

ASX / Media Release

16 October 2019

Magmatic Resources raises \$2.2m

Magmatic Resources Limited ("Magmatic" or "the Company") (ASX:MAG) is pleased to announce a capital raising of \$2.2 million ("the Placement") through the issue of 27.5 million new fully paid ordinary shares at \$0.08 per share ("New Shares").

Magmatic Managing Director David Richardson said "We are very pleased with the strong investor response to the Placement. We are well positioned to immediately commence planning a high impact drilling programme starting at Lady Ilse which is adjacent to Alkane's recent Boda and Kaiser discoveries".

The Board of Magmatic is pleased to announce that it has appointed Mr. Tony Walsh as Company Secretary, commencing immediately. As part of his remuneration package Mr. Walsh will be allotted 2 million options at an exercise price of \$0.10 per share with a 3 year expiry term, subject to shareholder approval.

Magmatic will issue 27.5 million shares at 8c per share in two tranches to professional, institutional and sophisticated investors. New Shares will rank equally with existing shares on issue. Tranche 1 of the Placement, being 10.5 million New Shares, will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1A and is not subject to shareholder approval. It is expected that New Shares issued in Tranche 1 will be allotted on or around 24 October 2019. The balance of the New Shares will be subject to shareholder approval at a general meeting expected to be held on or around 22 November 2019. The Placement price was set at a discount of 18.8% to the 15 day VWAP but represents a premium of 29.7% to the average closing share price over the 15 trading days up to 14 October 2019 of \$0.062 per share.

The funds raised via the Placement will primarily be applied towards repaying short term debts and creditors, repaying director loans, repaying joint venture contributions in excess of joint venture expenditures and for general working capital.

Salient Corporate acted as Lead Manager to the Placement and has been appointed as corporate adviser to the Company. In lieu of corporate advisory fees Salient Corporate will be issued 20 million options at an exercise price of \$0.10 per share with a 3 year expiry term, with 11.5 million issued immediately out of the Company's 15% capacity under ASX Listing Rule 7.1 and 7.5 million issued subject to shareholder approval.

Indicative Timetable*:

Milestone	Indicative Date and Time*
Tranche 1 New Share Allotment	24 October 2019
General Meeting of Shareholders	22 November 2019
Issue date of Tranche 2 New Shares	25 November 2019

* The Company may change any of the Indicative Timetable at its discretion (even if the Offer has opened or applications have been received).



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