

ASX / Media Release

14 December 2018

Purchase of existing Net Smelter Royalties on 4 East Lachlan Copper-Gold projects

Magmatic Resources Limited (“MAG” or “the Company”) is pleased to announce that it has purchased the existing Net Smelter Royalties (“NSRs”) granted to Clancy Exploration Limited (ASX: CLY) on MAG’s Myall Project, Wellington North Project, Parkes East Project and Moorefield Project (“Company’s Projects”).

The NSRs ranged from 2.0 - 2.5% royalty payable out of the gross revenue from the Company’s East Lachlan Projects, minus allowable charges related to production. The NSRs were payable Quarterly and while no current production comes from the Company’s Projects, the existence of the NSRs were restrictive in MAG’s attempts to joint venture or transact the Company’s large copper-gold porphyry Projects to major miners.

MAG’s Managing Director, David Richardson said “*This Purchase represents a significant milestone in MAG’s progress. While the Company has conducted multiple drill and exploration programs advancing its Projects, the NSRs have hung over our heads and amounted to a significant impediment in dealing with our Projects. The Myall, Wellington North and Parkes projects are in close proximity to the large Northparkes and Cadia Valley Copper-Gold porphyry mines, and we have always been of the opinion that MAG’s Projects, due to their prime location, size and exploration potential, represent attractive targets for companies seeking world class orebodies.*

This has been borne out by our successful negotiation and the operatorship of our Parkes East Joint Venture with the giant Japanese Governmental authority JOGMEC. The ability of the Company to attract a joint venture partner of this size and importance, even before the Company listed, demonstrated to the Board the potential of the Projects.

We are confident that having removed the significant encumbrance that the NSRs represented, will significantly assist with any discussions regarding our Projects.”

Please direct all enquiries to:

David Richardson
Managing Director
Phone: +61 8 9322 6009
Email: info@magmaticresources.com

