29 JANUARY 2021

# QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2020

- **Exploration activity focused on Wellington North Project, Northern Molong Belt**
- **Diamond drilling comprising 1550m completed at Lady Ilse, access gained and drilling planned at Boda South and Rockleigh gold-copper targets**
- **Drilling activity fast-tracked downdip from known porphyry copper mineralisation at Kingswood**
- **Australian Gold and Copper Ltd (ASX:AGC) IPO oversubscribed and subsequent to end of quarter was admitted to the official list of the ASX**
- **In-specie shares distributed to eligible Magmatic shareholders with Magmatic also gaining exposure to multiple Central Lachlan gold-copper discovery opportunities via its major shareholding and allowing it to focus on its East Lachlan portfolio**

Magmatic Resources Limited ("Magmatic" or the "Company") (ASX: MAG) is pleased to provide its Quarterly Activities Report for the period ending 31 December 2020 ("December 2020 Quarter").

## Corporate

***Moorefield Demerger and Central Lachlan acquisitions – AGC IPO (4 November 2020, 23 November 2020)***

Magmatic has demerged its Moorefield Project and via its wholly owned subsidiary, Australian Gold and Copper Limited (AGC), with the entities entering into a binding term sheet (Term Sheet) to purchase two Central Lachlan gold/polymetallic projects from New South Resources Pty Ltd (NSR) (ASX MAG 4 November 2020).

Upon completion of the de-merger, Magmatic retains exposure to these projects as a major shareholder of AGC whilst allowing the company to focus on its East Lachlan gold and gold-copper porphyry projects. Immediate increased shareholder value is anticipated for Magmatic shareholders who will own shares in both MAG and AGC (via an in-specie share distribution, completed 31 December 2020) with enhanced exposure to multiple high-value drill ready gold discovery opportunities in the Central Lachlan.

Subsequent to the end of the quarter, on Wednesday, 20 January 2021, AGC was admitted to the official list of ASX (ASX MAG 20 January 2021).

## Wellington North Project (Gold-Copper)

*Magmatic Resources Ltd 100%*

Magmatic's 100%-owned Wellington North Project covers the northern extension of the Molong Volcanic Belt, located ~110km north and along strike from Newcrest's world-class Cadia Valley porphyry gold-copper deposits and surrounding Alkane Resources' recent Boda porphyry discovery (ASX ALK 9 September 2019).

The recent Boda gold-copper porphyry discovery by Alkane Resources Ltd (ASX ALK 9 September 2019) has highlighted the value of Magmatic's dominant surrounding tenure position in the northern Molong Belt, in what is emerging as a significant gold-copper porphyry discovery hotspot. The Boda discovery has highlighted the surface signature of porphyry mineralisation in the area, as described in ASX ALK 15 August 2017 and has significantly upgraded Magmatic's target portfolio for Boda-style gold-copper porphyry mineralisation (Lady Ilse District, Boda North, Boda South, Rose Hill, Ninety, Rockleigh, Mayhurst and Mayhurst East) (Figure 1).

### *Lady Ilse Drilling Activity (ASX MAG 19 October 2020, 23 December 2020)*

Drilling activity during the quarter was designed to test the along strike extents of the main Lady Ilse target zone (3 holes for 1550m) (Figure 1).

Ground magnetic surveying identified a priority southern porphyry target zone, coincident with wide zones of gold and porphyry pathfinder anomalism (67m @ 0.22g/t Au and 54m @ 0.18g/t Au, 20LIRC005, ASX MAG 10 September 2020) (Figure 2).

The southern target was drill tested by drill hole 20LIDD015, which intersected multiple sulfide-rich zones associated with variably chlorite-epidote-hematite-albite porphyry altered basaltic volcaniclastics. Results received indicate broad zones of gold and porphyry pathfinder anomalism consistent with the periphery of a Boda-style porphyry system, including 45m @ 0.44g/t Au from 452m, 18m @ 0.48g/t Au from 357m, 51.8m @ 0.14g/t Au from 295.2m, 29m @ 0.19g/t Au from 192m (ASX MAG 24 December 2020).

### *Lady Ilse Ground Magnetics (ASX MAG 19 October 2020)*

Recent ground magnetic surveying has produced high resolution imagery aiding interpretation of the Lady Ilse District. Surveying activity involved 90 lines totalling 133 line kilometres.

The magnetic survey results identified porphyry target zones, outboard from a main intrusive complex, consistent with the setting of mineralisation at major East Lachlan porphyry systems, including the Cadia East and Ridgeway gold-copper porphyry deposits at Cadia Valley.

### *Boda South Drilling Activity (ASX MAG 23 December 2020)*

The Boda South target represents the interpreted southern strike continuation of the Boda gold-copper porphyry belt, via its displacement westwards along the Bodangora Fault (ASX MAG 11 May 2020) and where it encompasses the historic Bodangora Gold Mining District (230koz Au @ 26g/t Au, ASX MAG 17 May 2017) (Figure 1).

Access and permitting has been granted with shallow aircore drilling, targeting areas of anomalous rockchip gold anomalism, planned to commence in mid-February 2021.

### *Rockleigh Drilling Activity (ASX MAG 23 December 2020)*

The Rockleigh target shows encouraging indications of a large mineral system being defined by an open zone of augur gold and porphyry pathfinder anomalism within Boda equivalent rocks (Figure 1).

Access and permitting has been granted with shallow aircore drilling planned to commence in mid-February 2021.

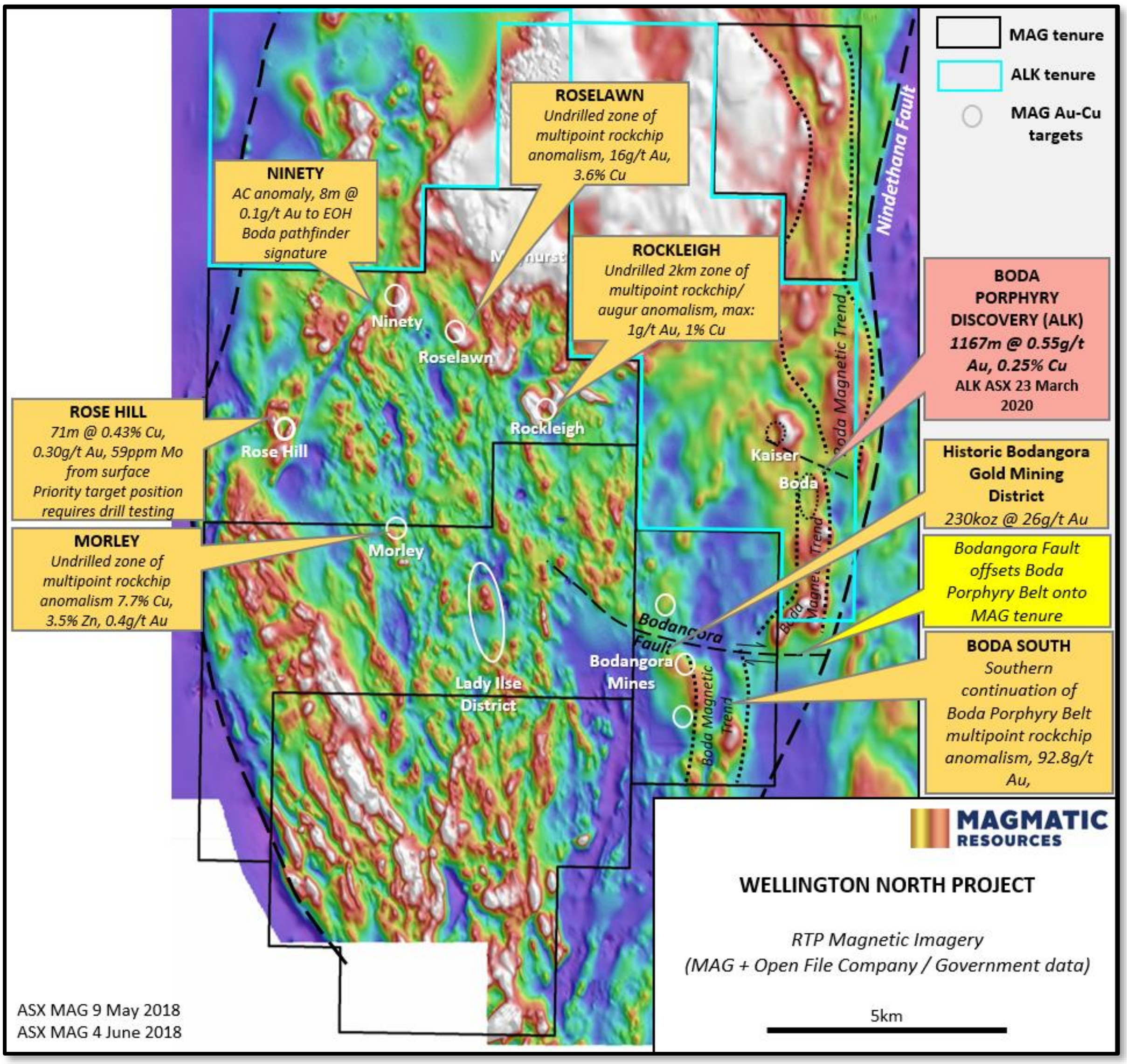


***Figure 1:*** *Aeromagnetic imagery, RTP (Magmatic and Open File Company/Government) showing northern Molong Belt porphyry target portfolio, Wellington North Project, highlighting Boda Au-Cu Porphyry Discovery (ALK), extensions to the Boda Porphyry Belt (ASX MAG 17 May 2017, ASX MAG 9 May 2018, ASX MAG 4 June 2018)*


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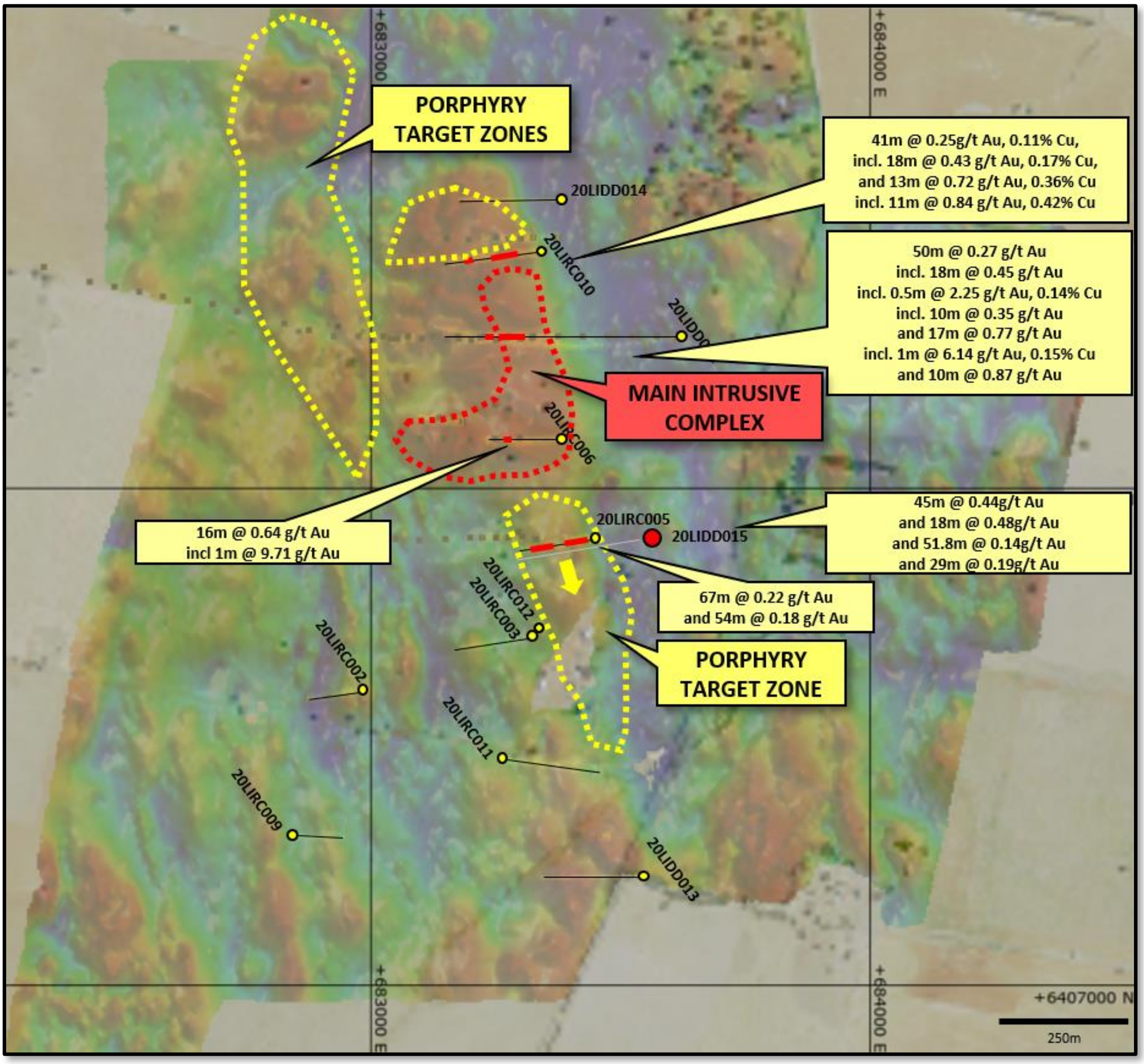


***Figure 2:*** *Lady Ilse Summary Map, RTP ground magnetic imagery, showing target zones around main monzonite/intrusive complex, completed drilling*

## Myall Project (Copper-Gold)

*Magmatic Resources Ltd 100%*

The Myall Copper-Gold Project covers the northern extension of the Junee - Narromine Volcanic Belt, located ~50km north and along strike from the Northparkes copper-gold porphyry mines (China Molybdenum/Sumitomo, CMOC 2019). The project comprises a single exploration licence, covering 245km$^2$ and is considered highly prospective for Northparkes-style copper-gold porphyry mineralisation.

Leveraging the ongoing encouraging work conducted by Magmatic's exploration team (ASX MAG 31 January 2019), recent 3D modelling and comparisons with the Northparkes Porphyry Mining District highlight a priority copper-gold porphyry discovery opportunity at the Kingswood target (Figure 3).


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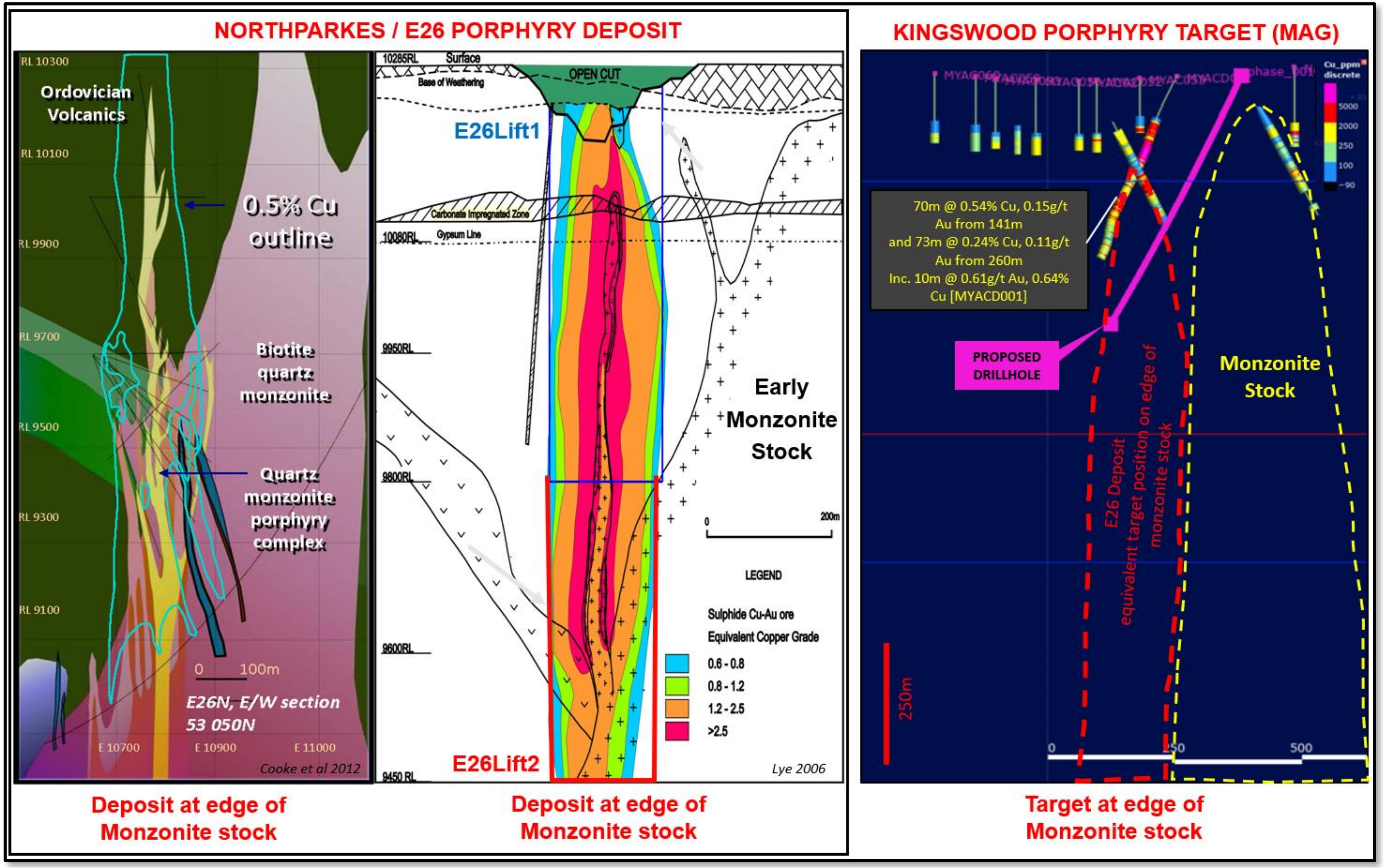


***Figure 3:*** *Comparison between Kingswood Target, Myall Project and Northparkes E26 Porphyry Deposit (CMOC/Sumitomo), showing similar porphyry setting at margin of main monzonite complex (Northparkes, E26 -Cooke et al 2012, Lye 2006), 150m section window*


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Review of the Myall datasets indicates that the Kingswood target shows the dimensions, alteration, host rocks and intrusive margin setting consistent with the Northparkes E26 Porphyry Mine (China Molybdenum/Sumitomo) with an existing open zone of porphyry mineralisation providing a compelling drill target (Figure 3).

Subsequent to the end of the quarter, in early January 2021, drilling commenced at the Kingswood porphyry copper target (ASX MAG 12 January 2021).

## Parkes Project (Gold)

*Magmatic Resources Ltd 100%*

The Parkes Project is located within the Parkes Fault Zone, located along strike from Alkane's recently defined Inferred Mineral Resources at Roswell, 445koz (ASX ALK 28/2/2020) and San Antonio, 453koz (ASX ALK 20/4/2020) and is considered prospective for orogenic-style gold mineralisation.

Exploration activities included data review and preparation for future exploration activity.

## Moorefield Project (Gold-Copper-Zinc)

*Australian Gold and Copper Ltd 100%*

As a condition precedent of the AGC IPO, ministerial approval of transfer of the Moorefield tenements (EL7675, EL8669) was requested and approved during the quarter.

## Yamarna/Mt Venn Projects (Gold-Copper-Nickel)

*Magmatic Resources Ltd 100%*

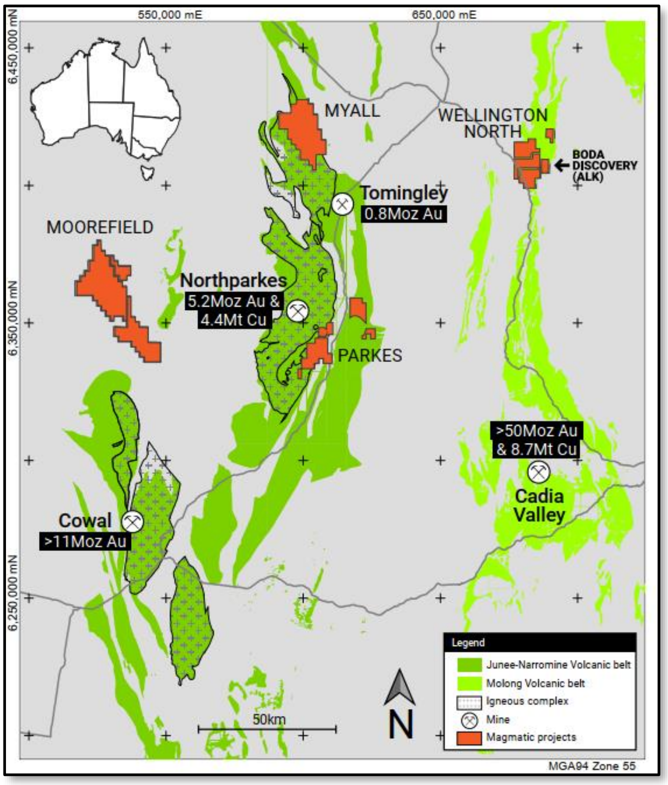
Ongoing tenement management activity resulted in the surrender of E38/3351 'Mt Venn North', E38/2918 'Yamarna' and E38/3327 'Yamarna North' during the quarter.

## Magmatic Tenure

| State | Project | Lease No | Lease name | Status | JV Project | Holder** | Magmatic interest | Area (km2) | Note |
|---|---|---|---|---|---|---|---|---|---|
| **NSW** | Moorefield | EL7675 | Moorefield | Granted | No | Modeling | 0% | 284.6 | Transferred to AGC |
| **NSW** | Moorefield | EL8669 | Derriwong | Granted | No | Modeling | 0% | 193.0 | Transferred to AGC |
| **NSW** | Myall | EL6913 | Myall | Granted | No | Modeling | 100% | 243.7 | |
| **NSW** | Parkes | EL7424 | Alectown | Granted | No | Modeling | 100% | 56.0 | |
| **NSW** | Parkes | EL7676 | Parkes East | Granted | No | Modeling | 100% | 95.0 | |
| **NSW** | Wellington North | EL6178 | Duke | Granted | No | Modeling | 100% | 113.0 | |
| **NSW** | Wellington North | EL7440 | Bodangora | Granted | No | Modeling | 100% | 17.4 | |
| **NSW** | Wellington North | EL8357 | Combo | Granted | No | Modeling | 100% | 46.4 | |
| **WA** | Mt Venn | E38/2961 | Mt Venn | Granted | No | Magmatic | 100% | 59.6 | |
| **WA** | Mt Venn | E38/3351 | Mt Venn North | Surrendered | No | Modeling | 100% | 27.3 | Surrendered |
| **WA** | Yamarna | E38/2918 | Yamarna | Surrendered | No | Landslide | 100% | 60.68 | Surrendered |
| **WA** | Yamarna | E38/3312 | Cowderoy Hill | Granted | No | Modeling | 100% | 191.3 | |
| **WA** | Yamarna | E38/3327 | Yamarna North | Surrendered | No | Modeling | 100% | 103.4 | Surrendered |

***Table 1:** Tenement listing at 31 December 2020*

**All tenements are held by Modeling Resources Pty Ltd, or Landslide Investments Pty Ltd, both of which are 100% owned subsidiaries of Magmatic Resources Ltd




*MAG Project Location Map (Phillips 2017)*

***COVID-19***

The Company has been proactively managing the potential impact of COVID-19 and has developed systems and policies to ensure the health and safety of our people. These systems and policies have been progressively developed in line with the formal guidance of state and federal health authorities and with the assistance of our contractors. With a locally based exploration team, the Company is well positioned to progress its projects at this time.

## References

Phillips, G N (Ed), 2017. Australian Ore Deposits, The Australasian Institute of Mining and Metallurgy: Melbourne

## ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was $ 612,000. Full details of exploration activity during the Quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the Quarter.
3. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the Quarter $162,000: The Company advises that this relates to non-executive director's fees and executive directors' salaries only. Please see Remuneration Report in the Annual Report for further details on Directors' remuneration.

## Authorised for release by the board of directors of Magmatic Resources Limited

*Please direct all shareholder and investor enquiries to:*

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**Managing Director**

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**Email: info@magmaticresources.com**

## Competent Persons Statement

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves 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 this presentation 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.

## Previously Reported Information

The information in this report that references previously reported exploration results is extracted from the Company's ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## Disclaimer

This report contains certain forward-looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Magmatic Resources Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Magmatic Resources Ltd. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geoscientists.