

Magmatic Resources Limited ACN 615 598 322 (**Company**)

Supplementary Prospectus

Supplementary Prospectus to a Prospectus dated 18 November 2020

Important Information

This is a supplementary prospectus dated 1 December 2020 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. This Supplementary Prospectus supplements the short form prospectus dated 18 November 2020 (**Prospectus**) issued by Magmatic Resources Limited ACN 615 598 322 (**Company**) and is intended to be read with the Prospectus.

ASIC, ASX Limited (**ASX**), and their officers take no responsibility as to the contents of this Supplementary Prospectus. This Supplementary Prospectus shall be read in its entirety together with the contents of the Prospectus. If you are in any doubt as to the contents of this document, you should consult your professional advisers without delay.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms used in this Supplementary Prospectus shall have the same meaning ascribed to them in the Prospectus. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail.

The Company has issued an electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions of both may be accessed at www.magmaticresources.com.

1. Supplementary Prospectus

1.1 Purpose

This Supplementary Prospectus has been issued to incorporate the additional information contained within the addendum to the Company's Notice of Meeting, dated 1 December 2020 into the Prospectus.

1.2 No investor action required

As the content of this Supplementary Prospectus is not considered by the Company to be materially adverse to investors, no action needs to be taken by investors who have already submitted proxy forms. As no applications may be made under this Prospectus, there are no withdrawal rights offered pursuant to this Supplementary Prospectus.

1.3 Proxy Forms

If you have already completed and returned the Proxy Form which was provided with the original Notice of Meeting and you wish to change your vote, you must complete and return a new Proxy Form. Please contact the Company if you require a new Proxy Form.

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.

2. Background and Summary of Amendments to the Prospectus

2.1 Background to Amendments

The NSR Sale Agreement contemplates and effects the transfer of the NSR Tenements from NSR to AGC. The NSR Sale Agreement is subject to a number of conditions including, relevantly, the NSR Distribution condition, which is defined in the Notice of Meeting as “NSR undertaking a capital reduction and an in-specie distribution to NSR shareholders of approximately 80.146% of the shares that it holds in AGC.”

NSR has advised the Company that:

- (a) it is not undertaking the NSR Distribution; and
- (b) it has agreed to waive the NSR Distribution condition set out in item 7 of section 2.1(a) of the NSR Sale Agreement (**NSR Distribution Condition**).

As a result, NSR (and not each NSR shareholder) will now hold all of the NSR Consideration Shares issued to it by AGC under the NSR Sale Agreement.

NSR and AGC have agreed to waive the NSR Distribution Condition under the NSR Sale Agreement.

This necessitates certain amendments to the Prospectus as set out below in this Supplementary Prospectus.

2.2 Amendments to the Prospectus

(a) References to Notice of Meeting

All references to the "Notice of Meeting" in the Prospectus are replaced with "Notice of Meeting as amended by the Addendum to the Notice of Meeting", and the definition of "Notice of Meeting" in Section 5 (**Definitions**) of the Prospectus is deleted and replaced with:

***"Notice of Meeting** means the Notice of Annual General Meeting and Explanatory Statement of the Company dated 18 November 2020 in which the In-Specie Distribution Resolution is to be considered, as amended by the Addendum to the Notice of Meeting dated 1 December 2020."*

The Addendum to the Notice of Meeting is included as Attachment 1 to this Supplementary Prospectus.

(b) Section 1.1 – Offer

Under the heading “Offer” on page 6 of the Prospectus, item (b) referring to the NSR Distribution Condition is deleted in its entirety.

(c) Section 3.5 – Substantial AGC Shareholders

Under the heading “Substantial AGC Shareholders” on page 13 of the Prospectus, the table set out in that section is deleted in its entirety and is replaced with the below:

AGC Shareholder	AGC Shares	% shareholding interest in AGC under Minimum Subscription ¹	% shareholding interest in AGC under Maximum Subscription ¹
NSR	20,000,000	23.53%	20.00%

AGC Shareholder	AGC Shares	% shareholding interest in AGC under Minimum Subscription ¹	% shareholding interest in AGC under Maximum Subscription ¹
Magmatic Resources Ltd	5,956,209	7.01%	5.96%
Bilingual Software Pty Ltd and D & R Richardson ²	5,894,802	6.94%	5.89%

1. The table above assumes that no Options are exercised.
2. This includes Shares held directly or indirectly by David Richardson as particularised above.

(d) **Section 5 – Definition**

- (1) Under the heading “Definitions” on page 16 of the Prospectus, the definition of “NSR Distribution” is deleted in its entirety.
- (2) Under the heading “Definitions” on page 16 of the Prospectus, the definition of “Proposed Transaction” is deleted in its entirety and replaced with the following:

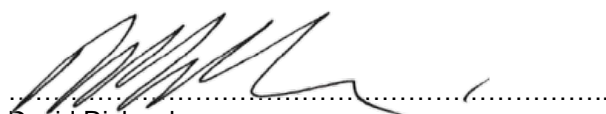
Proposed Transaction means the *In-specie Distribution, the transfer of the NSR Tenements to AGC, and the subsequent Capital Raising to facilitate the quotation of AGC Shares on the ASX.*

3. Directors’ authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Supplementary Prospectus is signed for and on behalf of the Company by:



David Richardson
Chairman of Magmatic Resources Limited
1 December 2020

ATTACHMENT 1 – ADDENDUM TO THE NOTICE OF MEETING

Magmatic Resources Limited ACN 615 598 322

Addendum to the Notice of Annual General Meeting and Explanatory Memorandum

Magmatic Resources Limited (**Company**) hereby gives notice to Shareholders that, in relation to the Notice of Meeting and Explanatory Memorandum dated 18 November 2020 in respect of the Annual General Meeting to be held on Friday, 18 December 2020 at 10.30am (AWST) at Suite 7, 55 Hampden Road, Nedlands WA 6009 (**Meeting**), the Directors have resolved to supplement the information contained in the Explanatory Memorandum by issuing this addendum to the Notice of Meeting dated 1 December 2020 (**Addendum**) for the purposes described below.

The numbering used in this Addendum reflects the numbering used in the Notice of Meeting and the Explanatory Memorandum. Capitalised terms used in this Addendum are as defined in the Notice and the Explanatory Memorandum, unless expressly defined otherwise.

1. Background

1.1 Background to Amendments

NSR has advised the Company that (**Transaction Structure Amendment**):

- (a) it is not undertaking the NSR Demerger; and
- (b) it has agreed to waive the condition precedent set out in section 2.1(a) item 7 of the NSR Sale Agreement (**NSR Distribution Condition**).

As a result, NSR will hold all of the NSR Consideration Shares issued to it by AGC under the NSR Sale Agreement.

This necessitates certain amendments to the Prospectus as set out below in this Supplementary Prospectus.

1.2 Summary of Amendments

As a result of the Transaction Structure Amendment:

- (a) the number of shares to be held by NSR on completion of the Capital Raising will remain at 20,000,000;
- (b) the NSR Shareholders will no longer be required to approve the NSR Distribution and accordingly, the Transaction Conditions will be amended to remove the requirement for NSR to obtain approval under the Corporations Act for the NSR Distribution;
- (c) the substantial shareholder table will differ from that set out in the Notice of Meeting; and
- (d) the ownership structure of AGC following completion of the Capital Raising will differ from that set out in the Notice of Meeting.

This Supplementary Prospectus has been prepared to make the following changes to the Prospectus set out in section 2 below.

2. Amendments to the Notice of Meeting as a result of the Transaction Structure Amendment

2.1 Section 10.1 – Introduction and overview of proposal

The last paragraph on page 20 of the Notice of Meeting and set out in section 10.1 of the Notice of Meeting is deleted in its entirety.

2.2 Section 10.2 – Demerger Process

- (a) Section 10.2(b) appearing on page 20 of the Notice of Meeting being the reference to NSR Shareholders approving the NSR Demerger is deleted in its entirety.
- (b) Section 10.2(e) appearing on page 20 of the Notice of Meeting being the reference to NSR distributing its AGC Shares is deleted in its entirety.
- (c) Paragraph 8 of section 10.2 appearing on page 21 of the Notice of Meeting is deleted in its entirety and replaced with the following:

“Following completion under the NSR Sale Agreement and before the In-specie Distribution and Capital Raising, NSR will hold a 40% relevant interest in the capital of AGC. Following the In-specie Distribution and prior to the Capital Raising, the Company will hold a 11.91% interest in the share capital in AGC.”

- (d) Paragraph 9 of section 10.2 appearing on page 21 of the Notice of Meeting is deleted in its entirety and replaced with the following:

*“As set out below, AGC also proposes to undertake a capital raising involving the issue of a minimum of 35,000,000 AGC Shares (**Minimum Subscription**) and up to a maximum of 50,000,000 AGC Shares (**Maximum Subscription**) at an issue price of \$0.20 (with a priority offer to current Existing Magmatic Shareholders and Existing NSR Shareholders) to raise between \$7,000,000 and \$10,000,000 in connection with the listing of AGC Shares on the ASX. Following completion of the proposed Capital Raising, the Company will retain a 7.01% interest assuming the Minimum Subscription of AGC Shares and a 5.96% interest in AGC Shares assuming the Maximum Subscription of AGC Shares. NSR’s interest will be diluted to a 23.53% interest assuming the Minimum Subscription of AGC Shares and a 20% interest in AGC Shares assuming the Maximum Subscription of AGC Shares.”*

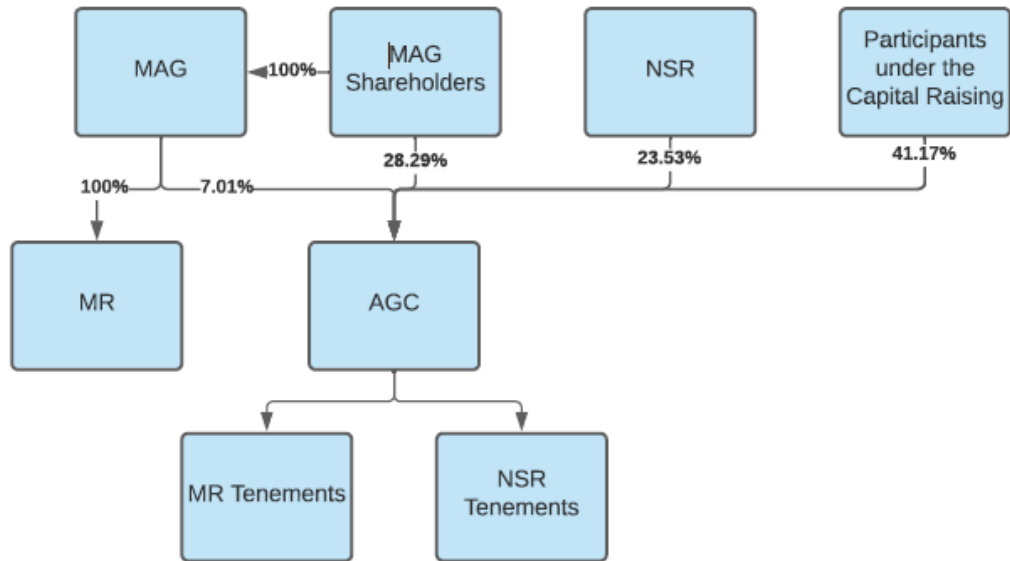
2.3 Section 10.4 – Acquisition of Tenements

- (a) Paragraph 2 of section 10.4 appearing on page 22 of the Notice of Meeting is deleted in its entirety and replaced with the following:

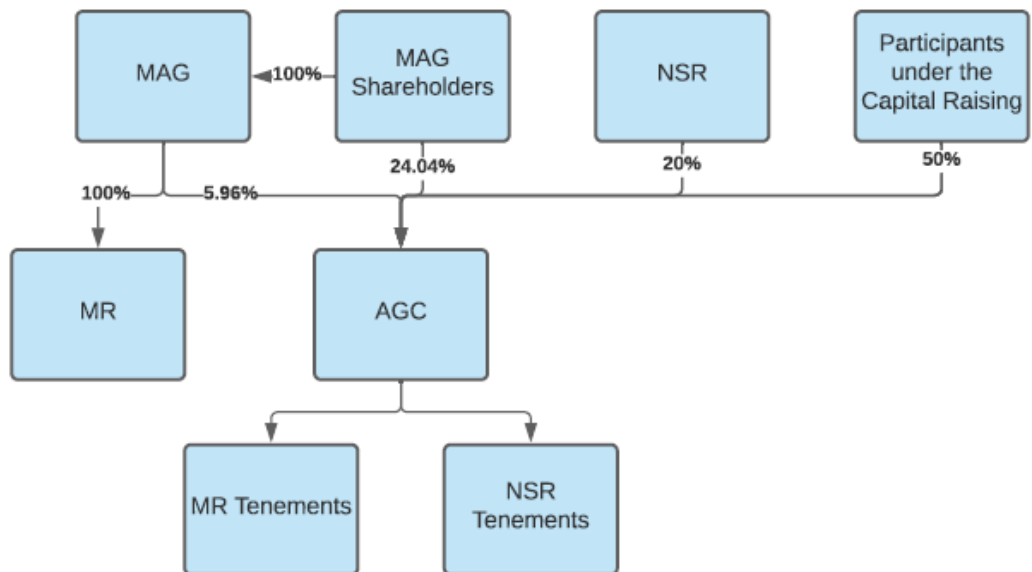
*“To that end, the Company has entered into a sale and purchase agreement with NSR (**NSR Sale Agreement**) to acquire the NSR Tenements, the consideration for which includes the issue of 20,000,000 fully paid AGC Shares at a deemed issue price of \$0.20 per share (**NSR Consideration Shares**) with the result that NSR will hold 40% of the issued capital in AGC prior to the Capital Raising being completed subject to the following conditions precedent being satisfied or waived:*

- (b) Sections 10.4(f) and 10.4(j) appearing on page 22 of the Notice of Meeting being the reference to the NSR Distribution condition is deleted in its entirety.
- (c) Under the heading “Acquisition of Tenements”, paragraph 3 appearing on page 22 of the Notice of Meeting is deleted in its entirety.

- (d) The diagram contained in section 10.7(a) appearing on page 24 of the Notice of Meeting is deleted in its entirety and replaced with the following:



- (e) The diagram contained in section 10.7(b) appearing on page 24 of the Notice of Meeting is deleted in its entirety and replaced with the following:



2.4 Section 10.10 – Separation by Demerger process

- (a) Section 10.10(c) appearing on page 27 of the Notice of Meeting being the reference to the NSR Distribution is deleted in its entirety.

2.5 Section 10.11 – Conditions to the Proposed Transaction

- (a) Section 10.11(d) appearing on page 28 of the Notice of Meeting being the reference to the NSR Distribution condition is deleted in its entirety.

2.6 Section 10.18 – Advantages and Disadvantages of the Proposed Transaction

- (a) Under the heading “Disadvantages”, item (a) in paragraph 3 appearing on page 32 of the Notice of Meeting is deleted in its entirety and replaced with the following:

“dilution of AGC Shareholders’ shareholdings via issuing the AGC Shares to NSR and the participants in the Capital Raising; and”

2.7 Section 10.21 – Information Concerning Company Shares

- (a) Paragraph 1 of section 10.20 appearing on page 36 of the Notice of Meeting is deleted in its entirety and replaced with the following:

“The highest and lowest recorded sale price of Shares as traded on ASX during the twelve (12) months immediately prior to the date of this Explanatory Memorandum was 46 cents on 13 February 2020 and 13.5 cents on 13 March 2020.”

2.8 Section 11.1 – Introduction

- (a) Under the heading “Introduction”, paragraph 2 appearing on page 38 of the Notice of Meeting is deleted in its entirety and replaced with the following:

“Subject to the satisfaction (or waiver) of the Transaction Conditions, prelisting AGC will issue new fully paid ordinary shares to be allocated to MAG, MAG Shareholders and NSR as set out above.”

2.9 Section 11.11 – Material Contracts

- (a) Under the heading “NSR Sale Agreement” in section 11.11(d)(2), under paragraph 2 appearing on page 48 of the Notice of Meeting, the following is added:

“The relevant parties, being NSR and AGC, have agreed to waive the condition precedent for NSR to obtain shareholder approval for the NSR Distribution and therefore the transfer of the NSR Tenements and the Capital Raising is no longer subject to that condition precedent.”

2.10 Section 11.12 – Substantial Shareholders

- (a) Under the heading “Substantial Shareholders” in section 11.12 appearing on page 52 of the Notice of Meeting, the table set out in that section is deleted in its entirety and is replaced with the below:

AGC Shareholder	AGC Shares	% shareholding interest in AGC under Minimum Subscription¹	% shareholding interest in AGC under Maximum Subscription¹
NSR	20,000,000	23.53%	20.00%
Magmatic Resources Ltd	5,956,209	7.01%	5.96%
Bilingual Software Pty Ltd and D & R Richardson ²	5,894,802	6.94%	5.89%

2.11 Section 12 – Resolution 6: Disposal of Major Asset

- (a) Under the heading “Resolution 6: disposal of Major Asset”, paragraph 4 appearing on page 54 of the Notice of Meeting is deleted in its entirety and replaced with the following:

*“The Company is proposing, subject to shareholder approval, to demerge its Moorefield Gold Project, by transferring the MR Tenements to AGC in exchange for the AGC Consideration Shares; and undertake a capital reduction and in-specie distribution of 80.146% of the AGC shares that the Company will hold as a result of the transfer of the MR Tenements (**Magmatic Demerger Transaction**). For completeness and as set out section 10.1, contemporaneously with the MR Demerger Transaction, AGC also proposes to acquire the NSR Tenements from NSR in exchange for the NSR Consideration Shares.”*

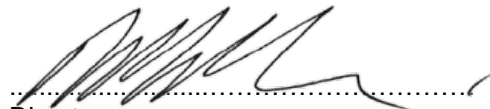
2.12 Section 16 – Interpretation

- (a) Under the heading “Definitions” on page 62 of the Notice of Meeting:
 - (1) the definition of “NSR Distribution” is deleted in its entirety; and
 - (2) the definition of “NSR Shareholders” is deleted in its entirety.

3. Directors’ Consent

Directors’ authorisation and consent

This Addendum to the Notice of Meeting has been signed by a Director of the Company with the authority of each of the Directors and is dated 1 December 2020. Each Director has consented to lodgement of this Addendum to the Notice of Meeting with ASIC.


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Director