

29 APRIL 2020

## QUARTERLY ACTIVITIES REPORT TO 31 MARCH 2020

- **Company continues focus on its East Lachlan Projects**
- **Diamond drilling activity commenced at Lady Ilse District, Wellington North Project**
- **MIMDAS geophysical (IP / MT) surveying completed at Lady Ilse District, Wellington North Project extending target area to 1.8km x 1km**
- **Raised \$5 million before capital raising costs in February 2020**
- **Magmatic awarded two New South Wales State Government's New Frontiers Cooperative Drilling grants for its Moorefield and Wellington North Projects**
- **Peter Duerden joined Magmatic as Managing Director effective from 3 February 2020**

Magmatic Resources Limited ("Magmatic" or the "Company") (ASX: MAG) is pleased to provide its Quarterly Activities Report for the period ending 31 March 2020 ("March 2020 Quarter").

### Exploration

#### *Lady Ilse District*

##### ***MIMDAS Geophysical Surveying (ASX: 29 January, 16 March 2020)***

On 16 March 2020 Magmatic announced that 20-line kilometres of MIMDAS geophysics had been completed, resulting in a significantly expanded gold-copper porphyry target zone now defined as the Lady Ilse District (Figure 1). The porphyry target zone is **now defined by the MIMDAS geophysics to be >1.8km x 1km and open to the north and south**, being comparable to the dimensions of the Cadia East footprint ~2km x 500 metres.

##### ***Diamond Drilling Activity (ASX: 24 March 2020)***

On 24 March 2020 Magmatic announced that a diamond drill rig had mobilised to the Lady Ilse District, with initial drilling activity testing a high priority gold-copper porphyry target defined by coincident gold and porphyry pathfinder anomalism (Te-Bi-As), pyrite-rich porphyry alteration, chargeability and conductivity geophysical features (Figure 1) (ASX MAG 16 March 2020).

##### ***Diamond Drilling Completed at 1,014 metres depth (ASX MAG 24 April 2020)***

On 24 April 2020 the Company provided an update on completion of drilling. The diamond drill hole has confirmed a subvertical, north-south trending zone of porphyry-style mineralisation, down dip from gold and porphyry pathfinder anomalism and broadly coincident with MIMDAS conductivity and chargeability anomalism (Figures 1,2). The diamond drill hole encountered porphyry related alteration throughout most of the hole with the main zone of mineralisation interpreted from 470 metres downhole and located at the western margin and outboard from a monzonite intrusive complex.

The diamond drill hole has demonstrated a near vertical geometry, resulting in the intersection point of the target zone being deeper downhole than anticipated. The target zone remains open in all directions and is therefore expected to also be present at shallower levels.

Follow-up drilling will test along strike at Lady Ilse and other priority Lady Ilse District targets (Figures 1, 2).

The Company believes that the identification of porphyry-style mineralisation coincident with the MIMDAS conductivity and chargeability, currently defined over a > 1.8km x 1km area in the Lady Ilse District, significantly upgrades the potential of the area to host a large porphyry system comparable to the Cadia East Deposit.

## Corporate

### ***Peter Duerden joins Magmatic as Managing Director (3 February 2020)***

As announced in December 2019, Mr Peter Duerden joined the Company as Managing Director effective from 3 February 2020. Following Mr Duerden's commencement as Managing Director, Mr David Richardson assumed the role of Executive Chairman and Magmatic's current Chairman, Mr David Berrie moved to Non-Executive Director.

### ***\$5 million Capital Raising (ASX: 12 February 2020)***

On 12 February 2020 Magmatic announced that it had raised \$5 million ("Placement"). Funds raised via the Placement will be applied to rapidly progress the Company's exploration activities in the East Lachlan province in New South Wales, in particular the Lady Ilse gold-copper porphyry target ~6km SW of Alkane's Boda discovery, where diamond drilling commenced in late March 2020.

### ***Magmatic awarded two (2) New Frontiers Cooperative Drilling (NFCD) programme grants***

Magmatic was awarded two New Frontiers Cooperative Drilling 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).

### ***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.

Magmatic has maintained its workforce and will review its operational activity upon planned completion of the current exploration and drilling program at its Wellington North Project. With a locally based exploration team, the Company is in a unique position to progress its projects at this time as evident by the successful completion of recent drilling activities. The Company continues to review its corporate and exploration budgets, with a strong focus on preservation of capital.

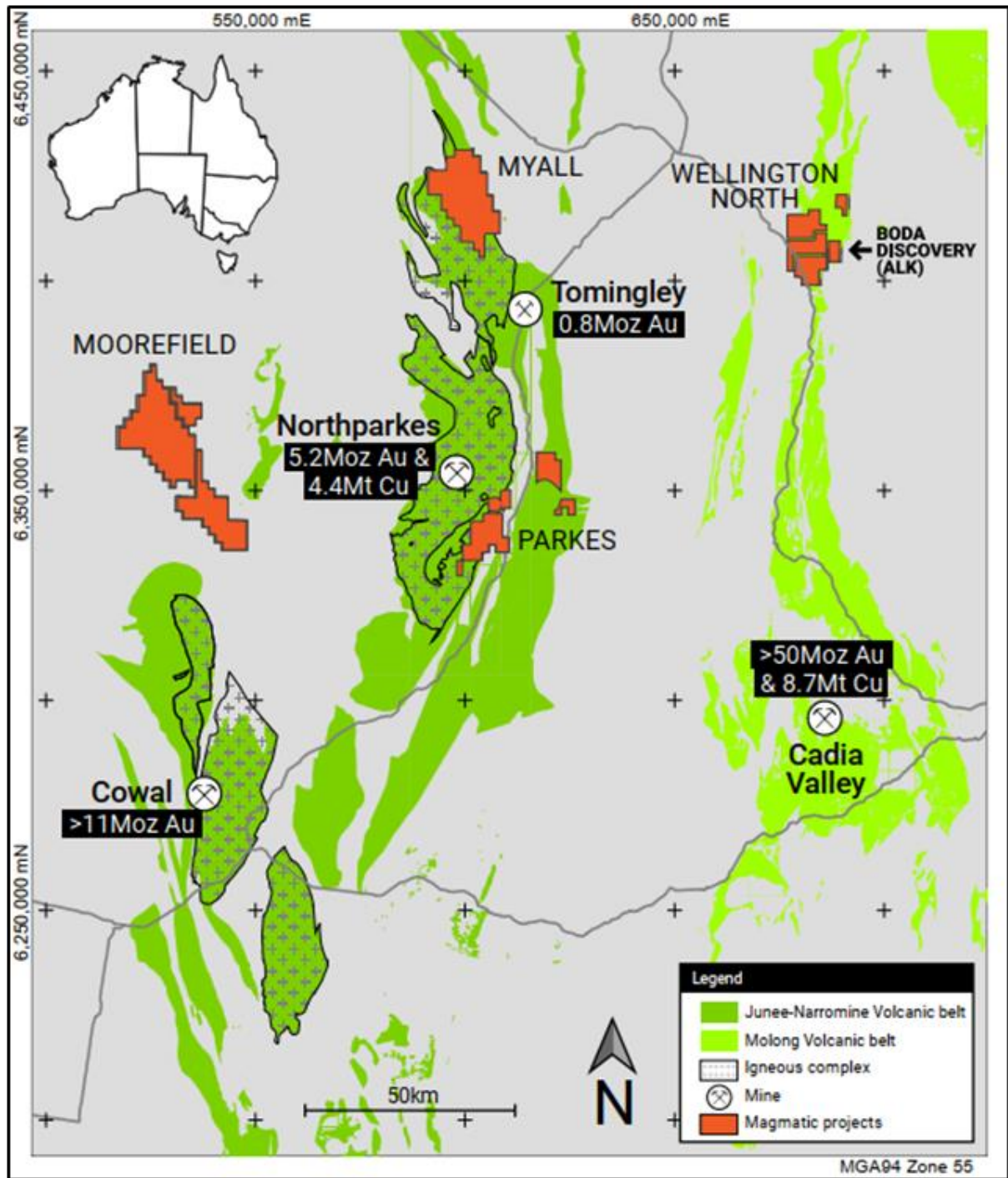


Figure 1: MAG Project Location Map

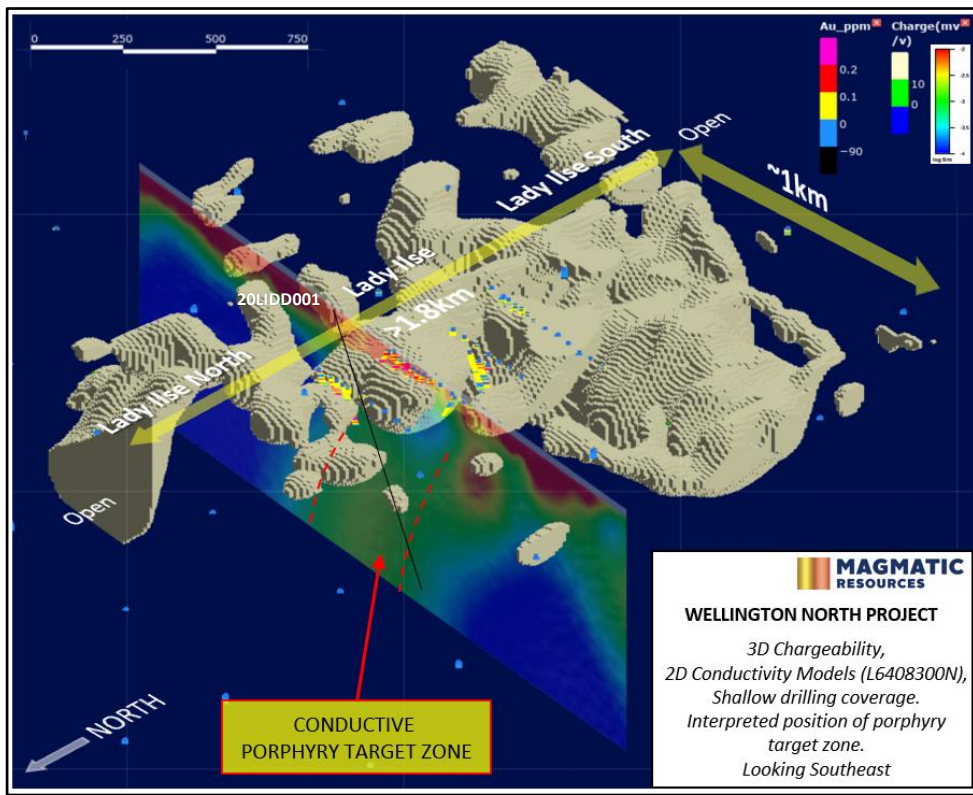
### Wellington North Project (Gold-Copper)

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 177km<sup>2</sup> and is considered highly prospective for gold-copper porphyry, gold epithermal and lode style gold mineralisation.

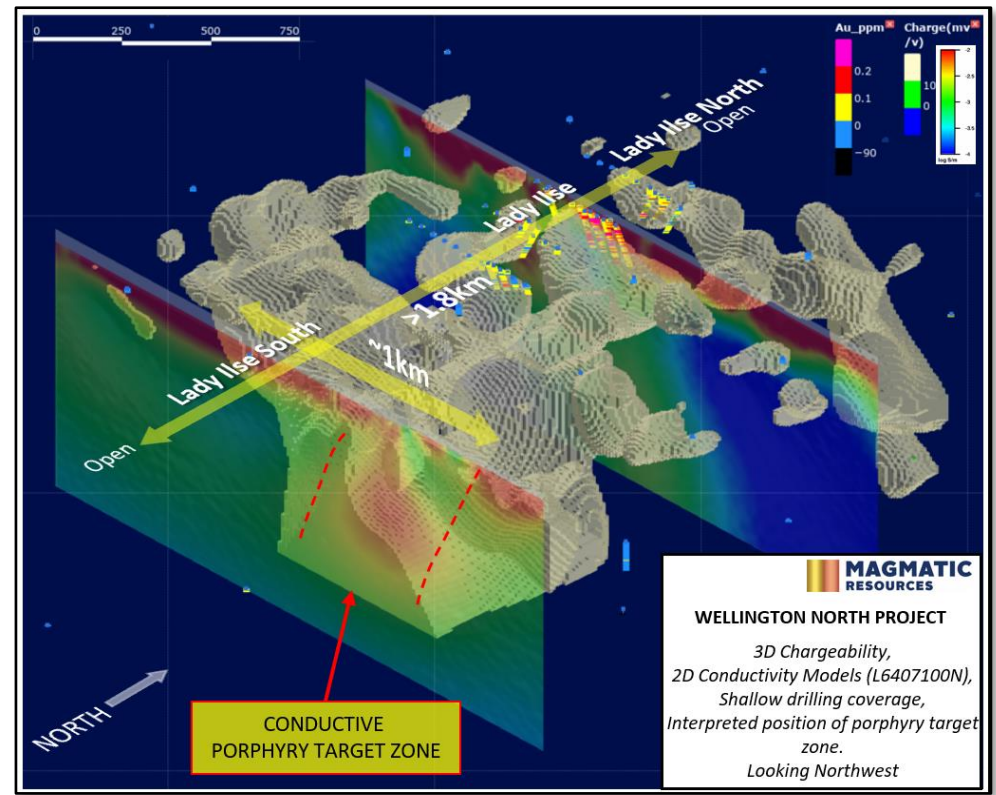
The recent Boda porphyry discovery by Alkane Resources Ltd (ASX ALK 9 September 2019) has highlighted the value of Magmatic's dominant surrounding tenure position in the northern Molong Belt, in what is emerging as a significant gold porphyry discovery hotspot (Figure 3). The Boda discovery has highlighted 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.

MAG considers that the scale of the chargeability and conductivity defined by the MIMDAS geophysics at the Lady Ilse District highlight the potential for preservation of a Cadia East scale gold-copper porphyry system.

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



**Figure 2:** Oblique view of Lady Ilse district, 3D chargeability, 2D resistivity/conductivity model (L6408300N), shallow drilling (looking down towards the southeast)



**Figure 3:** Oblique view of Lady Ilse district, 3D chargeability, 2D resistivity/conductivity model (L6407100N), shallow drilling (looking down towards the northwest)

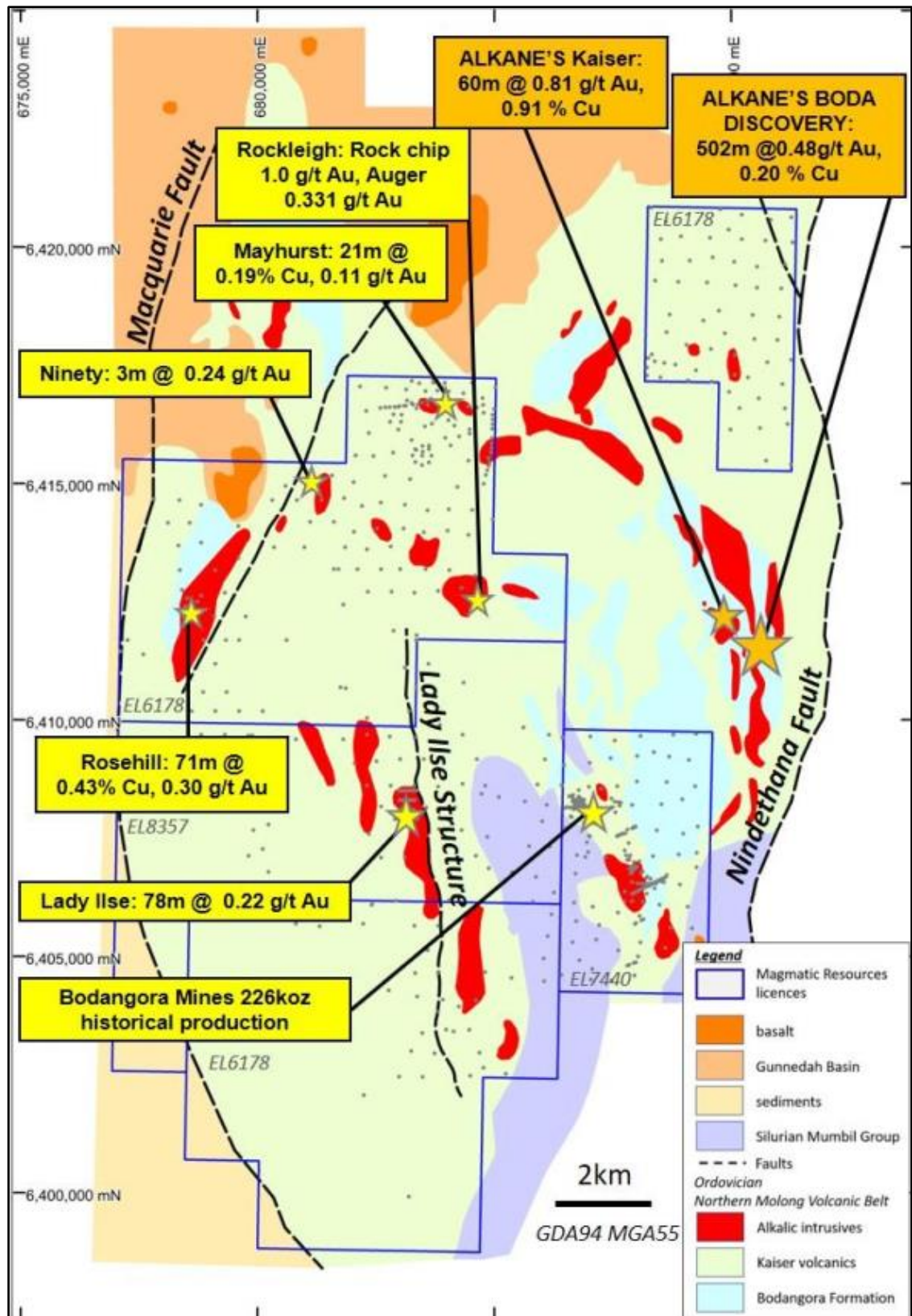


Figure 4: Wellington North showing targets summary

## 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<sup>2</sup> and is considered highly prospective for Northparkes-style copper-gold porphyry mineralisation.

Exploration activities were limited to data review and preparation for future MIMDAS surveying 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 (China Molybdenum/Sumitomo, CMOC 2019). The project comprises two exploration licences covering 482km<sup>2</sup> 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 March 2020 Quarter, which will contribute \$36,000 towards drill testing at the Pattons VHMS/gold target.

## Magmatic Tenure

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	
WA	Yamarna	E38/3444	Yamarna3444	Application	No	Magmatic	100%	71.3	

**Table 1: Tenement listing at 31 March 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



## References

CMOC 2019., China Molybdenum Company Limited, <http://www.cmocinternational.com/australia/>  
Evolution., 2018, <https://evolutionmining.com.au/reservesresources/>  
Newcrest., 2019, Newcrest Investor and Analyst Presentation, ASX Announcement, 18 November 2019  
Phillips, G N (Ed), 2017. Australian Ore Deposits, The Australasian Institute of Mining and Metallurgy: Melbourne

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

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## 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](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.

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