

Quarterly Activities Report

Quarter ending 31 December 2019

Highlights

- Magmatic has continued its focus on its East Lachlan projects during the December 2019 Quarter
- Alkane Resource's (ASX:ALK) Boda discovery near Magmatic's Wellington North project has highlighted the porphyry Copper-Gold potential of Magmatic's East Lachlan projects
- Magmatic's Lady Ilse Target shows several similarities with Alkane's Boda Discovery, which is only 6km away (see figure 3):
 - Both prospects show a wide zone of anomalous gold associated with epithermal pyrite stringers defined in shallow drilling (<200m depth)
 - Both are adjacent to western margin of Alkalic Intrusive
 - Both shallow zones show a similar **Au-Bi-Cu-Te** geochemical association
 - Shallowly drilled gold anomaly at Lady Ilse **indicates a large open system**
 - MAG believe there is a significant untested porphyry copper-gold target beneath its current drilling at Lady Ilse
 - MIMDAS geophysics has confirmed a large porphyry drill target downdip from the gold and porphyry pathfinder geochemical anomaly at Lady Ilse
- Peter Duerden appointed as Managing Director effective from 3 February 2020
- David Flanagan appointed as a non-executive director effective from 28 October 2019
- Subsequent to quarter end, Magmatic have completed a MIMDAS geophysical(IP / MT) system) survey at Lady Ilse with initial results released to the ASX on 29 January 2020
- Magmatic is planning reverse circulation and diamond drilling in the first half of 2020, as well as further geophysical and geochemical surveys to identify additional porphyry Au-Cu targets
- Magmatic is planning a diamond drilling programme at its Lady Ilse prospect

Magmatic Resources Limited ("Magmatic" or the "Company") (ASX: MAG) is pleased to provide its Quarterly Activities Report for the period ending 31 December 2019.

Corporate Update

Appointment of David Flanagan as a director subsequent to Quarter End (ASX: 28 October 2019)

In October 2019 Magmatic announced the appointment of experienced mining executive and director, Mr David Flanagan to the Company's Board. Mr Flanagan joined Magmatic as an independent Non-Executive Director effective from 28 October 2019.

Appointment of Peter Duerden as Managing Director

In December 2019, Magmatic announced the appointment of New South Wales Porphyry Gold-Copper specialist Mr Peter Duerden as Managing Director effective from 3 February 2020.

Following Mr Duerden's commencement as Managing Director, Mr David Richardson will assume the role of Executive Chairman and Magmatic's current Chairman, Mr David Berrie will move to Non-Executive Director. To maintain the appropriate board size, current Non-Executive Director Mr Malcolm Norris will step down from the Board effective from 3rd February 2020. This will result in the Board being made up of:

- Executive Chairman – David Richardson
- Managing Director – Peter Duerden
- Lead Independent Non-Executive Director – David Berrie
- Independent Non-Executive Director – David Flanagan
- Company Secretary – Tony Walsh

Magmatic has entered a new phase of exploration at its East Lachlan Gold and Porphyry Gold-Copper projects, and Mr Duerden's technical and management experience in exploration in the East Lachlan Belt will greatly enhance the Company's capabilities.

Peter Duerden Biography

Peter Duerden has over 20 years' experience in mineral exploration and resource development in gold and base metals, with particular expertise in East Lachlan mineral systems. Peter was Managing Director of Sky Metals Ltd prior to joining Magmatic and has held senior exploration management positions with both Newcrest Mining and Alkane Resources. Peter was in charge of Alkane Resources' North Molong Belt Alkaline Porphyry Gold-Copper exploration for 10 years and contributed significantly to the targeting at the recent Boda porphyry gold-copper discovery. Peter holds a Masters of Economic Geology and is a Registered Professional Geoscientist (RPGEO) and member of the AIG.

Fund raising completed during the Quarter

In October and November 2019, Magmatic successfully complete a capital raising of \$2.2 million through the issue of 27.5 million new fully paid ordinary shares (see Notice of General Meeting for 22 November 2019 shareholder meeting for further details).

Early in the Quarter, Magmatic and JOGMEC agreed to discontinue the Parkes JV after expenditure by JOGMEC of \$2.7m, with both licenses reverting to Magmatic (100%).

January 2020 MIMDAS survey (ASX MAG 29 January 2020)

- **MIMDAS geophysics has confirmed a large porphyry drill target downdip from the gold and porphyry pathfinder geochemical anomaly at Lady Ilse**
- **The wide gold anomaly previously defined by shallow RC drilling is now interpreted to lie on the western edge of a much larger chargeability feature overlying a conductive porphyry target (Figure 1)**
- **Results highlight the similarities between Lady Ilse and the nearby Boda Discovery (Alkane) and world class Cadia East Gold-Copper Porphyry Deposit (Newcrest)**
- **Results have refined the location of upcoming diamond drilling and aided planning for anticipated further drilling**

On 29 January 2020 the Company announced that it has completed an advanced MIMDAS geophysical survey at the Lady Ilse Prospect (chargeability/resistivity/conductivity) within the Wellington North Project (100% MAG). MIMDAS geophysical surveying offers greater depth penetration than conventional geophysics and allows for the efficient definition of porphyry features and effective drill targeting. Results have been received for one of four lines completed, with the remaining results expected in early February 2020.

The geophysical survey was designed to assess for a potential porphyry system of similar style to Newcrest's world class >50 million-ounce Cadia East Project, located 100km south and Alkane's Boda porphyry discovery

6km east. Alkane's results at Boda enhance the Company's view that the Lady Ilse prospect has the potential to host significant Cadia East-style porphyry mineralisation beneath the wide zone of shallow gold and porphyry pathfinder geochemical anomalism defined in shallow RC drilling (open ~200m wide zone at ~100m depth, ASX MAG 11 November 2019) (Figure 1).

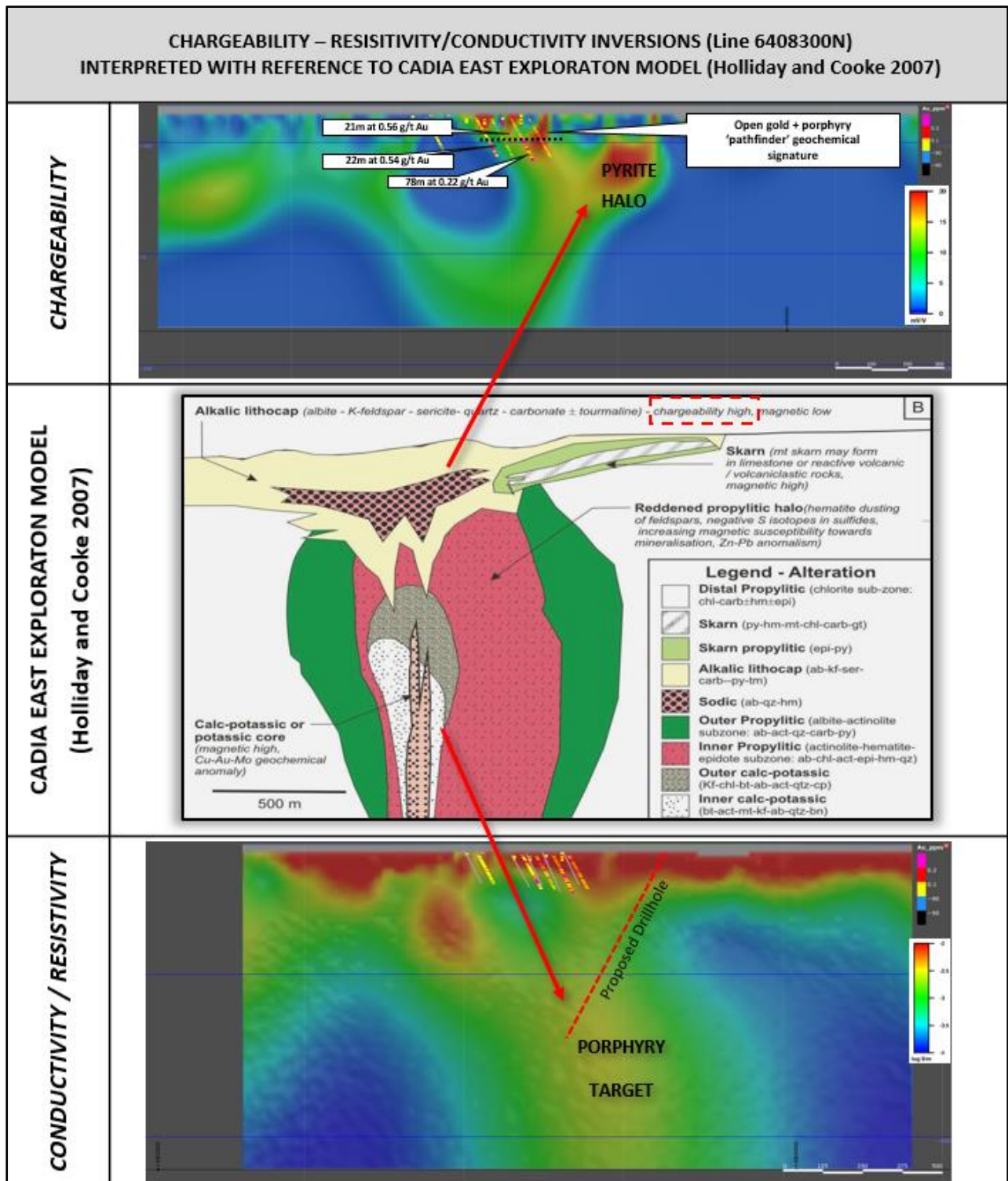


Figure 1: Lady Ilse MIMDAS Chargeability and Resistivity/Conductivity Inversions, Line 6408300N, looking north, showing a strongly chargeable feature downdip from zone of gold + porphyry pathfinder anomalism in drilling and overlying a conductive porphyry target. The significance of the conductive feature downdip from a strongly chargeable zone is unconfirmed at Cadia, however high conductivity contrasts for Cadia porphyry mineralisation is described by Close et al (2001) with the usefulness of advanced DC resistivity and magnetotelluric (MT) resistivity systems (such as MIMDAS) for detecting porphyry systems also highlighted by Holliday and Cooke (2007)

East Lachlan

Magmatic have four advanced, pre-discovery exploration projects in the East Lachlan, NSW.

About East Lachlan

- Four advanced exploration projects in the East Lachlan, NSW
- Projects acquired from Gold Fields Limited in 2014, who retain a 12.35% shareholding in Magmatic
- 8 exploration licences covering 1,049km², 100% owned, no royalties. MAG has one of the largest land positions on the two East Lachlan Volcanic Belts: the Junee Narrormine Volcanic Belt and the Molong Volcanic Belts
- Recent results from Alkane at Boda have reignited interest in this under-explored region
- MAG's 100% Lady Ilse prospect is ~6km from Alkane's recent Boda discovery
- Planning high impact drill programme, as well as other exploration programmes, starting at Lady Ilse

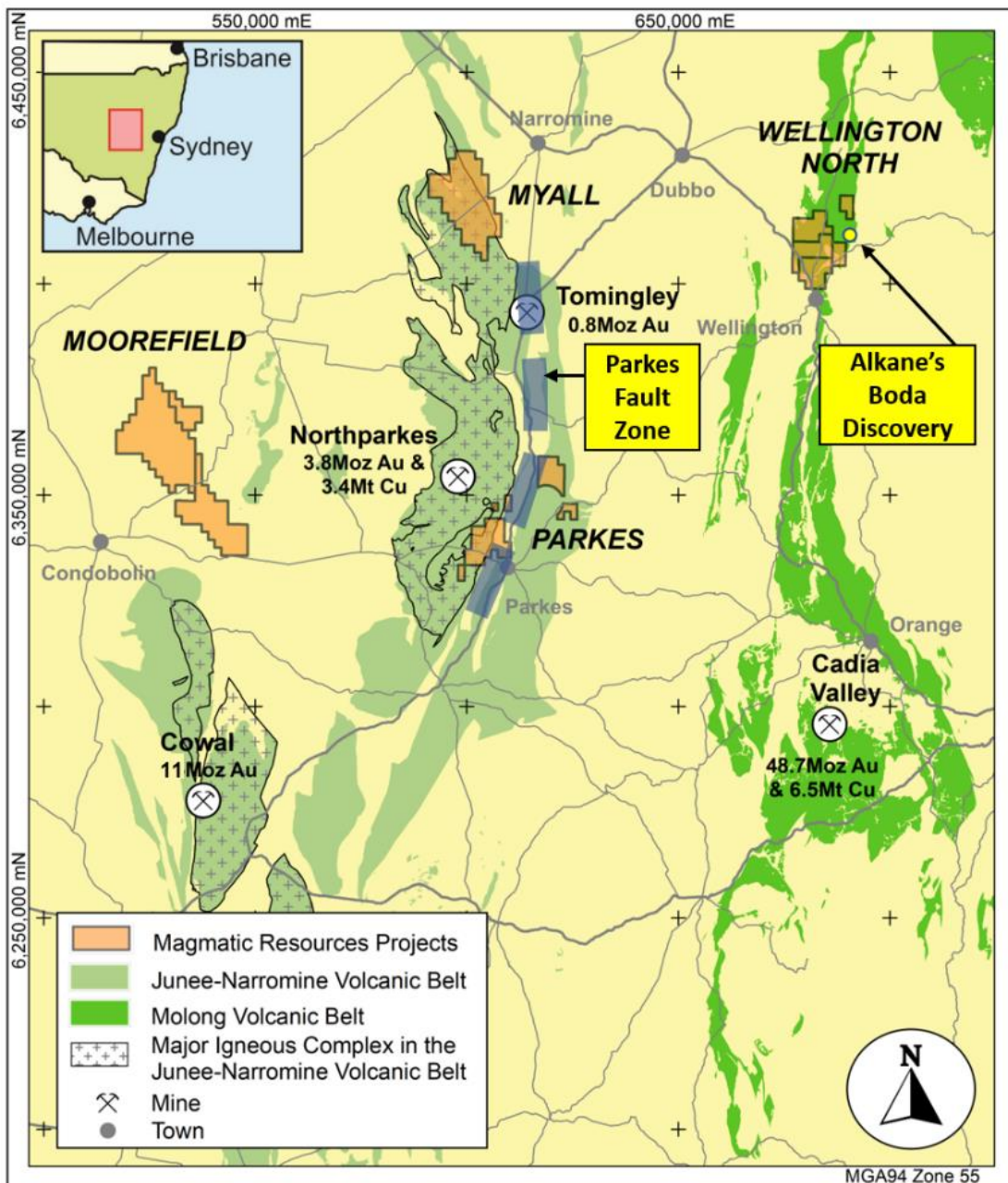


Figure 2: East Lachlan project locations

Exploration Overview

Wellington North Gold & Copper-Gold Project (MAG 100%)

Magmatic's 100%-owned Wellington North Project covers the northern extension of the Molong Volcanic Belt, which is host to Newcrest's world-class Cadia Valley porphyry Gold-Copper deposit (48.7Moz Au & 6.5Mt Cu) further to the south. The 177km² project comprises three exploration licenses (EL6178, EL8357, EL7440) prospective for gold-copper porphyry and orogenic gold mineralisation.

The recent Boda Discovery by Alkane Resources Ltd has highlighted the regions potential for further Tier 1 discoveries. In particular, this discovery demonstrates the potential of the northern Molong Belt for major gold-copper porphyry discoveries where the company holds an advanced target portfolio and dominant tenure position.

Northern Molong Volcanic Belt an Emerging Hotspot for Porphyry Gold-Copper Discovery

Magmatic's Wellington North Project covers a large portion of the northern Molong Volcanic Belt essentially surrounding the Boda porphyry gold-copper discovery made by Alkane Resources in September 2019 (ASX ALK 9/9/2019: 502m at 0.48 g/t Au and 0.20% Cu from 211m down hole and open at the end of hole).

"Alkane has just made the best porphyry exploration discovery in the Lachlan Fold Belt outside the 3 major mines, in the last 20 or so years" (ASX AQX 19/9/2019) - John Holliday (lead Cadia-Ridgeway discovery team)

The Boda discovery has demonstrated the porphyry signature in the northern Molong Volcanic Belt and has had an immediate impact on Magmatic's exploration strategy at the Wellington North Project. Several targets have been upgraded for Boda-style and Cadia East-style porphyry gold-copper mineralisation.

Ongoing exploration, including MIMDAS geophysics has upgraded the Lady Ilse Prospect for Cadia East-style porphyry gold-copper mineralisation and represents a compelling drill ready opportunity.

Imminent drilling of a Cadia East-style porphyry gold-copper system at Lady Ilse

Recent petrology and geochemical reprocessing have identified multiple alkalic intrusives similar to Alkanes Boda and Kaiser prospects in the Wellington North Project.

Lady Ilse Prospect

Initial aircore drilling by Magmatic at Lady Ilse targeted a 1996 regional aircore hole, which intersected 3m at 0.6g/t Au (MAG ASX 13/11/2017), and a coincident aeromagnetic anomaly. Magmatic's aircore programme delivered promising results with five holes ending in mineralisation, including an intersection of 20m at 0.66g/t Au (MAG ASX 13/11/2017).

Follow-up RC drilling successfully identified intrusion related gold-copper mineralisation under thin transported cover. Significant drill intercepts included 78m at 0.22g/t Au from 27m, 22m at 0.54g/t Au from 18m and 21m at 0.56g/t Au from 81m (MAG ASX 19/02/2018).

Reprocessing of previous close-spaced aeromagnetic data defined a circular feature (possibly intrusion-related) at Lady Ilse. Three-dimensional interpretation of the data has shown that the source of this feature is likely to be deeper than the previous RC drilling.

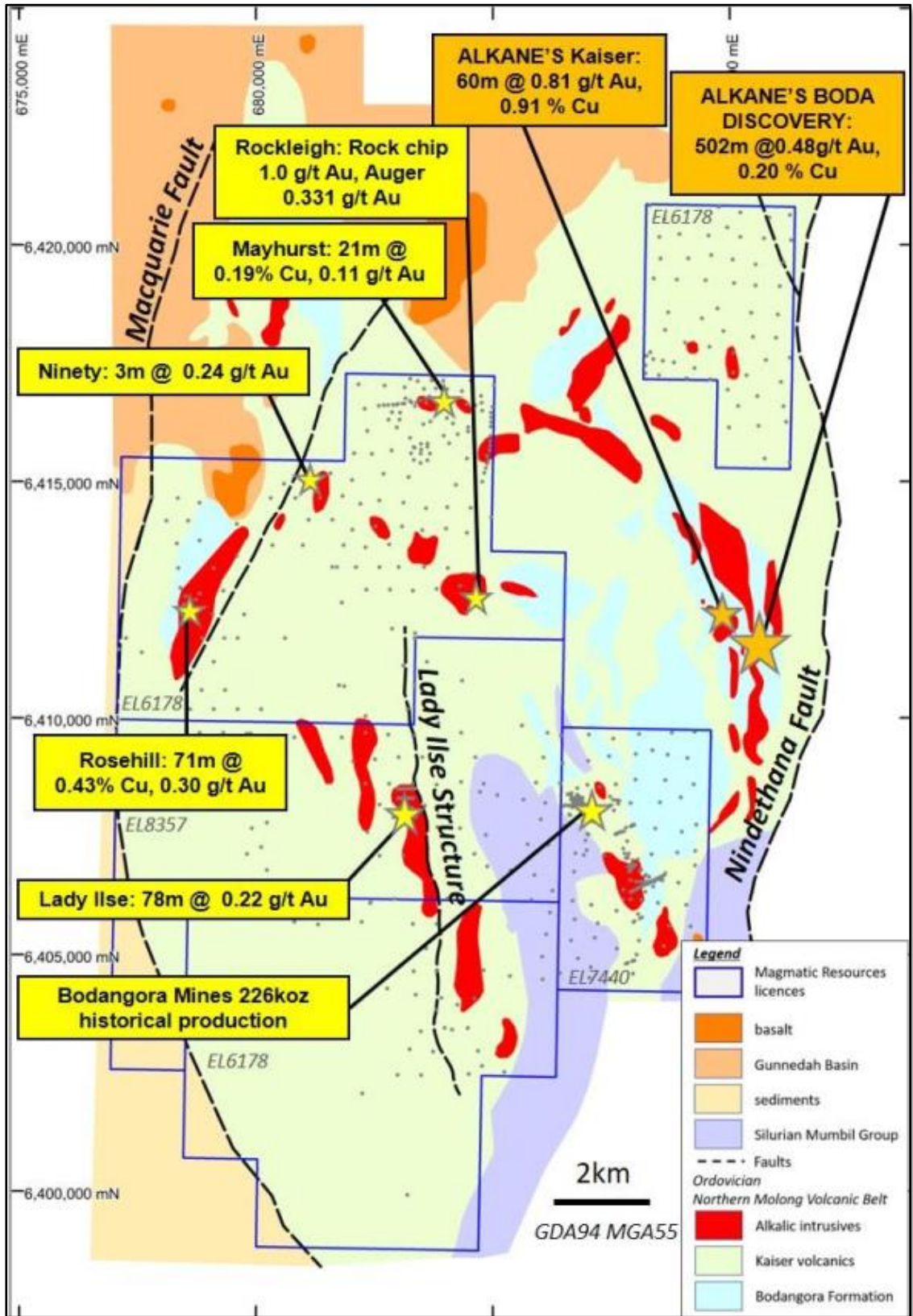


Figure 3: Wellington North project showing targets and location of Boda discovery

Lady Ilse exhibits several similarities with Alkane's adjoining Boda discovery:

- ✓ **RIGHT - WIDE ZONE OF GOLD ANOMALISM**
 - wide zone of anomalous gold (~0.2g/t Au over ~200m) associated with pyrite stringers defined in shallow RC drilling (<150m depth), 78m at 0.22 g/t Au from 27m (LADY ILSE, CORC035), 72m @ 0.26g/t Au from 78m to EOH (BODA, RC95DB002, ALK ASX 9 September 2019)
- ✓ **RIGHT – WIDE ZONE OF PORPHYRY PATHFINDER GEOCHEMICAL ANOMALISM**
 - upper level 'phyllitic' pyritic porphyry alteration with a distinct Au-Bi-Te porphyry pathfinder geochemical signature (refer ALK ASX 15 August 2017)
- ✓ **RIGHT – MINERALISATION STYLE**
 - wide zone of anomalous gold (>0.2g/t Au) associated with pyrite stringers defined in shallow RC drilling (<150m depth)
- ✓ **RIGHT – ROCKS / STRATIGRAPHY / GEOLOGICAL SETTING**
 - Boda and Cadia-equivalent stratigraphy, being the Bodangora Formation and Kaiser Volcanics in the Northern Molong Volcanic Belt
 - Both are adjacent to western margin of Alkalic Intrusive
- ✓ **RIGHT - ALTERATION**
 - upper level 'phyllitic' pyritic porphyry alteration characteristic of an upper level East Lachlan Porphyry System (refer ALK ASX 15 August 2017)
- ✓ **RIGHT – GEOPHYSICAL SIGNATURE (MIMDAS)**
 - MIMDAS geophysics defined a conductive anomaly, beneath strongly chargeable and resistive zones, consistent with the distribution of alteration features at Cadia East

The shallowly drilled supergene gold anomaly under shallow cover at Lady Ilse indicates potential for a large open corridor of up to 10km in extent with significant untested porphyry gold-copper potential at depth.

Imminent drilling of a Cadia East-style porphyry gold-copper system at Lady Ilse

Porphyry gold-copper targets:

- Lady Ilse
- Rose Hill
- Multiple other yet to be explored targets that sit near Alkalic Intrusives, a key feature of the Boda discovery

Orogenic Gold target:

- Bodangora (historical production 230,000oz at 26g/t Au)

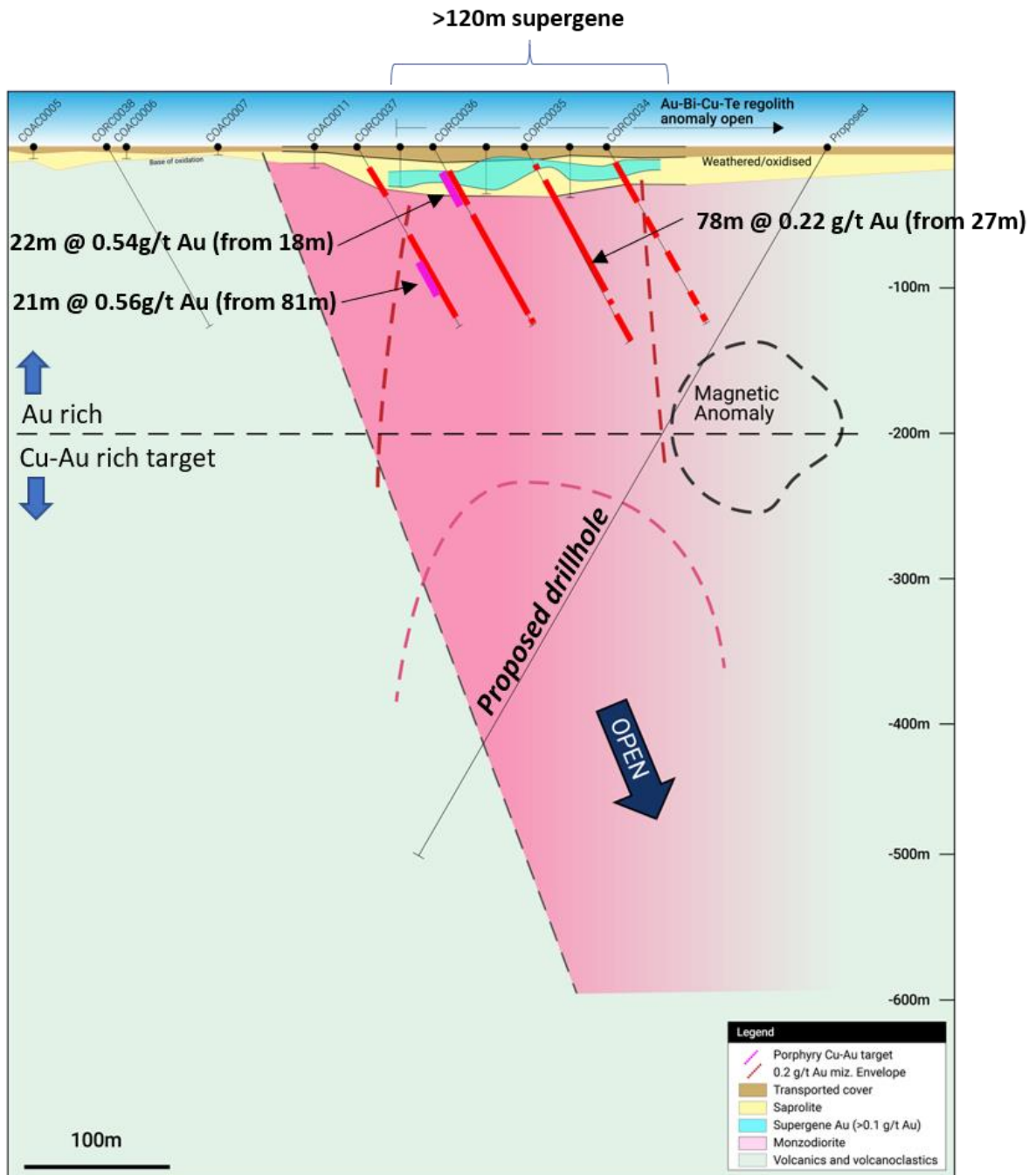


Figure 4: Lady Ilse cross section showing porphyry target at depth

Parkes Copper-Gold & Gold Project (MAG 100%)

Gold targets:

- MacGregors and MacGregors South

Porphyry copper-gold targets:

- Buryan,
- 9 aeromagnetic targets

The Company's gold targets within the Parkes project are located along the Parkes Fault Zone which is the geological feature that hosts Alkane's recent discoveries south of Tomingley (e.g. ASX ALK 9/9/2019) and new mineral resource at the Roswell target (ASX ALK 28/2/2020).

Myall Copper-Gold Project (MAG 100%)

Porphyry copper-gold targets:

- Kingswood,
- SLR

Epithermal gold targets:

- Barina

The Myall Copper- Gold Project is located within a very large volcano-intrusive complex within Australia's largest porphyry Gold and Copper belt which hosts the Cadia Valley and Northparkes mines. The intrusive complex is interpreted to be a similar age as the Cadia Valley and Northparkes porphyry systems. Magmatic has completed a porphyry Copper Gold analysis of the project and has two drill-ready targets at Kingswood and SLR. The porphyry copper-gold system at Kingswood has chalcopyrite-pyrite-bornite-molybdenite sulphide mineralisation hosted in potassic altered, magmatic-hydrothermal breccias, quartz stockwork vein arrays and sheeted and massive magnetite vein systems.

Moorefield Gold & Base Metals Project (MAG 100%)

Gold targets:

- Boxdale to Carlisle Reefs 15km gold trend
 - ✓ Carlisle Reefs target
 - ✓ Boxdale target

Base metal targets:

- ✓ VAMS Copper: Pattons, Moorefield
- ✓ Ghost Hill Zinc skarn

Magmatic has completed the interpretation of the aeromagnetic survey completed and is planning on field verifying targets with shallow cover.

Authorised for release by: David Richardson, Managing Director

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Magmatic Tenement Listing

Table 1: Tenement listing at 31 December 2019

State	Project	Lease No	Lease name	Status	JV Project	Manager**	Magmatic interest	Area (km2)	Note
NSW	Moorefield	EL7675	Moorefield	Renewed	No	Magmatic	100%	284.6	
NSW	Moorefield	EL8669	Derriwong	Granted	No	Magmatic	100%	193.0	
NSW	Myall	EL6913	Myall	Renewed	No	Magmatic	100%	243.7	
NSW	Parkes	EL7424	Alectown	Renewed	No*	Magmatic	100%	56.0	
NSW	Parkes	EL7676	Parkes East	Renewed	No*	Magmatic	100%	95.0	*
NSW	Wellington North	EL6178	Duke	Renewed	No	Magmatic	100%	113.0	
NSW	Wellington North	EL7440	Bodangora	Renewed	No	Magmatic	100%	17.4	
NSW	Wellington North	EL8357	Combo	Renewed	No	Magmatic	100%	46.4	
WA	Mt Venn	E38/2961	Mt Venn	Granted	No	Magmatic	100%	59.6	Transferring from E25
WA	Mt Venn	E38/3351	Mt Venn North	Granted	No	Magmatic	100%	27.3	
WA	Yamarna	E38/2918	Yamarna	Granted	No	Magmatic	100%	60.68	
WA	Yamarna	E38/3312	Cowderoy Hill	Granted	No	Magmatic	100%	191.3	
WA	Yamarna	E38/3327	Yamarna North	Granted	No	Magmatic	100%	103.4	
WA	Yamarna	E38/3443	Yamarna3443	Application	No	Magmatic	100%	15.5	Applic. during quarter
WA	Yamarna	E38/3444	Yamarna3444	Application	No	Magmatic	100%	71.3	Applic. during quarter

**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

Competent Persons Statement

The information in this document that relates to Exploration Results for the East Lachlan, Yamarna and Mt Venn projects is based on information compiled by Mr Steven Oxenburgh who is a Member of the AusIMM (CP) and a Member of the Australian Institute of Geoscientists. Mr Oxenburgh is a full-time employee of Magmatic Resources Ltd and also has associated shareholdings in Magmatic Resources Limited. Steven 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 Oxenburgh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Additionally, Mr Oxenburgh 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.