Magmatic Resources signs a 50/50 partnership and Framework Agreement with Blue Cap Mining, for the North Iron Cap Gold Project near Marvel Lock, WA.

Magmatic Resources Limited ("Magmatic" or the “Company”) (ASX: MAG) is pleased to announce that it has signed a 50/50 partnership and Framework Agreement with Blue Cap Mining Pty Ltd (Blue Cap) to facilitate the rapid development of the North Iron Cap gold project near Marvel Lock in Western Australia pending acquisition of the project. The Agreement with Blue Cap is the first step in transforming Magmatic into a Western Australian gold mining company.

The Company has entered into an agreement to acquire the North Ironcap project from North Iron Cap Pty Ltd, who hold the gold rights in respect of M77/544, a tenement held by Western Areas Nickel Pty Ltd. The proposed acquisition is conditional upon the Company receiving shareholder approval of both the transaction and the demerger of its East Lachlan, N.S.W Exploration Projects by way of an in-specie distribution to existing Magmatic shareholders (refer to ASX release on the 7 June 2019).

The North Ironcap Project is an advanced stage gold exploration asset located south of Southern Cross within the Forrestania Greenstone Belt, approximately 400km east of Perth (Figure 1). The project lies between the Bounty Gold Mine and the Forrestania Nickel Mine and has seen extensive drill definition of near surface gold mineralisation (refer to ASX release on the 7 June 2019).

Magmatic and Blue Cap will subsequently agree a Mining Services Agreement and related funding agreement that provides the required capital to bring the operation into production over the next 6-12 months.

Blue Cap, in conjunction with Magmatic, will complete a number of advance assessments and optimisations of the project, including further QA / QC drilling and a range of other pre-production works (Pre-Production Works). Blue Cap will fund the Pre-Production Works.

Pending a decision to mine after the Pre-Production Works are completed, Blue Cap will provide required working capital for operations until the North Iron Cap project is cash flow positive from gold receipts.

Magmatic's Managing Director David Richardson said "we are very excited to have entered into this agreement with Blue Cap Mining and are very much looking forward to developing North Iron Cap with Blue Cap and transforming the Company into a gold producer.

North Iron Cap is one of three WA gold projects that Magmatic has agreed to purchase, and we look forward to building our relationship with Blue Cap to develop further opportunities."
Blue Cap's Managing Director Ashley Fraser said “I am encouraged by the opportunity that the North Iron Cap project presented for the partners, particularly given its near term production status and ability to open up a number of other project opportunities in the region with Magmatic.”

Please direct all enquiries to:

David Richardson
Managing Director
Phone: +61 430 353 343
Email: info@magmaticresources.com

Figure 1  North Ironcap location on topographic plan