depth extent of 1.5km.

The above intersection in MLJDD033 occurs partly in a pyrite-bearing black shale with intercalated carbonate and minor breccia, and partly in a pyrite-bearing carbonate with pyrite ranging from disseminated to semi-massive, which is a new style of alteration.

New hanging wall mineralisation was also discovered in MLJDD033 with an intersection of 2m at 15.32g/t Au from 247m, and 8.7m at 2.43g/t Au from 107m and 13m at 1.00g/t Au from 135m in MLJDD032. These hanging wall intersections are associated with a breccia zone and are planned to be followed up with RC drilling.

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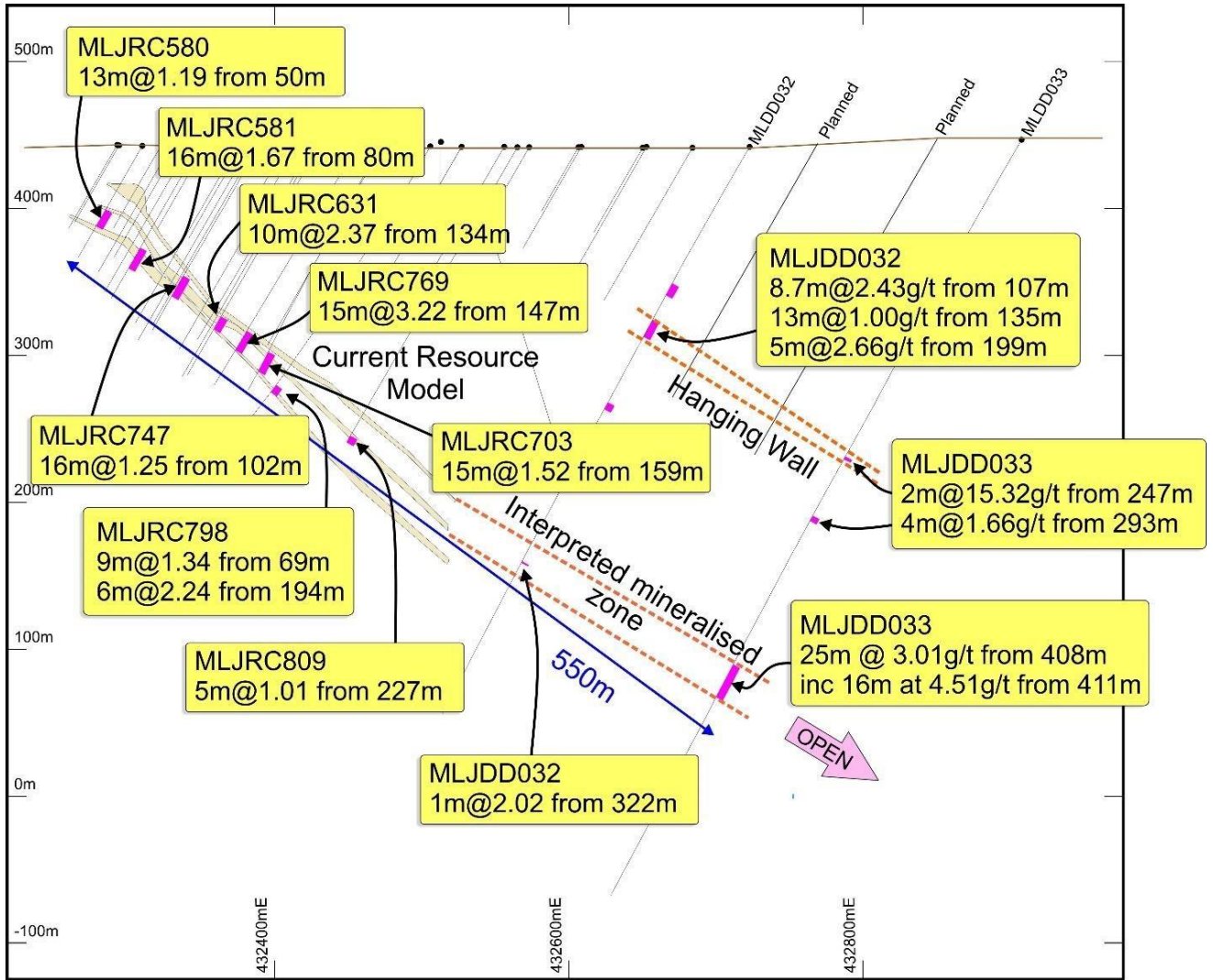


Figure 12. Cross section for LINA central area showing high-grade dipping gold zone containing resource model outline and MLJDD033 being a down dip extension of over 200m and being part of a very large 550m interpreted down dip extension.

MLJRC826 is a large step out and is outside the current resource. MLJRC826 intersected a 40m-thick breccia zone from 270 to 310m, which has assays pending (Figures 13). It is directly 65m down dip from MLJDD031, which intersected 21m at 5.37g/t Au from 198m within a breccia. This is in turn 50m down dip from MLJDD016, which intersected 30m at 5.53g/t Au from 145m, which is also within a breccia. MLJRC826 is still open down dip and to the south and diamond holes are being planned to follow up this thick breccia zone.

MLJRC802 intersected our best intersection to date, of 133m at 2.87g/t from 173m, which includes 61m at 4.68g/t from 243m (1m splits). Assays are pending for the down dip extension within MLJRC820 from 290m to 453m (Figure 14).

MLJDD034 intersected 6.8m @ 12.06g/t from 151m (contained within a 11.5m zone with 4.8m of core loss) in a gossanous chert breccia.

The multiple very thick intersections which often contain silica-pyrite and breccia alteration, are up to 50m thick. These are mainly within a 250m long central zone, which is still open to the south and east.

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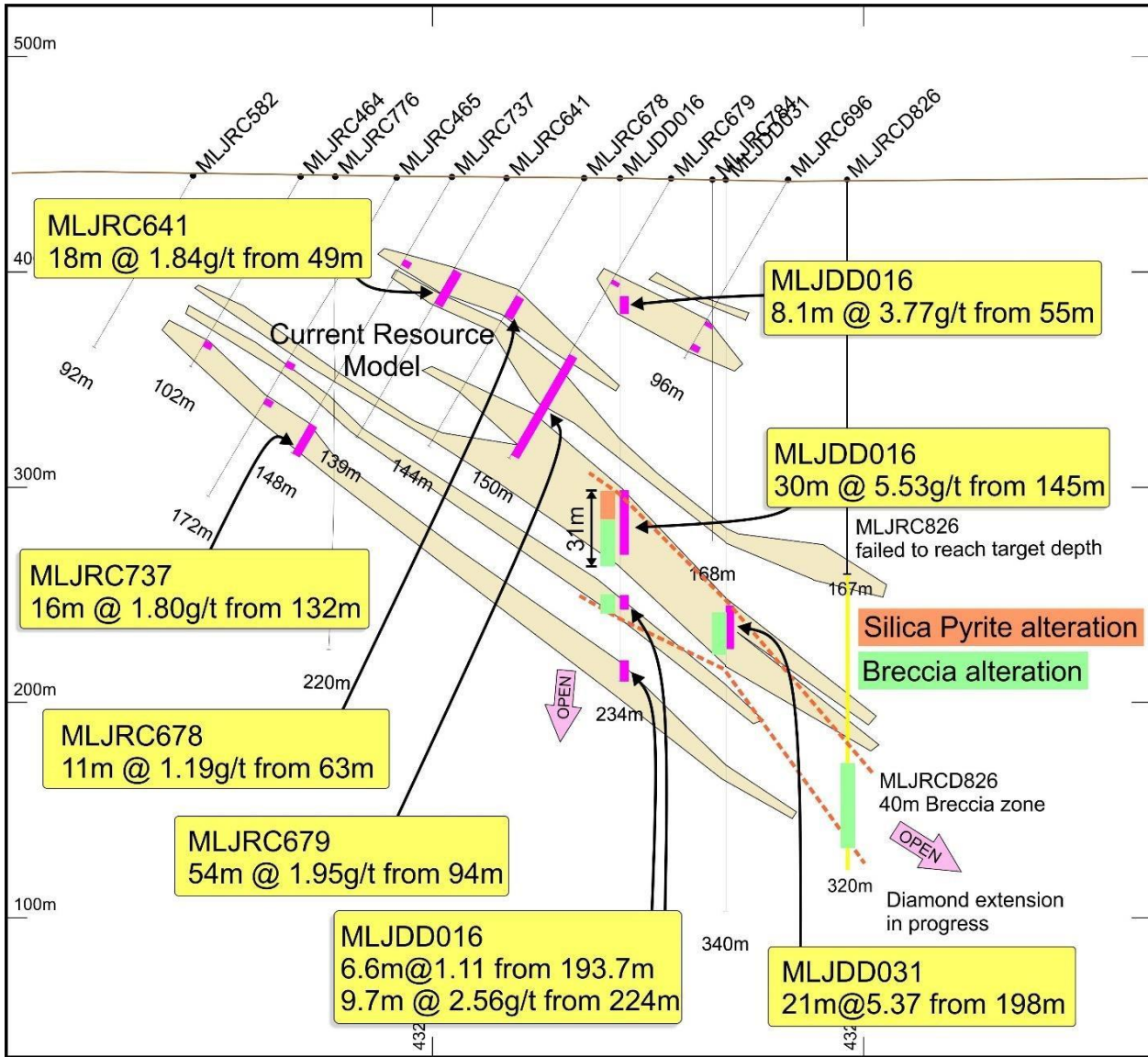


Figure 13. Cross section for LNJ4 centre area showing thickened high-grade dipping gold zone containing breccia and silica-pyrite alteration, resource model outline, thickened mineralisation in drill hole MLJRC679, breccia zone in MLJDD016 and MLJDD031 and depth extensions downdip with a 40m thick breccia in MLJRCD826, which is still open to the east with assays pending.

The follow up deeper RC/diamond holes tested and are looking to extend two and in some cases three stacked lodes found in the central, southern and northern parts of LNJ4. Many of these are outside the existing resource and have potential for the enlargement of the LNJ4 (Indicated and Inferred) of 13.1Mt at 2.02g/t for 852,600oz at a 0.5g/t cutoff (Table 2).

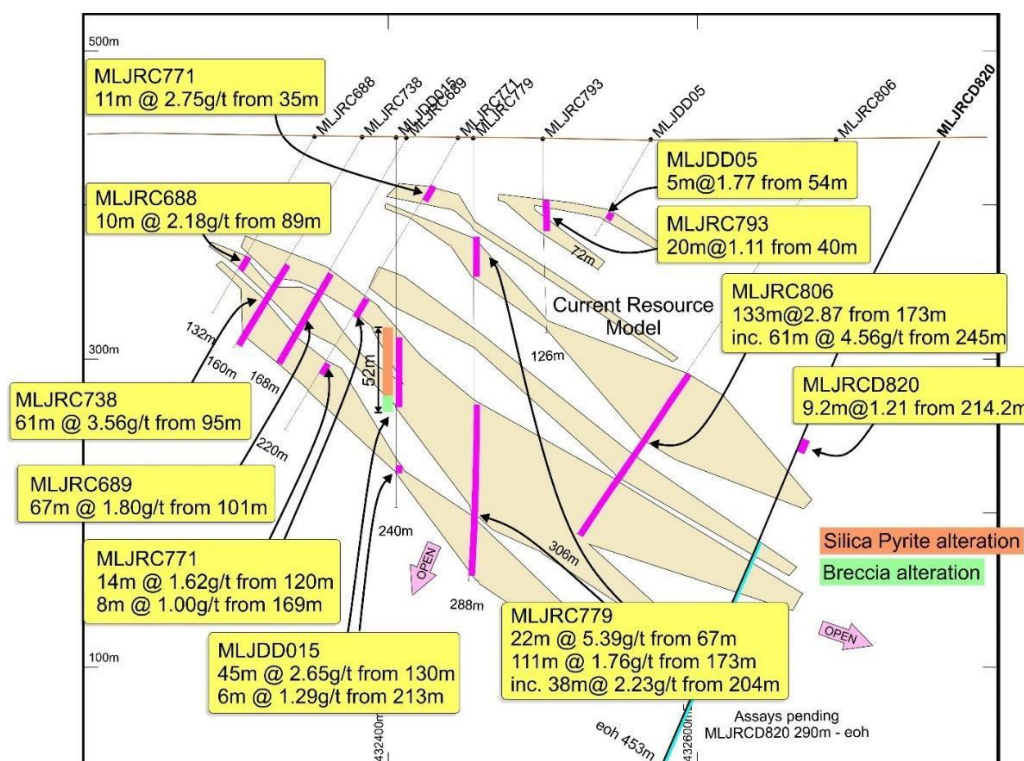


Figure 14. Cross section for LNJ4 centre area showing thickened high-grade dipping gold zone containing breccia and silica-pyrite alteration, upper mineralised zone, resource model outline, thickened mineralisation in drill hole MLJRC779 and MLJRC806, Breccia zone in MLJDD015 and potential depth extensions downdip to the east and south

The recent diamond drilling at LNJ4 has revealed four distinct types of mineralisation:

Vuggy silica and/or silica-pyrite mineralisation: this intense alteration destroys the nature of the protolith and comprises a porous network of silica veins and masses, with or without disseminated pyrite, in a clayey to sandy matrix.

Polymictic breccia: a mixed breccia of chert, felsic porphyry, and ironstone (possibly after ferruginous or pyritic chert), sometimes with quartz or silica clasts, in a siliceous, ferruginous or pyritic matrix. The pyrite content is highly variable ranging up to semi-massive to massive in places.

Silicified ultramafic: the footwall ultramafic sequence at LNJ4 is mineralised in pale, bleached and silicified zones showing intense deformation (informally termed “visceral” texture) with or without quartz stockwork veining and with minor disseminated pyrite.

- **Pyritic zones in crystalline sedimentary carbonate:** This is a more subtle style of mineralisation comprising disseminations and irregular stringers of pyrite in the chert-carbonate sequence overlying the footwall ultramafics. Better intercepts of this style include 9.75m @ 2.56g/t from 224m at end of hole in MLJDD016 (section 6826310N) and 16m @ 4.51g/t from 411m in MLJDD033 (section 6826480N).

The recent intersection of the carbonate-hosted mineralisation at depth in MLJDD033 suggests that this style may become more important in the deeper parts of the LNJ4 mineralised system, which has yet to be fully explored and defined.

Photos of the mineralisation types are attached and some examples of both breccia mineralisation and silica pyrite alteration in the MLJDD015 core trays with an overlaid gold content for each interval of core measured (Figure 15 to 23).

The mineralisation appears to occur in a series of moderately east-dipping (45-50°) zones ranging from a few metres up to 52m in true width. Sometimes these zones appear to coalesce to form broader mineralised zones. The silica-pyrite and breccia mineralisation occur in an interdigitated sequence of massive chert and carbonate intruded by felsic porphyries. This sequence also dips moderately to the east.

Strong thick breccia zones are also present within the Sunrise Dam Deposit owned by Anglo Ashanti where the breccia lodes carry significant higher-grade mineralisation are associated with a number of internal deposits. In most cases they are near vertical and link the sub horizontal major shear zones and can also be subparallel to the major mineralised shear zones near surface. The silicified ultramafic mineralisation occurs in an ultramafic unit in the footwall of the chert-carbonate sequence.

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Figure 15. MLJDD020_178.0m_Polymictic Breccia with silica-pyrite clast



Figure 16. MLJDD018_77.5m_Polymictic Breccia

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Figure 17. MLJDD018_164.5m_Massive pyrite in Breccia



Figure 18. MLJDD018_198.0m Vuggy Silica Alteration



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Figure 19. MLJDD019_148.4m_ visceral texture in bleached, silicified ultramafic.

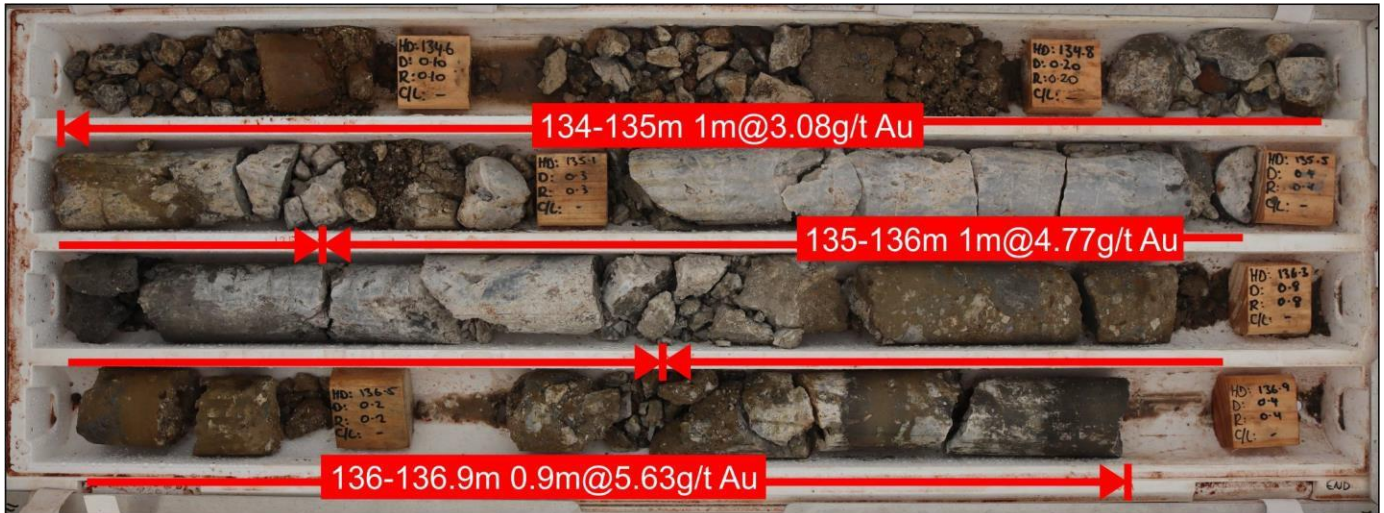


Figure 20. MLJDD015 Silica-pyrite alteration

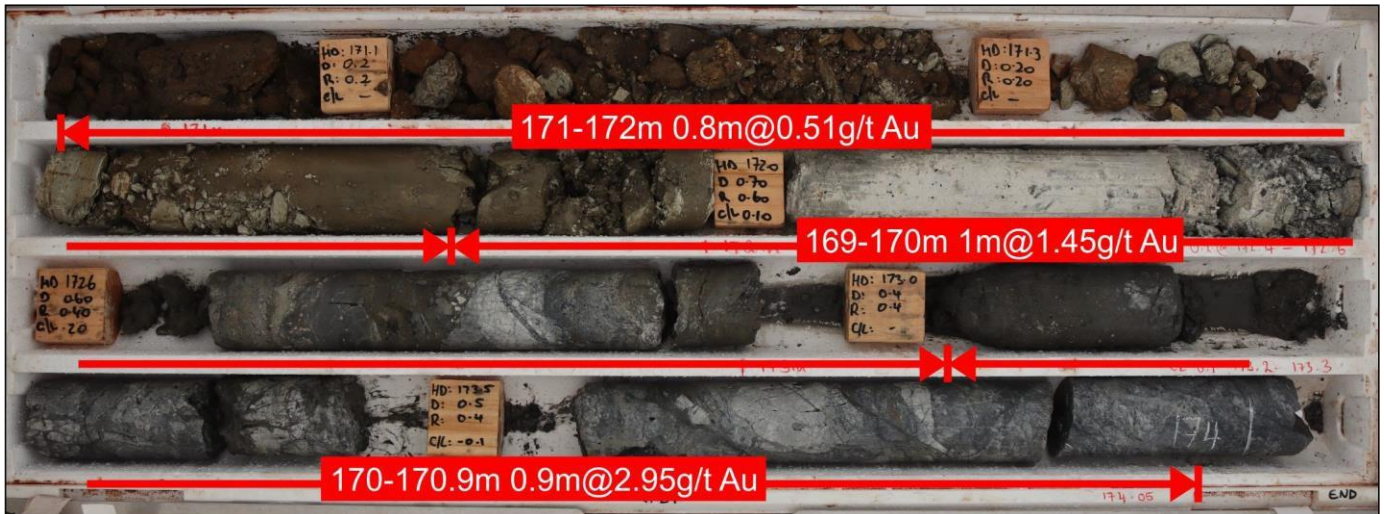
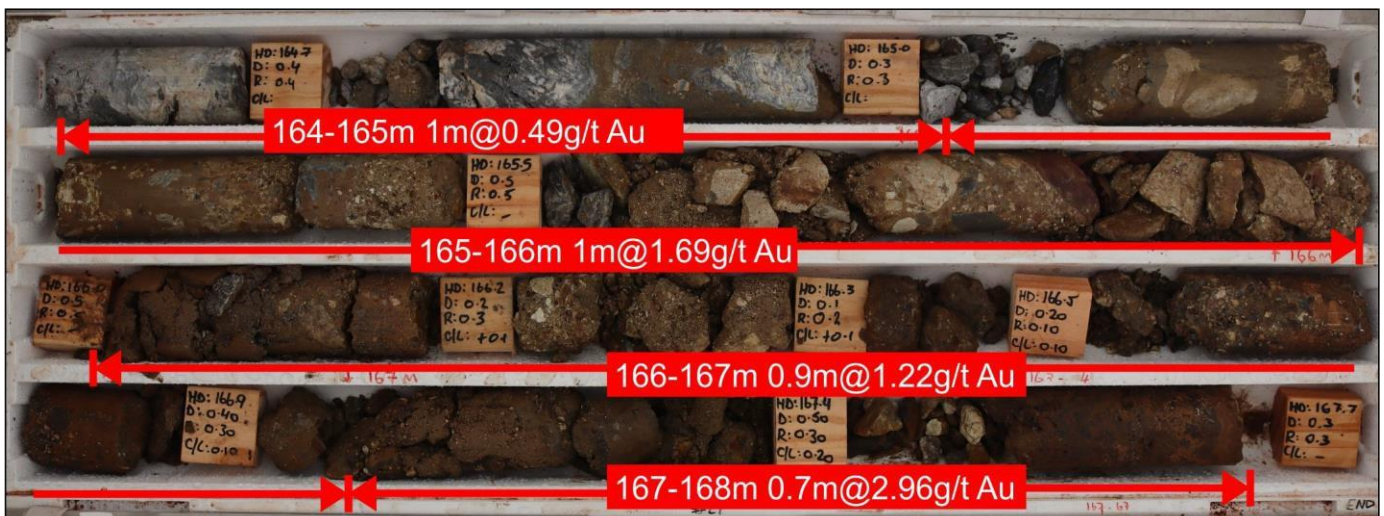


Figure 21. MLJDD015 Breccia alteration



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Figure 22. MLJDD015 Breccia alteration



Figure 23. MLJDD015 Breccia alteration

The Lady Julie North 4 deposit is only 2.5km North of the Lady Julie Central deposit which in turn is 2.5km NE of the HN9 deposit (Figure 24). These three areas are all shallow deposits and Lady Julie Central and HN9 start from surface and Lady Julie North 4 from 30m depth, which provide low strip ratios and potential for economic ore that is open-cuttable and are effectively part of one mining centre.

Gold mineralisation at LJN4 is hosted in a sequence of ultramafics, massive carbonate (marble) and chert intruded by felsic porphyries. This sequence is cut by a major N-S braided shear complex known as the Chatterbox Shear Zone (CSZ) which is known to host significant mineralisation to the north. Petrological studies are in progress to determine if the carbonate and chert units are in fact forms of intense carbonate and silica alteration associated with the CSZ.

The Chatterbox shear zone is a complex N to NNE-trending, east-dipping structural corridor which can be traced for some 22km extending from Magnetic Resources' southern boundary at Mt Jumbo and through Lady Julie North 4 and as far north as the Beasley Creek gold depositon Magnetic's NE boundary (Figure 25).

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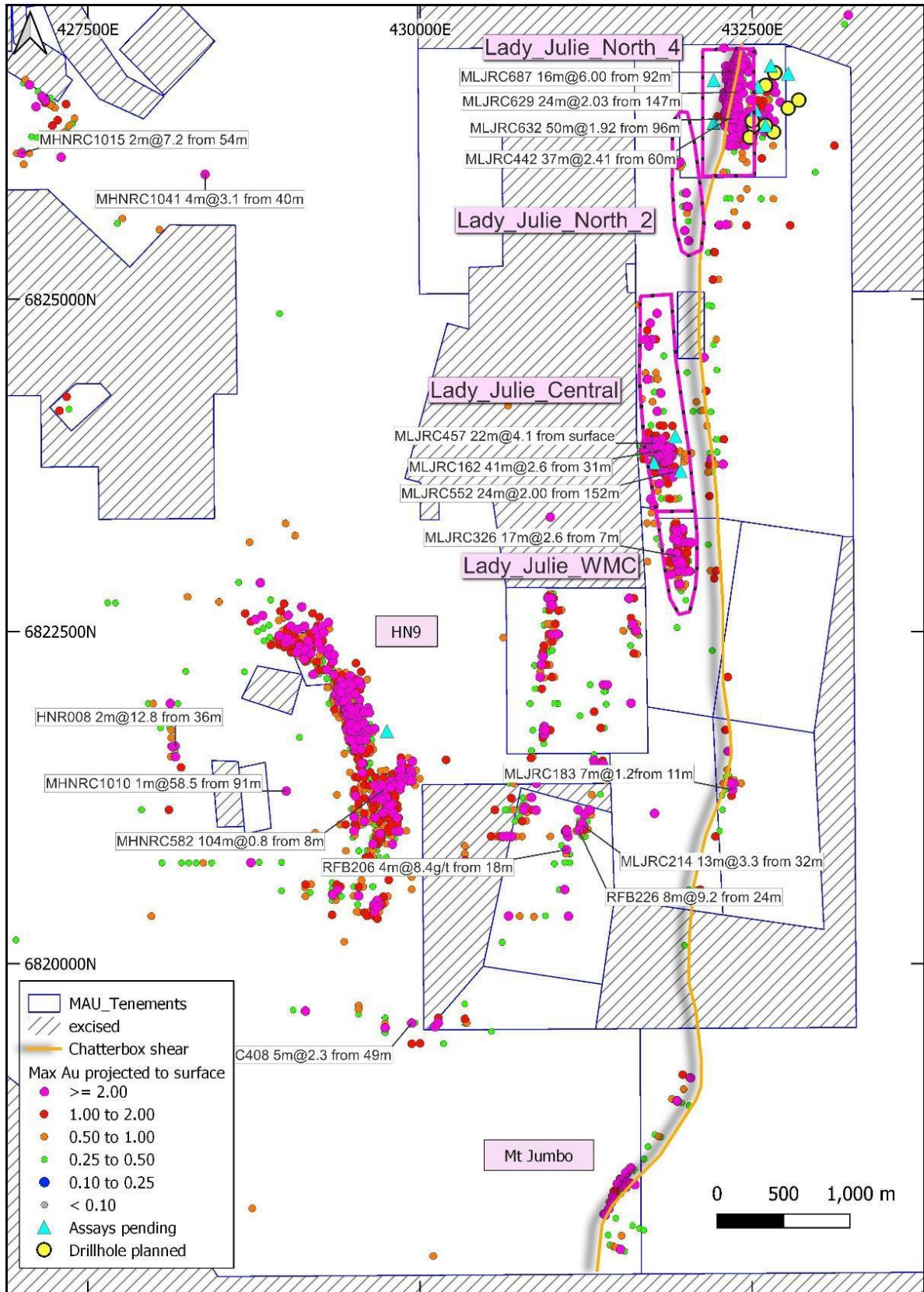
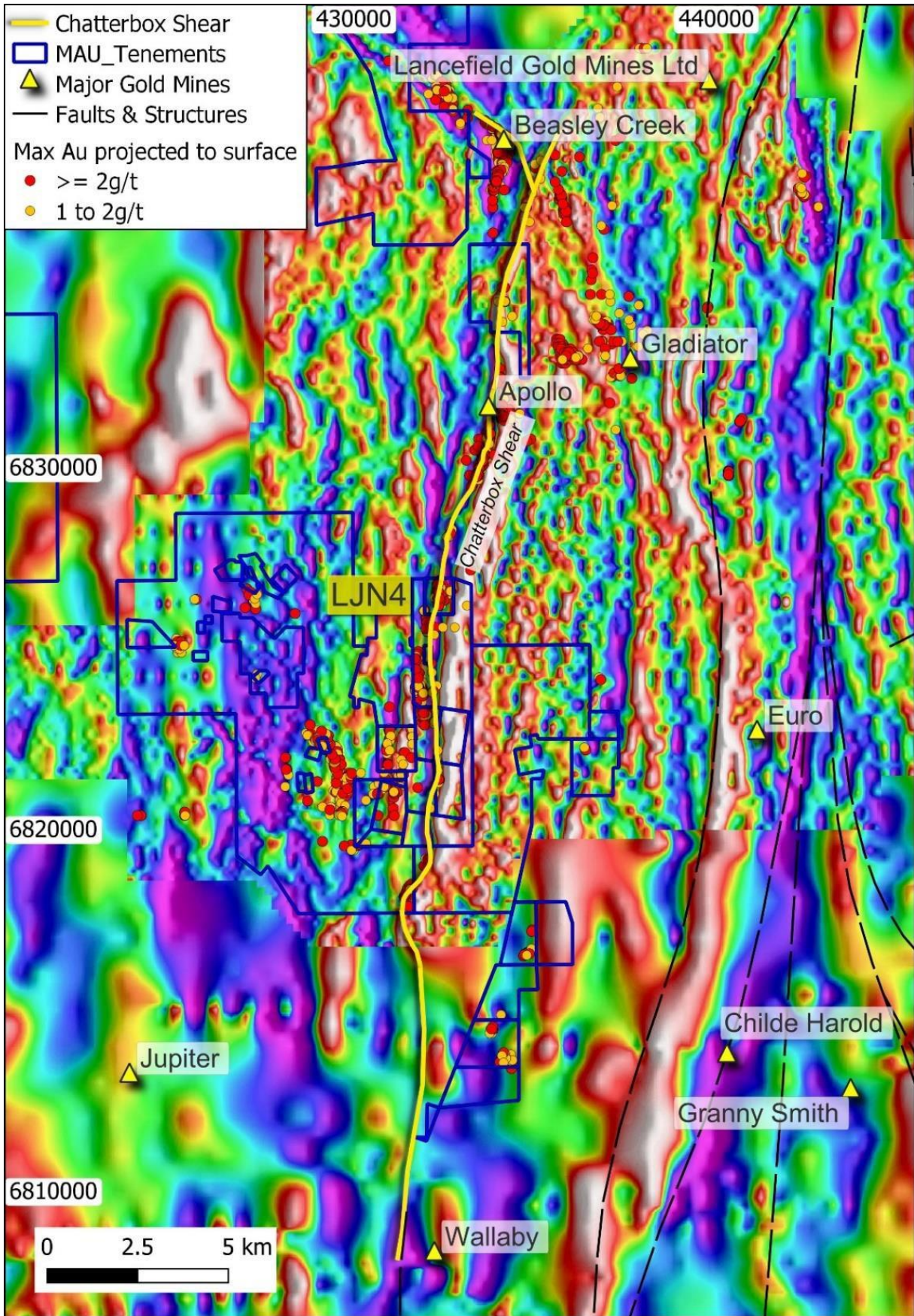


Figure 24. Gold intersection overview covering the Lady Julie North4, Lady Julie Central, Lady Julie WMC, HN9 and Mt Jumbo Projects showing some highlighted intersections (white label), significant historical and Magnetic intercepts (maximum Au projected to surface), planned holes in yellow and highlighted Chatterbox shear extending south from the Lady Julie North 4 Deposit



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Figure 25. The Lady Julie North 4 Chatterbox Interpreted Shear shown on a Gravity image with major gold deposits.

Within Magnetic's tenements the shear zone can be traced for a distance of 12km. The shear zone is interpreted to comprise a series of braided faults and shears within a corridor ranging from 100m to 250m wide and is interpreted to have formed as a reverse fault on the limb of the regional Margaret Anticline during the latter stages of its folding.

Importantly, this shear zone is closely associated with, gold mineralisation at several locations along its length including Magnetic's LJN4 and Mt Jumbo deposit (Figure 25). This shear is gold rich and gold deposits further north of Magnetic's tenements contains the Beasley Creek and Apollo deposits and is interpreted to extend south towards the world class Wallaby deposit. It is evident in aeromagnetic imagery and in gravity images (Figure 25), Previous seismic work completed by Magnetic also shows up the Chatterbox shear which has great depth extent of this 45 degree east dipping shear with a number of associated vertical faults.

Within the HN5, HN6, HN9 and Lady Julie areas there are many new shallow intersections (see previous ASX announcements) with a total of 2,590 intersections (ranging from 1 to 44m) greater than 0.5g/t Au, which includes 1221 greater than 1g/t Au, 471 greater than 2g/t Au, 246 greater than 3g/t Au and 152 greater than 4g/t Au.

At Hawks Nest 5, 6, 9 and Lady Julie extensive drilling programmes have been completed, including 1,883 RC/RCD holes totalling 148,829m (average 79m depth), 37,455 1–5m composites and 26,252 1m splits, 302 AC holes totalling 12,125m, 3,049 2-6m composites and 294 1m splits and 20 Diamond holes totalling 4,702. The Geotech programme comprised 12 RC/RCD drillholes totalling 1,098m and 8 diamond holes totalling 776m and Hydrology programme comprising 6 RC drillholes totalling 874m.

This release is reporting on 1,066 2-4m composite samples and 1,047 1m splits from 31 RC drillholes (MLJRC795-800,802-816,821,823,825-827,831-835) and 1,770 ~1m core samples from 6 Diamond drillholes (MLJRCD820, MLJDD031 to 35).

Assays are pending for MLJRC818, 819, 820 (290m to 453m), 826 and 828.

The nearby Sunrise Dam, Wallaby and Jupiter Gold Deposits have persistent internal shallow-dipping mineralised lodes that are often called shear zones or thrust zones, which are ubiquitous throughout these deposits and have been defined down to 1500m depth at the Wallaby deposit. At Sunrise Dam there are breccia zones which are associated with the deeper vertical deposits and also some of the shallower dipping deposits near surface. In addition, many discoveries in recent times have been made by drilling below 100m because the historical drilling was far too shallow. At HN5, 6, 9 and Lady Julie the average hole depth is only 79m providing tremendous scope for upside potential.

Table 6. Planned/in-progress Drilling at Lady Julie North 4

Hole_ID	Easting	Northing	Depth	Dip	Azimuth	Hole Type	Tenement	Project
	MGAz51	MGAz51	metres	degrees	degrees			
MLJRC836	432770	6826440	200	-60	270	RC	E38/3127	LJN4
MLJRC837	432850	6826500	250	-60	270	RC	E38/3127	LJN4
MLJRCD679	432511	6826310	240	-60	270	DDH Tail	P38/4170	LJN4
MLJRCD773	432600	6826611	300	-60	270	DDH Tail	P38/4170	LJN4
MLJRCD788	432480	6826220	280	-90	0	DDH Tail	P38/4170	LJN4
MLJRCD793	432500	6826345	300	-90	0	DDH Tail	P38/4170	LJN4
MLJRCD807	432660	6826260	400	-60	270	DDH Tail	P38/4170	LJN4
MLJRCD826	432600	6826310	320	-90	0	DDH Tail	P38/4170	LJN4
MLJRCD829	432670	6826705	370	-60	270	RCD	P38/4170	LJN4
MLJRCD830	432925	6826386	550	-60	270	RCD	E38/3127	LJN4
2 DDH for 920, 6 DDH Tails for 1,840m, 2 RCD for 690m 2 RC for 450m								

Nickel-Cu-PGE and REE Projects

These projects were selected based on aeromagnetic interpretation after noting the structural setting of the Julimar complex and the Gonneville mineralised discrete magnetic mineralised Ni-Cu-PGE rich intrusion. The Julimar discovery in March 2020 has led to a massive pegging rush covering 30,000 sq. km. The Julimar Intrusive Complex flags the existence of a new and unexplored West Yilgarn Ni-Cu-PGE Province along the western margin of the Archean Yilgarn Craton.

The western tenements Benjaberring and Goddard are prospective for nickel, PGE elements, Cu and Au. A 570 soil-sampling programme is being carried out on the northern part of Benjaberring with sample spacings of 50m x 200m and 50m x400m over the main magnetic targets. The eastern tenements are prospective for REE after shallow, thick, strong REE intersections were made within the Trayning project (Figure 26). Access to various targets throughout the six tenements is ongoing and currently there are four access agreements over parts of the Trayning, Benjaberring and Goddard projects.

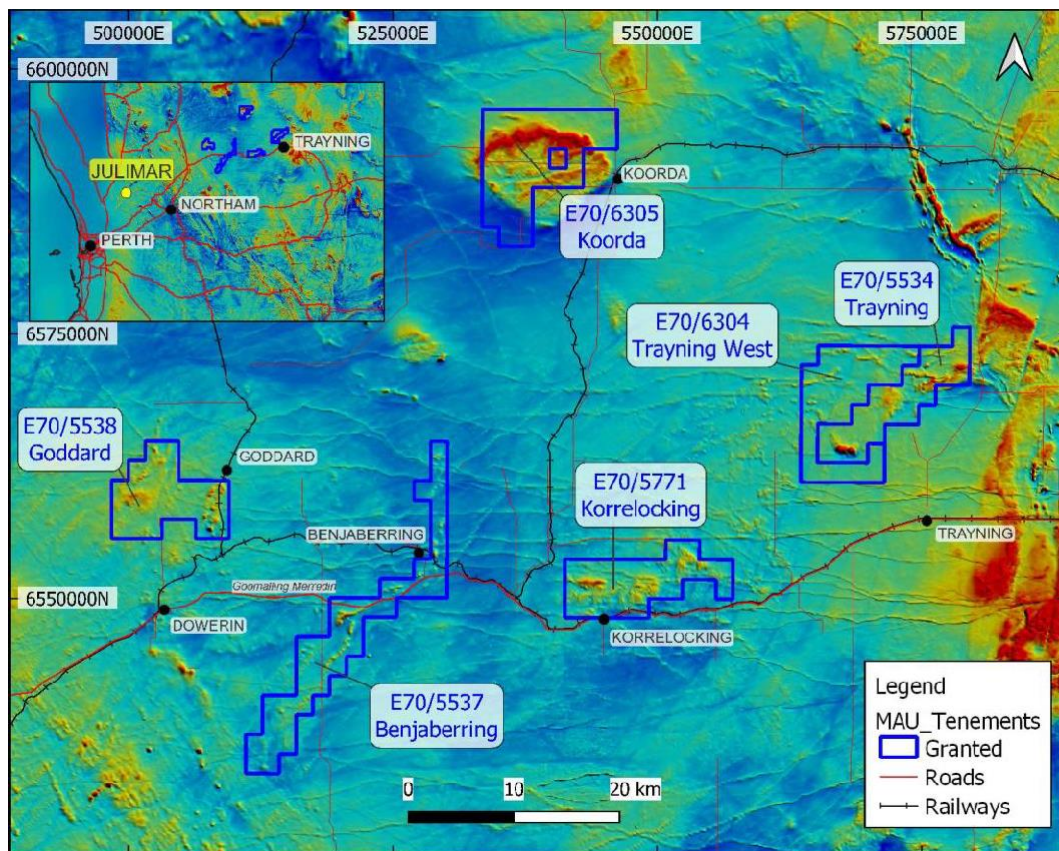


Figure 26. Coverage of Magnetics six projects NE of Julimar overlaid on the regional aeromagnetics

Other Projects

The Company actively reviews other projects and tenements for acquisition and development within the Leonora–Laverton region.

Iron Ore

The Company has an agreement signed with Northam Iron Pty Ltd (now Northam Resources Pty Ltd) regarding the sale of the Company's iron ore assets, with a sliding scale royalty with payments starting at \$0.25/t for a sale price of \$80.00/t or less, and thereafter, for every increase in the sale price of \$10.00/t

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial half-year.

Matters subsequent to the end of the financial half-year

Since the end of the financial half-year, the Company announced an increase in the resource estimate for the Lady Julie North project on 5 March 2024.

On 7 March 2024, the Company announced the outcome of a Prefeasibility Study (PFS) on its 100% owned Lady Julie Gold Project.

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



GEORGE SAKALIDIS
MANAGING DIRECTOR

11th March 2024
Perth

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Auditor's Independence Declaration


To those charged with the governance of Magnetic Resources NL

As auditor for the review of Magnetic Resources NL for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd



Sajjad Cheema
Director

11th March 2024

Magnetic Resources NL
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



	Note	Half year ended 31 Dec 2023 \$	Half year ended 31 Dec 2022 \$
Revenue			
Other income	4	502,973	480
Interest income		-	-
Expenses			
Other expenses	5	(1,073,603)	(1,003,584)
Exploration and tenement expense		(3,869,628)	(1,335,828)
Depreciation and amortisation expense		(1,995)	(13,815)
Share based payments	17	(1,475,883)	(870,356)
Loss before income tax expense		(5,918,136)	(3,223,103)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Magnetic Resources NL		(5,918,136)	(3,223,103)
Other comprehensive income			
Gain/(Loss) on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(8,833)	(13,994)
Other comprehensive income/(loss) for the half-year, net of tax		(8,833)	(13,994)
Total comprehensive income/(loss) for the half-year attributable to the owners of Magnetic Resources NL		(5,926,969)	(3,237,097)
		Cents	Cents
Basic earnings per share	7	(2.34)	(1.44)
Diluted earnings per share	7	(2.34)	(1.38)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Magnetic Resources NL
Statement of financial position
For the half-year ended 31 December 2023



	Note	31 Dec 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	4,360,254	4,102,162
Trade and other receivables		269,238	179,667
Other		<u>13,714</u>	<u>20,123</u>
Total current assets		<u>4,643,206</u>	<u>4,301,952</u>
Non-current assets			
Other financial assets		159,986	168,819
Property, plant and equipment	8	<u>24,573</u>	<u>19,833</u>
Total non-current assets		<u>184,559</u>	<u>188,652</u>
Total assets		<u>4,827,765</u>	<u>4,490,604</u>
Liabilities			
Current liabilities			
Trade and other payables		622,935	565,948
Leave Liabilities		<u>242,847</u>	<u>220,847</u>
Total current liabilities		<u>865,782</u>	<u>786,795</u>
Total liabilities		<u>865,782</u>	<u>786,795</u>
Net assets		<u>3,961,983</u>	<u>3,703,809</u>
Equity			
Issued capital	10	56,682,220	51,391,366
Share Based Payments Reserve	11	4,226,318	3,088,829
Accumulated losses		(56,825,808)	(50,907,672)
FVOCI Reserve		(127,547)	(118,714)
AAIS Reserve		<u>6,800</u>	<u>250,000</u>
Total equity		<u>3,961,983</u>	<u>3,703,809</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Magnetic Resources NL
Statement of changes in equity
For the half-year ended 31 December 2023



	Issued Capital \$	Share Based Payment Reserve \$	FVOCI Reserve \$	AAIS Reserve \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2023	51,391,366	3,088,829	(118,714)	250,000	(50,907,672)	3,703,809
Loss after income tax expense for half-year	-	-	(8,833)	-	(5,918,136)	(5,926,969)
Total Comprehensive income (For the half-year)	-	-	(8,833)	-	(5,918,136)	(5,926,969)
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payments	-	1,137,489	-	-	-	1,137,489
Options exercised	10,074	-	-	6,800	-	16,874
Shares issued	5,390,755	-	-	(250,000)	-	5,140,755
Capital raising costs	(109,975)	-	-	-	-	(109,975)
Balance at 31 December 2023	56,682,220	4,226,318	(127,547)	6,800	(56,825,808)	3,961,983
Balance at 1 July 2022	43,446,485	2,571,878	(64,058)	-	(43,771,956)	2,182,351
Loss after income tax expense for the half-year	-	-	(13,994)	-	(3,223,103)	(3,237,097)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(13,994)	-	(3,223,103)	(3,237,097)
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payments	-	754,583	-	-	-	754,583
Shares issued during the year	4,900,043	(237,632)	-	-	-	4,662,411
Capital raising costs	(92,221)	-	-	-	-	(92,221)
Balance at 31 December 2022	48,254,307	3,088,829	(78,052)	-	(46,995,057)	4,270,027

The above statement of changes in equity should be read in conjunction with the accompanying notes

Magnetic Resources NL
Statement of cash flows
For the half-year ended 31 December 2023



	Note	Half year ended 31 Dec 2023	Half year ended 31 Dec 2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers and contractors		(1,313,988)	(1,230,601)
Payments for exploration and evaluation		(3,710,413)	(1,309,548)
Interest received		-	-
Other revenue		-	480
Net cash used in operating activities		<u>(5,024,401)</u>	<u>(2,539,669)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	8	(8,338)	(1,036)
Purchase of new tenements		-	-
Proceeds from Disposal of Plant & Equipment		-	-
Net cash used in investing activities		<u>(8,338)</u>	<u>(1,036)</u>
Cash flows from financing activities			
Proceeds from issue of shares and exercise of options	10	5,400,827	4,900,038
Capital Raising costs		<u>(109,996)</u>	<u>(92,221)</u>
Net cash from/(used in) financing activities		<u>5,290,831</u>	<u>4,807,817</u>
Net increase/(decrease) in cash and cash equivalents		258,092	2,267,112
Cash and cash equivalents at the beginning of the financial half-year		4,102,162	2,029,835
Cash and cash equivalents at the end of the financial half-year		<u>4,360,254</u>	<u>4,296,947</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. General information

The financial statements cover Magnetic Resources NL as an individual entity. The financial statements are presented in Australian dollars, which is Magnetic Resources NL's functional and presentation currency.

Magnetic Resources NL is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1
44A Kings Park Road
West Perth WA 6005
T: (08) 9226 1777

A description of the nature of the company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 11th March 2024.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The Directors have also reviewed all the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting.

Going concern

The directors have prepared the financial statements of the company on a going concern basis. In arriving at this position, the directors have considered the following pertinent matters:

- cash on hand at the date of this report is approximately \$4,360,254(30 June 2023: \$4,102,162)
- current cash resources are considered adequate to fund the entity's immediate operating and exploration activities however, given the state of the equity markets, the rate of expenditure on exploration as a whole has been reduced; and
- the company has the ability to raise additional funds by the issue of additional shares or the sale of assets if a high level of exploration activity is to be undertaken.

The going concern basis is dependent on the company raising funds as required to pay its debts as and when they fall due. The directors are confident that this will be achieved.

Note 3. Operating segments

Identification of reportable operating segments

The Company has identified that it operates in only one segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company's principal activity is mineral exploration.

Revenue and assets by geographical region

The Company's revenue is received from sources and assets which are located wholly within Australia.

Major customers

Due to the nature of its current operations, the Company does not provide products and services.

Note 4. Other income

	Half year ended 31 Dec 2023 \$	Half year ended 31 Dec 2022 \$
Sale of Tenements	502,973	-
Insurance Claim	-	480
Other income	<u>502,973</u>	<u>480</u>

Note 5. Other expenses

	Half year ended 31 Dec 2023 \$	Half year ended 31 Dec 2022 \$
Occupancy costs	22,963	27,131
Filing and ASX fees	77,474	47,224
Corporate and management	464,026	453,373
Loss on sale of assets	1,603	-
Other expenses from continuing operations	<u>507,537</u>	<u>475,856</u>
	<u>1,073,603</u>	<u>1,003,584</u>

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Note 6. Cash and cash equivalents

	31 Dec 2023	30 June 2023
	\$	\$
<i>Current assets</i>		
Cash at bank	4,335,428	4,077,336
Cash on deposit	<u>24,826</u>	<u>24,826</u>
	<u><u>4,360,254</u></u>	<u><u>4,102,162</u></u>

Note 7. Earnings Per Share

The following reflects the earnings and share data used in the calculation of basic and diluted earnings per share.

	31 Dec 2023	30 June 2023
	\$	\$
Loss for the half year	(5,918,136)	(7,135,716)
Earnings used in calculating the basic and diluted earnings per share	(5,918,136)	(7,135,716)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	252,883,650	229,325,275

The company had 20,418,862 partly contributing shares and 14,786,872 options over fully paid shares on issue at balance date. 3,750,000 options were issued during the year. The contributing shares are considered to be potential ordinary shares. However, they are not considered to be dilutive in this year and accordingly have not been included in the determination of diluted earnings per share.

Note 8. Property, Plant and Equipment

	31 Dec 2023	30 June 2023
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	143,470	141,211
Less: Accumulated depreciation	<u>(118,897)</u>	<u>(121,378)</u>
	<u>24,573</u>	<u>19,833</u>
Motor vehicles - at cost	161,285	161,285
Less: Accumulated depreciation	<u>(161,285)</u>	<u>(161,285)</u>
	<u>-</u>	<u>-</u>
	<u><u>24,573</u></u>	<u><u>19,833</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	\$
Balance at 1 July 2023	19,833
Additions	8,338
Depreciation Expense	(1,995)
Less Disposed Assets	<u>(1,603)</u>
Balance at 31 December 2023	<u><u>24,573</u></u>

Note 9. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Note 10. Issued capital

	31 Dec 2023 Shares	30 June 2023 Shares	31 Dec 2023 \$	30 June 2023 \$
Ordinary shares - fully paid	244,667,260	236,954,035	56,682,220	51,391,366
Contributing shares - partly paid	<u>20,418,862</u>	<u>20,418,862</u>	<u>-</u>	<u>-</u>
	<u>265,086,122</u>	<u>257,372,897</u>	<u>56,682,220</u>	<u>51,391,366</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	236,954,035		51,391,366
Shares Issued – Unrelated Parties	1 October 2023	6,669,945	\$0.72	4,802,360
Shares Issued - Contractors	1 October 2023	439,398	\$0.70	309,775
Shares Issued - Contractors	1 October 2023	33,511	\$0.85	28,618
Shares Issued - Options Converted	1 December 2023	14,815	\$0.68	10,074
Shares Issued - Directors	1 December 2023	555,556	\$0.45	250,000
Capital raising and rounding costs		-		(109,973)
Balance	31 December 2023	244,667,260		56,682,220

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Contributing shares

Contributing shares require a further payment of \$0.20 to become fully paid.

On a show of hands, every hold of contributing shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll, each member present in person or by proxy or by attorney or duly authorised representative shall have a fraction of a vote for each partly-paid contributing share held. The fraction must be equivalent to the proportion which any amount paid (not credited) is of the total amounts paid (if any) and payable (excluding amounts credited). Any amounts paid in advance of a call are ignored when calculating these fractional voting rights.

Share buy-back

There is no current on-market share buy-back.

Note 11. Reserves

	31 Dec 2023	30 June 2023
	\$	\$
Financial assets at fair value through other comprehensive income reserve ("FVOCI reserve")	(127,547)	(118,714)
Share-based payments reserve	4,226,318	3,088,829
Advanced Against Insurance Shares	<u>6,800</u>	<u>250,000</u>
	<u><u>4,105,571</u></u>	<u><u>3,220,115</u></u>

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	31 Dec 2023	31 Dec 2022
		FVOCI Reserve \$
a) FVOCI		
Balance at 1 July 2023	(118,714)	(64,058)
Other Comprehensive Income/(Loss)	<u>(8,833)</u>	<u>(13,994)</u>
Balance at 31 December 2023	<u><u>(127,547)</u></u>	<u><u>(78,052)</u></u>
b) Share Based Payments Reserve	Note	No. \$
Opening Balance at 1 July 2023		8,650,000 3,088,829
Options Issued	17	<u>3,750,000</u> <u>1,137,489</u>
Balance at 31 December 2023		<u><u>12,400,000</u></u> <u><u>4,226,318</u></u>

Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 13. Contingent assets Tenement Sales Agreement

Tenement Sales Agreement

Iron Ore

The Company has an agreement signed with Northam Iron Pty Ltd (now Northam Resources Pty Ltd) regarding the sale of the Company's iron ore assets, with the agreement providing for further payments totaling \$500,000 and a sliding scale royalty with payments starting at \$0.25/t for a sale price of \$80.00/t or less, and thereafter, for every increase in the sale price of

\$10.00/t. The proceeds were received and banked in the 6 months to 31st Dec 2023.

Note 14. Contingent liabilities

Native Title

The Company's activities may be subject to the Native Title Act and Aboriginal heritage legislation.

The Native Title Act recognises the title rights of indigenous Australians. State and Commonwealth native title legislation regulates the recognition, application and protection of native title. Native title may affect the status, renewal and conversion of existing tenements and the granting of new tenements. Indigenous land use agreements, including terms of compensation, heritage survey and protection agreements or other agreement types may need to be negotiated with affected parties.

The Native Title Act prescribes procedures applicable to the grant of tenements which may apply even in the case of, for instance, a granted exploration licence being "converted" to, say, a mining lease. Compensation may become payable in respect of any impact which the grant of any tenements or other activities have on native title. A tenement holder may be liable for the payment of compensation for the affect of mining and exploration activities on any native title rights and interests that exist in the area covered by a tenement. Compensation may be payable in forms other than money, including the transfer of property and the provision of goods and services.

It is not currently possible to assess whether compensation will be payable by the Company to native title holders in relation to any of the tenements but such compensation could be significant.

There may be sites and objects of significance to indigenous Australians located on the land relating to the Company's tenements. State and Commonwealth Aboriginal heritage legislation aims to preserve and protect these sites and objects from use in a manner inconsistent with Aboriginal tradition. The Company proposes carrying out 'clearance surveys' if it considers this to be appropriate before conducting any exploration work that would disturb the surface of the land.

The Company's tenements may contain some such sites or objects of significance, which would need to be avoided or cause delays. It is possible that areas containing mineralisation or an economic resource may also contain sacred sites, in which case exploitation thereof may be entirely frustrated. Access agreements will need to be negotiated with affected parties.

Native title, Aboriginal heritage or other indigenous matters are matters of substantial risk (giving rise to the threat that certain tenements may not be granted, access to certain tenements may be denied or delayed in addition to potentially significant cost exposure in respect of things such as negotiations, surveys, incentive payments and compensation to name but a few) as the legislative frame works provide torturous and frequently uncertain routes to the endeavour by both stakeholders (that is explorers/miners and indigenous peoples) to attain certainty.

It is not possible to quantify the financial or other impact native title and Aboriginal heritage will have upon the Company as, amongst other things, the processes involved with:

- (a) identify all and only indigenous peoples with a relevant interest;
- (b) registering an indigenous land use agreement;
- (c) obtaining access to land without infringing the provisions of the Aboriginal Heritage Act.

Note 14. Contingent liabilities (continued)

are open ended, can involve substantial delay and cost and there can be no certainty as to the outcome with it being possible for projects to be entirely frustrated.

This could be the case, for instance, even in circumstances where:

- (a) a native title party consents to the grant of an exploration licence and assists the exploration endeavour thereon (and the discovery of an otherwise economic deposit);
- (b) the company, in order to exploit that discovery, applies for a mining lease (or other required approval, consent, authority etc.) but such grant, approval, consent or authority is not forthcoming by reason of an objection by the same or another native title party.

Freehold Access

The interests of holders of freehold land encroached by tenements are given special recognition by the Mining Act (WA). As a general proposition, a tenement holder must obtain the consent of the owner of freehold before conducting operations on the freehold land. There can be no assurance that the Company will secure rights to access those portions of the tenements encroaching freehold land either at all or for all purposes but, importantly, the grant of freehold extinguished native title so wherever the tenements encroach freehold the Company is in the position of not having to abide by the Native Title Act albeit aboriginal heritage matters will still be a consideration.

Note 15. Commitments

Tenement expenditure commitments

The Company has entered into certain obligations to perform minimum exploration work on tenements held or joint ventured into. These obligations vary from time to time in accordance with contracts signed. Tenement rentals and minimum expenditure obligations which may be varied or deferred on application to the Department of Mines and Petroleum are expected to be met in the normal course of business.

The Company continues to adopt a strategy of prioritising and significantly rationalising its tenement holdings. The tenements are located in Western Australia and are subject to legislative requirements with respect to the processes for application, grant, conversion and renewal. The tenements are also subject to the payment of annual rent and the meeting of minimum annual expenditure commitments. There is no guarantee that any applications, conversions or renewals for the Company's tenements will be granted. The inability of the Company to meet rent and expenditure requirements may adversely affect the standing of its tenements.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 17. Share-based payments

On 6 December 2023, 3,750,000 options were granted to Key Management Personnel ("KMP") following approval at the AGM. The options were issued with an exercise price of \$1.53 and expiry date of 6 December 2026. Options were issued for \$0.001 per option, the options vested immediately and a total of \$1,137,489 was expensed.

Note 17. Share-based payments (continued)

The options were issued to KMP as follows:

	Options
Key Management Personnel:	
George Sakalidis	1,500,000
Eric Lim	750,000
Hian Chan	750,000
Benjamin Donovan	750,000
	<u>3,750,000</u>

For the options granted during the current financial half-year, the black Scholes valuation model was used to determine the fair value at the grant date, as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
06/12/2023	06/12/2026	\$1.06	\$1.53	54.5%	-	3.88%	\$0.3033

Total expense of the share-based payments for the year was:

	Half year ended 31 Dec 2023 \$	Half year ended 31 Dec 2022 \$
Total expense recognised as key management personnel expenses	1,137,489	754,583
Total expense recognised as employee and contractors expenses	<u>338,394</u>	<u>115,773</u>
	<u>1,475,883</u>	<u>870,356</u>

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Magnetic Resources NL
Directors' declaration
31 December 2023



In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

George Sakalidis

GEORGE SAKALIDIS
MANAGING DIRECTOR

11th March 2024
Perth

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Magnetic Resources NL

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Magnetic Resources NL (the 'Company'), which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the company does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Director's Responsibilities for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd



Sajjad Cheema

Director

11th March 2024

Perth

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