DECEMBER 2017 QUARTERLY ACTIVITIES REPORT

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ABN: 32 615 598 322

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About Magmatic Resources Ltd:
- The Company’s four 100% owned projects and eight granted exploration licences cover 1,049km² in the East Lachlan, central NSW.
- The East Lachlan is host to major gold-copper mines (Figure 1) such as Cadia Valley (52Moz Au & 9.2Mt Cu), Cowal (7.8Moz Au) and Northparkes (4Moz Au & 3.7Mt Cu).
- Myall is in one of the largest volcano-intrusive complexes in the East Lachlan with known copper-gold porphyry mineralisation with potential for Cadia Valley style gold-copper porphyry mineralisation and Cowal-style epithermal gold.
- Wellington North is prospective for porphyry copper-gold and orogenic gold and includes historical Bodangora gold field (230koz @ 26g/t Au).
- Moorefield is prospective for near surface epithermal and orogenic gold, as well as skarn and VMS deposits.
- Parkes (JV with Japanese government exploration agency JOGMEC) is prospective for porphyry copper-gold, orogenic gold in the Parkes Fault Zone and epithermal gold. The project is 25km southeast of Northparkes mine
- The company’s projects were purchased from Gold Fields Ltd, who have a 20% shareholding in MAG

Highlights for December quarter 2017

Wellington North Project:
- Lady Ilse copper-gold target AC drilling (30 holes/ 392m)
  - Follow up to undercover copper-gold target (3m at 0.6 g/t Au)
  - Best intercept: 20m at 0.66 g/t Au (COAC0013 from 6m, eoh)
  - Follow-up RC and AC planned

Myall Project:
- AC drilling started at Barina (10 holes/ 972m). Program to be completed next quarter and no results received.

Moorefield Project:
- Derriwong (EL8669) granted. Licence covers southern extension of 14km Boxdale-Carlisle gold trend, as well as bordering significant projects held by Clean TeQ, Australian Mines and Rimfire.

Parkes JV Project:
- Alteration mapping at Alectown and results are being interpreted
- Results received for Brolgan diamond drilling
  - Drilling intersected sediments, volcanioclastic rocks and porphyry dykes. Data feeds into regional geological picture

Plans for March quarter 2018
- Complete AC drilling at Myall for copper-gold mineralisation
- Follow-up RC drilling Lady Ilse (Wellington North)
- Reconnaissance AC drilling at Wellington North to extend Lady Ilse anomaly
- MacGregors South RC drilling along gold-associated arsenic anomaly
- Two diamond holes to test Buryan gold-copper porphyry target (Parkes JV)
- Test along Boxdale-Carlisle gold trend
- Test Lima target for base metal mineralisation
**Exploration Overview**

Exploration activity during the December quarter continued to focus on high-value copper-gold and gold targets.

First pass aircore drilling at Lady Ilse (Wellington North project) intersected significant gold-copper intercepts with five of the 30 holes ending in mineralisation. This drilling was targeting copper-gold porphyry in an area of shallow cover and has defined a 5km long regional scale target. Follow-up RC and extension AC drilling is planned for next quarter.

Additionally, follow-up RC drilling at Carlisle Reefs (Moorefield project) also identified several new gold zones, including near surface which remain open along strike and at depth.

**Wellington North project** - Lady Ilse (11/12/2017 ASX release)
- Lady Ilse AC drilling
  - Follow up to undercover AC target (3m at 0.6 g/t Au)
  - Best intercept: 20m at 0.66 g/t Au and 429ppm Cu (COAC0013 from 6m, eoh), including 3m at 1.26 g/t Au and 402ppm Cu (from 9m) and 2m at 1.61 g/t Au from 24m (eoh)
  - Follow-up RC and AC programs planned for next quarter

**Moorefield project** – Carlisle Reefs (17/10/2017 ASX release)
- Carlisle Reefs follow-up RC drilling
  - Drilling targeted gold workings and Magmatic completed first drilling programs targeting these workings
  - Best intercepts include: 30m at 1.6 g/t Au, 36m at 1.21 g/t Au and 2m at 8.44 g/t Au
  - Gold trend extends from south of Carlisle Reefs to Boxdale prospect in the north with no drilling along the structure: 14km long Boxdale – Carlisle trend
  - Surface geochemistry and geophysical program to test along the Boxdale - Carlisle trend next quarter
- Surface geochemistry and geophysical program at Lima polymetallic target planned for next quarter

**Myall project** – Barina
- AC drilling commenced during the quarter at Barina targeting Cowal-style gold mineralisation.
  - Previous intercepts included 0.5m at 204 g/t Au. Drill program to be completed in next quarter

**Parkes project (JV Japanese government exploration agency -JOGMEC)** – Brolgan
- Results from the Brolgan DD program were received. Drilling intersected sediments, volcaniclastic rocks and porphyry dykes and these results feed into Magmatic’s regional copper-gold and gold targeting programs.
- Diamond drill program at Buryan gold-copper porphyry target planned for next quarter
- RC drill program at MacGregors orogenic gold target planned for next quarter
Figure 1 – Location of Magmatic’s projects in the East Lachlan province showing mines and advanced projects with selected metal endowments

Endowment = production + current resource current to January 2017
**Wellington North Project:** Gold and Copper (MAG 100%)
Targets: porphyry copper-gold, epithermal gold and orogenic gold deposits

The Wellington North Project includes three Exploration Licences, EL7440, EL6178 and EL8357, covering 177km² and is located immediately north of Wellington (Figure 1). The project is within the Molong Volcanic Belt of the Ordovician Macquarie Arc, which hosts the porphyry copper-gold deposits at Cadia Valley (54Moz Au & 9.2Mt Cu). The project has multiple targets including Bodangora (Dicks Reward and Mitchell Creek mines) previous production 230koz Au at a grade of 26 g/t Au.

**Lady Ilse aircore drilling program**
An aircore drilling program was completed during the quarter (30 holes for 392m, Figure 3) and full results were released on November 13, 2017. Drilling was following up on previous copper-gold anomalous aircore drilling results under shallow cover. The best result from Magmatic’s aircore drilling program was 2m at 1.61g/t Au from 24m at end of hole. Encouragingly, the best gold intercepts also have elevated copper and five of the aircore holes ended in gold mineralised zones at greater than 0.1 g/t Au. Results included:

- 2m at 0.51g/t Au (COAC0006 from 3m BOH)
- 20m at 0.66g/t Au & 429ppm Cu (COAC0013 from 6m BOH) including:
  - 3m at 1.26g/t Au & 402pm Cu from 9m
  - 2m at 1.61g/t Au & 470ppm Cu from 24m BOH
- 8m at 0.19g/t Au & 358ppm Cu (COAC0012 from 15m BOH)
- 3m at 0.15g/t Au (COAC0014 from 27m BOH)
- 1m at 0.13g/t Au (COAC0029 from 30m BOH)

Follow-up bedrock RC drilling is planned for January, as well as further reconnaissance AC drilling.

**About Lady Ilse:**
The Lady Ilse porphyry-epithermal copper-gold target was identified based on integration of exploration data from previous explorers. In the 1990’s, previous explorers identified a gold anomaly in soil sampling and aircore drilling over a 400m diameter area at the Lady Ilse prospect which is coincident with a magnetic feature. Nearby drilling intersected strongly altered, sub-volcanic porphyry and the gold anomaly remained open. Previous results included an aircore point anomaly of 3m at 0.62 g/t Au (from 12m, ACNW011). This target was prioritised based on the following:

- An opportunity to discover an alkalic epithermal or ‘pencil’ porphyry copper-gold deposit, or a near surface vein hosted gold deposit;
- It is in an area of extensive shallow cover which hides surface mineralisation, but can be explored cheaply with shallow AC drilling;
- It is in favourable host rocks of the Molong Volcanic Belt in the Macquarie Arc, which is host to the giant Cadia Valley copper-gold deposits (Figure 3); and
- It was an untested single point aircore gold anomaly with no previous RC or diamond drill testing.

**About Bodangora EL7440**
Bodangora EL7440 covers the Dicks Reward and Mitchell Creeks mines which produced 230koz Au at 26 g/t Au between 1890 and 1917.

**About Rose Hill**
Rose Hill is a porphyry style copper-gold-molybdenum target with previous drilling intercepts including 71m at 0.3 g/t Au, 0.43% Cu and 57.23 ppm Mo (RHRC005, from surface).
Figure 3 – Lady Ilse aircore drilling gold anomaly showing significant gold intercepts for holes that ended in gold mineralisation and for previous hole ACWN011. Background image is RTP aeromagnetics.
Figure 4 – Wellington North tenements showing regional magnetics RTP (colour) over tilt filter (texture).
Myall Project: Gold and Copper (Magmatic 100%)
Targets: porphyry copper-gold, epithermal gold and orogenic gold deposits

Myall EL6913 is located 20km southwest of Narromine (Figure 1) covering 244km² of the Narromine Igneous Complex in the Juene-Narromine Volcanic Belt; part of the Ordovician Macquarie Arc which hosts the world class Cadia and Northparkes porphyry Cu-Au mines and the Cowal Au epithermal mine. The project is prospective for porphyry copper-gold deposits and Cowal-style epithermal carbonate base metal gold systems.

Aircore drilling started at Barina late in the quarter (awaiting completion of drill program and results) and prospect locations are shown in Figure 2. Aircore drilling is to be completed at Kingswood, Barina and Gemini copper-gold targets (Figure 2) early next quarter.

About Kingswood, Barina and Gemini:

Kingswood: a >2x>3km hydrothermally altered multi-phase intrusive system where previous drilling intersected significant porphyry copper-gold mineralisation: Two types of mineralisation have been identified:

Breccia style copper-gold mineralisation, best intercepts:

- 107m at 0.43% Cu and 0.11g/t Au from 192m, incl. 6m at 1.14% Cu and 0.26 g/t Au from 211m and 16m at 1.01% Cu and 0.32g/t Au from 227m (ACDNM090)
- 23m at 0.46% Cu from 238m (ACDNM093)

Vein style mineralisation, best intercepts:

- 70m at 0.54% Cu and 0.15g/t Au from 141m including 25m @ 0.31g/t Au and 0.82% Cu from 158m (MYACD001)
- 62m at 0.27% Cu and 0.13g/t Au from 260m, incl. 10m at 0.64% Cu, 0.61g/t Au from 260m (MYACD001)

Barina and Gemini contain gold-zinc in mesothermal carbonate base metal systems which are inferred upper portions of nearby mineralised porphyry systems.

Barina: Donut magnetic anomaly with a coincident zinc and gold anomaly. Polymict hydrothermal breccia and monzonite porphyry dykes within hydrothermally altered micro (monzo-)diorite. Previous diamond drilling found quartz-carbonate sulphide veins with gold mineralisation and sphalerite analogue to gold mineralisation at Cowal. Intercepts included:

- 0.5m at 204g/t Au from 221.9m (MYACD368)

The intercepts represent an emerging target style for the Myall project, which has been confirmed by the NSW government awarding drill funding under the New Frontiers Drill Grant scheme to test the Barina and Gemini targets.

Gemini: Quartz-carbonate gold vein system analogue to Cowal with an underlying porphyry system. The quartz monzodiorite to monzonite porphyries belong to an intrusive association equivalent to Cadia Valley and Northparkes mines. Gold anomalies identified from previous AC-DD drilling over 2km strike length. Intercepts included:

- 9m at 3.19g/t Au from 359m, incl. 1m at 8.83g/t Au from 360m and 2m at 6.38g/t Au from 363m (ACDNM081)
- 3m at 5.06g/t Au from 692m, 3m at 3.86g/t Au, from 702 and 8m at 0.92g/t Au from 718m (ACDNM112)
Figure 2 – Myall RTP magnetics (mosaic of high-resolution survey over regional survey) showing key prospects.
**Moorefield Project:** Gold, Copper, Zinc (MAG 100%)

Targets: epithermal gold and orogenic gold deposits, and skarn-related and VHMS base metals ± gold deposits.

The Moorefield project consists of two tenements EL7675 and EL8669 covering 478km² located 25km northeast of Condobolin. The project covers geological units prospective for vein-hosted gold and skarn-related mineralisation in the Ordovician Girilambone Group and VHMS-hosted base metal (± gold) mineralisation in Siluro-Devonian volcanic and sedimentary rocks.

During the quarter Magmatic announced (ASX release 21st November 2017) the expansion of the Moorefield Project by 193km² with the grant of a new exploration licence, EL8669 which is adjacent to our existing Moorefield tenement EL7675 to the east and south and covers extensions of the Boxdale-Carlisle gold and Pattons gold-copper trends. The project now totals 481.5km² in a tightly held exploration region in central NSW, and borders significant projects held by Clean TeQ, Australian Mines and Rimfire (Figure 5).

The Magmatic licences include the Carlisle Reefs gold field and the Pattons gold-copper and Boxdale gold prospects. Recent drilling at Carlisle Reefs intersected significant gold intercepts such as 30m @ 1.6g/t Au, 36m @ 1.21g/t Au and 2m @ 8.44g/t Au from the historic goldfield.

Carlisle Reefs is located at the southern end of a 14km magnetic trend (Boxdale – Carlisle trend) that extends from south of the Carlisle Reefs prospect to north of the Boxdale prospect (Figure 2). Gold Fields previously drilled 5 RC holes at Boxdale including gold intercepts² of 19m @ 1.28g/t Au and 15m @1.0g/t Au. Significantly, there is no RC or diamond drilling on this trend between the Carlisle Reefs and Boxdale prospects.

Regionally, the magnetic signal at Moorefield is impacted by the Fifield Suite, which consists of several large mafic-ultramafic intrusions north, east and south of Moorefield.

These are believed to be the causative intrusions for the Syerston and Flemington laterite-hosted nickel-cobalt-scandium mineralisation that are the subject of current studies by Clean TeQ and Australian Mines respectively. The intrusions are highly magnetic which tends to suppress the subtle, more localised, magnetic anomalies, which may be associated with mineralised trends at Carlisle Reefs and Pattons.

**Boxdale – Carlisle gold trend**

The Boxdale – Carlisle trend is a broad 14km aeromagnetic high extending from Boxdale in the north to Carlisle Reefs and beyond to the south. The is no previous drilling along this trend between Boxdale and Carlisle Reefs and this trend will be targeted for gold mineralisation. This trend is interpreted to extend onto Magmatic’s newly granted EL8669.

**About Pattons copper-gold prospect**

Pattons is a 4km long magnetic high coincident with a chert ridge. A prospecting pit exposed anomalous gold and copper rock chips with malachite. Minor alluvial gold was mined northwest of the target. This trend is interpreted to extend onto Magmatic’s newly granted EL8669.

**About Ghost Hill and Lima base metal prospects**

Ghost Hill and Lima are both base metal targets. Ghost hill is under about 20m of cover and is an aeromagnetic high. Previous drilling identified a skarn-associated gold-copper-lead-zinc anomaly. Lima, which includes the Meloola target, has undrilled base metal geochemical targets identified by previous explorers in the 1970’s.

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² Refer to MAG prospectus ASX release 17/05/2017
Figure 5 – Moorefield project showing tenement holders over the RTP magnetic image highlighting the Boxdale-Carlisle and Pattons trends extending into newly granted EL8669 tenement (dashed white lines).
**Parkes Project:** Gold and Copper (MAG 100%; JV with Japanese government exploration agency - JOGMEC earning 51% and funding 100%)
Targets: porphyry copper-gold, epithermal gold and orogenic gold deposits

The Parkes project includes two Exploration Licences: Alectown EL7424 and Parkes East EL7676, covering 159km² located north of Parkes (Figure 1). The project is within the Junee-Narromine Volcanic Belt of the Ordovician Macquarie Arc, which hosts porphyry copper-gold deposits at Northparkes gold-copper porphyry mine and Temora as well as the Cowal epithermal gold mine. It is within structurally prominent stratigraphy east of Northparkes gold-copper mine along strike from Alkane’s Tomingley gold mine.

**Alectown EL7424 Buryan**
Hylogging of previous drilling was completed at Buryan. The purpose of this program is to assist with alteration mapping and vectoring to allow targeting most prospective areas. HyLogging of previous drill core and RC chips was completed and results are expected next quarter. Data was being processed at the end of the quarter and drill planning is in progress. Alteration mapping as a vector for mineralisation has been completed and is being interpreted.

**Parkes East EL7676 Brolgan Diamond Drilling**
The Brolgan prospect is located 24km south of the Northparkes porphyry copper-gold mine (4Moz gold and 3.7Mt copper) within the southern section of the Northparkes Volcanic Group of the Macquarie Arc (Figures 1 & 6). Diamond drilling was completed during the quarter with 2 holes for 955.3m.

Previous aircore drilling at Brolgan from 2008 defined low-level zinc, copper, sulphur ± gold anomalism over a 600m diameter area, which was open to the southeast towards a magnetic anomaly that had not been previously drill tested. Alteration and mineralisation consisted of chlorite-sericite and lesser epidote alteration with disseminated and stringer pyrite. The target area is cut by NW-trending faults and the magnetic anomaly is inferred to be a magnetite-bearing intrusion. Target mineralisation styles are inferred to be structurally controlled copper-gold bearing skarn and/or orogenic gold.

Two diamond holes were completed for 955.3m, including 193.2m of aircore pre-collars. The holes intersected a mixed sequence of clastic sediments, volcanic conglomerate, mudstone-shale and sandstone interbeds, volcaniclastic rocks and porphyry dykes. Geological logging and sampling was completed, and analytical results were received and are being assessed. This geological information is assisting Magmatic’s geological understanding of the Parkes project.

**About Buryan**
There are two target styles at Buryan: Buryan porphyry is a porphyry copper gold target with previous RC drilling intersecting porphyry-style quartz-pyrite-chalcopyrite veins in andesitic volcaniclastic rocks and diorite; and Buryan IS epithermal gold-lead-zinc target is RC and DD drilled quartz-carbonate-sulphide (pyrite – sphalerite – galena – chalcopyrite) veins and matrix infill in phyllic and propylitic altered polymictic breccias.

Two diamond drill holes are planned in the southern end of the Buryan copper-gold porphyry target in an extension of an area of previously drilled potassic alteration.

**About MacGregors**
MacGregors orogenic gold prospect is a previously drilled (e.g. 6m at 1.03 g/t Au MDD001, from 77m) prospect with an undrilled arsenic anomaly extending to the south.

RC Drilling is planned along the MacGregors trend and target style is Tomingley (0.76Moz Au) about 50km to the north.
Figure 6 – Regional magnetic image (RTP colour over tilt filter texture) of the Parkes JV project, showing prospects including Brolgan (lower LHS) and proximity to the Northparkes porphyry copper-gold mine.
Announcements
Investors are directed to the following announcements (available at magmaticresources.com) made by Magmatic Resources Ltd during the December 2017 Quarter and subsequently announced for full details of the information summarised in the Quarterly report.

11/12/2107 - Follow-up drilling to commence at Lady Ilse
04/12/2017 - Soil sampling underway on Boxdale-Carlisle gold target
21/11/2017 - New Exploration Licence Granted at Moorefield Project
13/11/2017 - Significant Gold intercepts at Lady Ilse, Wellington Project
17/10/2017 - Gold mineralisation extended at Carlisle Reefs
04/07/2017 - High Grade Gold Drill Results from Carlisle Reef

Magmatic Tenement Listing
(As at 31 December 2017)

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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 Steven Oxenburgh who is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM (CP)) and a Member of the Australian Institute of Geoscientists (MAIG). Mr Oxenburgh is a full-time employee of 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 Steven Oxenburgh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

3 All tenements are held by Modeling Resources Pty Ltd which is a 100% owned subsidiary of Magmatic Resources Ltd