27 JULY 2020

QUARTERLY ACTIVITIES REPORT TO 30 JUNE 2020

- Exploration activity focused on Wellington North Project, Northern Molong Belt
- Diamond drill hole completed with follow-up RC drilling underway at Lady Ilse Gold-Copper Porphyry Target
- Boda North and Boda South target areas identified as extensions to the Boda Porphyry Belt
- IP geophysical surveying and data reprocessing highlights prospective trend with RC drill testing underway at Boda North

Magmatic Resources Limited ("Magmatic" or the "Company") (ASX: MAG) is pleased to provide its Quarterly Activities Report for the period ending 30 June 2020 ("June 2020 Quarter").

Exploration

Lady Ilse District

Diamond Drilling Activity (ASX MAG 24 April 2020, 3 June 2020)

On 3 June 2020, the Company provided an update on the results of the first diamond drillhole at Lady Ilse. The drillhole (20LIDD001) defined a vertical, north-south trending zone of porphyry-style mineralisation, beneath a fertile pyrite zone and at the edge of a large chargeability anomaly (Figures 1, 2). The drill holes position on the edge of a large chargeability anomaly, along with results similar to the first diamond hole at the nearby Boda porphyry discovery (see ASX ALK 15 August 2017), suggest a distal position within a major porphyry system (Figures 1, 2).

RC Drilling Activity (ASX MAG 18 June 2020)

The results of the first diamond hole at Lady Ilse provided the Company with increased confidence in the potential for a large gold-copper porphyry discovery at Lady Ilse, where RC drilling is underway (ASX MAG 18 June 2020). The RC drilling is focused on testing zones along strike from the diamond hole including areas of strong chargeability anomalist (Figures 1, 2). Drilling progress has been slowed by wet weather conditions and mechanical issues, with the rig being recently replaced with a larger track mounted rig to increase production rates. Subsequent to the quarter, five holes have now been completed for a total of 1146m (ASX MAG 18 June 2020).

Boda North District

IP Geophysics (ASX MAG 1 June 2020)

On 1 June 2020 Magmatic announced the results of an IP geophysical survey covering a portion of the northern extension of the Boda Porphyry Belt. The Boda North target area represents the northern extension of the Boda Porphyry Belt, located 5 kilometres along strike from the Boda Porphyry Discovery (Alkane Resources, see ASX: MAG 11 May 2020, Figures 3, 4).
To rapidly assess the area’s potential for Boda-style Au-Cu porphyry mineralisation, IP geophysical surveying was utilised to identify chargeable features, being an important discovery indicator during the Boda Porphyry Discovery (see ASX ALK 13 February 2020). The survey’s results, along with reprocessing of historical datasets indicate a zone of chargeability, defining a 4 km zone remaining open to the north (Figures 3, 4).

Subsequent to the quarter, a second drill rig has been mobilised and has commenced RC drilling activity at Boda North (MAG 17 July 2020).

Corporate

**Options Exercised**

During the June 2020 Quarter, 930,037 listed Options that expired on 17 May 2020 exercisable at 30 cents each were exercised and, as a result, 930,037 ordinary shares fully paid have been issued. The exercise of these Options has added $279,011 to the Company’s Cash at Bank. The remaining listed Options exercisable at 30 cents each that expired on 17 May 2020 have lapsed unexercised. In addition, during the June 2020 Quarter, 2.5 million unlisted options that expired on 11 May 2020 lapsed unexercised.

**Magmatic awarded two New Frontiers Cooperative Drilling (NFCD) programme grants**

Magmatic was awarded two New Frontiers Cooperative Drilling (NFCD) programme grants by the New South Wales State Government, further reinforcing the quality of the exploration work conducted by Magmatic’s exploration team. The NFCD will contribute $71,250 towards drill testing of the Company’s Pattons VHMS/gold target (Moorefield Project), and Lady Ilse North porphyry gold-copper target (Wellington North Project).

**COVID-19**

The Company has been proactively managing the potential impact of COVID-19 and has developed systems and policies to ensure the health and safety of our people. These systems and policies have been progressively developed in line with the formal guidance of state and federal health authorities and with the assistance of our contractors. With a locally based exploration team, the Company is well positioned to progress its projects at this time.

**Wellington North Project (Gold-Copper)**

Magmatic’s 100%-owned Wellington North Project covers the northern extension of the Molong Volcanic Belt, located ~110km north and along strike from Newcrest’s world-class Cadia Valley porphyry gold-copper deposits and surrounding Alkane Resources’ recent Boda Discovery (ASX ALK 9 September 2019). The project comprises three exploration licences that essentially encircle the Boda discovery, covering 177km² and is considered highly prospective for gold-copper porphyry, gold epithermal and lode style gold mineralisation.

The recent Boda porphyry discovery by Alkane Resources Ltd (ASX ALK 9 September 2019) has highlighted the value of Magmatic’s dominant surrounding tenure position in the northern Molong Belt, in what is emerging as a significant gold porphyry discovery hotspot (Figure 3). The Boda discovery has highlighted the surface signature of porphyry mineralisation in the area and has
significantly upgraded Magmatic’s Lady Ilse District (Lady Ilse, Lady Ilse South and Lady Ilse North), Rose Hill, Ninety and Mayhurst targets for Boda-style and Cadia East-style porphyry gold-copper mineralisation.

The Company was awarded a New Frontiers Cooperative Drilling grant during the June 2020 Quarter, which will contribute $35,250 towards drill testing at the Lady Ilse North porphyry gold-copper target.

Figure 1: 20LIDD001 cross section showing summary geology and main porphyry target zone at western margin of monzonite intrusive (6408300N)
Figure 2: Lady Ilse District long section constrained to vertical, north – south trending target zone as defined by 20LIDD001, g/t Au, % Cu. Broad chargeability anomalism indicating a southwards vector. Indicative drillhole positions shown.
Figure 3: Oblique view of Boda Porphyry Belt, highlighting Boda North target, characterised by strong chargeability anomaly, showing recent IP chargeability depth slice (ASX MAG 1 June 2020) and historical IP chargeability section (6418550N).

BODA NORTH DISTRICT PORPHYRY TARGETS
Strong IP chargeability/conductivity anomaly evident > 4km strike, associated with elongate mag features, shallow transported cover (~5-30m)
Figure 4: Aeromagnetic imagery, RTP (Magmatic and Open File Company/Government) showing northern Molong Belt porphyry target portfolio, Wellington North Project, highlighting Boda Au-Cu Porphyry Discovery (ALK), extensions to the Boda Porphyry Belt and target zones at Boda North, Boda South.
Myall Project (Copper-Gold)

*Magmatic Resources Ltd 100%*

The Myall Copper-Gold Project covers the northern extension of the Junee - Narromine Volcanic Belt, located ~50km north and along strike from the Northparkes copper-gold porphyry cluster (China Molybdenum/Sumitomo, CMOC 2019). The project comprises a single exploration licence, covering 245km$^2$ and is considered highly prospective for Northparkes-style copper-gold porphyry mineralisation.

Exploration activities were limited to data review and preparation for future exploration activity.

Parkes Project (Gold)

*Magmatic Resources Ltd 100%*

The Parkes Project is located within the Parkes Fault Zone, located along strike from Alkane’s recently defined Inferred Mineral Resources at Roswell, 445koz (ASX ALK 28/2/2020) and San Antonio, 453koz (ASX ALK 20/4/2020) and is considered prospective for orogenic-style gold mineralisation.

Exploration activities were limited to data review and preparation for future exploration activity.

Moorefield Project (Gold-Copper-Zinc)

*Magmatic Resources Ltd 100%*

The Moorefield Project covers an area of the central Lachlan Orogen, located 100km west of Northparkes Copper-Gold Mine. The project comprises two exploration licences covering 482km$^2$ and is considered prospective for vein-hosted gold and skarn-related base metal mineralisation in the Ordovician Girilambone Group and VHMS base metal (+ gold) mineralisation in Siluro-Devonian volcanic and sedimentary rocks.

The Company was awarded a New Frontiers Cooperative Drilling grant during the June 2020 Quarter, which will contribute $36,000 towards drill testing at the Pattons VHMS/gold target.
Figure 5: MAG Project Location Map (Phillips 2017)
## Magmatic Tenure

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**Table 1: Tenement listing at 30 June 2020

**All tenements are held by Modeling Resources Pty Ltd, or Landslide Investments Pty Ltd, both of which are 100% owned subsidiaries of Magmatic Resources Ltd**
ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was $763,000. Full details of exploration activity during the Quarter are set out in this report.

2. ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the Quarter.

3. ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the Quarter $160,000: The Company advises that this relates to non-executive director’s fees and executive directors’ salaries only. Please see Remuneration Report in the Annual Report for further details on Directors’ remuneration.

References


Authorised for release by: Peter Duerden, Managing Director

Please direct all shareholder and investor enquiries to:

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

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 Peter Duerden who is a Registered Professional Geoscientist (RPGeo) and member of the Australian Institute of Geoscientists. Mr Duerden is a full-time employee of, and has associated shareholdings in, 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 Duerden consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Additionally, Mr Duerden 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.

Geophysical information in this report is based on exploration data compiled by Mr Terry Hoschke who is employed as a Consultant to the Company through the geophysical consultancy Alterrex Pty Ltd. Mr Hoschke is a member of the Australian Society of Exploration Geophysicists and the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, 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 Hoschke consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Previously Reported Information

The information in this report that references previously reported exploration results is extracted from the Company’s ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company’s website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that
the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.

**Disclaimer**

This report contains certain forward-looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Magmatic Resources Ltd, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Magmatic Resources Ltd. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geoscientists.