

23 NOVEMBER 2020

## AUSTRALIAN GOLD AND COPPER LTD PRIORITY OFFER TO MAGMATIC SHAREHOLDERS

- Australian Gold and Copper Ltd (AGC) Prospectus issued to raise between \$7m and \$10m
- Magmatic (MAG) shareholders will receive an in-specie share distribution of approximately 80% of the shares MAG holds in AGC
- Eligible MAG shareholders will also be entitled to subscribe under a Priority Offer
- The combined AGC portfolio offers multiple drill ready targets of Fosterville-style gold, McPhillamys-style gold and Cobar-style gold-polymetallic mineralisation within the Central Lachlan Fold Belt
- MAG will remain focused on its highly prospective East Lachlan gold and gold-copper projects

Magmatic Resources Limited ('Magmatic', 'The Company', 'MAG') is pleased to provide an update on the proposed spin out and listing of its subsidiary, Australian Gold and Copper (AGC), on the Australian Securities Exchange (ASX) by way of an initial public offering (IPO).

As previously announced, Magmatic intends, subject to the satisfaction of a number of conditions including shareholder approval at its upcoming annual general meeting, to give effect to a demerger of its Moorefield Project and the Gundagai and Cargelligo gold projects which Magmatic proposes to acquire from New South Resources Pty Limited (NSR).

AGC lodged its prospectus with the Australian Securities & Investments Commission on 18 November 2020 (Prospectus) to raise a minimum of \$7,000,000 (before costs) and maximum of \$10,000,000 (before costs) (the AGC Offer). Taylor Collison is the Lead Manager of the Offer. Eligible Magmatic shareholders will be entitled to participate under a Priority Offer once the offer opens which is currently scheduled for **26 November 2020**.

As previously announced, funds raised under the Offer will be used to progress AGC's exploration activities at its demerged Moorefield Project and the Gundagai and Cargelligo gold projects in the Central Lachlan of New South Wales which Magmatic proposes to acquire from NSR (ASX MAG 18 September 2020).

The Magmatic board is excited about this development as it will allow the Company to focus on its East Lachlan assets, whilst providing exposure for Magmatic and its shareholders to an attractive portfolio in the Central Lachlan including<sup>1</sup>:

- 3 advanced exploration projects in the world class Lachlan Fold Belt
- multiple, near surface, drill ready gold targets

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<sup>1</sup> Refer to AGC Prospectus - [www.austgoldcopper.com.au](http://www.austgoldcopper.com.au) ASX MAG 19 November 2020

- advanced targets have been well defined by multiple data sets (a combination of historic drilling, historic workings, geophysics and surface geochem)
- near term drill testing to rapidly follow IPO

### Shareholder Vote

Magmatic shareholders will be asked to vote on the proposed demerger (to be carried out by way of capital reduction and in-specie distribution), at the upcoming Annual General Meeting to be held on **18 December 2020**. If that vote is successful, and the other Conditions Precedent to the demerger and listing on the ASX are also satisfied (including amongst other matters, approval by NSR shareholders of the demerger of the Gundagai and Cargelligo gold projects, ministerial approval to the transfer of the tenements and receipt of ASX approval for the conditional admission of AGC shares to quotation on the ASX), then it is proposed AGC will be listed as a separate entity under the ASX Code "AGC".

Magmatic Shareholders are encouraged to refer to the Notice of Meeting for the upcoming Annual General Meeting which is available on the Company's website or via the ASX Announcements Platform (refer announcement of 18 November 2020) for further details regarding the proposed demerger and listing of AGC.

### In-Specie Distribution to MAG Shareholders

If the relevant conditions are satisfied, Existing Magmatic Shareholders as at the In-specie Distribution Record Date of 29 December 2020, will receive an "in-specie" distribution of shares in AGC on the basis of approximately five (5) AGC shares for every thirty six (36) MAG shares held.

### Priority Offer

In addition, eligible Magmatic Shareholders will be entitled to subscribe for shares in the AGC IPO under a Priority Offer. It is intended that as many eligible Magmatic Shareholders as possible who subscribe under the AGC Offer will receive at least the minimum allocation of shares (being 10,000 AGC Shares or A\$2,000) under the Priority Offer, however there is no guarantee that all shareholders who subscribe for shares through the Priority Offer will have their applications accepted in full.

In order to participate in the Priority Offer, shareholders should wait for the Priority Offer to Open (currently scheduled for 26 November 2020), then follow the instructions on the priority application form within the prospectus prior to the Priority Offer closing date (currently **15 December 2020**). Before deciding whether to invest in AGC, investors should read the AGC Prospectus in its entirety and consider the risks of the Offer.

For further information on how to apply for AGC shares, please see the AGC Prospectus, available at:

- Magmatic website <https://magmaticresources.com/investors/#asx-announcements>
- AGC website <https://www.austgoldcopper.com.au>
- request a copy directly by calling the Computershare Offer Information Line on 1300 214 750 (within Australia) or +61 3 9415 4064 (outside Australia) 8.30am – 5.00pm (AEST) Monday to Friday during the offer period

## **Contact details in relation to the AGC Offer:**

- **Australian Gold and Copper Limited**  
Managing Director: Glen Diemar on [gdiemar@austgoldcopper.com.au](mailto:gdiemar@austgoldcopper.com.au) or  
Company Secretary: Andrea Betti on [abetti@austgoldcopper.com.au](mailto:abetti@austgoldcopper.com.au)  
Telephone: +61 8 9322 6009
- **Taylor Collison Limited**  
Telephone: +61 8 8217 3900

## **Authorised for release by: Peter Duerden, Managing Director**

*Please direct all shareholder and investor enquiries to:*

**Peter Duerden**

**Managing Director**

**Phone: +61 8 9322 6009**

**Email: [info@magmaticresources.com](mailto: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.

## **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](http://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, Metallurgy and Australian Institute of Geoscientists.