

ASX / MEDIA ANNOUNCEMENT

26 May 2017

\$3 MILLION JOINT VENTURE AGREEMENT FOR PARKES PROJECT

As set out in the Company's prospectus dated 24 March 2017, Magmatic Resources Ltd (**MAG**) and its wholly owned subsidiary Modeling Resources Pty Ltd (**Company**) entered into a Joint Venture (JV) with Japan Oil, Gas and Metals National Corporation (**JOGMEC**), which commenced effective 30 March 2017.

JOGMEC can earn up to a 51% interest in two exploration tenements, EL7427 and EL7676, owned by the Company, located in East Lachlan, NSW, Australia, known as the Parkes Project (**Project**) by funding up to \$3,000,000 of exploration expenditure. The Parkes JV is only the fifth JV JOGMEC has in Australia. The Project is prospective for copper/gold porphyry.

MAG is pleased to announce that a 1st year \$1m agreed exploration program has already commenced and drilling is planned to begin in October or November 2017.

JOGMEC is a Japanese government independent administrative institution which among other things seeks to secure stable resource supply for Japan. Details about JOGMEC can be found on the corporation's website at: jogmec.go.jp/english/about/index.html.

Key terms of the JV are set out below:

- JOGMEC has the right to earn a 51% interest in the Parkes Project by funding \$3,000,000 of exploration expenditure on the Project tenements over a period of up to 3 years.
- JOGMEC is required to spend a minimum of \$300,000 before withdrawing from the Agreement.
- MAG to act as Operator of the project on behalf of the parties during the JV until JOGMEC becomes a majority owner at which point the Operator shall be appointed by JOGMEC.
- JOGMEC has the right to assign its interest in the agreement to Japanese company(s) (this is in line with JOGMEC's mission, which is to help source and de-risk opportunities for Japanese corporations).

A plan showing the tenements to which the JV applies is shown in Figure 1.

David Richardson, MAG's Managing Director commented "We are delighted to partner with JOGMEC, one of the world's leading greenfield exploration entities. JOGMEC's history of copper/gold porphyry exploration success combined with MAG's technical team's porphyry experience should provide MAG and JOGMEC the best opportunity for exploration success."

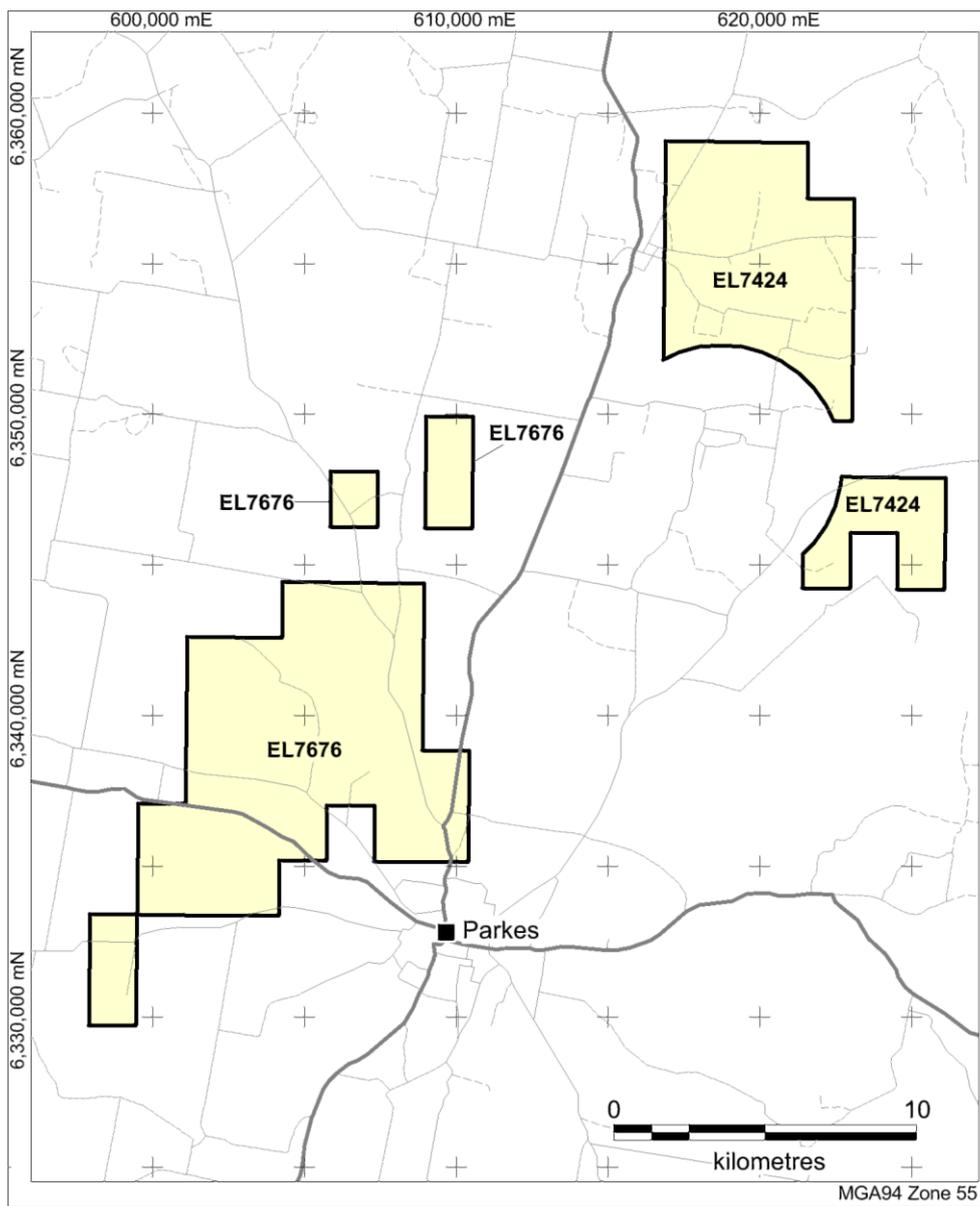


Figure 1 – Location of Parkes tenements subject to JOGMEC Farm-in Agreement.

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