

Prospectus

Magmatic Resources Limited ACN 615 598 322 (Company)

For an offer to transfer 24,043,791 AGC Shares to Shareholders of the Company pursuant to a capital reduction by way of an In-specie Distribution contained in the Capital Reduction Resolution in the Company's Notice of Meeting dated 18 November 2020 and to facilitate secondary trading of those AGC Shares.

This document is important and requires your immediate attention.

You should read this Prospectus in its entirety and consult your professional adviser in respect of the contents of this Prospectus.

This Prospectus is a short form prospectus prepared in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, but refers to parts of other documents lodged with the ASIC, the contents of which are therefore taken to be included in this Prospectus.

The Company Directors consider that an investment in the AGC Shares that will be distributed and transferred under this Prospectus and the Capital Reduction Resolution, to be speculative.

Lodgement

This Prospectus is dated 18 November 2020 and was lodged by Magmatic Resources Limited ACN 615 598 322 (**Magmatic**, or **Company**) with the Australian Securities and Investments Commission (**ASIC**) on 18 November 2020. Neither ASIC nor the Australian Securities Exchange (**ASX**) takes any responsibility as to the contents of this Prospectus.

No AGC Shares may be allotted, offered or transferred on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

Important Information

This Prospectus, including the Notice of Meeting which is incorporated by reference into this Prospectus, is important and should be read in its entirety. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser immediately. This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the *Corporations Act 2001* (Cth) (**Corporations Act**) and certain matters may reasonably be expected to be known to Shareholders and professional advisers whom Shareholders may consult.

Defined terms and abbreviations used in this Prospectus are explained in section 5 of this Prospectus.

Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in the accompanying Notice of Meeting lodged with ASIC on 18 November 2020.

In referring to the Notice of Meeting, the Company:

- (a) identifies the Notice of Meeting as being relevant to the offer of AGC Shares under this Prospectus and contains information that will provide Shareholders and their professional advisers to assist them in making an informed assessment of:
 - (1) the rights and liabilities attaching to the AGC Shares; and
 - (2) the assets and liabilities, financial position and performance, profits and losses and prospects of AGC;
- (b) refers Shareholders and their professional advisers to section 2 of this Prospectus which summarises the material information in the Notice of Meeting deemed to be incorporated in this Prospectus;
- (c) informs Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours during the period of the Offer; and
- (d) advises that the information in the Notice of Meeting will be primarily of interest to Shareholders and their professional advisers or analysts.

Exposure Period

The Corporations Act prohibits the Company from distributing and transferring the AGC Shares to the Shareholders during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the distribution and transfer of AGC Shares. As the Meeting will be held on 18 December 2020, the Exposure Period will have ended by the time the In-specie Distribution occurs, assuming Shareholders approve the Capital Reduction Resolution at the Meeting of the Company.

This Prospectus (including the Notice of Meeting) will be made generally available during the Exposure Period by being posted on the Company's website: <http://www.magmaticresources.com.au/>. A paper copy will be made available to Australian residents on request to the Company during the Exposure Period.

Forward Looking Statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements.

Competent Persons Statement

The Company has prepared the materials based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the Prospectus. To the maximum extent permitted by law, the Company, its related bodies corporate (as that term is defined in the Corporations Act) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the meeting materials or its contents or otherwise arising in connection with it.

In respect of the Moorefield Project, exploration results detailed in this document have previously been reported to the ASX or in the independent geologist report contained in the Magmatic Prospectus lodged with the ASX on 18 May 2017. References to metal endowments are current to January 2017.

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves for the Moorefield Project is based on information compiled by Mr Peter Duerden who is a Registered Professional Geoscientist (RPGeo) and member of the Australian Institute of Geoscientists. Mr Duerden is a full-time employee of, and has associated shareholdings in, Magmatic Resources Limited, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Duerden consents to the inclusion in the Explanatory Memorandum of the matters based on his information in the form and context in which it appears.

Additionally, Mr Duerden confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

The information in this document that relates to the NSR Tenements' Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Glen Diemar who is a member of the Australian Institute of Geoscientists. Mr Diemar is a full-time employee of, and has associated shareholdings in, New South Resources Propriety Limited, and is a Director of AGC as at date of lodgement of this document and has sufficient

experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Diemar consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

The references to any historical exploration results are disclosed in the references and in the Geological Survey of NSW, DIGS file database, and are not pursuant to the JORC 2012 Edition. Mr Diemar confirms that any historical exploration results set out in this document are an accurate representation of the available data and studies for the NSR Tenements.

Foreign Jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

Hong Kong

WARNING: The contents of this Prospectus have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Demerger. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

This Prospectus does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Prospectus also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Prospectus in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Prospectus or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Prospectus may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Prospectus, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Magmatic shareholders in connection with the Demerger. No steps have been taken to register or seek authorisation for the issue of this Prospectus in Hong Kong.

This Prospectus is confidential to the person to whom it is addressed and no person to whom a copy of this Prospectus is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Prospectus to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Demerger by Magmatic shareholders.

Japan

The AGC Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to small number investors. This Prospectus is for the exclusive use of existing shareholders of Magmatic in connection with the Demerger. This document is confidential to the person to whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Japan or resident of Japan other than in connection with consideration by Magmatic's shareholders of the Demerger.

New Zealand

This Prospectus is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of Shares under the Demerger is being made to existing shareholders of Magmatic in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Prospectus may not contain all the information that a disclosure document is required to contain under New Zealand law.

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1. Details of the Offer

1.1 Offer

The terms and conditions of the Offer are set out in the Notice of Meeting accompanying this Prospectus.

The Company intends to undertake the Proposed Transaction (as defined in the Notice of Meeting). As part of the Proposed Transaction, the Company intends to undertake the Offer, details of which (including terms and conditions) are set out in the Notice of Meeting accompanying this Prospectus.

In broad terms, the Notice of Meeting includes the Capital Reduction Resolution to approve an equal reduction of capital in the Company, to be satisfied by the distribution and transfer of 24,043,791 shares in Australian Gold and Copper Ltd ACN 633 936 526 AGC shares (**AGC Shares**) to Shareholders registered as such on the Record Date and located in an Eligible Country in proportion to those Shareholders' respective holdings of Shares in the Company as at that date.

The Proposed Transaction will only proceed if the following conditions are met (together, the **Transaction Conditions**):

- (a) the Company obtains Shareholder approval for the In-specie Distribution pursuant to the Capital Reduction Resolution (Resolution 5) and the Disposal Resolution (Resolution 6) in the Notice of Meeting;
- (b) NSR obtains approval under the Corporations Act for the NSR Distribution;
- (c) AGC obtains all necessary approvals pursuant to the Resources Act related to the acquisition of the NSR Tenements and MR Tenements;
- (d) AGC completes the Capital Raising pursuant to the Prospectus to be lodged by AGC for the proposed listing of AGC on the ASX;
- (e) all necessary parties enter into restriction agreements as required by ASX imposing such restrictions on trading of certain AGC securities issued pursuant to the initial public offering and listing of AGC; and
- (f) AGC receives a letter confirming that the ASX will admit AGC to the official list of the ASX, subject to the satisfaction of certain conditions on terms acceptable to AGC.

Under ASIC Regulatory Guide 188, the issue of the Notice of Meeting with the Capital Reduction Resolution constitutes an offer by the Company of the transfer of the AGC Shares to be distributed and transferred to Eligible Shareholders pursuant to Chapter 6D of the Corporations Act. Accordingly, the Company has prepared this Prospectus to accompany the Notice of Meeting.

Shareholders should note that the In-specie Distribution of the AGC Shares to overseas Shareholders under the Capital Reduction will be subject to legal and regulatory requirements in their relevant overseas jurisdictions. If the requirements of any jurisdiction where a Shareholder is resident are held to restrict or prohibit the distribution of securities as proposed or would impose on Magmatic an obligation to prepare a prospectus or other similar disclosure document or otherwise impose on Magmatic an undue burden, the AGC Shares to which the relevant Shareholder is entitled will not in fact be issued to such Shareholders and instead will be sold by the Lead Manager, being the sale agent engaged by the Company, and the net proceeds paid to the Ineligible Shareholders, with the timing of the sale to coincide with the Offer and a market for AGC Shares being established on ASX. The Lead Manager will act on a best efforts only basis to sell the Ineligible Shareholders' AGC Shares, and will not be liable to the Ineligible Shareholder for any loss suffered as a result.

If the Lead Manager elects to sell the AGC Shares on a relevant Shareholder's behalf, Magmatic will then account to those Shareholders for the net proceeds of sale after deducting the costs and

expenses of the sale. As the return of capital is being represented and satisfied by the In- specie Distribution and security prices may vary from time to time (assuming a liquid market is available), the net proceeds of the sale of AGC Shares sold on behalf of overseas Shareholders may be more or less than the notional dollar value of the reduction of capital. It will be the responsibility of each Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

1.2 Effect of the Offer on the Company

The principal effects of the Offer will be;

- (a) the Company ceases to hold the 24,043,791 AGC Shares to be distributed and transferred to the Shareholders;
- (b) the share capital of the Company will be reduced by the amount to be assessed by the Directors as the market value of such AGC Shares; and
- (c) the Company will dispose of the MR Tenements to AGC;
- (d) Company Shareholders that are registered on the Record Date receiving a number of AGC Shares based on their entitlement on the basis of 5 AGC Shares for every 36 Magmatic Shares held.

The purpose of the Offer is set out in section 1 of this Prospectus.

1.3 Action required by Shareholders

No action is required to be taken by Shareholders under this Prospectus. Should Shareholder approval be obtained for the Capital Reduction Resolution, the Transaction Conditions are satisfied and the Capital Reduction proceeds to be implemented, then the AGC Shares will be distributed and transferred to Eligible Shareholders in accordance with the terms of the Capital Reduction Resolution and Magmatic's constitution, whether you voted for or against the Capital Reduction Resolution or did not vote at all (or did not attend the Meeting).

In accordance with ASIC Corporations (Application Form Requirements) Instrument 2017/241, no application form is required to be completed or returned to participate in the proposed distribution and transfer of AGC Shares under the Capital Reduction and no application form is included in or accompanies this Prospectus.

If you have any queries regarding this Prospectus, please contact the Company Secretary Ms Andrea Betti on +61 8 9322 6009 or by email to abetti@magmaticresources.com.

2. Notice of Meeting Information Deemed to be Incorporated in Prospectus

2.1 Short Form Prospectus

This Prospectus is a short form prospectus prepared in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type. However, it incorporates by reference information contained in the Notice of Meeting that has been lodged with the ASIC.

The material provisions of the Notice of Meeting are summarised in section 2.3 below and will primarily be of interest to Company Shareholders and their professional advisors.

A copy of the Notice of Meeting has been sent to Company Shareholders with this Prospectus. However, Company Shareholders and their professional advisers may also obtain, free of charge, a

copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours.

2.2 Included Information

The Notice of Meeting contains all information that Shareholders require in relation to the Capital Reduction and the Notice of Meeting in its entirety is deemed to be incorporated in this Prospectus. The material provisions of the Notice of Meeting are summarised below in section 2.3 and will primarily be of interest to Shareholders and their professional advisers or analysts.

The Notice of Meeting will be available to all Shareholders with this Prospectus. In addition, the Notice of Meeting will be made generally available during the Application Period by being posted on the Company's website (<http://www.magmaticresources.com>).

2.3 Notice of Meeting – Summary of Material Provisions of Notice of Meeting

In accordance with Section 712 of the Corporations Act, set out below is a summary of the information contained in the Notice of Meeting that is deemed to be incorporated in this Prospectus to assist Shareholders and their professional advisers for the purposes of making an informed investment decision in relation to the AGC Shares.

The sections referred to in this section 2.3 are references to sections in the Explanatory Memorandum which is **attached** to, and forms part of, the Notice of Meeting.

(a) Section 8 – Regulatory Matters

This section sets out important information in relation to the information incorporated by reference into this Prospectus.

(b) Section 10.1 – Introduction and overview of proposal

This section provides an overview of the Proposed Transaction.

(c) Section 10.2 – Demerger Process

This section sets out the key steps involved in bringing about the Demerger.

(d) Section 10.3 – Timetable

This section provides the key dates for implementing the Demerger and listing of AGC Shares on the ASX.

(e) Section 10.4 – Acquisition of Tenements

This section provides an overview of the MR Tenements and NSR Tenements to be acquired by AGC and the terms and conditions applying to the same.

(f) Section 10.5 – Capital Raising

This section summarises the details of the proposed capital raising by AGC to be undertaken in connection with its proposed listing on the ASX.

(g) Section 10.6 – Current Structure

This section summarises the current corporate structure of AGC.

(h) Section 10.7 – Restructure

This section summarises the corporate structure of AGC in the event that the Proposed Transaction proceeds to completion.

(i) **Sections 10.8– Overview of AGC Projects**

This section provides an overview of the tenements to be held by AGC following the Demerger including the Moorefield Project, the Cargelligo Project and the Gundagai Project.

(j) **Section 10.9 – Reasons for the Demerger**

This section sets out the key reasons for the proposed Demerger.

(k) **Section 10.10 – Separation by Demerger Process**

This section sets out the steps involved to bring about the Demerger and proposed Listing of AGC.

(l) **Section 10.11 – Conditions to the Proposed Transaction**

The section sets out the Transaction Conditions of the Proposed Transaction.

(m) **Section 10.12 – Foreign Shareholders**

This section outlines the entitlement of AGC Shares for Foreign Shareholders.

(n) **Section 10.13 – Directors’ Recommendations**

This section summarises the Directors recommendations for Shareholders voting in favour of Resolution 5 and the reasons for same.

(o) **Section 10.14 – Effects of the Proposed Transaction on the Company**

This section outlines the effect the Proposed Transaction will have on the Company in disposing of the two Moorefield Exploration Licences and the Company’s capital structure.

(p) **Sections 10.15 and 10.16 – Effect of the Proposed Transaction on Shareholders and Existing Options**

These sections outline the effect the Proposed Transaction will have on Eligible Shareholders, the treatment of overseas Shareholders and the effect the Capital Reduction will have on the existing options for Shares on issue in the Company.

(q) **Section 10.17 – Plans for the Company following the Proposed Transaction**

This section outlines the exploration and other plans the Company will continue to undertake following the Proposed Transaction.

(r) **Section 10.18 – Advantages and Disadvantages of the Proposed Transaction**

This section sets out further information on the principal advantages and disadvantages to Shareholders of the Capital Reduction and Offer.

(s) **Section 10.19 – Tax Consequences**

This section provides a general summary of the Australian taxation implications for Shareholders who receive AGC Shares in respect of the Capital Reduction based on applicable taxation law as at the date of the Notice of Meeting. Information is also given in

respect of the Company's proposed application to seek a class ruling from the ATO in respect of the availability of demerger tax relief.

The summary is not intended, and should not be relied upon, as specific taxation advice to any particular Shareholder. The comments in the summary are of a general nature only, may not apply to a Shareholder's specific circumstances and cannot be relied upon for accuracy or completeness. Each Shareholder should seek and rely on its own professional taxation advice, specific to its particular circumstances, in relation to the taxation consequences of the proposed Capital Reduction. Neither Magmatic, nor any of its officers or advisers, accepts liability or responsibility with respect to such consequences or the reliance of any Shareholder on any part of the summary.

(t) **Section 10.20 – Consequences if the Proposed Transaction does not complete**

This section sets out the Company's potential future plans in the event the Capital Reduction and Offer do not complete.

(u) **Section 10.21 – Information Concerning Magmatic Shares**

This section summarises the highest and lowest sale price of the Company's shares as traded on the ASX during the 12 months immediately prior to the Notice of Meeting.

(v) **Section 10.22 – Directors' Interests**

This section sets out the number of securities in the Company held by the Directors at the date of the Notice of Meeting and the number of AGC Shares they are likely to have an interest in assuming completion of the Capital Reduction.

(w) **Section 10.23 – Disclosure to ASX**

This section outlines the disclosure requirements of the Company.

(x) **Section 11.1 – Introduction**

This section summarises the important background information of AGC.

(y) **Section 11.2 – Principal Effect of the Proposed Transaction on AGC**

This section summarises the principal effect of the Capital Reduction and Offer on AGC.

(z) **Section 11.3 – Detailed information in relation to the Projects**

This section sets out where Shareholders can read geological and other detailed information relating to AGC's assets which is set out in Schedule 2 of the Notice of Meeting.

(aa) **Section 11.4 – AGC Capital Structure**

This section sets out the capital structure of AGC at the date of the Notice of Meeting and following the completion of both the Capital Reduction and Offer.

(bb) **Section 11.5 – Background of the Projects and Proposed Project Development Plan**

This section provides a background on the Projects and contains details of AGC's proposed Project development plan, including proposed exploration budgets and activity summaries.

(cc) **Sections 11.6 and 11.7 – AGC Board and Company Secretary and Remuneration of AGC Directors**

These sections summarise the experience of the AGC Board and company secretary and the AGC Director's remuneration.

(dd) **Sections 11.8 and 11.9 – Risk factors in Holding AGC Shares**

This section lists a number of risks that may have a material effect on the financial position and performance of AGC and the value of its securities, as well as AGC's exploration and development activities and an ability to fund those activities. Risks specific to AGC and its projects include those relating to non-renewal of title, management, resource estimate, exploration and operating risks, commodity prices, environment, mining tax and royalties, funding and unforeseen risks. There is also an outline of the general economic risks and business climate, exploration, development, mining and possession risks and native title.

(ee) **Section 11.10 – AGC Financial Information**

This section contains the audited statement of financial position of AGC and the unaudited pro-forma Statement of financial position, assuming the Proposed Transaction was effective on 30 June 2020.

(ff) **Section 11.11 – Material Contracts**

This section summarises the material contracts to which AGC is a party.

(gg) **Section 11.12 – Substantial Shareholders**

This section outlines the substantial shareholders of AGC upon completion of the AGC Offer (assuming that the AGC Offer is fully subscribed).

(hh) **Section 11.13 – Rights and obligations attaching to AGC Shares**

This section summarises the principal rights which attach to AGC Shares. These rights include voting, dividends, transfer of AGC Shares, meetings and notice, liquidation rights, alteration to the constitution and listing rules.

(ii) **Schedule 2 – AGC Projects**

This Schedule to the Notice of Meeting gives background information on the AGC Projects including details of the licences and licence applications making up each project as well as any previous exploration undertaken on, and potential prospectivity of, each such project. This section also contains a JORC competent person's statement in respect of the Projects.

A copy of the Notice of Meeting accompanies this Prospectus.

3. Additional Information

3.1 Interests of AGC Directors

Other than as set out below or elsewhere in this Prospectus or the Notice of Meeting:

- (a) no AGC Director holds, or during the last two years before lodgement of this Prospectus with the ASIC, held, an interest in:
 - (1) the formation or promotion of the Company or AGC;
 - (2) any property acquired or proposed to be acquired by the Company or AGC in connection with:

- (A) its formation or promotion; or
- (B) the Offer; or
- (3) the formation or promotion of AGC;
- (4) property acquired or proposed to be acquired by AGC in connection with its formation or promotion or the Offer; or
- (5) the Offer; and
- (6) except as set out in the Notice of Meeting, no amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid and no benefits have been given or agreed to be given to any AGC Director, either to induce him to become, or to qualify, as a AGC Director or otherwise for services rendered in connection with the formation or promotion of AGC or the Offer.

3.2 Remuneration of AGC Directors

For details of the AGC Board and their intended remuneration, please refer to section 11.7 of the Notice of Meeting.

3.3 Interests of Experts and Others

Other than as set out below or elsewhere in this Prospectus or the Notice of Meeting, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus or as promoter of the Company or AGC:

- (b) holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in the Company or AGC; and
- (c) no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:
 - (1) the formation or promotion of AGC or the Company; or
 - (2) the Offer.

HopgoodGanim has acted as lawyers to the Company in relation to the Offer. The Company estimates it will pay HopgoodGanim approximately \$225,000 (exclusive of GST) in respect of these services.

3.4 Consents

Each of the parties referred to in this section:

- (d) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (e) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

HopgoodGanim Lawyers are named in the Corporate Directory as solicitors to the Company in relation to the Offer and have been involved in the process of reviewing this Prospectus for consistency with the material contracts. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. HopgoodGanim

Lawyers has given its consent to be named in this Prospectus as solicitors to the Company in the form and context in which it is named and has not withdrawn that consent prior to the lodgement of this Prospectus with ASIC. They do not make any other statement in this Prospectus. HopgoodGanim Lawyers will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at \$225,000 (excluding disbursements and GST), at the date of this Prospectus

Computershare Investor Services Pty Limited (**Computershare**) has given its written consent to be named as the Registry in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus within ASIC. Computershare has had no involvement in the preparation of any part of the Prospectus other than being named as the Share Registry to the Company. Computershare has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Taylor Collison has given its written consent to be named as the Lead Manager in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus within ASIC. Taylor Collison has not authorised or caused the issue of the Prospectus and they do not make any other statement in this Prospectus.

3.5 Substantial AGC Shareholders

As at the date of this Prospectus, AGC is a wholly owned subsidiary of the Company.

Based on information known at the date of this Prospectus and assuming AGC completes the acquisition from NSR of the NSR Tenements and raises either \$7,000,000 (**Minimum Subscription**) or \$10,000,000 (**Maximum Subscription**) under the Offer, those persons holding 5% or more of the AGC Shares on issue following implementation of the Capital Reduction and completion of the Offer are shown in the table below.

AGC Shareholder	AGC Shares	% shareholding interest in AGC under Minimum Subscription ¹	% shareholding interest in AGC under Maximum Subscription ¹
Magmatic Resources Ltd	5,956,209	7.01%	5.96%
Bilingual Software Pty Ltd and D & R Richardson ²	5,894,802	6.94%	5.89%
Snowmist Pty Ltd	4,436,246	5.22%	4.44%

1. The table above assumes that no Options are exercised.
2. This includes Shares held directly or indirectly by David Richardson as particularised above.

3.6 Litigation

As at the date of this Prospectus, AGC is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against AGC.

3.7 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the furtherance of AGC's development of its Projects. These activities are expected to dominate the two year period following implementation of the Capital Reduction and completion of the Offer. Accordingly, the Company does not expect AGC to declare any dividends during that period.

Any future determination as to the payment of dividends by AGC will be at the discretion of the AGC Directors and will depend on the availability of distributable earnings and operating results and financial condition of AGC, future capital requirements and general business and

other factors considered relevant by the AGC Directors. No assurance in relation to the payment of dividends by AGC or franking credits attaching to dividends can be given by the Company.

3.8 **Privacy**

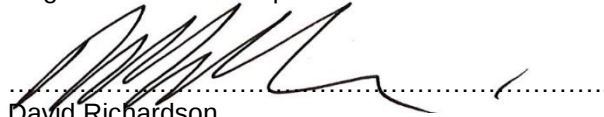
Magmatic collects personal information about its Shareholders' holdings of Shares in accordance with the Corporations Act. Magmatic will share that personal information with its advisers and service providers and with AGC and its advisers and service providers in connection with the Capital Reduction and In-specie Distribution.

Shareholders can contact Magmatic's Share Registry, Computershare Investor Services Pty Limited, on 1300 850 505 (within Australia) +61 3 9415 4000 (outside Australia) if they have any questions about their personal information.

4. **Directors' Authorisation**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



David Richardson
Chairman of Magmatic Resources Limited
18 November 2020

5. Definitions

When used in this Prospectus the following words and phrases have these meanings:

AGC	means Australian Gold and Copper Ltd ACN 633 936 526
AGC Director	means a current or proposed director of AGC as set out in section 11.6 of the Notice of Meeting.
AGC Shares	means 24,043,791 fully paid ordinary shares in the capital of AGC, which are the subject of the Offer.
ASIC	means the Australian Securities and Investments Commission
ASX	means ASX Limited ACN 008 624 691 or the financial market operated by it as the context requires.
ATO	means the Australian Securities and Investments Commission
Capital Raising	means the proposed public offer of a minimum of 35,000,000 AGC Shares at an issue price of A\$0.20 each to raise \$7,000,000 (Minimum Subscription) and a maximum of 50,000,000 AGC Shares at an issue price of A\$0.20 to raise up to A\$10,000,000 (Maximum Subscription), including a priority offer of AGC Shares to Existing Magmatic Shareholders and Existing NSR Shareholders.
Capital Reduction	means the equal reduction of capital of the Company proposed to be satisfied by the In-specie Distribution and transfer to Eligible Shareholders (in proportion to their holdings of Shares) of 80.146% of the AGC Shares to be issued by AGC to Magmatic.
Capital Reduction Resolution	means Resolution 5 of the Notice of Meeting to be put to Shareholders at the Meeting to approve the Capital Reduction.
Company or Magmatic	means Magmatic Resources Limited ACN 009 260 306.
Corporations Act	means the <i>Corporations Act 2001 (Cth)</i>
Directors	means a director of the Company as at the date of this Prospectus. Eligible Shareholder has the meaning given in the Notice of Meeting.
Eligible Country	means Australia, New Zealand, Hong Kong and Japan.
Eligible Shareholder	has the meaning given in the Notice of Meeting.
Explanatory Statement	means the explanatory statement accompanying and forming part of the Notice of Meeting.
Exposure Period	means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.
Lead Manager	means Taylor Collison.
Maximum Subscription	means the maximum subscription amount being sought by AGC under the Capital Raising, being \$10,000,000.
Meeting	means the annual general meeting of the Company convened by the Notice of Meeting.

Minimum Subscription	means the minimum subscription amount being sought by AGC under the Capital Raising, being \$7,000,000.
MR Tenements	means Exploration Licences EL 7675 and EL 8669 granted under the Resources Act.
Ineligible Shareholder	has the meaning given in the Notice of Meeting.
In-specie Distribution	means the proposed distribution of AGC Shares to Company Shareholders the subject of Resolution 5 in the Notice of Meeting.
Notice of Meeting	means the Notice of Annual General Meeting and Explanatory Statement of the Company dated 18 November 2020.
NSR	New South Resources Pty Ltd ACN 119 557 416.
NSR Distribution	means the proposed an in-specie distribution of approximately 80.146% of the Shares in AGC that NSR will hold to its shareholders by way of a capital reduction and in-specie distribution.
NSR Tenements	means Exploration Licences EL 8955 and EL 8968 granted under the Resources Act.
Offer	means the offer of AGC Shares to Shareholders pursuant to the Notice of Meeting.
Proposed Transaction	means the In-specie Distribution, the NSR Distribution and the subsequent Capital Raising to facilitate the quotation of AGC Shares on the ASX.
Prospectus	means this short form prospectus prepared in accordance with section 712 of the Corporations Act.
Record Date	means the record date for determining entitlements to the distribution and transfer of AGC Shares under the Capital Reduction, which is currently scheduled to be 29 December 2020.
Resources Act	means <i>Mining Act 1992 (NSW)</i>
Share	means a fully paid ordinary share in the capital of the Company.
Shareholders	means a register holder of a Share.