

8 August 2018

Dear Shareholder

Thank you for your support of Magmatic Resources Ltd (MAG). This is our first capital raising since we listed on the ASX in May 2017, and as such we are offering this opportunity to invest to our shareholders first.

Our recent Annual Shareholder Update summarised below, outlined that we have been very active since listing. As a junior explorer discovery success is the best way of delivering significant value to shareholders. We have advanced multiple drill targets and this capital raising is to fund the further progression of these drill targets.

We believe that the upcoming year will be a rewarding one for MAG and encourage you to participate in this capital raising, the details which are in the attached Prospectus.

Please don't hesitate to email or call me to discuss any questions you have.

Best Regards



David Richardson

Managing Director

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16 July 2018

Annual Shareholder Update *(please refer to the official ASX announcement of the same date for full details)*

It has been an exciting and eventful year since Magmatic Resources Ltd (MAG) listed on the ASX in May 2017. I would like to take this opportunity to give you a detailed review of the past year and our strategy for the future.

Initial Strategy

MAG listed on the back of purchasing four large gold and copper exploration projects in NSW from Gold Fields (world's 7th largest gold producer) and our initial strategy was to:

A) Focus MAG exploration on near surface, walk up Gold targets by priority of:

- Boxdale - Carlisle Reefs 14km gold trend
- Bodangora historical gold mine 230k oz Au @ 26g/t (see MAG ASX prospectus 17/5/2017)
- Lady Ilse 10km gold-copper target corridor
- MacGregors 2km mineralised gold trend

B) Identify JV partners for one of the larger copper-gold porphyry projects Myall, Wellington North and Parkes, with MAG to be exploration operator and receive a 10% operator fee. We successfully joint ventured our Parkes project with JOGMEC (the Japanese National government resources agency) and in the first year they funded over \$1m on advancing this project, and second year exploration has begun.

1st year Activity

MAG benefit greatly from the excellent exploration previously done by Gold Fields and have significantly advanced our four projects and believe that the MAG assets are ready for discovery. Our first 12-month exploration expenditure was approximately \$3m (\$2m of MAG expenditure and \$1m from JOGMEC) and led to **all of our tenements being 100% renewed for a further 3 years without any relinquishment**. This will allow our future exploration program to be even more focused on targets that give us the best opportunity to find a resource. We have delivered all our planned exploration programs and more including:

- ✓ **Added two more tenements to our Wellington North and Moorefield projects in East Lachlan:**
- ✓ **Acquired two new exciting projects in the Yamarna/Laverton region of WA, importantly in Electric Vehicle commodities and gold.**



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Future Plans

- ✓ Well positioned to take advantage of advanced portfolio of targets, as gold prices continue to be buoyant and the copper supply/demand shortfall starts to be factored in by the market
- ✓ Focused on near surface gold targets with best discovery potential
- ✓ Actively looking for major JV partners to advance copper-gold porphyry projects

Summary

In 2014 when we purchased Gold Fields assets, we believed that there was a great opportunity for a counter cyclical investment in gold-copper resource exploration after many years of downturn, and now feel that the seeds of a recovery are growing and creating the right environment for us to capitalise on our investment.

The market has finally recognised the supply/demand shortfall of copper and the potential that Electric Vehicles will have on copper demand. Our projects in the East Lachlan have the potential for a major copper discovery and our multiple near surface gold targets are significantly advanced.

We are very confident that our near-term exploration programs and corporate activities have the potential to drive MAG's share price higher and thank you for your continued support.

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 AusIMM (CP) and a Member of the Australian Institute of Geoscientists. 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 Oxenburgh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Additionally, Mr Oxenburgh 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.



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