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22nd April 2008 **ASX Announcement** **ASX: MMB**

SCALE OF THUNDER BAY NORTH PLATINUM-PALLADIUM PROJECT SIGNIFICANTLY ENHANCED BY DISCOVERY OF TWO ADDITIONAL INTRUSIVE COMPLEXES

KEY POINTS

- **New high-resolution aeromagnetic data reveals two large intrusive complexes with very similar characteristics to the Current Lake Intrusive Complex which hosts significant Platinum-Palladium mineralisation.**

- **This considerably enhances the scale of the project, with much more extensive favourable host rocks than previously recognised with potential for further discoveries of Platinum-Palladium mineralisation.**

A recently completed high-resolution aeromagnetic survey over part of the Thunder Bay North Platinum-Palladium project in Ontario, Canada (Figures 1 and 2) has revealed two large intrusive complexes with potential for further discoveries of Platinum-Palladium mineralisation.

The survey was flown over an 80km^2 area to generate high-quality magnetic images of the Current Lake Intrusive Complex to assist in drill targeting and to provide better definition of some diffuse anomalies in government aeromagnetic survey data to the west.

The survey has mapped two strike extensive intrusive complexes to the west of the 5km-long Current Lake Intrusive Complex, which hosts significant Platinum-Palladium mineralisation (Figures 2 and 3). The magnetic anomalies defining the Steepledge Lake Intrusive Complex are strikingly similar to those of the Current Lake Intrusive Complex, 3km to the east, in their shape, character and intensity. This intrusive complex has a strike length of approximately 6km, 1.5km of which is held under claim by another company.

Five kilometres further west, the Lone Island Lake Intrusive Complex is characterised by three sub-circular magnetic features over a strike length of about 2km. Previously announced reconnaissance rock chip sampling immediately adjacent to the largest of these anomalies returned assays up to 0.59g/t Pt & 0.54g/t Pd (1.13g/t Pt+Pd) (Figure 2). The three intrusive complexes mapped by this aeromagnetic survey appear to be linked by an east-west magnetic feature over 10km long.

The identification of these intrusive complexes provides significant potential for additional discoveries of Platinum–Palladium ore bodies within the Thunder Bay North project, further upgrading the exploration potential of the project. Reconnaissance drilling is planned to test these intrusive complexes during 2008.

Drilling Update

An approximately 6,000m diamond drilling program is in progress within the Current Lake Intrusive Complex at Thunder Bay North to establish the scale and continuity of Platinum–Palladium–Copper–Nickel mineralisation intersected in reconnaissance drilling within a zone of mineralised peridotite intrusions at least 2.7km long (Figure 3).

Drilling is currently focused in the Beaver Lake area where a grid of 50-100m x 100m vertical holes is being drilled to determine the extent and mineralisation potential of a thick sub-horizontal peridotite intrusion (Figure 3). The first drill section of the program has been completed (Figures 3 and 4) and shows **a continuous zone of abundant sulphide mineralisation** at the base of the intrusion up to 12m thick over a distance of approximately 200m along-section.

Drill-hole BL07-04 was completed on this section late last year and the results have been announced previously (Figure 4). The high-grade part of the mineralisation intersected in this hole of **6.3m @ 1.91g/t Pt, 1.76g/t Pd (3.67g/t Pt+Pd), 0.41% Cu & 0.27% Ni** from 283.7m **(including 4.6m @ 2.52g/t Pt, 2.33g/t Pd (4.85g/t Pt+Pd), 0.54% Cu & 0.33% Ni)** is at the base of the intrusion within the zone of abundant sulphides.

Assay results are anticipated for the holes drilled on this section in about two to three weeks.

Preparations are in progress to commence drilling from a barge on Current Lake once the lake-ice has completely melted in approximately four to five weeks time. Drilling on land within the Beaver Lake segment of the Current Lake Intrusive Complex will continue along with the barge drilling.

Exploration in Canada is being undertaken by a wholly owned subsidiary of Magma Metals Limited, Magma Metals (Canada) Limited ("Magma Canada"). Magma Canada is earning a 100% interest in the Thunder Bay North and Beaver Lake projects, subject to a 3% net smelter royalty (NSR). Magma Canada has the right to acquire 1% of the NSR.

Keith Watkins
Managing Director
Magma Metals Limited

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Dr Keith Watkins, the Managing Director of Magma Metals Ltd, who is a Fellow of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy. Dr Watkins has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Watkins consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

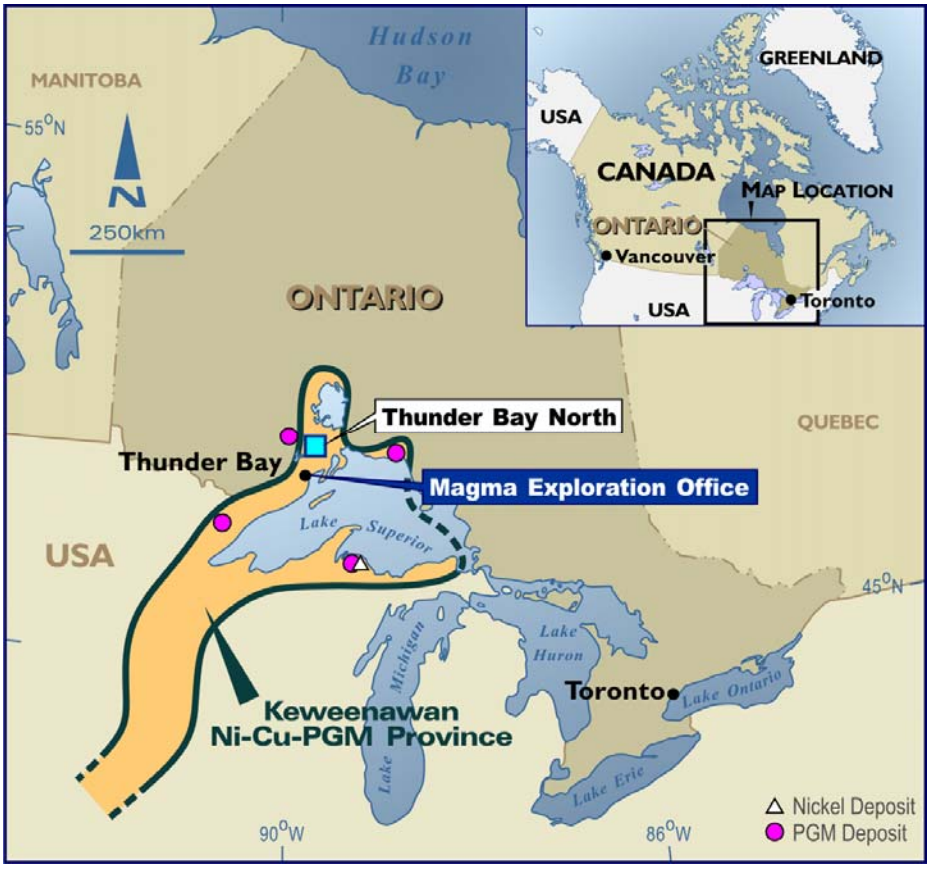

Figure 1. Project Location – Canada

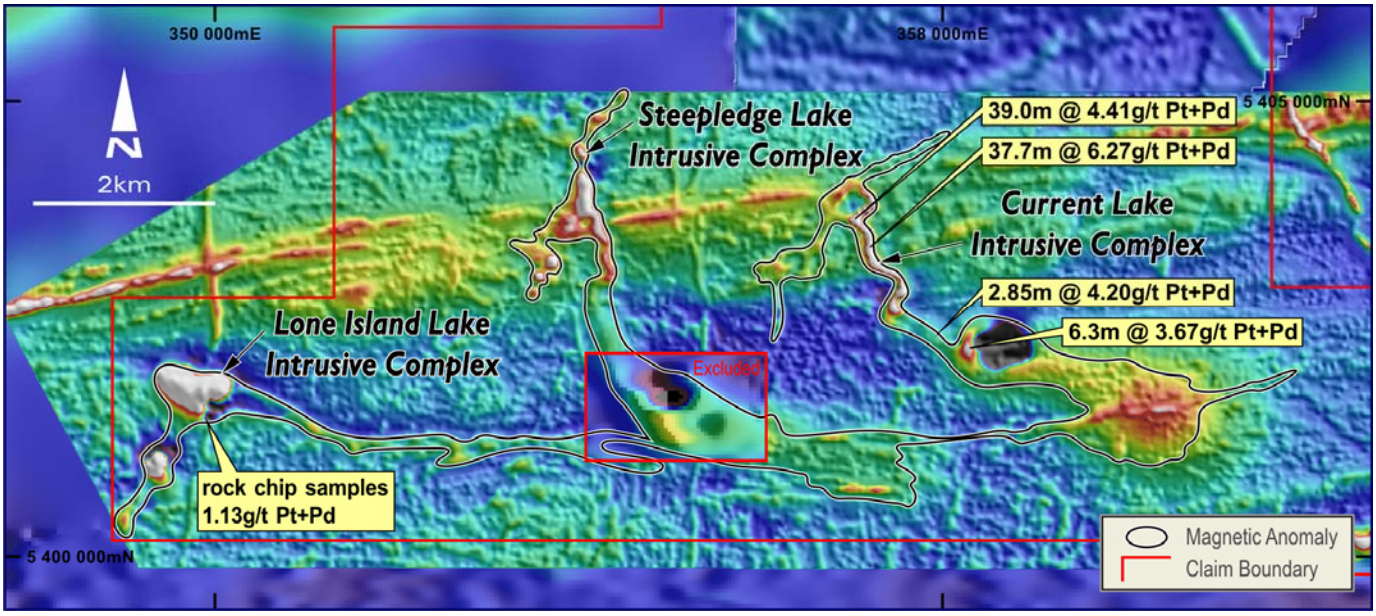

Figure 2. High-Resolution Aeromagnetic Image Showing Intrusive Complexes

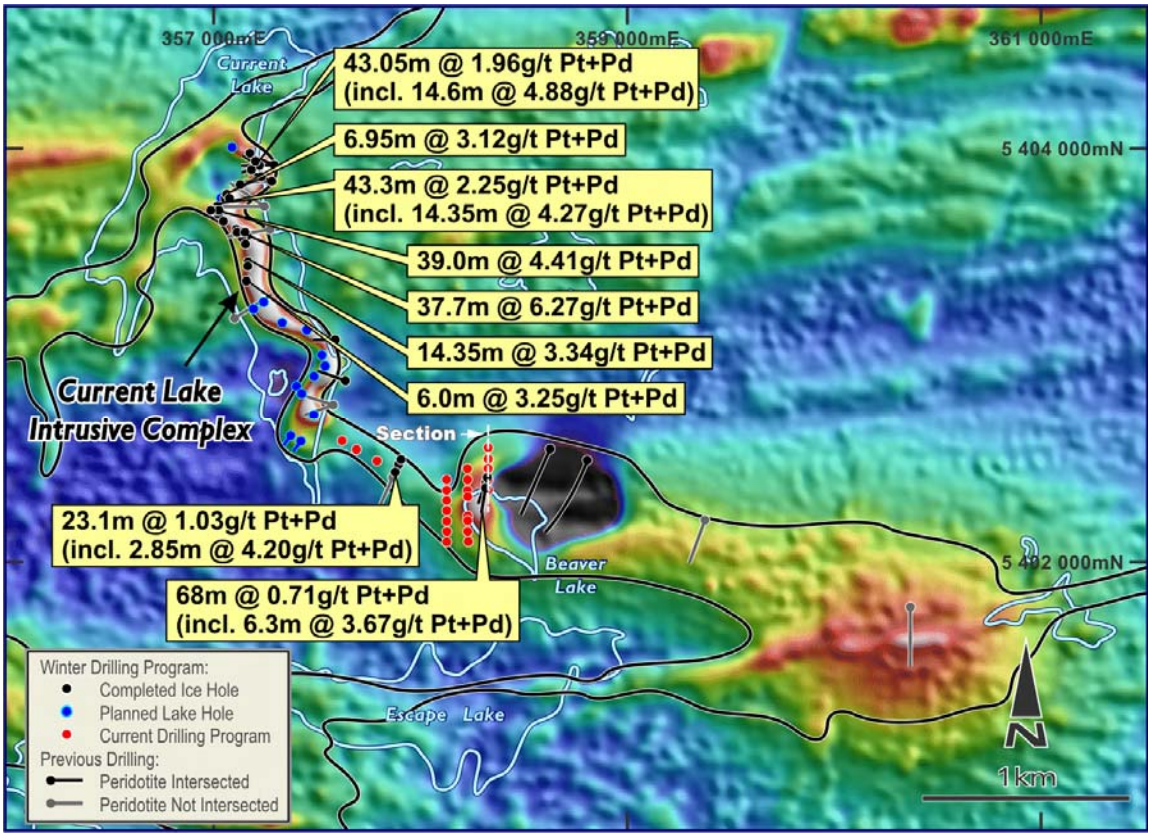

Figure 3. Magnetics & Drilling – Current Lake Intrusive Complex

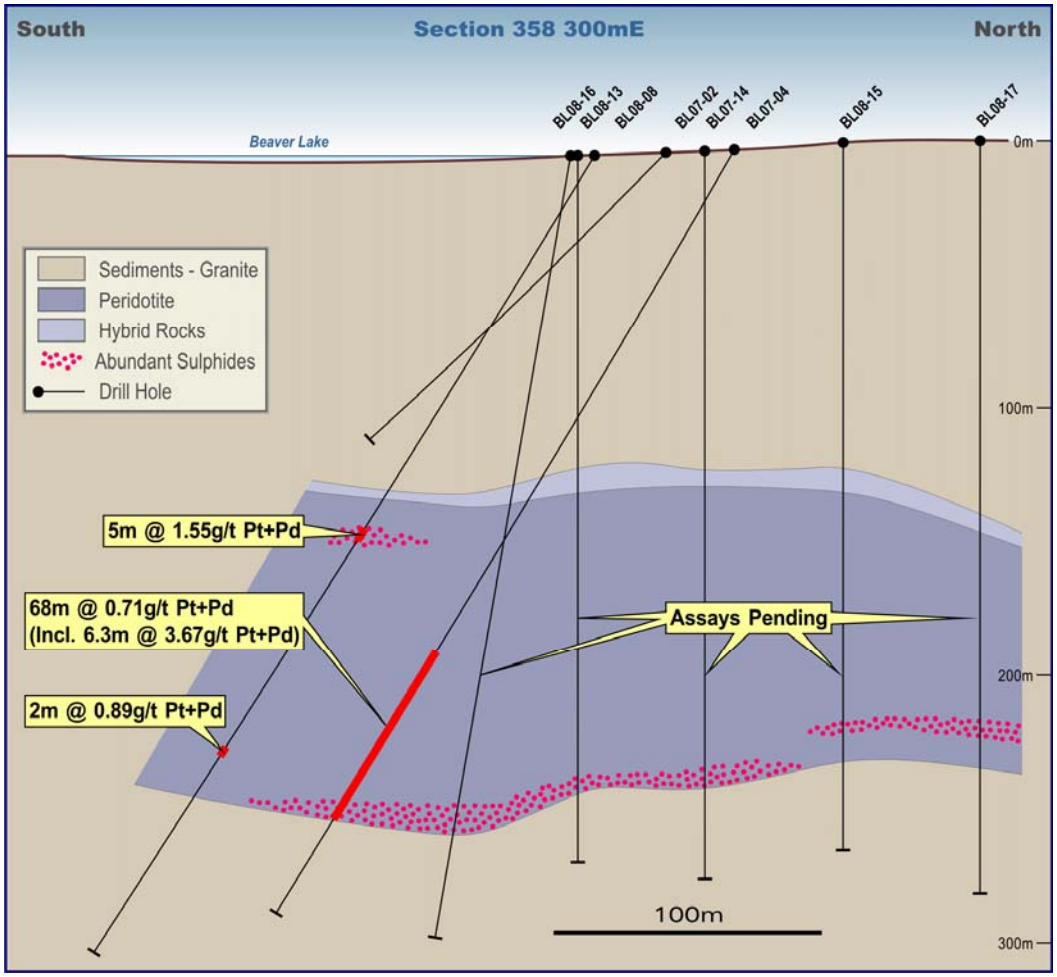

Figure 4. Beaver Lake Cross-Section