



ASX / Media Release

11 October 2019

Magmatic Notice of Meeting Addendum

Given the changes outlined in Magmatic Resources Limited's 11 October 2019 release to the market titled "MAG to re-focus on East Lachlan Assets", the upcoming Shareholders Meeting, currently scheduled for 15 October 2019, has been rescheduled to 22 October 2019 to allow shareholders additional time to consider these changes.

An Addendum to the Notice of Meeting outlining the changes (which include the withdrawal of Resolutions 1, 2 and 4) is attached to this announcement. The Addendum will also be sent out to shareholders.

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MAGMATIC RESOURCES LIMITED

ACN 615 598 322

ADDENDUM TO NOTICE OF GENERAL MEETING

1. IMPORTANT INFORMATION

Magmatic Resources Limited (ACN 615 598 322) (**Company**), hereby gives notice to Shareholders that in relation to the Notice of General Meeting dated 13 September 2019 (**Notice of Meeting**) in respect of a general meeting of Shareholders currently scheduled to be held at 10:00 am (WST) on 15 October 2019 at Suite 8, 1297 Hay Street, West Perth WA 6005, the Directors have determined to issue this addendum to the Notice of Meeting (**Addendum**) for the purposes set out below.

Definitions in the Notice of Meeting have the same meaning in this Addendum unless otherwise updated in this Addendum. This Addendum is supplemental to the original Notice of Meeting and should be read in conjunction with the original Notice of Meeting. Save for the amendments set out below, all resolutions and the Explanatory Statement in the original Notice of Meeting remain unchanged.

Annexed to this Addendum to the Notice of Meeting is a new Proxy Form. Shareholders are advised that:

- If you have already completed and returned the Proxy Form which was annexed to the original Notice of Meeting and **you wish to change your vote, you must complete and return the new Proxy Form** annexed to this Addendum to the Notice of Meeting.
- If you have already completed and returned the Proxy Form which was annexed to the original Notice of Meeting and **you do not wish to change your vote, you do not need to take any action** as the earlier submitted Proxy Form will be accepted by the Company unless you submit a new Proxy Form.
- If you have not yet completed and returned a Proxy Form and you wish to vote on the Resolution in the Notice of Meeting, please **complete and return the new Proxy Form** annexed to this Addendum to the Notice of Meeting.

To vote in person, attend the Meeting at the time, date and place set out above.

2. RESCHEDULING OF MEETING

Given the changes in circumstances, and for the reasons set out below, the general meeting of Shareholders has been rescheduled to **10:00 am (WST) on 22 October 2019** to allow shareholders additional time to consider the changes set out in this Addendum. The meeting will take place at the same location, being Suite 8, 1297 Hay Street, West Perth WA 6005.

3. BACKGROUND

Following Alkane Resources Limited's (**Alkane**) recent discoveries at its Boda Prospects announced on 9 September 2019, the Company has resolved not to proceed with the proposed demerger of its four East Lachlan, NSW projects into Australian Gold and Copper Limited by way of an in-specie distribution to the Company's shareholders and, as a result, withdraw Resolutions 1, 2 and 4 (**Resolutions**) and the offer of AGC shares under its Prospectus dated 13 September 2019.

While the Company's Board, major shareholder Gold Fields Australia Pty Ltd, and key supporters of the Company have always valued and understood the potential of the Company's East Lachlan Projects, the broader market has, until recently, not shared our views. Alkane's success at the Boda Prospect has conveniently reminded the market that the Company's portfolio in the area represents one of the most significant ground positions of any listed explorer with multiple advanced targets.

Accordingly, the Company's Board and management have considered the impact of the Alkane's discovery on the East Lachlan Projects and have determined that the Company will re-focus its efforts into the East Lachlan Projects, particularly its Wellington North Project which is only ~2km from the Boda Prospect discovery and the Lady Ilse prospect located ~6km from the Boda Prospect discovery, due to the market's realisation of the East Lachlan Project's value.

Furthermore, as a result of the Company not proceeding with the in-specie distribution, the Company has negotiated the termination of the sale and purchase agreements to acquire 100% of the issued share capital of each Kokoda Exploration Pty Ltd, Ashburton Metals Group Pty Ltd and North Iron Cap Pty Ltd in respect of the Calyerup, North Ironcap and Ashburton Projects, all located in Western Australia (**Gold Projects**). The Company has agreed to make the following payments to the vendors of the Gold Projects in consideration for them agreeing to terminate the sale and purchase agreements:

- (a) North Iron Cap Pty Ltd:
 - (i) \$25,000 cash payment; and
 - (ii) issue of 1 million fully paid ordinary shares in the capital of the Company;
- (b) Ashburton Metals Group Pty Ltd: \$25,000 cash payment; and
- (c) Kokoda Pty Ltd: \$10,000 cash payment.

Initially, the Company had entered the Gold Project agreements to complement its existing East Laverton Projects once the demerger of the East Lachlan Projects occurred. The Company believes that the Gold Projects represent an exciting opportunity, but determined that it would be unfair to the vendors and the Company's shareholders to attempt to realise the true value from Gold Projects at the same time as the renewed focus on the East Lachlan Projects.

The Company has also negotiated the termination of the various agreements with Blue Capital Mining Pty Ltd (**Blue Cap**) which were entered to expedite the development of the North Iron Cap Project in consideration for the issue to Blue Cap of 3 million unlisted options to acquire Shares at an exercise of \$0.10 and an expiry date of 3 years from the date of issue.

4. ADDENDUM

The purpose of the Addendum is to make the following changes to the Notice of Meeting (for the reasons set out in Section 3):

Resolution 1 – Approval for an Equal Reduction of Capital and In-Specie Distribution

Resolution 1 deals with the pro-rata in specie distribution of 117,242,568 shares of AGC to Shareholders registered on the Record Date. For the reasons set out in the Background section above, the Board wishes to advise Shareholders that it is withdrawing Resolution 1 from the Notice of Meeting.

Resolution 2 – Approval of the Issue of Shares to the Vendor Shareholders

Resolution 2 seeks Shareholder approval for the purpose of item 7 of Section 611 of the Corporations Act to allow the Company to issue a total of 127,657,699 New Shares to the Vendor Shareholders, in part consideration for the acquisition of Ashburton Metals Group, North Iron Cap and Kokoda Exploration. For the reasons set out in the Background section above, the Board wishes to advise Shareholders that it is withdrawing Resolution 2 from the Notice of Meeting.

Resolution 3 – Placement of New Shares

Section 3.2(f) of the Explanatory Memorandum

In the Explanatory Memorandum of the Notice of Meeting, Section 3.2(f) is set out as follows:

“funds raised from the Placement will be applied towards exploration on the New WA Assets and general working capital.”

As a result of the termination of the agreements with the Vendor Shareholders and the withdrawal of Resolutions 1 and 2, as set out in the Background section above, the Company intends to use funds raised from the Placement and apply it towards the exploration of the NSW Assets. In particular, the Company intends to prepare exploration programs for its East Lachlan Projects, pay outstanding debtors and for general working capital.

Therefore, Section 3.2(f) should be amended to remove reference to the WA Assets and include reference to the NSW Assets:

“funds raised from the Placement will be applied towards exploration on the NSW Assets, payment of outstanding debtors and general working capital.”

Resolution 4 – Issue of Options to Related Party – Mr Andy Viner

Resolution 4 seeks Shareholder approval for the purpose of issue a total of 2,500,000 Director Options to Andy Viner, who was appointed as a director of the Company on 13 September 2013. However, as a result of the termination of the agreements with the Vendor Shareholders and the withdrawal of Resolutions 1 and 2, Mr Viner has resigned as a director of the Company (he was appointed as a director for the expertise he would bring to the WA Assets). Given he is no longer a director, Mr Viner and the Board have agreed that the Director Options will no longer be issued to Mr Viner. As such the Board wishes to advise Shareholders that it is withdrawing Resolution 4 from the Notice of Meeting.

Dated: 11 October 2019

BY ORDER OF THE BOARD



**DAVID BERRIE
COMPANY SECRETARY**

Enquiries: Shareholders are advised to contact the Company Secretary on + 61 8 9322 6009 if they have any queries in respect of the matters set out in this Addendum.