MAGMA METALS LIMITED

ABN 72 114 581 047

ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

14 September 2011

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GENERAL

Reference is made in this annual information form (the “Annual Information Form” or “AIF”) to the audited financial statements (the “Financial Statements”) and management’s discussion and analysis for Magma Metals Limited (“Magma” or the “Company”) for the fiscal years ended June 30, 2011 and 2010, together with the auditor’s report thereon.

The Company’s Annual Report 2011 containing the Financial Statements is available for review on the SEDAR website located at www.sedar.com. All financial information in this Annual Information Form is prepared in accordance with Australian Accounting Standards.

Unless otherwise noted herein, information in this Annual Information Form is presented as at 14 September 2011. In this AIF, references to “$” or “A$” are to Australian dollars, references to “C$” are to Canadian dollars and references to “US$” are to United States dollars. The Bank of Canada noon buying rate on 13 September 2011, for the purchase of one Australian dollar using Canadian dollars, was C$1.0218 (one Canadian dollar equalled A$0.9787).

All references in this AIF to the Company also include references to all subsidiaries of the Company as applicable, unless the context requires otherwise.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Certain information contained in this Annual Information Form constitutes “forward-looking information” under Canadian securities legislation. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, ”would”, “might” or “will be taken”, “occur” or “be achieved”. In addition, statements relating to “reserves” or “resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably mined in the future. Forward-looking information contained in this AIF includes, but is not limited to, statements with respect to the potential of the Company’s current or future property interests; the future price of platinum, palladium, gold, silver, copper, nickel, cobalt and other metals and minerals; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral resources, the realization of mineral resource estimates; and requirements for additional capital and other statements relating to the financial and business prospects of the Company. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Company’s expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; uncertainty of mineral resources; future prices of platinum, palladium, gold, silver, copper, nickel, cobalt and other metals and minerals; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in mineral exploration and development including environmental hazards, industrial accidents, and unusual or unexpected geological formations; insurance and uninsured risks, including the lack of title insurance; no history of mineral production; competition faced from other mining companies in connection with future acquisitions of mining properties; adverse changes in labour and employment legislation; no production revenues; adverse changes in the market price of the Company's ordinary shares ("Shares" or "Ordinary Shares"), including future sales of Ordinary Shares by existing shareholders; reliance on key executives; conflicts of interest, and uncertain political and economic environments. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. All forward-looking information disclosed in this Annual Information Form is qualified by this cautionary statement.

CORPORATE STRUCTURE

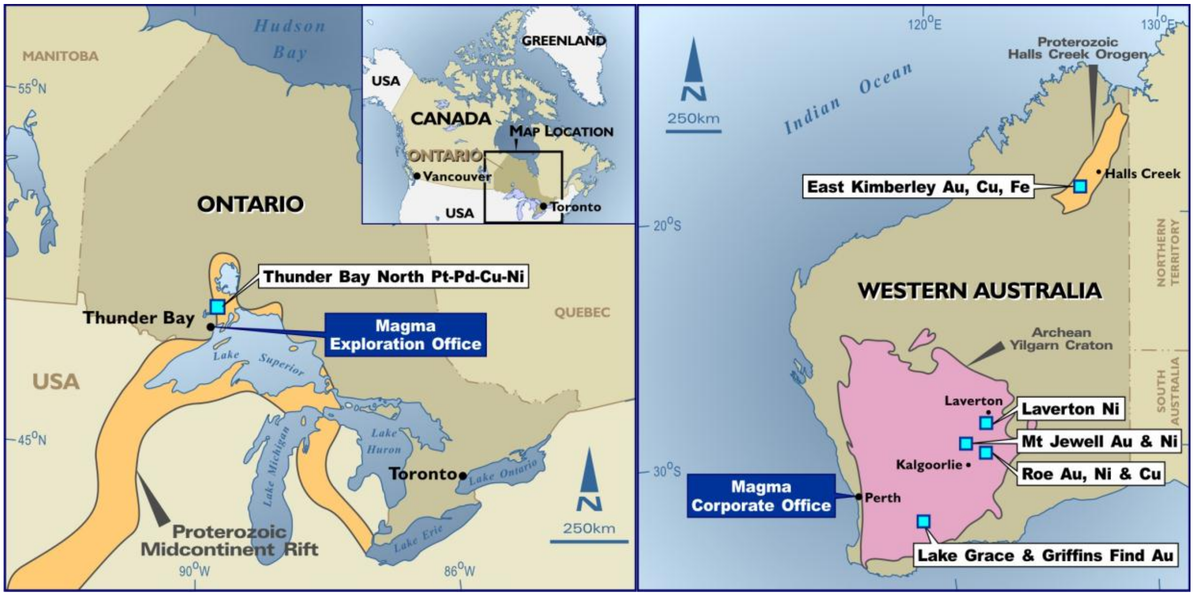
Name, Address and Incorporation

Magma Metals Limited was incorporated under the *Australian Corporations Act 2001* in the state of Western Australia on 2 June 2005**.**

The head and registered office of the Company is located at:

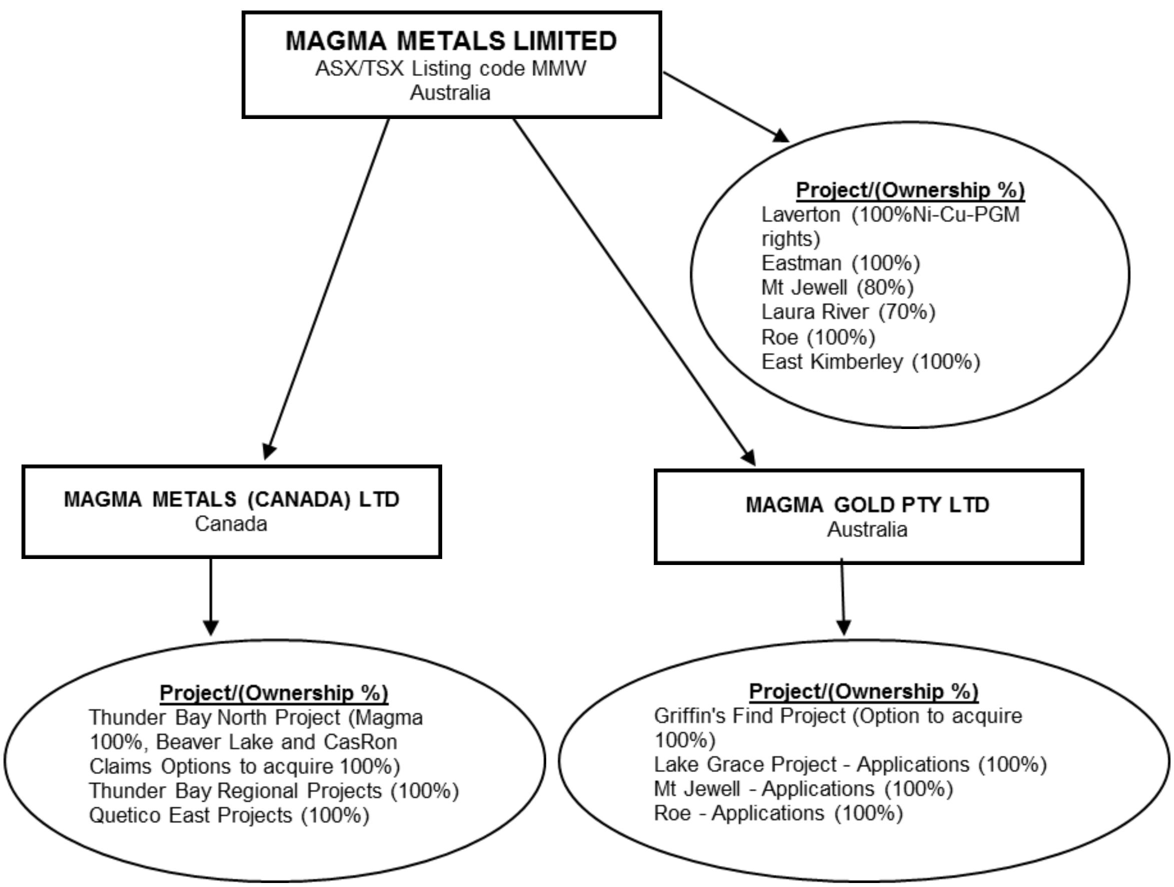
Level 3, 18 Richardson Street
West Perth, Western Australia 6005
Australia

The Company also maintains an office located at**:**
1004 Alloy Drive
Thunder Bay, Ontario P7B 6A5
Canada



Magma projects and office locations

The following chart illustrates the inter-corporate relationships of the Company and each of its subsidiaries, each of which is wholly-owned.



GENERAL DEVELOPMENT OF THE BUSINESS

Highlights of the Company's Past Three Year History

Fiscal 2011

During fiscal year 2011 Magma's primary exploration focus continued to be on its platinum-palladium-copper-nickel deposit at the Thunder Bay North project in northwestern Ontario (the "Project" or the "Thunder Bay North Project").

AMEC Americas Ltd ("AMEC") completed an updated Mineral Resource estimate for the Project in September 2010. Indicated Mineral Resources were estimated to be 9.06 million tonnes at 2.43g/t Pt equivalent ("Pt-Eq" or "PtEq") (1.14g/t Pt, 1.07g/t Pd, 0.27% Cu & 0.19% Ni) for 708,000 Pt-Eq ounces; and Inferred Mineral Resources were estimated to be 0.27 million tonnes at 2.81g/t Pt-Eq (1.31g/t Pt, 1.21g/t Pd, 0.32% Cu & 0.22% Ni) for 24,000 Pt-Eq ounces.

Details relating to the September 2010 Mineral Resource estimate can be found in the Company's announcement of September 6, 2010, and in the technical report (the "2010 Technical Report") entitled "Magma Metals Limited, Thunder Bay North Polymetallic Project, Ontario, Canada, NI 43-101 Technical Report" dated October 6, 2010 prepared by Greg Kulla, P.Geo., David G. Thomas, P.Geo., M.AusImm, Dr. Lynton Gormley, P.Eng., Dr. Ted Eggleston, P.Geo. and Stella Searston, M.AusImm, M.AIG of AMEC, lodged under the Company's profile on SEDAR (www.sedar.com). Both the announcement and the 2010 Technical Report are available on the Company's website at www.magmametals.com.au.

AMEC also completed an independent Preliminary Economic Assessment ("PEA") on the Project in February, 2011. The study included all drilling up to 31 May 2010 and focused on three key aspects of the project; mining strategy, metallurgy and process engineering, and environmental and permitting requirements.

AMEC's favoured mining option was an open pit from which approximately10 million tonnes of material averaging 1.9g/t Pt-Eq (0.9g/t Pt, 0.9g/t Pd, 0.22% Cu & 0.17% Ni), on a diluted basis, would be extracted over a 7-year mine life.

Financial modelling showed undiscounted pre-tax cash flows of C$164 million (base case) and C$360 million (upside case) with initial capital and operating costs of C$174 million and C$42/tonne, respectively.

Details of the PEA, including the "base case" and "upside case" parameters and the calculation of platinum-equivalents, can be found in the Company's announcement of February 7, 2011, and in the subsequent National Instrument 43-101 ("NI 43-101") technical report (the "PEA Technical Report") entitled "Magma Metals Limited Thunder Bay North Polymetallic Project Ontario, Canada NI 43-101 Technical Report on Preliminary Assessment" dated March 17, 2011 prepared by David G. Thomas, P.Geo., M.AusImm, Jay Melnyk, P.Eng., Dr. Lynton Gormely, P.Eng., Stella Searston, M.AusImm, M.AIG and Greg Kullla, P.Geo of AMEC, lodged under the Company's profile on SEDAR (www.sedar.com). Both the announcement and the PEA Technical Report are available on the Company's website at www.magmametals.com.au.

Following receipt of the PEA, Magma has developed a two-part strategy to advance the Project. Firstly, ongoing exploration drilling is focusing on increasing the size of the underground resource with the aim of including it in the mine plan. Secondly, further engineering studies are being undertaken to simplify the mineral process flow sheet and review underground mining methods with the aim of reducing the estimated capital and operating costs for the Project. The objective is to bring the outcomes from these two elements of the strategy together to enhance the economics and enable a re-evaluation of the Project.

Three significant drilling programs were undertaken during the year to evaluate:

- Massive sulphide targets in the Bridge Zone;
- Regional magnetic targets in the Project (winter drilling program); and,
- Resource extension potential east of the mineral resource area (summer drilling program).

In the first half of the year, a 10,929m drilling program targeting down-hole electro-magnetic anomalies in the Bridge Zone intersected several high-grade semi-massive to massive sulphide pods of mineralization, including two approximately 40m long, 10-20m wide and up to 2.5m thick. These have not yet been included in the mineral resource estimates, which include drilling up to 31 May, 2010.

An 11,657m winter drilling program was focused on magnetic targets within the 80km^2 complex of prospective intrusions in the Project. This program identified the potential to extend the mineral resource, particularly to the southeast of the Beaver Lake area. In addition, a zone of mineralization was defined in the southern part of the Steepledge Lake Intrusive Complex at least 300m-long.

A 13,509m summer drilling program to systematically investigate the potential to extend the mineral resource to the southeast of Beaver Lake commenced in May, 2011, and was completed in August, 2011. This is the initial phase of a larger drilling program to explore the area east of Beaver Lake, known as the South East Anomaly, which has a strike length of approximately 2.5km. This part of the Current Lake Intrusive Complex is largely untested by drilling and the geology is largely unknown. The summer drilling program defined a 450m-long extension to the mineralization in the underground mineral resource. Drilling results included 15.5m @ 2.56g/t Pt, 2.32g/t Pd (4.88g/t Pt+Pd), 0.72% Cu & 0.37% Ni from 378m in drill hole BL11-390 and 14.0m @ 2.43g/t Pt, 2.29g/t Pd (4.72g/t Pt+Pd), 0.78% Cu & 0.43% Ni from 401.7m in drill hole BL11-393, demonstrating excellent potential for increasing the size of the underground mineral resource in this area.

At the Griffins Find gold project in Western Australia, an 8,557m drilling program completed during the year returned encouraging results from three prospects and a large ground position, the Lake Grace gold project, was subsequently staked covering a 180km strike length of the gneiss belt hosting the Griffins Find gold deposit.

In June 2011 the Company announced that it had restructured the Company's board of directors ("Board") to provide more focused leadership of the Company. The Board now comprises one executive director, the Managing Director & CEO (Keith Watkins), and four non-executive directors, including the non-executive Chairman (Max Cozijn), and three independent non-executive directors (Terry Burgess, Neil Fearis & David Constable). The restructure, results in a smaller Board, in accord with Australian and Canadian corporate governance principles, which will allow executive management to focus more closely on the execution of exploration and development strategy.

A total of 71,430,000 new shares were issued at A$0.28 per share in a A$20 million placement, which was announced on April 14, 2011. RBC Capital Markets was the lead manager, with Argonaut Limited as co-manager.

Magma retained A$19.6 million in cash at the end of the Fiscal Year.

Fiscal 2010

The Company's exploration activities were primarily focused on its platinum-palladium-copper-nickel deposit at the Thunder Bay North Project. An infill diamond drilling program commenced in June 2009, focused on the Bridge and Beaver Lake Zones. The program, comprising 47,172m of diamond drilling, was completed in April 2010. In addition, regional exploration programs comprised a number of geophysical surveys and a 16,840m drilling program to test various geophysical targets.

At the Griffins Find gold project in Western Australia, a 4,259m drilling program defined two relatively shallow gold zones at the Ridge and Griffins West prospects.

On November 5, 2009, the Company received conditional listing approval from the Toronto Stock Exchange (the "TSX") to have its Ordinary Shares listed for trading on the TSX. Trading in the Shares on the TSX commenced on 12 November 2009 under the symbol "MMW".

In December 2009, following its listing on the TSX, the Company completed a public offering (the "**Offering**") by issuing a total of 18,500,000 Ordinary Shares at C$0.63 per Share raising gross proceeds of C$11,655,000. In addition and concurrently with the Offering a further 2,500,000 Ordinary Shares were issued at C$0.63 to Anglo American plc ("Anglo American") under a private placement agreement for further gross proceeds of C$1,575,000.

In November 2009 AMEC, on behalf of the Company, commenced the PEA on the Project.

Fiscal 2009

On September 9, 2008, Magma placed 13,470,000 Shares at an issue price of A$0.60 per Share to Anglo American to raise gross proceeds of A$8,082,000. Anglo American became a substantial Shareholder with 12% of the Company's issued share capital.

In April 2009 Magma completed a private placement to sophisticated and institutional investors to raise gross proceeds of A$16,000,000 by issuing 50,000,000 Shares at A$0.32 per Share. Anglo American participated in this placement maintaining its 12% interest in the Company's issued share capital.

On September 7, 2009, Magma announced that an independent initial mineral resource estimate had been completed for a 3.4km strike length of the Current Lake Intrusive Complex by SRK Consulting (Canada) Inc within the Company's Thunder Bay North Project in Ontario. A staking program increased the claim position in the Thunder Bay group of projects to approximately $700km^2$.

DESCRIPTION OF BUSINESS

General

The Company is a mineral exploration and development company currently focused on the acquisition, exploration and development of properties which are prospective for precious and base metals, in particular platinum, palladium, gold, nickel and copper, located in established mineral provinces in Canada and Australia. The highlights of the general development of the Company during the past three years are summarized above. See “General Development of the Business – Highlights of the Company’s Past Three Year History”.

The Company’s material property interest is described below under the heading “Material Property”. Further information on this property is provided in the Company’s Annual Report for 2011 and in the 2010 Technical Report and the PEA Technical Report.

Thunder Bay North Project, Ontario, Canada

The Project is the Company’s only material property. See ”Material Property” below.

Griffins Find & Lake Grace Projects, Western Australia

The Company has an option to purchase a 100% interest in the Griffins Find property located in the Yilgarn Craton of Western Australia from the vendor, a private individual. The Griffins Find property contains a historical gold mine which produced approximately 55,000 ounces of gold. The Company secured the option by the issue of 100,000 Shares to the vendor. The Company may acquire a 100% interest in the property by the payment of A$1.25 million in cash or Shares after applying a 5% discount, at the vendor’s option, within five years of the date of the original agreement (4 July 2009). The vendor will retain a sliding net smelter royalty starting at 1.8% and declining to 0.55% after production of one million ounces of gold. The property is mainly prospective for gold mineralization and the Company is actively exploring it.

Magma’s 100% owned Lake Grace project comprises a number of tenement applications covering an area of approximately 7,000km^2. This project extends north and south of the Griffins Find property over a 180km strike length of the gneiss belt hosting the historically mined Griffins Find gold deposit.

Mt Jewell Project, Western Australia

The Company holds an 80% interest in part of this project, which is located in the Yilgarn Craton of Western Australia. Western Areas NL, an ASX and TSX-listed mining and exploration company, owns a 20% interest which is “free-carried” to a decision to mine. The Company earned its interest in this project by spending A$1.2 million on exploration on the project within three years of its listing on the ASX. This part of the project is primarily prospective for nickel.

The other part of the project, which is owned 100% by Magma, comprises two tenement applications prospective for gold.

Laverton and Roe Projects, Western Australia

The Company has a 100% interest in the nickel-copper-platinum group metals rights in the Laverton project, which is located in the Yilgarn Craton of Western Australia. The Company earned its interest in these rights from Carbon Energy Limited (“Carbon”), an ASX-listed exploration and development company, by spending an aggregate A$2 million on exploration on those parts of the Laverton and Roe projects not transferred to it by Carbon within four years of Magma’s listing on the ASX, pursuant to a Concurrent Rights Agreement ("CRA"). Carbon subsequently sold its interests in the tenements to Crescent Gold Limited, which executed a Deed of Assignment, agreeing to abide by the terms and conditions of the CRA.

The Company owns a 100% interest in the Roe project, also located in the Yilgarn Craton of Western Australia. This interest was acquired pursuant to the CRA with Carbon to earn a 100% interest in the nickel-copper-platinum group metals rights in the Roe and Laverton projects by spending an aggregate A$2 million on exploration on those parts of the projects not transferred to it by Carbon within four years of Magma's listing on the ASX. Carbon transferred its rights in the Roe project to the Company subsequent to Magma's listing on the ASX.

East Kimberley Project, Western Australia

This project comprises two properties, Eastman and Laura River, and several exploration licence applications, which are located in the Kimberley region of Western Australia.

The Company has a 70% interest in the Eastman property. Navigator Resources Limited, an ASX-listed mining and exploration company, owns a 30% interest which is "free-carried" to a decision to mine. The Company earned its interest in this property by paying Navigator Resources Limited A$80,000 and spending A$1.6 million on exploration within three years of listing on the ASX.

The Company also has a 70% interest in the Laura River property. Navigator Resources Limited owns a 30% interest which is "free-carried" to a decision to mine. The Company earned its interest in this property by paying Navigator Resources Limited A$60,000 and spending A$1 million on exploration within four years of listing on the ASX.

Employees

As at 30 June 2011, the Company had an aggregate of 12 employees, consisting of 5 in Perth, Australia and 7 in Thunder Bay, Canada.

The Company is dependent on the services of key executives, including the Managing Director/Chief Executive Officer of the Company and a small number of highly skilled and experienced executives and personnel. See "Risk Factors – Key Executives".

Environmental Protection

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Mining and exploration operations both in Australia and Canada are subject to significant environmental regulation under the laws of the Commonwealth and State (Australia), Canadian Federal laws and the laws of the Province of Ontario (Canada). Magma's current activities generally involve low level disturbance associated with geochemical and geophysical surveys and exploration and resource definition drilling programs.

To date, applicable environmental legislation has had no material financial or operational effect upon the capital expenditures or operations of the Company. See also "Risk Factors – Environmental Risks and Hazards".

Competition

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and experience. See "Risk Factors – Competition May Hinder Corporate Growth".

MATERIAL PROPERTY

Introduction

The Thunder Bay North Project (refer to Schedule E of this AIF for a listing of mining claims comprising the Project) is an advanced mineral exploration project located in north-western Ontario, Canada approximately 50 kilometres northeast of the city of Thunder Bay. The Project is owned by Magma Metals (Canada) Limited, a wholly-owned subsidiary of Magma. The Project contains a series of interconnected magmatic platinum, palladium, copper, nickel, rhodium, gold, silver and cobalt mineralized zones that are being evaluated for their open pit and underground mining potential.

The mineral resources reported herein have been estimated in conformity with both generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice" guidelines and the Australian Joint Ore Reserves Committee ("JORC") Code. The PEA Technical Report was prepared following the guidelines of the NI 43-101. The following description of the Thunder Bay North Project has been summarized, in part, from the PEA Technical Report and readers should consult the PEA Technical Report to obtain further particulars regarding the Thunder Bay North Project. The PEA Technical Report is available for review on the SEDAR website located at www.sedar.com under the Company's profile.

Property Description and Location

The Project is situated approximately 50 km northeast of the city of Thunder Bay, within the Thunder Bay Mining Division, Ontario, Canada. The Project contains the Current Lake, Bridge, and Beaver Lake Zones that occur within the Current Lake Igneous Complex.

The Project consists of 219 original, unpatented, mining claims (2,551 x 16 hectare claim units) covering an aggregate area of 40,816 hectares.

A group of 32 claims is subject to a 3% net smelter royalty (NSR), one-third of which can be purchased by the Company at any time for C$1 million. These claims include claim numbers 842189 and 842186 that host part of the Project's mineral resource estimate.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The property is accessible using a series of intermittently-maintained logging roads branching from Armstrong Highway 527, which in turn branches from the Trans-Canada Highway 11-17 a short distance east of the city of Thunder Bay.

The closest commercial airport is at Thunder Bay.

The climate is continental with a temperate marine influence from the close proximity of Lake Superior. Temperatures generally range from winter lows of about -35°C to summer highs of about

35°C. Average winter temperatures are in the range of -15°C to -20°C, and average summer temperatures are in the range of 20°C to 25°C.

Annual precipitation is approximately 70 cm with 55–60 cm of rain and 200–300 cm of snow annually. Average winter snow depths in the region are about 100–150 cm.

Exploration activities can be curtailed by snowmelt conditions. However, it is expected that any future mining operations will be able to be conducted year-round.

There is no existing Project infrastructure. Exploration activities are currently supplied out of Thunder Bay.

Power is available at Thunder Bay, where a medium-size coal-fired generating plant is located. The Greenwich Wind Farm is in initial construction stages and has a proposed capacity of 100 MW. The farm location is about 9 km east–northeast of the Project area.

Two major power lines, a gas pipeline, and the Canadian Pacific Railway are located between 17.5 km and 19.5 km southeast of the centre of the Project. A second gas pipeline is located approximately 32 km to the north. Highway 527 is located approximately 12 km west of the Project.

There are numerous freshwater lakes, streams, and rivers in the Project area. Groundwater is also in plentiful supply and is located close to surface in most areas. These sources could provide the required potable and process water for any mining operation.

Canada has sufficient experienced and skilled professionals to run any mining operation that could be constructed in the Project area.

The Company holds over 40,000 ha of mineral tenure. In the immediate vicinity of the known Project deposits, and within Magma's ground holdings, there is sufficient area to support construction of a mining operation, including sufficient space for an open pit and underground mine, process facilities, mining-related facilities such as workshops, offices and roads, and tailings and waste facilities.

Project elevations vary by about 40 m, from 470 metres above sea level ("masl") to about 510 masl, averaging approximately 485 masl.

Outcrop is locally rare. Glacial overburden depth is generally shallow, rarely exceeds 20 metres, and primarily consists of ablation till, minor basal till, and moderate expanses of outwash sand and gravel.

Swamps, marshes, small streams, and small to moderate-size lakes are common. Drainage is provided by the numerous, usually unnamed, streams that lead to the Current and MacKenzie rivers, located to the northwest and the southeast respectively. Both rivers drain directly into Lake Superior, which is situated about 25 kilometres south of the centre of the Project area.

Primary vegetation comprises boreal forest of black spruce, jack pine, trembling aspen, and white birch. Large swathes of the Project area have been clear-cut logged and are regenerating after tree replanting programs performed by the logging companies.

The forest around the Project area currently provides habitat for wildlife species that are common to mixed boreal forests in Ontario.

History

Initial exploration in the general region was for uranium. In 1991, the Ontario Geological Survey completed airborne magnetic and electromagnetic geophysical surveys in the area; these covered approximately 20% of the southern Project area. Magnetic anomalies were identified in the surveys.

During the period 1993 to 2000, prospectors undertook rock chip sampling, prospecting, and petrographic and geochemical research within the Onion Lake, Tartan Lake and Greenwich Lake areas. This work led, in 2001, to the discovery by the prospectors, of mineralized ultramafic (peridotite) boulders along the western shoreline of Current Lake that contained elevated Pt–Pd–Cu–Ni grades.

Pacific North West Capital Corporation (Pacific North West Capital) optioned the property in 2001 and completed ground-magnetic and electromagnetic surveys that same year. A six hole core drill program, totalling 813.5 m, was completed in 2002, but no mineralized ultramafic rocks were encountered. Pacific North West Capital did not exercise the option.

The Company optioned the Current Lake area in 2005. In 2006, the Beaver Lake claim was optioned, and in 2007, an additional option on the three claims in the CasRon property was taken up. Since then, the Company has completed airborne and ground geophysical surveys, reconnaissance activities, core drilling, mineral resource estimation and a preliminary economic assessment (PEA).

Geological Setting

The Project is hosted in the Quetico Subprovince of the Superior Province of the Canadian Precambrian Shield. The Quetico Subprovince is interpreted as a fore-arc accretionary prism deposited during and after peak volcanic activity within the adjacent Wawa, Wabigoon, and Abitibi Subprovinces between 2,698 and 2,688 million years ago (Ma). The subprovince is about 70 km wide, and forms a linear strip of moderately to strongly metamorphosed and deformed clastic meta-sedimentary rocks and their melt equivalents.

Sedimentary rocks that have been identified include turbiditic wacke and siltstone with rare iron formation, pelite, and conglomerate, which were deposited within a large, laterally extensive, submarine basin. Volcanic rocks are extremely rare; however, intrusive rocks are common. These comprise biotite–hornblende–magnetite granitoid bodies of mixed felsic and mafic composition with volumetrically minor ultramafic units; and one- and two-mica granitoids. The igneous activity is interpreted to have occurred some 5–20 million years after the accumulation of the sedimentary pile.

Overlying the Quetico Subprovince rocks in the Lake Superior region are sediments of the 1,860 Ma, Paleoproterozoic Animikie Group. These rocks, in the Thunder Bay area, rest unconformably upon Archaean basement and form a homoclinal sedimentary sequence consisting of Gunflint Formation chemical sediments and argillites overlain by Rove Formation shales and wackes.

At about 1,590 Ma, the Mesoproterozoic Badwater Intrusion was emplaced, followed, at about 1,537 Ma, by the intrusion of the English Bay igneous complex.

Sediments of the Sibley Group unconformably overlie the Animikie Group south of Lake Nipigon, and consist of quartz arenite, argillaceous dolomite, and mudstones. These have an age date range of 1,670 Ma to 1,450 Ma.

This sequence of rocks was intruded by a series of magmatic conduits, dykes and sills of Keweenawan (Mesoproterozoic) age (approximately 1,100 Ma), which are associated with a failed rift related to the Nipigon Embayment and are part of the Mid-continent Rift system. Magmatic intrusions associated with this event host the mineralization in the Project.

Exploration

Since optioning the Current Lake area in 2005, Magma has undertaken substantial exploration activities on the property, including prospecting, ground and airborne geophysical surveys and several drilling programs (see section on “Drilling” below).

This work identified three connected areas of Pt-Pd-Cu-Ni sulphide mineralization, at Current Lake, Bridge Zone and Beaver Lake. In 2009, a first-time mineral resource estimate was performed by SRK Consulting Ltd (now superseded) as contractor for the Company. A major infill drill program completed in 2010 led to a revised mineral resource estimate prepared by AMEC as contractor for the Company. The PEA was subsequently completed by AMEC in 2011.

Mineralization

Mineralization discovered on the Project to date is considered to be typical of magmatic-hosted nickel–copper sulphide deposits, in particular part of the sub-class of such deposits that are associated with rift and flood basalts (Noril’sk type).

The mineralization is hosted in the Current Lake Intrusive Complex; a magmatic conduit of Keweenawan (Mesoproterozoic) age, which is part of the Mid-continent Rift system. Rock types within the intrusive complex comprise a leucogabbro–diorite rock that has incorporated large quantities of country rock, termed the “Hybrid”, olivine melagabbro, and lherzolite (two-pyroxene peridotite). Surrounding Archean-age country rock includes granodiorite and tonalite with minor amounts of granite and pegmatitic leucogranite, and meta-sedimentary rocks that were typically derived from a muddy, silty, or fine sandy precursor sediment.

The Current Lake Zone is a narrow conduit ranging from 30 m x 30 m to 50 m wide and 70 m tall and in general is flat-lying. The olivine melagabbro in the conduit contains sulphide mineralization that includes pyrrhotite, pentlandite, chalcopyrite, pyrite, and rare cubanite and violarite. Sulphide mineralization is disseminated, ranging from a few percent to >25% sulphides, and is interstitial to the silicate gangue.

The Beaver Lake Zone exhibits a shallow east–southeasterly plunge and increases from 100 m width and 15 m thickness to 550 m width and 200 m thickness towards the east. Mineralization is developed in olivine melagabbro and lherzolite. The sulphide mineralogy is similar to Current Lake and includes pyrrhotite, pentlandite, chalcopyrite, pyrite and rare cubanite. Sulphide mineralization is disseminated, ranging from a few percent to >25% sulphides, and is also interstitial to the silicate gangue.

The Bridge Zone, which joins the two lake zones, is designated based on a morphology change within the magma conduit.

Drilling

Drilling commenced late in 2006, and has continued to the present. All drilling has been completed using core methods, and, as at 17 March 2011, totalled 712 core holes (141,231.5 m). This drill total includes all reconnaissance, delineation, and infill drilling completed on the Project to 17 March, 2011. Of this total, 528 core holes (97,676 m) support the September 2010 mineral resource estimation. A further 115 drill holes (26,486.8 m) were drilled and three were extended (890 m) within the Project boundaries after the resource estimate database close-out date of 31 May 2010.

The lithologies encountered in this recent drilling confirmed the geological continuity as interpreted for the mineral resource estimate. However, the mineralization is locally more variable than predicted. AMEC considers that the current geological and grade interpretations are acceptable for mineral resources supporting PEA level studies. A reassessment of mineralization continuity, in particular of the higher grade shell used in the current resource estimate, is warranted for the next mineral resource update.

Drill programs have been completed by contract drill crew, supervised by the Company's geological staff. All drill holes have been geologically logged and record lithology, structure, mineralization minerals and intensity, alteration minerals and intensity, and veins.

Drill collars for land-based, barge-based, and ice-based drilling have been picked up on completion using geodetic-grade, global positioning system (GPS) instruments. Collars for those drill holes completed on land have also been surveyed by a licensed professional surveyor.

Down-hole orientations of all drill holes are surveyed using a Reflex EZ-Shot® instrument, which is a magnetic instrument. Since September 2007, the orientation of all inclined drill holes have also been surveyed by a Reflex Maxibor II® instrument, which is a non-magnetic multi-shot tool designed to be used in areas of magnetic rock. Since January 2010 all vertical and inclined holes have been surveyed by a Reflex Gyro® instrument.

Sample collection and handling of core was performed in accordance with industry standard practices, with procedures to limit sample losses and sampling biases. Core samples are taken on 2 m intervals in rocks that are considered to be non-mineralized. Mineralized intersections are sampled on 1 m intervals. Samples are submitted for analysis with quality assurance and quality control (QA/QC) samples inserted. These comprise blank, duplicate and standard reference materials (SRMs).

No factors were identified with the drilling programs that could affect Mineral Resource estimation.

Sample Preparation and Analysis

All analyses were performed by accredited independent laboratories.

Sample preparation protocols for all drill programs were appropriate for magmatic sulphide-style deposits, consisting of drying, crushing, splitting, and pulverization.

Gold, platinum and palladium are analysed using fire assay with an inductively coupled plasma mass spectrometry (ICP-MS) finish. Samples that have grades above the optimal ICP-MS detection limits are analysed using an optical emission spectroscopy method (ICP-OES). Multi-element and base metals are analyzed using a multi-element atomic emission spectroscopy (ICP-AES), following four-acid digest of the sample. Where samples have Ni or Cu grades above the optimal detection limits for the analytical method, they are re-analysed using an ore-grade method.

The density database totals 4,494 measurements in mineralized material, and an additional 448 measurements in wall rock. Measurements were collected by Magma staff using the standard water displacement method.

Core samples are taken on 2 m intervals in rocks that are considered to be non-mineralized. Mineralized intersections are sampled on 1 m intervals. Both sample intervals may be irregular in the areas of mineralized/non-mineralized contacts; sampling in these instances is left to the judgement of the supervising geologist. However, every effort is made to have the irregular interval within the non-mineralized core, rather than in the zone of mineralization.

Single samples are not taken. Samples must be bracketed on either side by at least one additional sample for a minimum of three samples. A buffer of at least two samples (4 m) is required to be sampled above and below all peridotite and hybrid intervals as well as associated mineralization. In zones of poor recovery, some sample intervals may reach as much as 3 m, or the length of the drill run.

Drill core was received and laid out for logging and sampling at the core logging facility. Core is split into halves using a core saw. One half of the core is placed into a labelled sample bag; the remaining half is replaced in the core box as a record.

If broken or ground core is encountered, an attempt is made to sample approximately 50% of the resulting mass. The interval is noted for sampling purposes as having been broken or ground.

Four to six samples are collected into a rice bag; with the rice bags stored in the core cutting area until a batch of about 100 samples is ready. Samples are sent to the assay laboratory upon completion of the sampling of each drill hole. If greater than 100 samples are taken from a single hole, then those samples are split by Magma staff into multiple batches of 100 samples or less. Each sample batch is given a unique sample dispatch number and a photocopy of each sample submission sheet is placed within a plastic bag and inserted into the first rice bag of the shipment.

A Magma staff person then drives all of the rice bags containing samples from a single core hole by vehicle to the ALS Chemex preparation laboratory located in Thunder Bay, Ontario. All samples remain in the custody of appropriately qualified staff within a secure location until given directly to ALS preparation laboratory personnel.

As indicated in the PEA Technical Report, in the opinion of the authors, the sampling methods are acceptable, meet industry-standard practice, and are adequate for Mineral Resource and Mineral Reserve estimation and mine planning purposes, based on the following:

Data are collected following Project-approved sampling protocols;

- Sample collection and handling core was undertaken in accordance with industry standard practices, with procedures to limit potential sample losses and sampling biases. Core handling facilities are suitable for the logging and sampling of drill core;
- Sample intervals, comprising variable 1 m intervals in mineralized core and 2 m intervals in non-mineralized core, are considered to be adequately representative of the true thicknesses of

mineralization.

- Specific gravity determination procedures completed by the Company are consistent with industry-standard procedures.

Sample security relied upon the fact that the samples were always attended or locked in a sample dispatch facility. Sample collection and transportation have always been undertaken by Company personnel using the Company vehicles. Chain-of-custody procedures consisted of filling out sample submittal forms that were sent to the laboratory with sample shipments to make certain that all samples were received by the laboratory.

Data Validation

AMEC reviewed the collar, assay, and lithology data, and accepted that the data are adequate to support mineral resource estimation. AMEC noted some opportunities for improvements in all of these tables that should be addressed prior to completion of more detailed Project studies.

Discrepancies were noted with the down-hole survey data; most of the discrepancies will only result in location discrepancies of a few meters (<10 m), at most, but some discrepancies may be larger. As a result, AMEC believes that the data are useable, but will restrict mineral resource classification below about 100 m to the Inferred classification, at best, in the area of angled drill holes because of the uncertainty of the location of the information. The data should be investigated and corrected prior to undertaking a pre-feasibility study.

Analytical QA/QC data indicate that the assay data are sufficiently accurate and precise to support mineral resource estimation.

Metallurgical Testwork

Testwork completed and reported during the current study included mineralogy, comminution, concentration (principally flotation with some gravity and magnetic work), and concentrate chemical processing using pressure oxidation (Platsol™) technology. Testwork established an appropriate process route, likely reagent usage, and recovery factors.

Several methods were considered at the conceptual level for the recovery of revenue metals from the Platsol™ pregnant leach solution (PLS) within the constraint of keeping the hydrometallurgical operation simple and economical but providing upgraded products which would improve project revenue due to reduced impact of smelter deductions. The selected route involves PGM and copper recovery by cementation with nickel (cobalt) recovery by Electrometals® electrowinning (EMEW®).

The three-stage process selected as the preferred process route is as follows:

- Crushing, grinding and flotation to extract the sulphides from the ore to produce an initial bulk concentrate. A gravity circuit would extract a significant proportion of the gold, which is output to the bulk concentrate

- The bulk concentrate is then treated by PlatsolTM pressure oxidation to produce a pregnant leach solution (PLS), which contains the dissolved metals

- The PLS is then treated via relatively simple and commercial process routes (reduction with metal (cementation) to produce both precious metals bullion and copper, followed by electrowinning of nickel and cobalt). It is noted, however, that no testwork has been done on Platsol™ PLS solution from Thunder Bay North concentrates to confirm performance of the options considered.

Mineral Resource Estimates

Two block models were created: one for the resource estimate for mineralization that was to be considered as able to support extraction via open pit methods, and one for the mineralization that was to be considered as able to support extraction via underground mining methods. The block models are regular block models without sub-blocks or percent models.

The original drill core samples were composited to 1 m standard length for outlier analysis and grade capping studies. The 1 m composites were subsequently composited to 2 m for exploratory data analysis, continuity analysis (variography) and interpolation.

Outlier grade restriction was achieved by means of grade caps and by limiting the search distance to a specified maximum for composites with grades above a selected threshold.

To account for a portion of the Ni and Co occurring as silicate minerals, Ni and Co in sulphide were estimated by linear regression of MgO to total Ni and total Co respectively. Densities were also estimated by linear regression.

Ordinary kriging (OK) was used as the estimator for Cu, MgO, Ni, Pd, and Pt. Inverse distance weighting to the first power (ID) was used for Ag, Au, Co, and S. A nearest-neighbour (NN) interpolated block model was used as a means of creating declustered statistics for block model estimation validation.

Estimates were verified by a combination of model volume checks, verification of global statistics, Herco and swath plots. No errors were noted with the estimations.

Classification of mineral resources was based on a combination of grade and geological continuity, and distances to the nearest drill hole. Reasonable prospects of economic extraction were applied by constraining classified blocks within an open pit shell or underground mining shapes. Cut-off grades were determined after consideration of appropriate economic, technical, and cost assumptions, for the cases of platinum revenue only, to be applied to a platinum grade-equivalent (PtEq). For the open pit scenario, a PtEq grade of 0.59 g/t was used, and for the underground scenario, the grade was 1.94 g/t PtEq.

Mineralization within the Thunder Bay North Project at the Current Lake, Bridge and Beaver Lake Zones that demonstrates grade and geological continuity, and is either constrained by an L–G pit shell that was based on reasonable extraction assumptions, or constrained within underground mineable shapes, is considered to be classified in accordance with the 2005 CIM Definition Standards for Mineral Resources and Mineral Reserves. Mineral Resources are also compliant with the Australasian Joint Ore Reserves Committee (JORC) 2004 Code, but have been reported using the CIM terminology.

Table 1 presents the Mineral Resources that can be mined using open pit methods; Table 2 presents the Mineral Resources that would be amenable to underground mining methods. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 1: Open Pit Mineral Resource Statement, Thunder Bay North Project, Effective Date 11 January 2011, David Thomas, P.Geo.

Open Pit Mineral Resources* (0.59g/t Pt-Eq cut-off)	**Tonnage (000's t)**	**Grade**								
		Pt-Eq	**Pt**	**Pd**	**Rh**	**Au**	**Ag**	**Cu**	**Ni**	**Co**
		(g/t)						**(%)**		
Indicated	**8,460**	**2.13**	1.04	0.98	0.04	0.07	1.5	0.25	0.18	0.014
Inferred	**53**	**2.00**	0.96	0.89	0.04	0.07	1.6	0.22	0.18	0.014
		Contained Metal								
		Pt-Eq	**Pt**	**Pd**	**Rh**	**Au**	**Ag**	**Cu**	**Ni**	**Co**
		Ounces (000's)						**Tonnes (000's)**		
Indicated		**580**	282	266	12	18	411	21	15	1
Inferred		**3**	2	2	-	-	3	-	-	-

Notes to accompany Open Pit Mineral Resource Table:

1. The mineral resource categories under JORC Code (2004) are the same as the equivalent categories under CIM Definition Standards for Mineral Resources and Mineral Reserves (2010).
2. The portion of the Mineral Resource underlying Current Lake is assumed to be accessible and that necessary permission and permitting will be acquired.
3. Strip ratio (waste to ore) of 9:1.
4. The open pit Mineral Resource is reported at a cut-off grade of 0.59 g/t PtEq within a Lerchs-Grossman resource pit shell optimized on PtEq.
5. The contained metal figures shown are in situ.
6. No assurance can be given that the estimated quantities will be produced.
7. The platinum-equivalency formula is based on assumed metal prices and overall recoveries.
8. All figures have been rounded; summations within the tables may not agree due to rounding. Tonnages and contained metal values are rounded to the nearest 1,000 tonnes, grades are rounded to two decimal places;
9. Tonnage and grade measurements are in metric units. Contained ounces are reported as troy ounces

Table 2: Underground Mineral Resource Statement, Thunder Bay North Project, Effective Date 31 May 2010, David Thomas, P.Geo.

Underground Mineral Resources* (1.94g/t Pt-Eq cut-off)	**Tonnage (000's t)**	**Grade**								
		Pt-Eq	**Pt**	**Pd**	**Rh**	**Au**	**Ag**	**Cu**	**Ni**	**Co**
		(g/t)						**(%)**		
Indicated	**1,030**	**3.48**	1.63	1.51	0.08	0.11	2.4	0.39	0.24	0.017
Inferred	**212**	**3.00**	1.40	1.29	0.06	0.09	1.9	0.34	0.23	0.016
		Contained Metal								
		Pt-Eq	**Pt**	**Pd**	**Rh**	**Au**	**Ag**	**Cu**	**Ni**	**Co**
		Ounces (000's)						**Tonnes (000's)**		
Indicated		**115**	54	50	2	4	80	4	3	-
Inferred		**20**	10	9	-	1	13	1	-	-

Notes to accompany Underground Mineral Resource Table:

1. Mineral resources are reported to commodity prices of US$875/oz Au, US$14.30/oz Ag, US$13/lb Co, US$2.10/lb Cu, US$7.30/lb Ni, US$400/oz Pd, US$1,470/oz Pt and US$4,000/oz Rh;
2. Mineral resources are defined within mineable underground shapes;
3. Underground mineral resources are reported to a PtEq value of 1.94 g/t;
4. Tonnages and contained metal values are rounded to the nearest 1,000 tonnes, grades are rounded to two decimal places;
5. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content;
6. Tonnage and grade measurements are in metric units. Ounces are reported as troy ounces

As indicated in the PEA Technical Report, in the opinion of the authors, the metallurgical test work conducted to date supports the declaration of mineral resources based on the following: the metallurgical testwork completed on the Project has been appropriate to establish the likely processing route; tests were performed on samples that were representative of the mineralization; and recovery factors were tailored to the various elements.

Classification of mineral resource confidence categories took the following into account: the coefficients of variation of the base metal and PGE grade data are low; the modelled geometry of the mineralized host rocks is reasonably well-informed and is continuous; the average spacing of the vertical sections across the ultramafic chonolith in the Current Lake and Bridge Zone areas is approximately 50 m.

Proposed Mine Plan

Initially AMEC studied two mining scenarios, a standalone open pit and a hybrid case with a smaller open pit mine and underground operation, utilising a drift-and-fill mining method. As the study progressed and the economic parameters became better defined, it became apparent that the stand alone open pit presented better economic results then the hybrid scenario. A throughput trade-off study was performed, comparing economics for throughputs of 1.0 Mt/a, 1.25 Mt/a and 1.5 Mt/a for the open pit only scenario. The 1.5 Mt/a case appeared most attractive, and was scheduled in more detail.

To prepare the mineral resource model for mine planning, a metal equivalent grade item was prepared, followed by addition of a dilution skin surrounding the blocks above the marginal cut-off. The PtEq formula is:

PtEq g/t = Pt g/t + Pd g/t x 0.3204 + Au g/t x 0.6379 + Ag g/t x 0.0062 + Cu g/t x 0.00011 + Total Ni g/t x 0.000195 + Total Co g/t x 0.000124 + Rh g/t x 2.1816.

Three dilution skin thicknesses, ranging from 0.3 to 1.5 m, depending on location, were applied by assigning an ore percent and routing codes to all waste blocks contacting a mineralized block above the cut-off grade (0.69 g/t PtEq for 1.0 Mt/a, 0.63 g/t PtEq for 1.25 Mt/a and 0.59 g/t PtEq for 1.5 Mt/a). The effect of the dilution is a 17% increase in mill feed, and a 12% reduction in PtEq grade for the 1.5 Mt/a case.

The mine plan features approximately 9.7 Mt of indicated material at a grade of 1.9 g/t PtEq and 0.3 Mt of inferred material at a grade of 0.4 g/t PtEq being extracted over a seven-year mine life. The overall strip ratio would be approximately 8.3:1. The development direction would be from north to south, deferring the high-strip ratio Bridge Zone area toward the later years of the mine life. Contract mining is assumed due to the short life-of-mine (LOM) as well as the need for two sets of open pit mining equipment dictated by the Thunder Bay North Project deposit geometry and extent. The open pit operation employs a selective mining method due to the irregularity of the geometry and grade variability, and the need to minimize ore losses. A bulk mining approach is also employed in the regions with significant barren waste stripping requirements.

The PEA Technical Report is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. The basis for the preliminary assessment, qualifications and assumption made by the authors of the PEA Technical Report can be found as set forth in the PEA Technical Report.

The development of the proposed open pit will generate 83 Mt of excavated overburden and blasted waste rock that will require storage. The current study assumes 60% of waste rock will be potentially acid-generating (PAG) with the remaining waste rock and overburden assumed to be non-PAG.

Approximately 9.5 Mt of tailings may be produced during the seven-year life of the mine. The TMF is currently designed for a total storage capacity of 6.6 Mm3 (9.1 Mt) with potential for additional raises and/or expansion to accommodate additional capacity as required. If no further mineralization is developed to justify additional raise(s) of the confining structures, a combination of central spigotting and grading could be used in the final year to develop a gently-sloped final tailing surface to facilitate reclamation, thereby accommodating the additional material.

Average surface water flows into the proposed Current Lake open pit are estimated at 1,600 m^3/d (ca. 18 L/s) with peak surface water inflows after storm events at least two orders of magnitude higher. These are based on Environment Canada data and preliminary plans to divert the upstream watershed of Current Lake.

To support the planned mining activities a cofferdam will be constructed at the Current Lake outlet and two small dams will be constructed at the Northeast Inlet and East Inlet. Two diversion channels are proposed on the east side of the lake to intercept water from the Northeast Inlet and East Inlet and direct it northward beyond the Current Lake Outlet Dam.

Capital cost estimates are summarized in Table 3. Operating cost estimates are summarized in Table 4.

Table 3: Life-of-Mine Capital Costs

Item	Cost Estimate
Pre-Production	C$174 million
Sustaining & Closure (including salvage)	C$32 million
Total Capital	**C$207 million**

Table 4: Life-of-Mine Operating Costs

Item	Cost Estimate
Open Pit Mining	C$1.78/t mined C$16.72/t milled
Site Processing	C$20.31/t milled
Transport, Refining & Royalty	C$2.03/t milled
Site General & Administration	C$2.67/t milled
Total Operating Costs	**C$41.73/t milled**

Markets

The primary revenue metals at the Thunder Bay North Project are platinum, nickel, palladium and copper.

Market research performed on behalf of the Company has indicated that there is a market for a bulk concentrate produced by the Thunder Bay North Project and the likely payable metals would be Pt, Pd, Rh, Au, Ag, Cu, Co, and Ni. Research has also indicated that all of the high value products resulting from Platsol™ pressure oxidation and downstream processing would be highly marketable. Suitable refining facilities for the precious metal products were identified and offered reasonable indicative terms

Financial Analysis

The following section is partly based on Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the preliminary assessment based on these Mineral Resources will be realized.

The results of the economic analyses discussed in this section represent forward-looking information as defined under Canadian securities law. The results depend on inputs that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here.

Long-term average consensus prices were used for the Thunder Bay North Project financial model base case. These long-term prices were compiled from price forecasts from a number of respected financial institutions. The exchange rate used for this case was C$:$US 0.90.

The pre-tax cumulative cash flow for the base case financial analysis is C$164.4 M with an IRR of 12.8%. The cash flow analysis shows that the Project will generate a positive cash flow in all years except Year 1 on a pre-tax basis. The annual positive cash flow results in a payback period of approximately 4.6 years. At an 8% discount rate, the net present value (NPV) of the project is C$40.75 M.

Under an alternative financial case, where metal prices were the spot prices as at 21 January 2011, and the exchange rate was C$:$US 0.98, the pre-tax cumulative cash flow for the alternative case financial analysis is C$360 M with an IRR of 27%. At an 8% discount rate, the NPV of the Project would be C$164 M.

Conclusions

In the opinion of the QPs, the Project that is outlined in this Report has achieved its objectives in that a deposit that potentially could support mine development has been identified. The results of the PA indicate that additional drill testing and more detailed studies can be supported.

Recommendations

There is considerable upside potential to enhance the economics of the Thunder Bay North Project by increasing the Mineral Resource available for mining and/or reducing the capital and operating costs for mineral processing.

A two-phase program, consisting of exploration and optimization studies, is recommended for the Project, to support advancement of the Project to a more detailed study phase. The phases can be run concurrently, and are independent of each other.

Phase 1 comprises exploration drill programs, geophysical surveys, and geological research studies. This phase is estimated to cost about $7.95 M.

Phase 2 consists of review of the recommendations arising from the PA, and optimization studies. The optimization studies will assess ways of improving the overall economics of the Project. Once optimization is complete, the recommendations arising from the PA will be revisited and the future Project direction established. Costs are provided as a range for this work, as the estimate depends on whether work is performed by third-party consultants or by the Company's staff. Estimated total costs are approximately $2 M to $2.5 M.

These programs are in progress.

RISK FACTORS

The following discussion summarizes the principal risk factors that apply to the Company's business and that may have a material adverse effect on the Company's business, financial condition and results of operations, or the trading price of the Shares.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of platinum group metals, gold, silver, copper nickel, cobalt and other metals and minerals, including unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

In addition, there is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

The Company only currently maintains liability insurance in such amounts and for such risks as it considers reasonable. Accordingly, the insurance of the Company does not cover general liability matters or all of the potential risks associated with a mineral exploration company's operations. The

Company may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates, and will be subject to environmental regulation in the jurisdictions in which it will operate in the future. These regulations may mandate, among other things, the maintenance of air and water quality standards and land reclamation. They may also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which may involve stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests from time to time which are unknown to the Company and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent enforcement thereof, could have a material adverse impact on the Company and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new mining properties.

Reliability of Resource Estimates

There is no certainty that any of the Mineral Resources (as defined in applicable securities legislation) described in the Technical Report will be realized. Until a deposit is actually mined and processed, the quantity of Mineral Resources and grades must be considered as estimates only. In addition, the quantity of Mineral Resources may vary depending on, among other things, metal prices. Any material change in quantity of Mineral Resources, grade or stripping ratio may affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

Fluctuations in platinum, palladium, gold, silver, copper, nickel, cobalt and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. For example, the quantity and grade of the Mineral Resources described in the Technical Report could vary as a result of the following factors, among other reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- the grade of the resources may vary significantly from time to time and there is no assurance that any particular level of metals may be recovered from the ore; and
- declines in the market price of the metals may render the mining of some or all of the resources uneconomic.

Any of these factors may require the Company to reduce its Mineral Resource estimate or accept an increase in its costs. Short-term factors, such as the need for the additional development of a deposit or the processing of new different grades, may impair the Company's profitability. Should the market price of the metals fall, the Company could be required to materially write down its investment in mining properties or delay or discontinue production or development of new projects. Any material reductions in estimates of Mineral Resources could have a material adverse effect on the Company's results of operations and financial condition.

Permitting

The Company's operations may be subject to obtaining and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for future operations. Prior to any development on any of its properties, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will obtain and/or continue to hold all permits necessary to develop or continue operating at any particular property. See also "Exploration, Development and Operating Risks" above.

Current Global Financial Conditions

Current global financial conditions have been subject to increased volatility. Access to financing has been negatively impacted by market fluctuations and continuing uncertainty. These factors may impact the ability of the Company to obtain equity or debt financing in the future on acceptable terms. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the Ordinary Shares could be adversely affected.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

No History of Mineral Production

The Company has never had any interest in mineral producing properties. There is no assurance that commercial quantities of minerals will be discovered at any of the properties in which the Company current holds or may hold an interest in the future, nor is there any assurance that the exploration programs of the Company thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where Mineral Resources can profitably be produced thereon. Factors which may limit the ability of the Company to produce Mineral Resources from its properties include, but are not limited to, the price of the Mineral Resources which are being explored for, availability of additional capital and financing, and the nature of any mineral deposits.

Land Title

Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions from time to time may be severely constrained. In addition, unless the Company conducts surveys of the claims in which it holds direct or indirect interests, the precise area and location of such claims may be in doubt. Accordingly, such mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, in such event the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition May Hinder Corporate Growth

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to acquire or maintain attractive mineral exploration properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital

The development and exploration of the Company's properties will require substantial additional financing. Failure to obtain sufficient financing may result in delay or indefinite postponement of exploration, development or production on any or all of the Company's properties from time to time, or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices

The price of the Ordinary Shares, the Company's financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of platinum, palladium, gold, silver, copper, nickel, cobalt and other metals and minerals. Precious metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as sales or purchases of minerals such as platinum, palladium, gold, silver, copper, nickel, cobalt by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major precious metal-producing countries throughout the world. The prices of precious metals have fluctuated widely in recent years, and future serious price declines could cause development of any properties in which the Company may hold an interest from time to time to be impracticable. Future production from the Company's properties will be dependent upon, among other things, precious metal prices that are adequate to make these properties economic.

In addition to adversely affecting the Company's financial condition and exploration, development and mining activities, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation

The mining, processing, development and mineral exploration activities which may be undertaken by the Company are subject to various laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities in respect of its existing properties, as well as its ability to explore, develop and operate those properties in respect of which it obtains exploration and development rights in the future.

No assurance can be given that new rules and regulations will not be enacted, or that existing rules and regulations will not be applied, in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling, or more stringent enforcement thereof, could have a substantial adverse impact on the Company.

Political Risks

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the countries in which the Company holds property interests now or in the future may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Labour and Employment Matters

While the Company has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in whose jurisdictions the Company may carry on business from time to time. Adverse changes in such legislation may have a material adverse effect on the Company's business, results of operations and financial condition.

No Production Revenues

To date, the Company has not recorded any revenues from its mining projects nor has the Company commenced commercial production on any of its properties. There can be no assurance that significant additional operating losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, some of which are beyond the Company's control. The Company expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

Market Price of Ordinary Shares

Securities of micro- and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the investment attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in platinum, palladium, gold, silver, copper, nickel and cobalt prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Ordinary Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not continue to follow the Company; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Ordinary Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Ordinary Shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

As a result of any of these factors, the market price of the Ordinary Shares at any given point in time may not accurately reflect the Company's long-term value.

Future Sales of Ordinary Shares by Existing Shareholders

Sales of a large number of Shares in the public markets, or the potential for such sales, could decrease the trading price of the Shares and could impair the Company's ability to raise capital through future issues of Shares. The Company has previously completed private placements at prices per Share which may from time to time be lower than the market price of the Shares. Accordingly, a significant number of shareholders of the Company may have an investment profit in the Shares from time to time that they may seek to realise.

Key Executives

The Company is dependent on the services of key executives, including the Managing Director /Chief Executive Officer of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons, or the Company's inability to attract and retain additional highly skilled employees, may adversely affect its business and future operations.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development, and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its Shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth under applicable laws.

DIVIDENDS

The Company has never declared or paid cash dividends on the Ordinary Shares. Any future dividend payment will be made at the discretion of the Board and will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factors that the Board deems necessary to consider in the circumstances.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Shares, of which as at 14 September 2011 there were 267,180,923 issued and outstanding Shares. Holders of Shares are entitled to receive notice of any meetings of the holders of Shares of the Company.

All shares of the Company which are not issued upon special terms and conditions are Ordinary Shares and confer on the holders:

(1) the right to attend and vote at meetings of the Company and on a show of hands to one vote and on a poll to one vote for each Share held;

(2) the right to participate in dividends (if any) declared on Shares held; and

(3) on the winding up of the Company, the right to participate in the division of any surplus assets or profits of the Company in proportion to the number of Shares held (assuming, in the case of any Shares that were partly paid up at commencement of the winding up, that the amount required to be paid to make them fully paid has been contributed to the Company).

As at 14 September 2011, the Company had 17,705,000 Share options ("Options") issued and outstanding. Each Option entitles the holder thereof to acquire one Share with exercise prices ranging from A$0.20 to A$1.35 and from C$0.60 to C$1.30.

MARKET FOR SECURITIES

The Shares are listed and traded on the ASX and TSX under the symbol "MMW". The following table indicates the high and low values and volume with respect to trading activity for the Shares on a monthly basis during the fiscal year ended 30 June 2011 and the three months to 11 September 2011.

Month	ASX High A$	TSX High C$	ASX Low A$	TSX Low C$	ASX Volume	TSX Volume
July 2010	0.485	0.475	0.380	0.360	1,878,053	681,800
August 2010	0.500	0.500	0.405	0.390	2,891,791	1,080,610
September 2010	0.680	0.730	0.430	0.400	14,878,710	3,174,808
October 2010	0.670	0.690	0.580	0.590	2,854,802	1,440,418
November 2010	0.600	0.640	0.485	0.465	2,481,202	2,039,785
December 2010	0.610	0.630	0.510	0.500	2,876,471	1,866,218
January 2011	0.595	0.600	0.500	0.490	838,909	1,106,706
February 2011	0.515	0.510	0.325	0.315	6,849,287	4,292,207
March 2011	0.365	0.390	0.250	0.250	7,015,596	3,162,071
April 2011	0.350	0.360	0.260	0.265	2,252,230	1,018,531
May 2011	0.290	0.310	0.235	0.240	4,006,412	1,320,073
June 2011	0.275	0.290	0.205	0.210	4,224,468	1,061,959
July 2011	0.250	0.280	0.215	0.210	2,693,552	777,729
August 2011	0.240	0.280	0.170	0.170	1,533,836	579,650
September 2011	0.200	0.220	0.180	0.180	480,177	144,909

PRIOR SALES

During the fiscal year ended 30 June 2011 the Company made the following issuances of Shares:

22 February 2011[1]	5,000
19 April 2011[2]	27,741,000
23 May 2011[2]	43,689,000
30 June 2011[1]	140,000
Total	**71,575,000**

1. These Shares were allotted pursuant to the exercise of unlisted Options at $0.20 per share.
2. These Shares were allotted pursuant to a placement at $0.28 per share.

In addition, during the fiscal year ended 30 June 2011, the Company issued 500,000 Options to incoming director, Mr Constable, with an exercise price of C$0.78, and a further 600,000 Options with exercise prices ranging from C$0.73 to C$1.30 were issued to employees and contractors of the Company pursuant to their terms of engagement. Exercise prices for Options are set at an approximate 30% to 100% premium to the share price on the date of grant. Options granted to employees and contractors have vesting conditional on satisfaction of length of service criteria. All Options were granted for nil consideration.

On 1 May 2011 and 31 May 2011, 200,000 and 796,000 Options expired unexercised. These Options had exercise prices of $0.50 and $0.20 respectively.

Details of all Options currently on issue is given in "Description of Capital Structure" above.

ESCROWED SECURITIES

As at the date of this AIF there are no securities under escrow.

DIRECTORS AND OFFICERS

The following table sets forth the name, province and country of residence of each director and executive officer of the Company, as well as such individual's position with the Company, principal occupation within the five preceding years, and period of service as a director (if applicable).

Each of the directors of the Company will hold office until the director's death, retirement, resignation or removal. One third of the directors (except the Managing Director/CEO) are required to retire from office and submit themselves for re-election at each annual general meeting and in any event no director may retain office for more than 3 years without submitting themselves for such re-election. Re-appointment of directors is not automatic.

As of 14 September 2011, an aggregate of 12,865,000 Shares (representing approximately 4.8% of all issued and outstanding Shares as of 14 September 2011) were beneficially owned or controlled or directed (directly or indirectly) by the directors and executive officers of the Company(1). In addition, directors and officers have an interest in 14,350,000 unlisted Options. See "Description of Capital Structure".

Name, Province or State & Country of Residence and position with the Company	Present principal occupation if different from office held and principal occupation for the past five years	Director Since	Number of Ordinary Shares Owned, Controlled or Directed(1)
Keith Philip Watkins(3),(4) Perth, Western Australia Managing Director & CEO (effective 1 July 2011)	1. Managing Director, then Executive Chairman & CEO, now Managing Director and CEO of Magma: June 2005 to present. 2. General Manager Exploration, then Executive General Manager Resources, Sons of Gwalia Limited (Mining and Exploration Company): January 1997 to April 2005.	02 June 2005	9,100,001
Ralph Robert Grey Porter Perth, Western Australia General Manager – Exploration, Australia (effective 1 July 2011)	1. Exploration Director, then Executive Director – Exploration, Australia now General Manager Exploration, Australia of Magma: June 2005 to present. 2. Exploration Manager, Sons of Gwalia Limited (Mining and Exploration Company): May 1997 to May 2005.	02 June 2005	2,210,000
Max Dirk Jan Cozijn Perth, Western Australia Non-Executive Chairman (effective 1 July 2011)	1. Finance Director and Company Secretary (to January 2009), then Executive Director – Corporate, now Non-Executive Chairman of Magma: June 2005 to present. 2. Finance Director and Company Secretary (Company Secretary to July 2007), Carbon Energy Limited (Mining and Exploration Company): January 1994 to January 2009.	02 June 2005	1,515,000
Terence Baron Burgess(2),(3),(4) Melbourne, Australia	1. Managing Director & CEO, Oz Minerals Limited (Mining and	05 January 2009	40,000

Non-executive Director	Exploration Company): August 2009 to present. 2. Head of Business Development, Anglo Base Metals Division, Anglo American plc (Mining and Exploration Company): 2005 to 2009. 3. Global Head, Metals and Mining, ABN AMRO (Investment Bank): 2002 to 2005		
Neil Fearis[(2),(3),(4)] Perth, Western Australia Non-executive Director	1. Consulting Lawyer: February 1999 to present.	08 October 2009	NIL
David Constable[(2)] Burlington, Ontario, Canada Non-executive Director	1. Vice President Investor Relations FNX Mining Company Inc. (now QuadraFNX Mining Limited) from 2002 to 2010.	1 December 2010	NIL
Andrew Graeme Scott Perth, Western Australia CFO & Company Secretary	1. CFO and Company Secretary of Magma: January 2009 to present. 2. Group Accountant and Company Secretary (Company Secretary from July 2007), Carbon Energy Limited (Mining and Exploration Company): October 2004 to January 2009.	N/A	NIL
Allan MacTavish, Thunder Bay, Ontario Exploration Manager – Canada	1. Exploration Manager – Canada of Magma: May 2007 to present. 2. Consulting Geologist, Self employed, July 1998 to May 2007	N/A	NIL

(1) The information as to Shares beneficially owned or over which any of the directors or executive officers exercises control or direction (directly or indirectly), not being within the knowledge of the Company, has been furnished by the respective directors and executive officers individually.

(2) Member of the audit committee of the Company (the “Audit Committee”).

(3) Member of the remuneration committee of the Company (the “Remuneration Committee”).

(4) Member of the nomination committee of the Company (the “Nomination Committee”).

Mr. Peter Whitcutt – Non-executive director resigned effective 17 June 2011.
Dr. William Stone – Vice-President, Exploration, Canada ceased employment 8 July 2011.

Audit Committee

The members of the Audit Committee are as follows:

Mr. Terry Burgess – Independent non-executive director (Chair)
Mr. David Constable – Independent non-executive director (appointed 17 June 2011)
Mr. Neil Fearis – Independent non-executive director

Mr. David Constable replaced Mr. Peter Whitcutt as a member of the Audit Committee following Mr. Whitcutt’s resignation as a director of the Company.

For a description of the responsibilities of the Audit Committee and the Audit Committee Charter please refer to Schedule “A”.

Remuneration Committee

The members of the Remuneration Committee are as follows:

Mr. Neil Fearis – Independent non-executive director (Chair)
Mr. Terry Burgess – Independent non-executive director
Dr. Keith Watkins – Managing Director & CEO

For a description of the responsibilities and the charter of the Remuneration Committee, please refer to Schedule “D”.

Nomination Committee

The members of the Nomination Committee are as follows:

Dr. Keith Watkins – Managing Director & CEO (Chair)
Mr. Neil Fearis – Independent non-executive director
Mr. Terry Burgess – Independent non-executive director

For a description of the responsibilities and the charter of the Nomination Committee, please refer to Schedule “C”.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as described below, to the knowledge of the Company, no director or officer of the Company:

is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief financial officer or chief executive officer of any company that was subject to:

(a) a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, in any case for a period of more than 30 consecutive days (any such order, an “Order”) that was issued while that person was acting in that capacity; or

(b) an Order that was issued after that person ceased to act in such capacity which Order resulted from an event that occurred while that person was acting in that capacity.

From May 2007 to October 2007, Rage Energy Inc. (“Rage”) was subject to a cease trading order for failing to file financial statements. In December 2008, a further cease trade order was issued with respect to the securities of Rage, which order remains in effect as of September 13, 2011. Mr. Constable was appointed as a director of Direct IT Canada Inc., a predecessor to Rage, in March 2000, and continued as a director of Rage until December, 2008.

Other than as described below, to the knowledge of the Company, no director or executive officer of the Company:

(a) is, at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Dr. Keith Watkins and Mr. Ralph Porter were both previously employed by Sons of Gwalia Limited. The Board of Directors of Sons of Gwalia Limited, an ASX listed mining and exploration company, appointed administrators Ferrier Hodgson on 29th August 2004. At that date Dr. Watkins was employed by Sons of Gwalia Limited in the position of Executive General Manager Resources with responsibility for the Exploration Division. Also on that date Mr. Porter was employed by Sons of Gwalia Limited in the position of Exploration Manager – Special Projects with responsibility for evaluating new project opportunities and management of the company's tantalum exploration projects. Under Canadian law, these positions could be designated as an "Officer" of that company. At no time have either Dr. Watkins or Mr. Porter been the subject of any legal proceedings in relation to this matter.

To the knowledge of the Company, no director or executive officer of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

In the future, circumstances may arise where officers or members of the Board of Directors of the Company are directors or officers of corporations which are in competition to the interests of the Company. No assurances can be given that opportunities identified by such board members will be provided to the Company. Pursuant to applicable law, directors who have an interest in a proposed transaction upon which the Board of Directors is voting are required to disclose their interests and refrain from voting on the transaction. See also "Risk Factors – Conflicts of Interest**.**

AUDIT COMMITTEE INFORMATION

The members of the Audit Committee are currently Messrs. Burgess, Fearis and Constable (all are independent non-executive directors), each of whom is financially literate within the meaning of applicable securities legislation. Each of Messrs. Burgess, Fearis and Constable is familiar with accounting principles, financial statements and financial reporting requirements as a result of their memberships of the Chartered Institute of Management Accountants (ACMA), Financial Services Institute of Australia (F-FIN) and Master of Business Administration (MBA) respectively. Further details of the Audit Committee members' education, qualifications and experience are disclosed in the Directors and Officers section above.

See “Statement of Corporate Governance Practices – 1. The Board of Directors” below.

The Audit Committee has adopted a written charter setting out its mandate and responsibilities, a copy of which is set forth at Schedule “A” to this Annual Information Form

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company (on a consolidated basis) during the fiscal years ended 30 June 2010 and 30 June 2011 for audit and non-audit related services:

Type of Work	Year Ended 2010	Year Ended 2011
Audit fees(1)	48,757	44,132
Audit-related fees(2)	7,300	-
Tax advisory fees(3)	-	-
All other fees(4)	-	-
Total	**56,057**	**44,132**

(1) Aggregate fees billed for the Company’s consolidated annual financial statements and services normally provided by the auditor in connection with the Company’s statutory and regulatory filings.

(2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s consolidated financial statements and are not reported as “Audit fees”.

(3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

(4) Aggregate fees billed for advisory services.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. National Instrument 58-101 (“**NI 58-101**”) of the Canadian Securities Administrators requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Company’s approach to corporate governance in relation to the Guidelines.

1. *The Board of Directors*

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Company. A “material relationship” is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgement. The Board is currently comprised of five members, of whom the Board has determined that three such members are “independent directors” within the meaning of NI 58-101, and two such members are “non-independent directors”.

Dr. Watkins is a non-independent director by reason of his executive position and duties with Magma.

Mr. Cozijn is also a non-independent director by reason of his executive position of Executive Director – Corporate, prior to him becoming Non-executive Chairman effective 1 July 2011.

Messrs Burgess, Fearis and Constable are considered independent directors since they are independent of management and free from any material relationship with the Company. The basis for this determination is that, since 1 July 2006, none of the independent directors has worked for the Company, received remuneration from the Company or had material contracts with or material interests in the Company which could interfere with his ability to act with a view to the best interests of the Company.

As noted above, following the Board changes which took place during the 2011 Fiscal year the Board has a majority of independent directors.

The Board considers that its current composition is appropriate given the size and operations of the Company. The Board believes its current structure includes an appropriate mix of skills and expertise relevant to the Company's business.

Members of the Board also sit on the boards of other reporting issuer corporations as follows:

- Keith Watkins - no other reporting issuer corporation directorships
- Max Cozijn also sits on the Boards' of the following other ASX listed corporations:
  Carbon Energy Limited (from September 1992 to present)
  Oilex Ltd (ASX & AIM) (from September 1997 to present)
  Malagasy Minerals Ltd (from September 2006 to present)
  Energia Minerals Limited (May 2007 to present)
- Terry Burgess - Oz Minerals Ltd (from August 2009 to present)
- Neil Fearis also sits on the Boards of the following other ASX listed corporations:
  Carnarvon Petroleum Ltd (from November 1999 to present)
  Perseus Mining Ltd (from May 2004 to present)
  Tiger Resources Ltd (ASX & TSX) (from May 2011 to present)
- David Constable also sits on the Boards of the following other listed corporations:
  U308 Corp. (TSX-V) (from June 2006 to present)
  Woulfe Mining Corp. (TSX-V) (from September 2010 to present)
  Rockcliff Resources Inc. (TSX-V) (from August 2010 to present)
  Acme Resources Corp. (TSX-V) (from February 2008 to present)
  Anglo Swiss Resources Inc. (TSX-V) (from December 2010 to present)
  Sandspring Resources Ltd (TSX-V) (from January 2011 to present)
  Tiger Resources Ltd (ASX & TSX) (from June 2011 to present)

In carrying out its mandate, the Board met 7 times during fiscal year ended 30 June 2011. The following table sets out attendance by the directors at meetings of the Board during this period.

Name of Director	Board Meetings Eligible to Attend	Board Meetings Attended
Keith Watkins	7	7
Ralph Porter (ceased 30/6/2011)	7	7
Max Cozijn	7	7
Terry Burgess	7	7
Peter Whitcutt (ceased 17/6/2011)	7	6
Neil Fearis	7	7
David Constable	4	4

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board meets in the absence of members of management and the non-independent directors, if and when necessary, may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

The independent directors of the Company did not meet in the absence of the non-independent directors during the fiscal year ended 30 June 2011 other than in their capacity as members of the Audit Committee which held two meetings during the year.

The Board continues to consider its structure and composition with regard to the Company's future direction. Given the size and composition of the Board, and current stage of development of the Company, the Board believes that the mandate of the Board will be sufficient to adequately facilitate open and candid discussion amongst the independent directors during the current year.

2. *Board Mandate*

The Board has adopted a mandate, a copy of which is attached as Schedule "B" to this AIF.

3. *Position Descriptions*

Given the small size of the Company's infrastructure, the Board does not feel that it is necessary at this time to formalize position descriptions or corporate objectives for any of the Non-executive Chairman of the Board, the Chairman of each committee of the Board, or the Managing Director/CEO, in order to delineate their respective responsibilities. Accordingly, the roles of the executive officers of the Company are delineated on the basis of customary practice.

4. *Orientation and Continuing Education*

While the Company currently has no formal orientation and education program for new Board members, sufficient information (such as recent minutes, annual reports, prospectuses, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new Board member to ensure that new directors are familiarized with the Company's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

5. *Ethical Business Conduct*

The Board has adopted a formal code of ethics for directors and employees (the "**Code of Conduct**") **.** A summary of the Code of Conduct is available to view on the Company's website. In order to ensure compliance with the Code of Conduct and that directors exercise independent judgement, the Board has assumed responsibility for approving all transactions involving the

Company and any “related party” (as that term is defined for securities law purposes). In addition, the Board has assumed responsibility for monitoring the Company’s compliance with strategic planning matters, implementing a process for assessing the effectiveness of committees of directors and individual directors, and reviewing changes in or additions to compliance policies, standards, codes and programs, as well as applicable legislation.

6. *Nomination of Directors*

The Company operates a separate Nomination Committee who makes recommendation to the Board on new director appointments . While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as legal, accounting and finance) which would assist in providing guidance to the officers of the Company. As such, nominations tend to be the result of recruitment efforts and discussions amongst the directors and consideration by the Nomination Committee, prior to consideration by the Board as a whole.

Nomination Committee

The members of the Nomination Committee are as follows:

Dr. Keith Watkins – Managing Director and CEO (Chair)
Mr. Neil Fearis – Independent non-executive director
Mr. Terry Burgess – Independent non-executive director

For a description of the responsibilities and the Nomination Committee Charter, please refer to Schedule “C”.

The Board considers that the composition of the Nomination Committee is, and continues to be, appropriate given the current size and operations of the Company. The Board continues to regularly review the Committee’s composition in light of the Company's circumstances and future direction.

The Nomination Committee is comprised of a majority of independent directors. The Nomination Committee deals with any conflicts of interest that may occur when convening by ensuring the director with conflicting interests is not party to the relevant discussions.

Remuneration Committee

The members of the Remuneration Committee are as follows:

Mr. Neil Fearis – Independent non-executive director (Chair)
Mr. Terry Burgess – Independent non-executive director
Dr. Keith Watkins – Managing Director and CEO

For a description of the responsibilities and the Remuneration Committee Charter, please refer to Schedule “D”**.**

Refer to “Compensation Discussion and Analysis” for a summary of the Company’s Remuneration Policy.

The Board considers that the composition of the Remuneration Committee is, and continues to be, appropriate given the current size and operations of the Company. The Board continues to regularly review the Committee’s composition in light of the Company's circumstances and future direction.

The Remuneration Committee is comprised of a majority of independent directors. The Remuneration Committee deals with any conflicts of interest that may occur when convening by ensuring the director with conflicting interests is not party to the relevant discussions.

During June 2011 Magma commissioned the independent remuneration consultancy firm, Godfrey Remuneration Group Pty Ltd, to undertake an independent benchmark remuneration report. The report recommended appropriate remuneration ranges for the Company's executive director and executive officer positions, set within Magma's industry peer group. The Remuneration Committee considered the report during the annual salary review process, with revised remuneration packages taking effect from 1 July 2011.

7. *Assessments*

The Chair is responsible for evaluation of the Board and, when deemed appropriate, Board committees and individual directors. The Nomination Committee is responsible for evaluating the CEO.

During the Reporting Period to 30 June 2011 a Board performance review was undertaken. The process undertaken for evaluating the performance of the Board, individual directors and any applicable committees consisted of a questionnaire prepared by the Company Secretary and circulated to each director for completion. The Company Secretary summarised and collated the responses to the questionnaires and reported back to the directors. The Nomination Committee and the Board has reviewed and discussed the findings and taken steps to address any issues as appropriate.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below or elsewhere in this Annual Information Form, as far as the Company is aware no director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this Annual Information Form that has materially affected or will materially affect the Company.

A former director of the Company, Mr. Whitcutt (resigned 17 June 2011), is also an officer of Anglo American, a significant shareholder of the Company. See "General Development of the Business" and "Directors and Officers".

A director of the Company, Mr. Cozijn, is also a Non-executive Director of Carbon. Carbon was the holder of 10,000,001 (6.11% at that time) Shares acquired in connection with Magma's initial public offering. Carbon sold all its 10,000,001 Shares during October 2009.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of 14 September 2011, the Company had 267,180,923 issued and outstanding Ordinary Shares. Each Ordinary Share carries the right to one vote per Share at all meetings of Shareholders.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns or exercises control or direction over, directly or indirectly, 10% or more of the outstanding Shares as of the date of this AIF, other than: Anglo Pacific Group plc 36,047,070 (13.50% of outstanding Shares).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is currently no outstanding indebtedness owing to either the Company or any of its subsidiaries, or to any other entity which is the subject of a guarantee, support agreement, letter of credit or similar arrangement provided by the Company or any of its subsidiaries, of (i) any director, executive officer or employee; (ii) any former director, executive officer or employee; or (iii) any associate of any current or former director or executive officer of the Company.

COMPENSATION OF EXECUTIVE OFFICERS

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Company for the fiscal year ended 30 June 2011, in respect of the individuals who served, during the fiscal year ended 30 June 2011.

Summary Compensation Table – Year Ended June 30, 2011

2011	Short term benefits			Post-employment benefits		Equity settled share-based payments	
	Salary $	Directors' Fees $	Non-Cash Benefits $	Super Contributions $	Total cash cost $	Share Options[2] $	Total $
Executive Directors:							
Dr. K.P. Watkins	335,000	-	-	50,000	**385,000**	-	385,000
Mr. R.R.G. Porter[1]	202,393	-	-	49,607	**252,000**	-	252,000
Mr. M.D.J. Cozijn	132,663	-	-	11,940	**144,603**	-	144,603
	670,056	-	-	111,547	**781,603**	-	781,603
Executives:							
Dr. W. Stone	212,415	-	11,482	-	**223,897**	-	223,897
Mr. A. MacTavish	156,783	-	232	-	**157,015**	-	157,015
Mr. G. Scott	185,000	-	-	25,000	**210,000**	-	210,000
	554,198	-	11,714	25,000	**590,912**	-	590,912
	1,224,254	-	11,714	136,547	**1,372,515**	-	1,372,515

[1] Mr. Porter ceased to be a director on 30 June 2011 but continues to be an executive of the Company as General Manager Exploration - Australia. Mr. Porter's Executive Service Agreement remains in force.
[2] Options were valued using the Black-Scholes valuation model. Refer below for further details of share options granted during the year.

None of the remuneration listed in the table above was performance related.

Outstanding Share-Based Awards and Option-Based Awards

Set forth below is a summary of all Option-based and Share-based awards held by each Named Executive Officer as at the end of the most recently completed fiscal year of the Company.

Option-Based Awards				Share-Based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price**	**Option expiration date**	**Value of unexercised in-the-money options (A$)**	**Number of Shares or units of Shares that have not vested (#)**	**Market or payout value of Share-based awards that have not vested**
Keith Watkins	2,000,000	$0.20	31/10/2011	70,000	-	-
	1,000,000	$0.83	31/10/2012	-	-	-
	3,000,000	$1.02	26/11/2014	-	-	-
Ralph Porter	1,500,000	$0.20	31/10/2011	52,500	-	-
	750,000	$0.83	31/10/2012	-	-	-

	1,500,000	$1.02	26/11/2014	-	-	-
Max Cozijn	250,000	$0.20	31/10/2011	8,750	-	-
	300,000	$0.83	31/10/2012	-	-	-
	750,000	$1.02	26/11/2014	-	-	-
Graeme Scott	250,000	$0.35	05/01/2012	-	-	-
	300,000	$0.40	05/01/2013	-	-	-
	450,000*	$0.55	05/01/2014	-	-	-
Allan MacTavish	300,000	$0.75	01/05/2012	-	-	-
	500,000	$1.00	01/05/2013	-	-	-
William Stone	330,000	$0.85	1/12/2012	-	-	-
	330,000*	$1.00	1/12/2013	-	-	-
	340,000*	$1.35	1/12/2014	-	-	-

- *unvested as at 30 June 2011.
- Valuation based on Magma closing Share price on 30 June 2011 of A$0.235

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested or earned during the most recently completed fiscal year of the Company by each Named Executive Officer with respect to all option-based awards, Share-based awards and non-equity incentive plan compensation awarded to each such Named Executive Officer to date.

Name	**Option-based awards – value vested during the year (A$)**	**Share-based awards – value vested during the year (A$)**	**Non-equity incentive plan compensation – value earned during the year (A$)**
Keith Watkins	-	-	-
Ralph Porter	-	-	-
Max Cozijn	-	-	-
Graeme Scott	58,500	-	-
Allan MacTavish	-	-	-

All offers of employment to executive officers are approved by the Remuneration Committee. Executives are generally offered an Option package as part of their terms of employment. These generally take the form of a series of Option issues which vest after various predetermined employment periods with increasing exercise prices.

If applicable, the payment of bonuses, further stock options and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can make changes to the Remuneration Committee's recommendations.

EMPLOYMENT CONTRACTS

The employment conditions of the executive director, Dr. Watkins, and executive Mr. Porter, and executive director Mr. Cozijn (to date of change in position), are formalised in executive service agreements (ESA). They are employed under a fixed three-year contract, which commenced on 1 June 2009 and expires on 1 June 2012.

To terminate the agreements, the notice period is three months from either party. The payment of a termination benefit on early termination by the employer, other than for gross misconduct, is equal to 12 months remuneration.

Other executive officers (Dr. Stone (ceased employment 8 July 2011) and Messrs MacTavish and Scott) are employed by letter agreement with no fixed term and termination provisions of up to three months notice.

COMPENSATION OF DIRECTORS

Directors of the Company that are not also executive officers of the Company receive Directors fees only. Directors are also reimbursed for travel and other out-of-pocket expenses incurred in attending directors' and Shareholders' meetings. Directors are eligible to participate in the existing Option Plan of the Company. Directors may also be compensated for services provided to the Company as consultants or experts on the same basis and at the same rate as would be payable if such services were provided by a third party, arm's-length service provider. During fiscal year ended 30 June 2011, no such services were provided to the Company by any directors that are not also officers. Set forth below is a summary of all compensation paid to each of the directors of the Company who are not also Named Executive Officers, during fiscal year ended 30 June 2011.

Director Compensation

2011	**Short term benefits**		**Post-employment benefits**		**Equity settled share-based payments**	
	Directors Fees $	**Non-Cash Benefits $**	**Super Contributions $**	**Total Cash cost $**	**Options[2] $**	**Total $**
Mr. T.B. Burgess	50,459	-	4,541	**55,000**	-	55,000
Mr. P.G. Whitcutt[1] (ceased 17 June 11)	53,035	-	-	**53,035**	-	53,035
Mr. N.C. Fearis	55,000	-	-	**55,000**	-	55,000
Mr. D.W. Constable (appointed 1 Dec 10)	32,084	-	-	**32,084**	147,616	179,700
	190,578	-	4,541	**195,119**	147,616	342,735

[1] Director's fees for the services of Mr. Whitcutt are paid to Anglo American plc.
[2] Options were valued using the Black-Scholes valuation model.

Outstanding Share-Based Awards and Option-Based Awards

Set forth below is a summary of all Option-based and Share-based awards held by each director of the Company who is not also a Named Executive Officer as at the end of the most recently completed fiscal year of the Company.

Option-Based Awards					**Share-Based Awards**	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price**	**Option expiration date**	**Value of unexercised in-the-money options (A$)**	**Number of Shares or units of Shares that have not vested (#)**	**Market or payout value of Share-based awards that have not vested**
Terry Burgess	500,000	$1.02	26/11/2014	-	-	-
Neil Fearis	500,000	$1.02	26/11/2014	-	-	-
David Constable	500,000	C$0.78	1/12/2015	-	-	-

- Valuation based on Magma closing share price on 30 June 2011 of A$0.235

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested or earned during the most recently completed fiscal year of the Company by each director of the Company who is not also a Named Executive Officer with respect to all Option-based awards, Share-based awards and non-equity incentive plan compensation awarded to each such director to date.

Name	**Option-based awards – value vested during the year ($)**	**Share-based awards – value vested during the year ($)**	**Non-equity incentive plan compensation – value earned during the year ($)**
Terry Burgess	-	-	-
Neil Fearis	-	-	-
David Constable	-	-	-

COMPENSATION DISCUSSION AND ANALYSIS

Remuneration Policy

The remuneration policy, which sets the terms and conditions for executive directors, non-executive directors and other senior executives, was developed after seeking professional advice from independent consultants and was approved by the Board.

The Company chooses to remunerate and reward its directors, officers and employees in accordance with the following policy.

Emoluments of directors and senior executives are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of the directors and executives.

Executives Directors and Other Key Management Personnel

Executive pay and reward consists of a base salary and performance incentives. Long term performance incentives may include Options granted at the discretion of the Board and are subject to obtaining the relevant shareholder approvals, if applicable. The grant of Options is designed to recognise and reward efforts, as well as to provide additional incentive, and may be subject to the successful completion of performance hurdles.

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested Option entitlements.

Non-Executive Directors

The Company's policy is to remunerate non-executive directors at market rates (for comparable companies) for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the Company. No separate fees are payable for membership of Board Committees.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Company’s annual general meeting.

The Company has a separate Remuneration Committee and is guided by a Charter which is available on the Company’s website at www.magmametals.com.au. For a description of the responsibilities and the Remuneration Committee Charter, please refer to Schedule “D”.

The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to manage the Company. It will also provide executives with the necessary incentives to work towards sustainable growth in shareholder value.

Setting Remuneration Levels for Executives

The performance of executives is generally reviewed annually, in June each year, with revised remuneration packages generally taking effect from 1 July of that year. During June 2011 the Company commissioned an independent remuneration consultancy firm, Godfrey Remuneration Group Pty Ltd, to undertake an independent benchmark remuneration report. The report recommended appropriate remuneration ranges for the Company’s executive director and executive officer positions, set within Magma’s industry peer group. The CEO makes recommendations to the Remuneration Committee and Board with due regard to Company performance, executive performance, comparable information from industry sectors and other listed companies, and the independent Remuneration Review Report.

All remuneration paid to executives is valued at the cost to the Company and expensed. Any Options that are issued are valued using the Black-Scholes methodology.

Share-based payments (grant of Options)

Options are issued to directors and executives as part of their remuneration. The Options are issued to the majority of the Company’s directors and executives to increase goal congruence between executives, directors and shareholders.

Options valuation

Options granted are required to be valued under *AASB 2 – Share-based payments*. The Company values these options using the Black-Scholes valuation model

It should be noted that the Option expense is not a cash cost to the Company.

Options Granted to Directors

As noted above under the heading “Prior Sales”, 500,000 Options were granted to a director, David Constable, on commencement of his appointment to the Company on 1 December 2010. The purpose of the grant of Options is to align the interests of the director with those of shareholders, and to encourage their contribution to the Company's anticipated success in the future in increasing value for shareholders.

The exercise price of the Options is C$0.78, set at a 45% premium to the market price of the Shares at date of grant of C$0.54.

Options Granted to Executives

No Options were granted to executives during the year ended June 30, 2011.

Options previously granted to executives of the Company are typically granted on commencement of employment. Generally, an Options package is split into a number of tranches, typically:

- Tranche 1 - exercise price is set at an approximate 30% premium to the market price of the Shares on date of grant. Options vest after 12 months employment.
- Tranche 2 - exercise price is set at an approximate 50% premium to the market price of the Shares on date of grant. Options vest after 24 months employment.
- Tranche 3 - exercise price is set at an approximate 100% premium to the market price of the Shares on date of grant. Options vest after 36 months employment.

Options are cancelled if an executive ceases employment prior to the Options vesting.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Company as at 30 June 2011.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	12,050,000	A$0.732	n/a
Equity compensation plans not approved by security holders	6,400,000	A$0.794	n/a
Total	**18,405,000**	**A$0.754**	**n/a**

AUDITOR

Crowe Horwath Perth Audit Partnership (previously named WHK Horwath Perth Audit Partnership) are the current auditors of the Company and its Australian operations, and were first appointed as auditors of the Company on 22 June 2005.

Grant Thornton LLP are auditors of Magma's 100% owned Canadian subsidiary Magma Metals (Canada) Ltd, and were first appointed on 13 July 2010.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Computershare Investor Services Inc. at 8th Floor, 100 University Avenue,Toronto, Ontario, M5J 2Y1, Canada.

The Company's principal share registry is Computershare Investor Services Pty Ltd at Level 2, 45 St Georges Terrace, Perth, WA 6000, Australia.

MATERIAL CONTRACTS

There are no contracts of the Company, other than contracts entered into in the ordinary course of business, that are material to the Company and that were entered into by the Company within the most recently completed financial year or were entered into since 02 June 2005 (date of the Company's incorporation) and are still in effect other than the Beaver Lake Option Agreement, the terms of which are summarized below.

Under an Option Agreement dated November 28, 2006 and amended on March 5, 2008 between Magma and the vendors, the acquisition of a 100% interest in the Beaver Lake Property (mining claim 4210157) to Magma is subject to the staged payment of C$100,000 over a four year period, the payment of C$1,000,000 at any time on or before October 6, 2011, and a work expenditure of C$40,000 before October 6, 2007, and the issuance of 200,000 Shares at any time on or before October 6, 2011. To date the vendors have received a total of C$100,000 in option payments and the required work commitment has been met. It is management's current intention that the Company will exercise the option to acquire a 100% interest in the Beaver Lake Property.

INTERESTS OF EXPERTS

Greg Kulla, P.Geo., David G. Thomas, P.Geo., M.AusImm, Dr. Lynton Gormley, P.Eng., Dr. Ted Eggleston, P.Geo., and Stella Searston, M.AusImm, M.AIG of AMEC are the qualified persons responsible for the 2010 Technical Report.

Mr. David Thomas, P.Geo., M.AusIMM, Mr. Jay Melnyk, P.Eng., Dr. Lynton Gormely, P.Eng, Ms. Stella Searston, M.AusIMM, M.AIG and Mr. Greg Kulla P. Geo of AMEC are the qualified persons responsible for the PEA Technical Report.

The aforementioned firm and persons held no securities of the Company or of any associate or affiliate of the Company when they prepared the Technical Report referred to herein, or following the preparation of such report, and did not receive any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of such report.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, is currently, or is expected to be elected, appointed or employed as, a director, officer or employee of the Company or of any associate or affiliate of the Company.

Crowe Horwath Perth Audit Partnership has advised the Company that it is independent (within the meaning of and in accordance with the requirements of section 307C of the Corporations Act 2001 (Australia)), as lead auditor for the audit of Magma Metals Limited and its controlled entities for the year ended 30 June 2011.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Additional information, including information concerning directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's Annual Report for 30 June 2011 dated 14 September 2011.

Additional financial information is provided in the Company's Financial Statements contained within the Company's Annual Report, and Management's Discussion & Analysis for the financial year ended 30 June 2011.

SCHEDULE "A"- AUDIT COMMITTEE CHARTER

MAGMA METALS LIMITED ("COMPANY")

1. Composition of the Audit Committee

The Committee is to include at least 3 members, all of whom are non-executive Directors and a majority of which are independent. The Chair of the Committee is to be an independent Director.

At least one member is to have relevant qualifications and experience.

From time to time, non Committee members may be invited by the Committee to attend meetings of the Committee, if it is considered appropriate.

2. Role of the Audit Committee

The role of the Audit Committee is to:

(a) monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments;

(b) review the Company’s internal financial control system and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;

(c) monitor, review and oversee the external audit function including matters concerning appointment and remuneration, independence and non-audit services;

(d) monitor and review compliance with the Company's *Code of Conduct*; and

(e) perform such other functions as assigned by law, the Company's Constitution, or the Board.

3. Operations

The Committee meets at least half yearly, with further meetings on an as required basis. Minutes of all meetings of the Committee are to be kept and a report of actions taken or recommended are to be given at each subsequent meeting of the full Board. Committee meetings will be governed by the same rules, as set out in the Company's Constitution as they apply to the meetings of the Board.

4. Authority and Resources

The Company is to provide the Committee with sufficient resources to undertake its duties, including provision of educational information on accounting policies and other financial topics relevant to the Company, and such other relevant materials requested by the Committee.

The Committee has rights of access to management and has the authority to seek explanations and additional information from the Company's external auditors, without management present, when required.

The Committee has the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee has the authority, as it deems necessary or appropriate, to retain independent legal, accounting or other advisors.

5. Reporting to the Board and Shareholders

- The Committee is to report to the Board at least annually on the following matters: assessment of whether external reporting is consistent with Committee members' information and knowledge, and is compliant with regulatory requirements;
- assessment of the management processes supporting external reporting;
- recommendations for amending the Company's *Procedures for the Selection and Appointment of the External Auditor* and procedures for the rotation of external audit engagement partners;
- recommendations for the appointment or, if necessary, the removal of the external auditor;
- assessment of the performance and independence of the external auditors. Where the external auditor provides non-audit services, the report should state whether the Audit Committee is satisfied that provision of those services has not compromised the auditor's independence; and
- the results of the Committee's review of risk management and internal control systems.

The Chair of the Audit Committee, if appointed, is to be present at the annual general meeting to answer questions, through the Chair of the Board.

6. Responsibilities

Annual responsibilities of the Committee are as set out in the Audit Committee Charter – Annual Action Points.

SCHEDULE "B" - BOARD CHARTER

MAGMA METALS LIMITED ("COMPANY")

1. Role of the Board

The role of the Board is to provide leadership for and supervision of the Company's senior management. The Board provides the strategic direction of the Company and regularly measures the progression by senior management of that strategic direction.

2. Role of Senior Management

Those who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance are considered to be part of senior management.

The role of senior management is to progress the strategic direction provided by the Board. In particular, the chief executive officer, or equivalent, is responsible for the day-to-day activities of the Company in advancing the strategic direction.

3. Responsibilities of the Board

The Board is collectively responsible for promoting the success of the Company by:

(a) overseeing the Company, including its control and accountability systems;

(b) appointing the chief executive officer, or equivalent, for a period and on terms as the directors see fit and, where appropriate, removing the chief executive officer, or equivalent;

(c) ratifying the appointment and, where appropriate, the removal of senior executives, including the chief financial officer and the company secretary;

(d) ensuring the Company's *Policy and Procedure for Selection and (Re)Appointment of Directors* is reviewed in accordance with the Company's *Nomination Committee Charter*;

(e) approving the Company's policies on risk oversight and management, internal compliance and control, *Code of Conduct*, and legal compliance;

(f) satisfying itself that senior management has developed and implemented a sound system of risk management and internal control in relation to financial reporting risks and reviewed the effectiveness of the operation of that system;

(g) assessing the effectiveness of senior management's implementation of systems for managing material business risk including the making of additional enquiries and to request assurances regarding the management of material business risk, as appropriate;

(h) monitoring, reviewing and challenging senior management's performance and implementation of strategy;

(i) ensuring appropriate resources are available to senior management;

(j) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;

(k) monitoring the financial performance of the Company;

(l) ensuring the integrity of the Company's financial (with the assistance of the Audit Committee, if applicable) and other reporting through approval and monitoring;

(m) providing overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;

(n) appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by Shareholders at the next annual general meeting of the Company;

(o) engaging with the Company’s external auditors and Audit Committee (where there is a separate Audit Committee);

(p) monitoring compliance with all of the Company's legal obligations, such as those obligations relating to the environment, native title, cultural heritage and occupational health and safety; and

(q) make regular assessment of whether each non-executive director is independent in accordance with the Company's *Policy on Assessing the Independence of Directors*.

The Board may not delegate its overall responsibility for the matters listed above. However, it may delegate to senior management the responsibility of the day-to-day activities in fulfilling the Board's responsibility provided those matters do not exceed the Materiality Threshold as defined below.

Directors are encouraged to request information from senior executives where they consider such information necessary to make informed decisions.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities. It is usual practice for the Board to meet once every second month.

4. Materiality Threshold

The Board has agreed on the following guidelines for assessing the materiality of matters:

Materiality – Quantitative

Balance sheet items

Balance sheet items are material if they have a value of more than 10% of pro-forma net asset.

Profit and loss items

Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.

Materiality – Qualitative

Items are also material if:

(a) they impact on the reputation of the Company;

(b) they involve a breach of legislation;

(c) they are outside the ordinary course of business;

(d) they could affect the Company's rights to its assets;

(e) if accumulated they would trigger the quantitative tests;

(f) they involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items; or

(g) they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

Material Contracts

Contracts will be considered material if:

(a) they are outside the ordinary course of business;

(b) they contain exceptionally onerous provisions in the opinion of the Board;

(c) they impact on income or distribution in excess of the quantitative tests;

(d) there is a likelihood that either party will default, and the default may trigger any of the quantitative or qualitative tests;

(e) they are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests;

(f) they contain or trigger change of control provisions;

(g) they are between or for the benefit of related parties; or

(h) they otherwise trigger the quantitative tests.

Any matter which falls within the above guidelines is a matter which triggers the materiality threshold ("**Materiality Threshold**").

5. Statement of Position or Authority

The division of responsibilities between the Chair, the lead independent director, if any, and the Managing Director is set out below.

6. Responsibilities of the Chair

The Chair is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The Chair is also responsible for Shareholder communication and arranging Board performance evaluation. The Chair should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between board and senior management.

Any other position which the Chair may hold either inside or outside the Company should not hinder the effective performance of the Chair in carrying out their role as Chair of the Company.

7. Responsibilities of the Lead Independent Director

Where the Chair is not an independent director, a lead independent director will be appointed. The lead independent director will take over the role of the Chair when the Chair is unable to act in that capacity as a result of their lack of independence.

8. Responsibilities of the Managing Director

The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out their responsibilities the Managing Director must report to the Board in a timely manner on those matters included in the Company's risk profile, all relevant operational matters and any other matter that is likely to have to fall within the Materiality Threshold.

All reports to the Board must present a true and fair view of the Company’s financial condition and operational results.

The Managing Director is also responsible for appointing, where appropriate, removing senior executives, including the chief financial officer and the company secretary, with the approval of the Board. The Managing Director is responsible for evaluating the performance of senior executives.

9. Responsibilities of Non-Executive and/or Independent Directors

The Board determines whether each of the non-executive directors of the Company is independent on a regular basis in accordance with its *Policy on Assessing the Independence of Directors*. The Board recognises the importance of the appropriate balance between independent and non-independent representation on the Board. In making this determination, the Board takes into account the skills and experience required, in the context of the Company's operations and activities.

The independent directors may meet without other directors present, if appropriate.

The non-executive directors may meet without senior management present at times scheduled from time to time. Such meetings may be facilitated by the Chair or the lead independent director, as appropriate.

10. Directors and Officers

Individual directors should devote the necessary time to the tasks entrusted to them. All directors should consider the number and nature of their directorships and calls on their time from other commitments.

Directors and officers of the Company should be aware of their legal obligations, some of which are set out in the *Overview of Duties Imposed on Directors of Public Companies*.

11. Responsibilities of Senior Management

Senior Management is responsible for supporting the Managing Director and to assist the Managing Director implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chair or the lead independent director, as appropriate.

SCHEDULE "C" - NOMINATION COMMITTEE CHARTER

MAGMA METALS LIMITED ("COMPANY")

1. Composition

The Nomination Committee shall comprise a minimum of 3 members, the majority being independent Directors.

From time to time, non Committee members may be invited by the Committee to attend meetings of the Committee, if it is considered appropriate.

2. Role

The role of the Nomination Committee is to effectively examine the selection and appointment practices of the Company, although the Board retains ultimate responsibility for these practices.

3. Operations

The Committee shall meet at least once a year and otherwise as required. Minutes of all meetings of the Committee are to be kept and a report of actions taken are to be given at each subsequent meeting of the full Board. Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

4. Responsibilities

(a) Size and Composition of the Board

To ensure that the Board has the appropriate blend of directors with the necessary expertise and relevant industry experience, the Committee shall:

(i) regularly review the size and composition of the Board, and make recommendations to the Board on any appropriate changes;

(ii) identify and assess necessary and desirable director competences and provide advice on the competency levels of directors with a view to enhancing the Board;

(iii) make recommendations on the appointment and removal of directors;

(iv) make recommendations on whether any directors whose term of office is due to expire should be nominated for re-election;

(v) regularly review the time required from non-executive directors and whether non-executive directors are meeting that requirement.

(b) Selection Process of new Directors

The Committee shall review the Company's *Policy and Procedure for Selection and (Re)Appointment of Directors*. Such procedure should be transparent to promote investor understanding and confidence in the process.

The Committee is empowered to engage external consultants in its search for a new director.

The initial appointment of a new Director is made by the Board. The new Director will be required to stand for election at the Company's next general meeting.

(c) Performance Appraisal Competency

The Committee shall:

(i) develop a process for evaluation of the performance of the Board, Board committees (if any); and when deemed appropriate by the Chair, individual Board members in accordance with the Company's Process for Performance Evaluation;

(ii) implement ways of enhancing the competency levels of directors;

(iii) consider and articulate the time required by Board members in discharging their duties efficiently;

(iv) undertake continual assessment of directors as to whether they have devoted sufficient time in fulfilling their duties as directors;

(v) develop a process for and carry out an evaluation of the performance of the Managing Director in accordance with the Company's Process for Performance Evaluation;

(vi) review and implement the Company's *Induction Program*;

(vii) ensure new directors participate in the *Induction Program*; and

(viii) provide all directors with access to ongoing education relevant to their position in the Company.

(d) Succession Plans

The Committee shall review the Board's succession plans. Succession plans are to assist in maintaining the appropriate balance of skills, experience and expertise on the Board.

5. Authority and Resources

The Company is to provide the Committee with sufficient resources to undertake its duties. The Committee has the authority, as it deems necessary or appropriate, to access advice from external consultants or specialists.

SCHEDULE "D" - REMUNERATION COMMITTEE CHARTER

MAGMA METALS LIMITED ("COMPANY")

1. Composition

The Remuneration Committee shall comprise a minimum of 3 members, the majority being independent Directors. The Committee shall be chaired by an independent Director.

From time to time, non Committee members may be invited by the Committee to attend meetings of the Committee, if it is considered appropriate.

2. Role

The function of the Committee is to assist the Board in fulfilling its corporate governance responsibilities with respect to remuneration by reviewing and making appropriate recommendations on:

(a) remuneration packages of executive directors, non-executive directors and senior executives; and

(b) employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

3. Operations

The Committee shall meet at least once a year and otherwise as required. Minutes of all meetings of the Committee are to be kept and a report of actions taken are to be given at each subsequent meeting of the full Board. Committee meetings will be governed by the same rules as set out in the Company's Constitution, as they apply to meetings of the Board.

4. Responsibilities

The responsibilities of the Committee include a review of:

(a) the Company's *Remuneration Policy* and framework ;

(b) senior executives' remuneration and incentives; and

(c) superannuation arrangements.

Executive Remuneration

In considering the Company's *Remuneration Policy* and levels of remuneration for executives, the Committee makes decisions which:

(a) motivates executive directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework;

(b) demonstrates a clear correlation between senior executives performance and remuneration;

(c) aligns the interests of key leadership with the long-term interests of the Company's Shareholder; and

(d) prohibits executives from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

To the extent that the Company adopts a different remuneration structure for its executive directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

Non-Executive Remuneration

In considering the Company's *Remuneration Policy* and levels of remuneration for non-executive directors, the Committee is to ensure that:

(e) fees paid to non-executive directors are within the aggregate amount approved by Shareholders and make recommendations to the Board with respect to the need for increases to this aggregate amount at the Company's annual general meeting;

(f) non-executive directors are remunerated by way of fees (in the form of cash and superannuation benefits);

(g) non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements; and

(h) non-executive directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to the Company's Shareholders.

To the extent that the Company adopts a different remuneration structure for its non-executive directors, the Committee shall document its reasons for the purpose of disclosure to stakeholders.

Incentive Plans and Benefits Programs

The Committee is to:

(i) review and make recommendations concerning long-term incentive compensation plans, including the use of Options and other equity-based plans. Except as otherwise delegated by the Board, the Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;

(j) ensure that incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide rewards when they are achieved; and

(k) continually review and if necessary improve any existing benefit programs established for employees.

5. Authority and Resources

The Company is to provide the Committee with sufficient resources to undertake its duties. The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration.

The Committee has the authority, as it deems necessary or appropriate, to obtain advice from external consultants or specialists in relation to remuneration related matters.

SCHEDULE "E" - TENEMENT SCHEDULE - AUSTRALIAN PROJECTS

Project	Tenement Type	Tenement Number	Tenement Status	Registered Holder/Applicant 1	Registered Holder/Applicant 2	Interest earned/ being earned by Magma
MOUNT JEWELL PROJECT						
Mt Jewell	P	24/4041	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	24/4042	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	24/4043	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	24/4044	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	24/4045	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	24/4046	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	24/4047	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	24/4048	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	24/4049	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	27/1695	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	27/1696	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	27/1697	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	27/1698	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	27/1699	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	27/1700	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	27/1701	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	29/1905	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	29/1906	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	29/1907	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	29/1908	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	P	29/1909	Live	Western Areas NL	Magma Metals Ltd	Magma 80%
Mt Jewell	E	24/173	Live	Magma Metals Ltd		Magma 100%
Mt Jewell	E	24/180	Pending	Magma Gold Pty Ltd		Magma 100%
LAVERTON PROJECT						
Euro	E	38/2027	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Burtville	E	38/1642	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Childe Harold	E	38/1652	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Burtville West	E	38/1725	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Sunshine	E	38/1886	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Hawks Nest	E	38/1930	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida / Barnicoat	E	38/2033	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida / Barnicoat	E	38/2034	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Shepherds Well	E	39/1296	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Burtville West	P	38/3122	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Lancefield	P	38/3488	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Beasley/Gladiator	P	38/3489	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Beasley/Gladiator	P	38/3490	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Beasley/Gladiator	P	38/3491	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Beasley/Gladiator	P	38/3492	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Red Flag	P	38/3493	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Red Flag	P	38/3494	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Beasley/Gladiator	P	38/3495	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Windarra East	P	38/3496	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Red Flag	P	38/3499	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Mt Crawford	P	38/3500	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Mt Crawford	P	38/3501	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Red Flag	P	38/3502	Live	Crescent Gold Ltd		100% Ni-Cu-PGM

Project	Tenement Type	Tenement Number	Tenement Status	Registered Holder/Applicant 1	Registered Holder/Applicant 2	Interest earned/ being earned by Magma
Red Flag	P	38/3503	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Euro	P	38/3653	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3717	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3718	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3719	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Hawks Nest	P	38/3720	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Hawks Nest	P	38/3721	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3726	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3727	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3728	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3729	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3730	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3731	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3732	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3733	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3734	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3735	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3736	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3737	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Ida/ Barnicoat	P	38/3738	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Shepherds Well	P	39/4648	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Shepherds Well	P	39/4782	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Lancefield	M	38/0037	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Lancefield	M	38/0038	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Lancefield	M	38/0039	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Beasley / Gladiator	M	38/0040	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Danny Bore	M	38/0046	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Garden Well	M	38/0048	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Beasley / Gladiator	M	38/0049	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Beasley / Gladiator	M	38/0052	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Garden Well	M	38/0101	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Lancefield North	M	38/0159	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Gladiator	M	38/0342	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Beasley / Gladiator	M	38/0358	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Gladiator	M	38/0363	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Gladiator	M	38/0364	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Red Flag	M	38/0372	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Garden Well	M	38/0535	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Red Flag	M	38/0693	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Red Flag	M	38/0694	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Windarra East	P	38/3497	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
Windarra East	P	38/3498	Live	Crescent Gold Ltd		100% Ni-Cu-PGM
ROE PROJECT						
Roe	E	28/1659	Live	Magma Metals Ltd		Magma 100%
Roe	E	28/1416	Live	Magma Metals Ltd		Magma 100%
Roe	E	28/2157	Pending	Magma Gold Pty Ltd		Magma 100%

Project	Tenement Type	Tenement Number	Tenement Status	Registered Holder/Applicant 1	Registered Holder/Applicant 2	Interest earned/ being earned by Magma
LAURA RIVER PROJECT						
Laura River	E	80/2523	Live	Navigator Resources Ltd	Magma Metals Ltd	Magma 70%
Laura River	E	80/2552	Live	Navigator Resources Ltd	Magma Metals Ltd	Magma 70%
EAST KIMBERLEY PROJECT						
Laura West	E	80/4250	Pending	Magma Metals Ltd		Magma 100%
Laura West	E	80/4321	Pending	Magma Metals Ltd		Magma 100%
Laura West	E	80/4324	Pending	Magma Metals Ltd		Magma 100%
Laura West	E	80/4325	Pending	Magma Metals Ltd		Magma 100%
Laura West	E	80/4440	Pending	Magma Metals Ltd		Magma 100%
Laura West	E	80/4442	Pending	Magma Metals Ltd		Magma 100%
Laura West	E	80/4568	Pending	Magma Metals Ltd		Magma 100%
Laura West	P	80/1743	Pending	Magma Metals Ltd		Magma 100%
Laura West	P	80/1744	Pending	Magma Metals Ltd		Magma 100%
Laura West	P	80/1745	Pending	Magma Metals Ltd		Magma 100%
Laura West	P	80/4645	Pending	Magma Metals Ltd		Magma 100%
EASTMAN PROJECT						
Eastman Bore	E	80/2936	Live	Navigator Resources Ltd	Magma Metals Ltd	Magma 70%
GRIFFINS FIND PROJECT						
Griffins Find	E	70/1958	Live	Brian McNab		Magma option to purchase 100%
Griffins Find	E	70/2465	Live	Brian McNab		Magma option to purchase 100%
Griffins Find	E	70/3659	Live	Brian McNab		Magma option to purchase 100%
LAKE GRACE PROJECT						
Lake Grace	E	70/4098	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4121	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4122	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4127	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4128	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4141	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4142	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4143	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4144	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4145	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4146	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4147	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4148	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4149	Pending	Magma Gold Pty Ltd		Magma 100%
Lake Grace	E	70/4181	Pending	Magma Gold Pty Ltd		Magma 100%

Mining Claims Schedule - Canadian Projects

Project	Claim No.	Tenement Status	Recorded Holder 1	Recorded Holder 2	Interest Being Earned by Magma
Thunder Bay North (TBN) Project					
Current Lake	842186	Active	Magma Metals (Canada) Limited		
	842189	Active	Magma Metals (Canada) Limited		
	1248239	Active	Magma Metals (Canada) Limited		
	1248240	Active	Magma Metals (Canada) Limited		
	1248241	Active	Magma Metals (Canada) Limited		
	1248244	Active	Magma Metals (Canada) Limited		
	4205378	Active	Magma Metals (Canada) Limited		
	4205432	Active	Magma Metals (Canada) Limited		
	4208965	Active	Magma Metals (Canada) Limited		
	4208966	Active	Magma Metals (Canada) Limited		
	4208967	Active	Magma Metals (Canada) Limited		
	4208968	Active	Magma Metals (Canada) Limited		
	4208969	Active	Magma Metals (Canada) Limited		
	4208970	Active	Magma Metals (Canada) Limited		
	4208971	Active	Magma Metals (Canada) Limited		
	4208972	Active	Magma Metals (Canada) Limited		
	4208973	Active	Magma Metals (Canada) Limited		
	4208974	Active	Magma Metals (Canada) Limited		
	4208975	Active	Magma Metals (Canada) Limited		
	4208976	Active	Magma Metals (Canada) Limited		
	4208977	Active	Magma Metals (Canada) Limited		
	4208978	Active	Magma Metals (Canada) Limited		
	4208979	Active	Magma Metals (Canada) Limited		
	4208980	Active	Magma Metals (Canada) Limited		
	4208981	Active	Magma Metals (Canada) Limited		
	4208984	Active	Magma Metals (Canada) Limited		
	4240541	Active	Magma Metals (Canada) Limited		
Beaver Lake Option	4210157	Active	R. Pizzolato	C. Zimowski	100%
CasRon Option	1246796	Active	R. Pizzolato	C. Zimowski	100%
	4211637	Active	R. Pizzolato	C. Zimowski	100%
	4211638	Active	R. Pizzolato	C. Zimowski	100%
Beck	4214080	Active	Magma Metals (Canada) Limited		
	4213439	Active	Magma Metals (Canada) Limited		
Beck Road	4243771	Active	Magma Metals (Canada) Limited		
	4243772	Active	Magma Metals (Canada) Limited		
	4243773	Active	Magma Metals (Canada) Limited		
	4243774	Active	Magma Metals (Canada) Limited		
	4243775	Active	Magma Metals (Canada) Limited		
	4243776	Active	Magma Metals (Canada) Limited		
	4243777	Active	Magma Metals (Canada) Limited		
	4243778	Active	Magma Metals (Canada) Limited		
	4243779	Active	Magma Metals (Canada) Limited		
	4243780	Active	Magma Metals (Canada) Limited		
	4243781	Active	Magma Metals (Canada) Limited		
	4243782	Active	Magma Metals (Canada) Limited		
	4243783	Active	Magma Metals (Canada) Limited		
	4243784	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects

Project	Claim No.	Tenement Status	Recorded Holder 1	Recorded Holder 2	Interest Being Earned by Magma
Thunder Bay North (TBN) Project					
Beck Road (Cont'd)	4243785	Active	Magma Metals (Canada) Limited		
	4243786	Active	Magma Metals (Canada) Limited		
	4243790	Active	Magma Metals (Canada) Limited		
	4243791	Active	Magma Metals (Canada) Limited		
Bittern	4214081	Active	Magma Metals (Canada) Limited		
	4214082	Active	Magma Metals (Canada) Limited		
	4214083	Active	Magma Metals (Canada) Limited		
	4214084	Active	Magma Metals (Canada) Limited		
Escape Creek	4242801	Active	Magma Metals (Canada) Limited		
	4242802	Active	Magma Metals (Canada) Limited		
	4242803	Active	Magma Metals (Canada) Limited		
	4242804	Active	Magma Metals (Canada) Limited		
	4242805	Active	Magma Metals (Canada) Limited		
	4242806	Active	Magma Metals (Canada) Limited		
	4242807	Active	Magma Metals (Canada) Limited		
	4242808	Active	Magma Metals (Canada) Limited		
	4242809	Active	Magma Metals (Canada) Limited		
	4242810	Active	Magma Metals (Canada) Limited		
	4242811	Active	Magma Metals (Canada) Limited		
	4242812	Active	Magma Metals (Canada) Limited		
	4242813	Active	Magma Metals (Canada) Limited		
	4242814	Active	Magma Metals (Canada) Limited		
Escape Lake	3005105	Active	Magma Metals (Canada) Limited		
	3005106	Active	Magma Metals (Canada) Limited		
	4225211	Active	Magma Metals (Canada) Limited		
	4225212	Active	Magma Metals (Canada) Limited		
	4225213	Active	Magma Metals (Canada) Limited		
	4225214	Active	Magma Metals (Canada) Limited		
	4225215	Active	Magma Metals (Canada) Limited		
	4225216	Active	Magma Metals (Canada) Limited		
	4225972	Active	Magma Metals (Canada) Limited		
	4225973	Active	Magma Metals (Canada) Limited		
	4225974	Active	Magma Metals (Canada) Limited		
	4225975	Active	Magma Metals (Canada) Limited		
Escape Road	4243631	Active	Magma Metals (Canada) Limited		
	4243632	Active	Magma Metals (Canada) Limited		
	4243633	Active	Magma Metals (Canada) Limited		
	4243634	Active	Magma Metals (Canada) Limited		
	4243635	Active	Magma Metals (Canada) Limited		
	4243637	Active	Magma Metals (Canada) Limited		
	4243638	Active	Magma Metals (Canada) Limited		
	4243639	Active	Magma Metals (Canada) Limited		
	4243640	Active	Magma Metals (Canada) Limited		
	4243641	Active	Magma Metals (Canada) Limited		
	4243642	Active	Magma Metals (Canada) Limited		
	4243643	Active	Magma Metals (Canada) Limited		
	4243644	Active	Magma Metals (Canada) Limited		
	4243645	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects					
Project	**Claim No.**	**Tenement Status**	**Recorded Holder 1**	**Recorded Holder 2**	**Interest Being Earned by Magma**
Thunder Bay North (TBN) Project					
Escape Road (Cont')	4243646	Active	Magma Metals (Canada) Limited		
	4243647	Active	Magma Metals (Canada) Limited		
	4243648	Active	Magma Metals (Canada) Limited		
	4243649	Active	Magma Metals (Canada) Limited		
	4243650	Active	Magma Metals (Canada) Limited		
	4243651	Active	Magma Metals (Canada) Limited		
	4243652	Active	Magma Metals (Canada) Limited		
Fitzpatrick	4214075	Active	Magma Metals (Canada) Limited		
	4214076	Active	Magma Metals (Canada) Limited		
Furcate	4208486	Active	Magma Metals (Canada) Limited		
	4214124	Active	Magma Metals (Canada) Limited		
	4226068	Active	Magma Metals (Canada) Limited		
	4228020	Active	Magma Metals (Canada) Limited		
Greenwich Gap	4229971	Active	Magma Metals (Canada) Limited		
	4229972	Active	Magma Metals (Canada) Limited		
	4229973	Active	Magma Metals (Canada) Limited		
	4229974	Active	Magma Metals (Canada) Limited		
	4229975	Active	Magma Metals (Canada) Limited		
	4242771	Active	Magma Metals (Canada) Limited		
	4242772	Active	Magma Metals (Canada) Limited		
	4242773	Active	Magma Metals (Canada) Limited		
	4242774	Active	Magma Metals (Canada) Limited		
	4242775	Active	Magma Metals (Canada) Limited		
Greenwich Lake	4211163	Active	Magma Metals (Canada) Limited		
	4216374	Active	Magma Metals (Canada) Limited		
	4218927	Active	Magma Metals (Canada) Limited		
	4222631	Active	Magma Metals (Canada) Limited		
	4222632	Active	Magma Metals (Canada) Limited		
	4222633	Active	Magma Metals (Canada) Limited		
	4222634	Active	Magma Metals (Canada) Limited		
	4222635	Active	Magma Metals (Canada) Limited		
	4222636	Active	Magma Metals (Canada) Limited		
	4222637	Active	Magma Metals (Canada) Limited		
	4222638	Active	Magma Metals (Canada) Limited		
	4222639	Active	Magma Metals (Canada) Limited		
	4222640	Active	Magma Metals (Canada) Limited		
	4222650	Active	Magma Metals (Canada) Limited		
Hicks Lake	3018014	Active	Magma Metals (Canada) Limited		
	3018015	Active	Magma Metals (Canada) Limited		
	3018016	Active	Magma Metals (Canada) Limited		
	3018017	Active	Magma Metals (Canada) Limited		
	3018018	Active	Magma Metals (Canada) Limited		
	3018019	Active	Magma Metals (Canada) Limited		
	3018028	Active	Magma Metals (Canada) Limited		
	3018055	Active	Magma Metals (Canada) Limited		
	3018056	Active	Magma Metals (Canada) Limited		
	3018057	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects

Project	Claim No.	Tenement Status	Recorded Holder 1	Recorded Holder 2	Interest Being Earned by Magma
Thunder Bay North (TBN) Project					
Hicks Lake (Cont')	3018058	Active	Magma Metals (Canada) Limited		
	3018059	Active	Magma Metals (Canada) Limited		
	4240095	Active	Magma Metals (Canada) Limited		
	4240097	Active	Magma Metals (Canada) Limited		
	4241533	Active	Magma Metals (Canada) Limited		
	4241534	Active	Magma Metals (Canada) Limited		
	4241535	Active	Magma Metals (Canada) Limited		
	4241536	Active	Magma Metals (Canada) Limited		
	4241537	Active	Magma Metals (Canada) Limited		
	4241716	Active	Magma Metals (Canada) Limited		
	4241717	Active	Magma Metals (Canada) Limited		
	4241718	Active	Magma Metals (Canada) Limited		
	4241719	Active	Magma Metals (Canada) Limited		
	4241720	Active	Magma Metals (Canada) Limited		
	4241727	Active	Magma Metals (Canada) Limited		
	4245129	Active	Magma Metals (Canada) Limited		
	4242150	Active	Magma Metals (Canada) Limited		
Hilltop	4214077	Active	Magma Metals (Canada) Limited		
Lone Island Lake	4214273	Active	Magma Metals (Canada) Limited		
Lone Island West	4221361	Active	Magma Metals (Canada) Limited		
	4221362	Active	Magma Metals (Canada) Limited		
	4221363	Active	Magma Metals (Canada) Limited		
	4221365	Active	Magma Metals (Canada) Limited		
Loon Lake	4240542	Active	Magma Metals (Canada) Limited		
	4240543	Active	Magma Metals (Canada) Limited		
	4240544	Active	Magma Metals (Canada) Limited		
	4240545	Active	Magma Metals (Canada) Limited		
	4243787	Active	Magma Metals (Canada) Limited		
	4243788	Active	Magma Metals (Canada) Limited		
	4243789	Active	Magma Metals (Canada) Limited		
Mackenzie	4214118	Active	Magma Metals (Canada) Limited		
	4225217	Active	Magma Metals (Canada) Limited		
	4225218	Active	Magma Metals (Canada) Limited		
	4225219	Active	Magma Metals (Canada) Limited		
	4225220	Active	Magma Metals (Canada) Limited		
	4226065	Active	Magma Metals (Canada) Limited		
	4226067	Active	Magma Metals (Canada) Limited		
Question Mark	4214079	Active	Magma Metals (Canada) Limited		
	4214117	Active	Magma Metals (Canada) Limited		
	4214119	Active	Magma Metals (Canada) Limited		
	4226066	Active	Magma Metals (Canada) Limited		
Steepledge	4221364	Active	Magma Metals (Canada) Limited		
	4221366	Active	Magma Metals (Canada) Limited		
	4221367	Active	Magma Metals (Canada) Limited		
	4221368	Active	Magma Metals (Canada) Limited		
	4221369	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects					
Project	**Claim No.**	**Tenement Status**	**Recorded Holder 1**	**Recorded Holder 2**	**Interest Being Earned by Magma**
Thunder Bay North (TBN) Project					
Steepledge (Cont')	4221370	Active	Magma Metals (Canada) Limited		
	4242141	Active	Magma Metals (Canada) Limited		
	4242142	Active	Magma Metals (Canada) Limited		
	4242143	Active	Magma Metals (Canada) Limited		
	4242144	Active	Magma Metals (Canada) Limited		
	4242145	Active	Magma Metals (Canada) Limited		
	4242146	Active	Magma Metals (Canada) Limited		
	4242147	Active	Magma Metals (Canada) Limited		
	4242148	Active	Magma Metals (Canada) Limited		
	4240536	Active	Magma Metals (Canada) Limited		
	4240537	Active	Magma Metals (Canada) Limited		
	4240538	Active	Magma Metals (Canada) Limited		
	4240539	Active	Magma Metals (Canada) Limited		
	4240540	Active	Magma Metals (Canada) Limited		
Tartan Lake	4243653	Active	Magma Metals (Canada) Limited		
	4243654	Active	Magma Metals (Canada) Limited		
	4243656	Active	Magma Metals (Canada) Limited		
	4243657	Active	Magma Metals (Canada) Limited		
	4243658	Active	Magma Metals (Canada) Limited		
	4243659	Active	Magma Metals (Canada) Limited		
	4243660	Active	Magma Metals (Canada) Limited		
Twenty Minute	4208485	Active	Magma Metals (Canada) Limited		
	4215436	Active	Magma Metals (Canada) Limited		
	4225183	Active	Magma Metals (Canada) Limited		
	4225184	Active	Magma Metals (Canada) Limited		
	4225186	Active	Magma Metals (Canada) Limited		
	4225187	Active	Magma Metals (Canada) Limited		
	4228021	Active	Magma Metals (Canada) Limited		
	4228022	Active	Magma Metals (Canada) Limited		
	4228023	Active	Magma Metals (Canada) Limited		
	4228024	Active	Magma Metals (Canada) Limited		
	4228025	Active	Magma Metals (Canada) Limited		
Thunder Bay Regional (TBR) Projects					
Block Creek	4247198	Active	Magma Metals (Canada) Limited		
	4247199	Active	Magma Metals (Canada) Limited		
	4247331	Active	Magma Metals (Canada) Limited		
	4247332	Active	Magma Metals (Canada) Limited		
	4247333	Active	Magma Metals (Canada) Limited		
	4247334	Active	Magma Metals (Canada) Limited		
	4247335	Active	Magma Metals (Canada) Limited		
	4247336	Active	Magma Metals (Canada) Limited		
	4247337	Active	Magma Metals (Canada) Limited		
	4247338	Active	Magma Metals (Canada) Limited		
	4247339	Active	Magma Metals (Canada) Limited		
	4247340	Active	Magma Metals (Canada) Limited		
	4247341	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects					
Project	**Claim No.**	**Tenement Status**	**Recorded Holder 1**	**Recorded Holder 2**	**Interest Being Earned by Magma**
Thunder Bay Regional (TBR) Projects					
Block Creek (Cont')	4247342	Active	Magma Metals (Canada) Limited		
	4247343	Active	Magma Metals (Canada) Limited		
	4247344	Active	Magma Metals (Canada) Limited		
	4247345	Active	Magma Metals (Canada) Limited		
	4247346	Active	Magma Metals (Canada) Limited		
	4247348	Active	Magma Metals (Canada) Limited		
	4247349	Active	Magma Metals (Canada) Limited		
	4247350	Active	Magma Metals (Canada) Limited		
	4247481	Active	Magma Metals (Canada) Limited		
	4247482	Active	Magma Metals (Canada) Limited		
	4247483	Active	Magma Metals (Canada) Limited		
	4247484	Active	Magma Metals (Canada) Limited		
	4247485	Active	Magma Metals (Canada) Limited		
	4247486	Active	Magma Metals (Canada) Limited		
	4247487	Active	Magma Metals (Canada) Limited		
	4247488	Active	Magma Metals (Canada) Limited		
	4247489	Active	Magma Metals (Canada) Limited		
	4247490	Active	Magma Metals (Canada) Limited		
	4247491	Active	Magma Metals (Canada) Limited		
	4247492	Active	Magma Metals (Canada) Limited		
	4247493	Active	Magma Metals (Canada) Limited		
	4247494	Active	Magma Metals (Canada) Limited		
	4247495	Active	Magma Metals (Canada) Limited		
	4247496	Active	Magma Metals (Canada) Limited		
	4247497	Active	Magma Metals (Canada) Limited		
	4247498	Active	Magma Metals (Canada) Limited		
	4247499	Active	Magma Metals (Canada) Limited		
	4247500	Active	Magma Metals (Canada) Limited		
	4247511	Active	Magma Metals (Canada) Limited		
	4247512	Active	Magma Metals (Canada) Limited		
	4247513	Active	Magma Metals (Canada) Limited		
	4247514	Active	Magma Metals (Canada) Limited		
	4247515	Active	Magma Metals (Canada) Limited		
	4247516	Active	Magma Metals (Canada) Limited		
	4247517	Active	Magma Metals (Canada) Limited		
	4247518	Active	Magma Metals (Canada) Limited		
	4247519	Active	Magma Metals (Canada) Limited		
	4247520	Active	Magma Metals (Canada) Limited		
	4247521	Active	Magma Metals (Canada) Limited		
	4247522	Active	Magma Metals (Canada) Limited		
	4247523	Active	Magma Metals (Canada) Limited		
	4247524	Active	Magma Metals (Canada) Limited		
	4247525	Active	Magma Metals (Canada) Limited		
	4247526	Active	Magma Metals (Canada) Limited		
	4247527	Active	Magma Metals (Canada) Limited		
	4247528	Active	Magma Metals (Canada) Limited		
	4247529	Active	Magma Metals (Canada) Limited		
	4247530	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects					
Project	**Claim No.**	**Tenement Status**	**Recorded Holder 1**	**Recorded Holder 2**	**Interest Being Earned by Magma**
Thunder Bay Regional (TBR) Projects					
Block Creek (Cont')	4247531	Active	Magma Metals (Canada) Limited		
	4247532	Active	Magma Metals (Canada) Limited		
	4247540	Active	Magma Metals (Canada) Limited		
Disreali	4249101	Active	Magma Metals (Canada) Limited		
	4249102	Active	Magma Metals (Canada) Limited		
	4249103	Active	Magma Metals (Canada) Limited		
	4249104	Active	Magma Metals (Canada) Limited		
	4249105	Active	Magma Metals (Canada) Limited		
	4249106	Active	Magma Metals (Canada) Limited		
	4249107	Active	Magma Metals (Canada) Limited		
	4249108	Active	Magma Metals (Canada) Limited		
	4249109	Active	Magma Metals (Canada) Limited		
	4249110	Active	Magma Metals (Canada) Limited		
	4249111	Active	Magma Metals (Canada) Limited		
	4249112	Active	Magma Metals (Canada) Limited		
	4249113	Active	Magma Metals (Canada) Limited		
	4249114	Active	Magma Metals (Canada) Limited		
	4249115	Active	Magma Metals (Canada) Limited		
	4249119	Active	Magma Metals (Canada) Limited		
	4249120	Active	Magma Metals (Canada) Limited		
	4249121	Active	Magma Metals (Canada) Limited		
East Dog River	4262824	Active	Magma Metals (Canada) Limited		
	4262825	Active	Magma Metals (Canada) Limited		
	4262840	Active	Magma Metals (Canada) Limited		
	4262841	Active	Magma Metals (Canada) Limited		
	4262842	Active	Magma Metals (Canada) Limited		
	4262843	Active	Magma Metals (Canada) Limited		
	4262844	Active	Magma Metals (Canada) Limited		
	4262845	Active	Magma Metals (Canada) Limited		
	4262846	Active	Magma Metals (Canada) Limited		
	4262847	Active	Magma Metals (Canada) Limited		
	4262848	Active	Magma Metals (Canada) Limited		
Jean	4248501	Active	Magma Metals (Canada) Limited		
	4248502	Active	Magma Metals (Canada) Limited		
	4248503	Active	Magma Metals (Canada) Limited		
	4248504	Active	Magma Metals (Canada) Limited		
	4248505	Active	Magma Metals (Canada) Limited		
	4248506	Active	Magma Metals (Canada) Limited		
	4248507	Active	Magma Metals (Canada) Limited		
	4248508	Active	Magma Metals (Canada) Limited		
	4248509	Active	Magma Metals (Canada) Limited		
	4248510	Active	Magma Metals (Canada) Limited		
	4248511	Active	Magma Metals (Canada) Limited		
	4248512	Active	Magma Metals (Canada) Limited		
	4248513	Active	Magma Metals (Canada) Limited		
	4248514	Active	Magma Metals (Canada) Limited		
	4248515	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects

Project	Claim No.	Tenement Status	Recorded Holder 1	Recorded Holder 2	Interest Being Earned by Magma
Thunder Bay Regional (TBR) Projects					
Jean (Cont')	4248516	Active	Magma Metals (Canada) Limited		
	4248517	Active	Magma Metals (Canada) Limited		
	4248518	Active	Magma Metals (Canada) Limited		
	4248519	Active	Magma Metals (Canada) Limited		
	4248520	Active	Magma Metals (Canada) Limited		
	4248521	Active	Magma Metals (Canada) Limited		
	4248522	Active	Magma Metals (Canada) Limited		
	4248523	Active	Magma Metals (Canada) Limited		
	4248524	Active	Magma Metals (Canada) Limited		
	4248525	Active	Magma Metals (Canada) Limited		
	4248526	Active	Magma Metals (Canada) Limited		
	4248527	Active	Magma Metals (Canada) Limited		
	4248528	Active	Magma Metals (Canada) Limited		
	4248529	Active	Magma Metals (Canada) Limited		
	4248548	Active	Magma Metals (Canada) Limited		
	4256801	Active	Magma Metals (Canada) Limited		
	4256802	Active	Magma Metals (Canada) Limited		
	4256803	Active	Magma Metals (Canada) Limited		
	4256804	Active	Magma Metals (Canada) Limited		
	4256805	Active	Magma Metals (Canada) Limited		
	4256806	Active	Magma Metals (Canada) Limited		
	4256807	Active	Magma Metals (Canada) Limited		
	4256808	Active	Magma Metals (Canada) Limited		
	4256809	Active	Magma Metals (Canada) Limited		
	4256810	Active	Magma Metals (Canada) Limited		
	4256811	Active	Magma Metals (Canada) Limited		
	4256812	Active	Magma Metals (Canada) Limited		
	4256813	Active	Magma Metals (Canada) Limited		
	4256814	Active	Magma Metals (Canada) Limited		
	4256815	Active	Magma Metals (Canada) Limited		
	4256816	Active	Magma Metals (Canada) Limited		
	4256817	Active	Magma Metals (Canada) Limited		
	4256818	Active	Magma Metals (Canada) Limited		
	4256819	Active	Magma Metals (Canada) Limited		
	4256820	Active	Magma Metals (Canada) Limited		
	4256821	Active	Magma Metals (Canada) Limited		
	4256822	Active	Magma Metals (Canada) Limited		
	4256823	Active	Magma Metals (Canada) Limited		
	4256824	Active	Magma Metals (Canada) Limited		
	4256825	Active	Magma Metals (Canada) Limited		
	4256826	Active	Magma Metals (Canada) Limited		
	4256827	Active	Magma Metals (Canada) Limited		
	4256828	Active	Magma Metals (Canada) Limited		
	4256829	Active	Magma Metals (Canada) Limited		
	4256830	Active	Magma Metals (Canada) Limited		
	4256831	Active	Magma Metals (Canada) Limited		
	4256832	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects

Project	Claim No.	Tenement Status	Recorded Holder 1	Recorded Holder 2	Interest Being Earned by Magma
Thunder Bay Regional (TBR) Projects					
Little Sturge	4262802	Active	Magma Metals (Canada) Limited		
	4262803	Active	Magma Metals (Canada) Limited		
Mary Lake	4242779	Active	Magma Metals (Canada) Limited		
	4262952	Active	Magma Metals (Canada) Limited		
Odette Lake	4262809	Active	Magma Metals (Canada) Limited		
	4262810	Active	William J. Roberts	Transfer to Magma pending	
	4262811	Active	Magma Metals (Canada) Limited		
	4262812	Active	Greg Smith	Transfer to Magma pending	
	4262813	Active	Magma Metals (Canada) Limited		
Pillar Lake	4248530	Active	Magma Metals (Canada) Limited		
	4248531	Active	Magma Metals (Canada) Limited		
	4248532	Active	Magma Metals (Canada) Limited		
	4248533	Active	Magma Metals (Canada) Limited		
	4248534	Active	Magma Metals (Canada) Limited		
	4248535	Active	Magma Metals (Canada) Limited		
	4248536	Active	Magma Metals (Canada) Limited		
	4248537	Active	Magma Metals (Canada) Limited		
	4248538	Active	Magma Metals (Canada) Limited		
	4248539	Active	Magma Metals (Canada) Limited		
	4248540	Active	Magma Metals (Canada) Limited		
	4248541	Active	Magma Metals (Canada) Limited		
South Seagull	4247533	Active	Magma Metals (Canada) Limited		
	4247534	Active	Magma Metals (Canada) Limited		
	4247535	Active	Magma Metals (Canada) Limited		
	4247536	Active	Magma Metals (Canada) Limited		
	4247537	Active	Magma Metals (Canada) Limited		
	4259688	Active	Magma Metals (Canada) Limited		
	4259689	Active	Magma Metals (Canada) Limited		
	4259690	Active	Magma Metals (Canada) Limited		
	4259691	Active	Magma Metals (Canada) Limited		
	4259692	Active	Magma Metals (Canada) Limited		
	4259693	Active	Magma Metals (Canada) Limited		
	4259694	Active	Magma Metals (Canada) Limited		
	4259695	Active	Magma Metals (Canada) Limited		
	4259698	Active	Magma Metals (Canada) Limited		
	4259699	Active	Magma Metals (Canada) Limited		
	4259700	Active	Magma Metals (Canada) Limited		
Spike Lake	4245226	Active	Magma Metals (Canada) Limited		
	4245227	Active	Magma Metals (Canada) Limited		
	4245228	Active	Magma Metals (Canada) Limited		
	4245229	Active	Magma Metals (Canada) Limited		
	4245230	Active	Magma Metals (Canada) Limited		
	4262951	Active	Magma Metals (Canada) Limited		
Sprout Lake	4262983	Active	Magma Metals (Canada) Limited		
	4262984	Active	Magma Metals (Canada) Limited		
	4262985	Active	Magma Metals (Canada) Limited		
	4262986	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects					
Project	**Claim No.**	**Tenement Status**	**Recorded Holder 1**	**Recorded Holder 2**	**Interest Being Earned by Magma**
Thunder Bay Regional (TBR) Projects					
Sprout Lake (Cont')	4262987	Active	Magma Metals (Canada) Limited		
	4262988	Active	Magma Metals (Canada) Limited		
	4262989	Active	Magma Metals (Canada) Limited		
Spruce River	4245417	Active	Magma Metals (Canada) Limited		
	4245418	Active	Magma Metals (Canada) Limited		
	4245419	Active	Magma Metals (Canada) Limited		
	4245420	Active	Magma Metals (Canada) Limited		
	4245421	Active	Magma Metals (Canada) Limited		
	4245422	Active	Magma Metals (Canada) Limited		
	4245423	Active	Magma Metals (Canada) Limited		
	4245424	Active	Magma Metals (Canada) Limited		
	4245425	Active	Magma Metals (Canada) Limited		
	4245426	Active	Magma Metals (Canada) Limited		
	4245427	Active	Magma Metals (Canada) Limited		
	4245428	Active	Magma Metals (Canada) Limited		
	4245429	Active	Magma Metals (Canada) Limited		
	4245430	Active	Magma Metals (Canada) Limited		
	4245431	Active	Magma Metals (Canada) Limited		
	4245432	Active	Magma Metals (Canada) Limited		
	4245433	Active	Magma Metals (Canada) Limited		
	4245434	Active	Magma Metals (Canada) Limited		
	4245435	Active	Magma Metals (Canada) Limited		
	4245436	Active	Magma Metals (Canada) Limited		
	4245437	Active	Magma Metals (Canada) Limited		
	4245438	Active	Magma Metals (Canada) Limited		
	4245439	Active	Magma Metals (Canada) Limited		
	4245440	Active	Magma Metals (Canada) Limited		
	4245441	Active	Magma Metals (Canada) Limited		
	4245442	Active	Magma Metals (Canada) Limited		
	4245443	Active	Magma Metals (Canada) Limited		
	4245444	Active	Magma Metals (Canada) Limited		
	4245445	Active	Magma Metals (Canada) Limited		
	4245446	Active	Magma Metals (Canada) Limited		
	4245447	Active	Magma Metals (Canada) Limited		
	4245448	Active	Magma Metals (Canada) Limited		
	4245449	Active	Magma Metals (Canada) Limited		
	4245450	Active	Magma Metals (Canada) Limited		
	4245651	Active	Magma Metals (Canada) Limited		
	4245652	Active	Magma Metals (Canada) Limited		
	4259651	Active	Magma Metals (Canada) Limited		
	4259652	Active	Magma Metals (Canada) Limited		
	4259653	Active	Magma Metals (Canada) Limited		
	4259654	Active	Magma Metals (Canada) Limited		
	4259655	Active	Magma Metals (Canada) Limited		
	4259656	Active	Magma Metals (Canada) Limited		
	4259657	Active	Magma Metals (Canada) Limited		
	4259658	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects					
Project	**Claim No.**	**Tenement Status**	**Recorded Holder 1**	**Recorded Holder 2**	**Interest Being Earned by Magma**
Thunder Bay Regional (TBR) Projects					
Spruce River (Cont')	4259659	Active	Magma Metals (Canada) Limited		
	4259660	Active	Magma Metals (Canada) Limited		
	4259661	Active	Magma Metals (Canada) Limited		
	4259662	Active	Magma Metals (Canada) Limited		
	4259663	Active	Magma Metals (Canada) Limited		
	4259664	Active	Magma Metals (Canada) Limited		
	4259665	Active	Magma Metals (Canada) Limited		
	4259666	Active	Magma Metals (Canada) Limited		
	4259667	Active	Magma Metals (Canada) Limited		
	4259668	Active	Magma Metals (Canada) Limited		
	4259669	Active	Magma Metals (Canada) Limited		
	4259670	Active	Magma Metals (Canada) Limited		
	4259671	Active	Magma Metals (Canada) Limited		
	4259672	Active	Magma Metals (Canada) Limited		
	4259673	Active	Magma Metals (Canada) Limited		
	4259674	Active	Magma Metals (Canada) Limited		
	4259675	Active	Magma Metals (Canada) Limited		
	4259676	Active	Magma Metals (Canada) Limited		
	4259677	Active	Magma Metals (Canada) Limited		
	4259678	Active	Magma Metals (Canada) Limited		
	4259679	Active	Magma Metals (Canada) Limited		
	4259680	Active	Magma Metals (Canada) Limited		
	4259681	Active	Magma Metals (Canada) Limited		
	4259682	Active	Magma Metals (Canada) Limited		
	4259683	Active	Magma Metals (Canada) Limited		
	4259684	Active	Magma Metals (Canada) Limited		
	4259685	Active	Magma Metals (Canada) Limited		
	4259686	Active	Magma Metals (Canada) Limited		
	4259687	Active	Magma Metals (Canada) Limited		
Quetico East (QTE) Project					
Devork Lake	4243792	Active	Magma Metals (Canada) Limited		
	4243793	Active	Magma Metals (Canada) Limited		
	4243794	Active	Magma Metals (Canada) Limited		
	4243795	Active	Magma Metals (Canada) Limited		
	4243796	Active	Magma Metals (Canada) Limited		
	4243797	Active	Magma Metals (Canada) Limited		
	4262958	Active	Cliff Hickman	Approval and transfer to Magma pending	
	4262959	Active	Cliff Hickman	Approval and transfer to Magma pending	
Jackpine River	4249132	Active	Magma Metals (Canada) Limited		
Long Lake	4243798	Active	Magma Metals (Canada) Limited		
	4243799	Active	Magma Metals (Canada) Limited		
	4248542	Active	Magma Metals (Canada) Limited		
	4248543	Active	Magma Metals (Canada) Limited		
	4248544	Active	Magma Metals (Canada) Limited		
	4248545	Active	Magma Metals (Canada) Limited		
	4248546	Active	Magma Metals (Canada) Limited		
	4249122	Active	Magma Metals (Canada) Limited		

Mining Claims Schedule - Canadian Projects

Project	Claim No.	Tenement Status	Recorded Holder 1	Recorded Holder 2	Interest Being Earned by Magma
Quetico East (QTE) Project					
Long Lake (Cont')	4249123	Active	Magma Metals (Canada) Limited		
	4249124	Active	Magma Metals (Canada) Limited		
	4249125	Active	Magma Metals (Canada) Limited		
	4249126	Active	Magma Metals (Canada) Limited		
	4249127	Active	Magma Metals (Canada) Limited		
	4249128	Active	Magma Metals (Canada) Limited		
	4249129	Active	Magma Metals (Canada) Limited		
	4249130	Active	Magma Metals (Canada) Limited		
	4249131	Active	Magma Metals (Canada) Limited		
Mustela Lake	4243636	Active	Magma Metals (Canada) Limited		
	4243655	Active	Magma Metals (Canada) Limited		
	4243696	Active	Magma Metals (Canada) Limited		
	4247347	Active	Magma Metals (Canada) Limited		
Pic River	4262691	Active	Cliff Hickman	Approval and transfer to Magma pending	
	4262955	Active	Cliff Hickman	Approval and transfer to Magma pending	
	4262956	Active	Cliff Hickman	Approval and transfer to Magma pending	
	4262957	Active	Cliff Hickman	Approval and transfer to Magma pending	
Steel River	4243800	Active	Magma Metals (Canada) Limited		
	4247538	Active	Magma Metals (Canada) Limited		
	4247539	Active	Magma Metals (Canada) Limited		
	4248547	Active	Magma Metals (Canada) Limited		
	4248549	Active	Magma Metals (Canada) Limited		
	4248550	Active	Magma Metals (Canada) Limited		