

30 OCTOBER 2020

## QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2020

- Exploration activity focused on Wellington North Project, Northern Molong Belt
- RC and diamond drilling comprising 3195.8m completed at Lady Ilse
- RC drilling comprising 420m completed at Boda North
- Moorefield demerger and central Lachlan gold acquisitions into Australian Gold and Copper Limited (AGC)
- 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
- Immediate increased shareholder value is anticipated for Magmatic shareholders who will own shares in both MAG and AGC (via a proposed in-specie share distribution) and provides enhanced exposure to multiple drill ready gold discovery opportunities

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

### Exploration

#### **Wellington North Project - Lady Ilse District**

#### **RC Drilling Activity (ASX MAG 17 July 2020, 10 September 2020)**

The results of the first diamond hole at Lady Ilse provided the Company with increased confidence in the potential for a significant gold-copper porphyry discovery at Lady Ilse. RC drilling during the quarter was designed to test the along strike extents of the main Lady Ilse zone and selected targets off-trend (11 holes for 1815m) (Figure 1).

Results at the northern extent of the drilling coverage represent the highest copper grades encountered to date and suggest a significant increase in grade and mineralised widths with depth (13m @ 0.72g/t Au, 0.36% Cu from 184m and 41m @ 0.25g/t Au, 0.11% Cu from 103m, 20LIRC010) (Figure 1).

Results from 20LIRC005 indicate wide broad zones of gold and porphyry pathfinder anomalism (67m @ 0.22g/t Au and 54m @ 0.18g/t Au, ASX MAG 10 September 2020) which combined with ground magnetic results received subsequent to the end of quarter define a priority porphyry target zone and the focus of the current diamond hole (20LIDD015) (ASX MAG 19 October 2020) (Figure 1).

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## **Wellington North Project, Boda North District**

### **RC Drilling Activity (ASX MAG 10 September 2020)**

Recent RC drilling at Boda North comprised three holes for 420m. Drilling activity was designed to assess the geochemical 'fertility' of IP chargeability anomalies (gold + pathfinder elements), being a key feature of Boda style porphyry mineralisation (ASX ALK 13 February 2020).

Several drill sites were unable to be accessed due to severe wet ground conditions, however drilling is considered to have provided an adequate test of the central and southernmost targets with no significant results returned. Further target definition work is planned prior to potential drill testing at the northernmost target.

## **Corporate**

### **Moorefield Demerger and Central Lachlan gold acquisitions – AGC IPO (18 September 2020)**

Magmatic is pleased to advise that its wholly owned subsidiary, Australian Gold and Copper Limited (AGC) has entered into a binding term sheet (Term Sheet) to purchase two Central Lachlan gold/polymetallic projects from private company, New South Resources Pty Ltd (NSR).

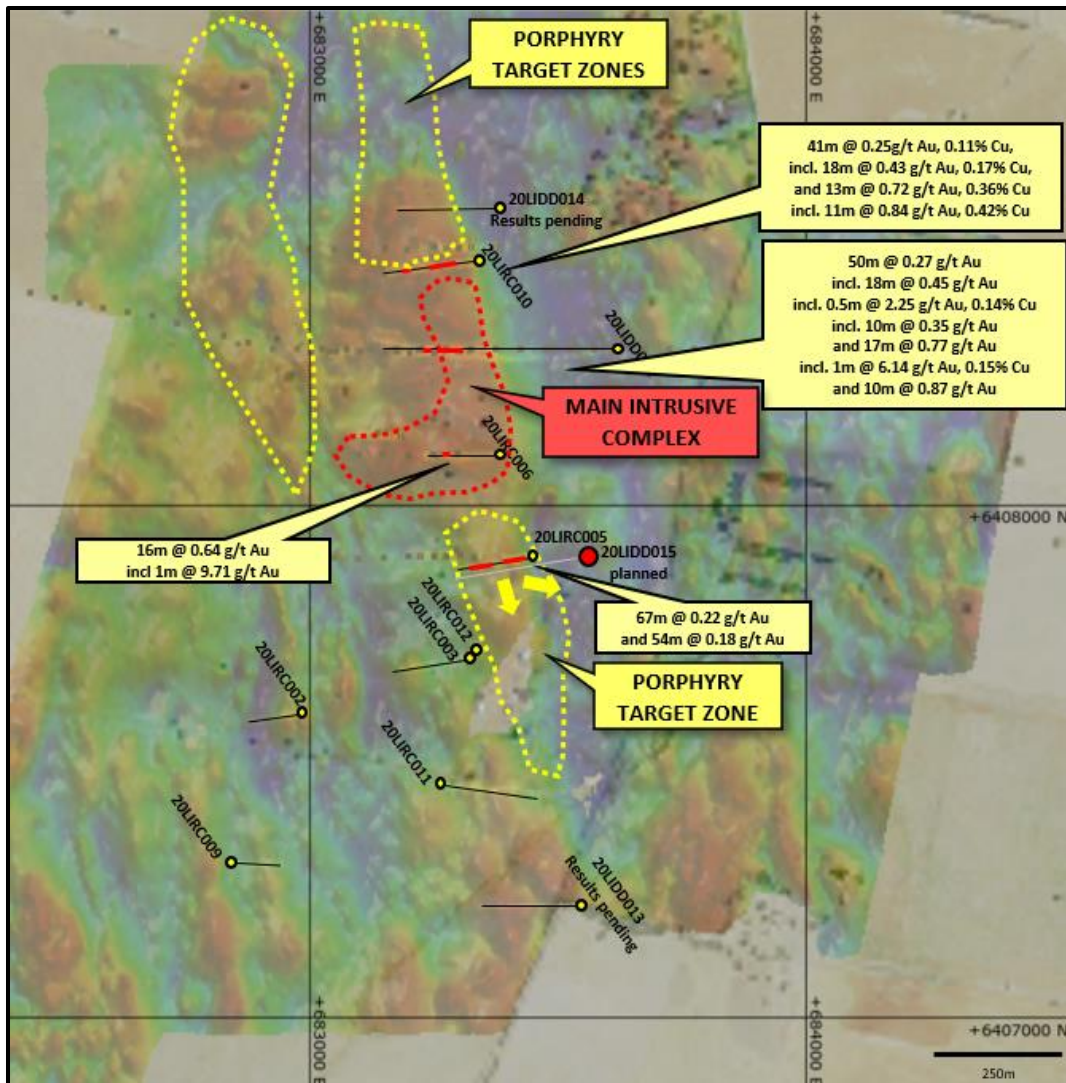
NSR will receive as consideration AGC shares amounting to a 40% interest in AGC pre the initial public offering (IPO) proposed to be undertaken by AGC for their Cargelligo and Gundagai projects (NSR Tenements). Magmatic will hold the remaining 60% in AGC pre-IPO.

Magmatic will retain exposure as a major shareholder of AGC whilst allowing the company to focus on its East Lachlan gold and gold-copper porphyry projects. Immediate increased shareholder value is anticipated for Magmatic shareholders who will own shares in both MAG and AGC (via the proposed in-specie share distribution) with enhanced exposure to multiple high-value drill ready gold discovery opportunities in the central Lachlan.

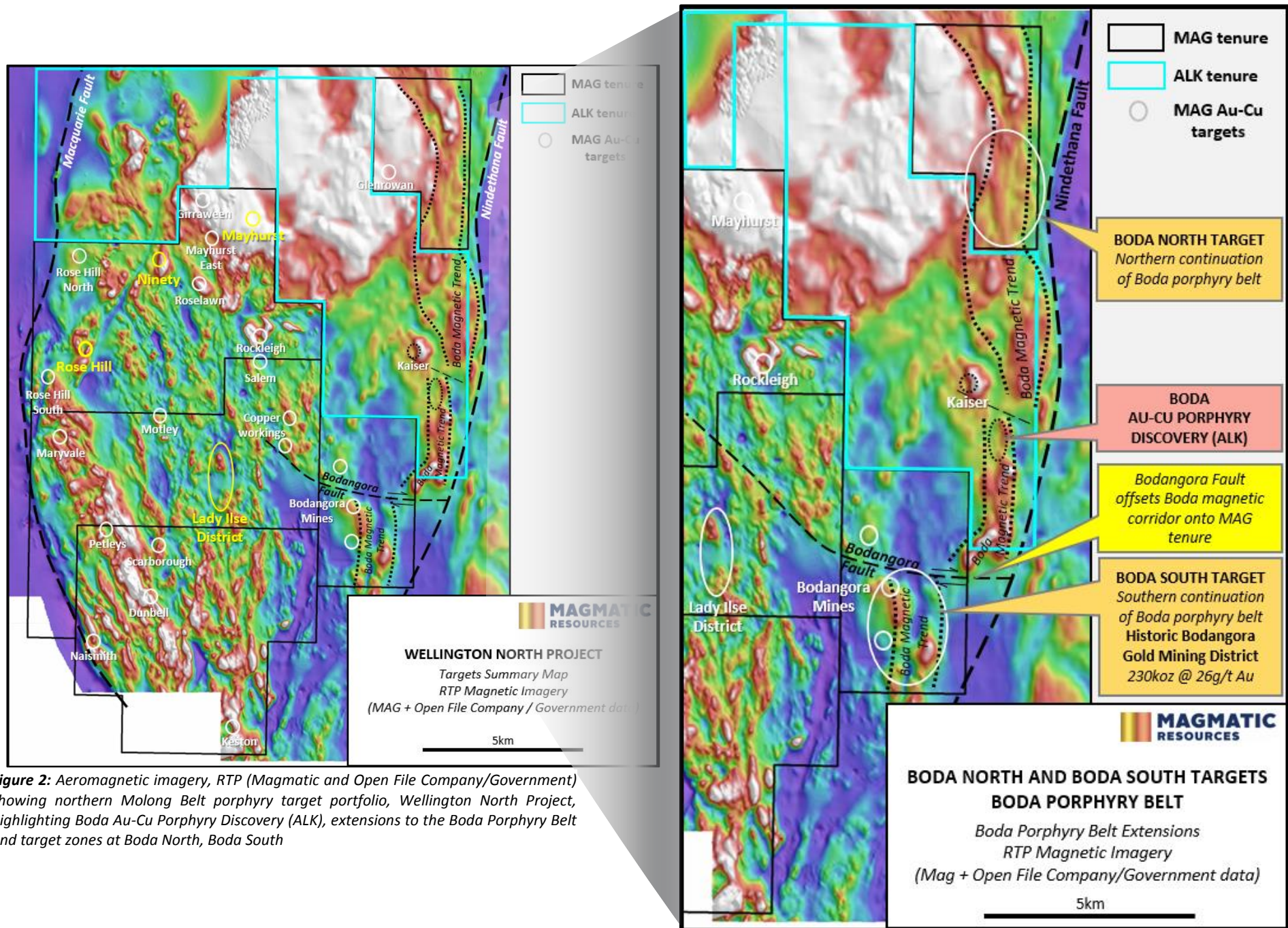
## Wellington North Project (Gold-Copper)

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 gold-copper 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 globally significant gold-copper porphyry discovery hotspot. The Boda discovery has highlighted the surface signature of porphyry mineralisation in the area as described in ASX ALK 15 August 2017 and has significantly upgraded Magmatic's target portfolio for Boda-style gold-copper porphyry mineralisation (Lady Ilse District, Boda North, Boda South, Rose Hill, Ninety, Rockleigh, Mayhurst and Mayhurst East).



**Figure 1:** Lady Ilse Summary Map, RTP ground magnetic imagery, showing target zones around main monzonite/intrusive complex, completed and proposed drilling



**Figure 2:** 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 - Narramine 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 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%*

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NSR will receive as consideration AGC shares amounting to a 40% interest in AGC pre the initial public offering (IPO) proposed to be undertaken by AGC for their Cargelligo and Gundagai projects (NSR Tenements). Magmatic will hold the remaining 60% in AGC pre-IPO.

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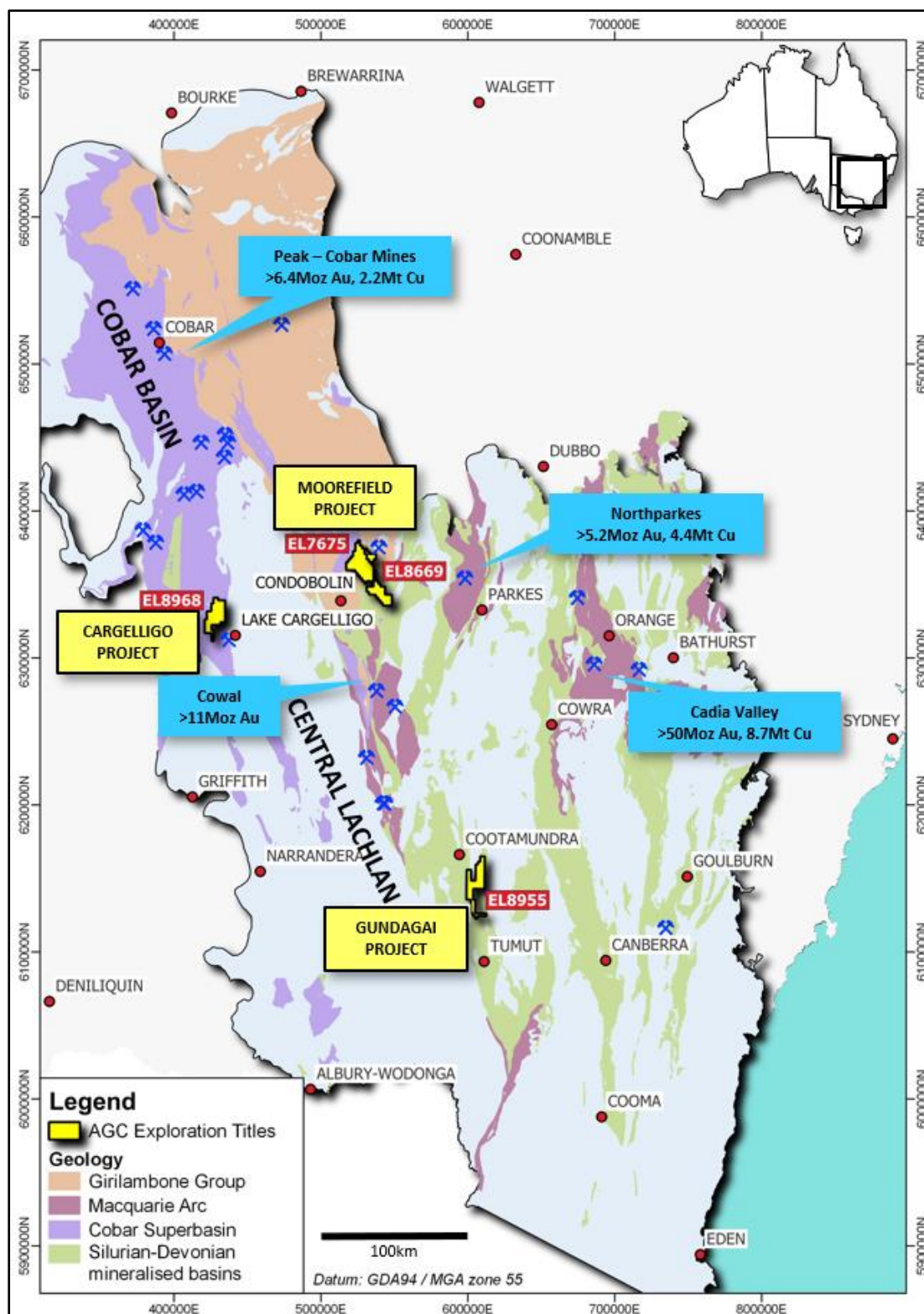


Figure 3: Location Plan showing AGC tenure (Resources from Phillips 2017)

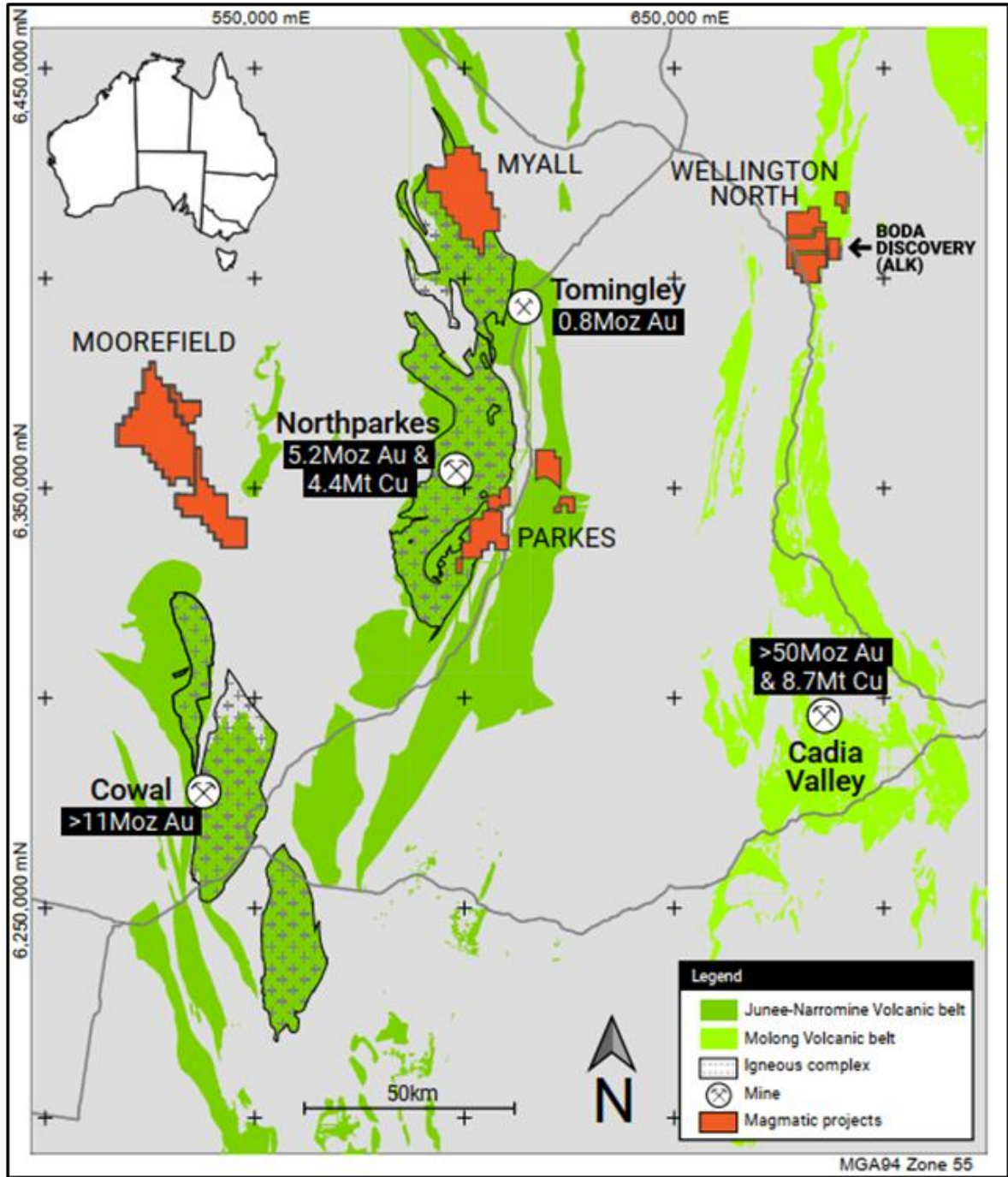


Figure 4: MAG Project Location Map (Phillips 2017)

## Magmatic Tenure

State	Project	Lease No	Lease name	Status	JV Project	Holder**	Magmatic interest	Area (km2)	Note
NSW	Moorefield	EL7675	Moorefield	Granted	No	Modeling	100%	284.6	Transferring to AGC
NSW	Moorefield	EL8669	Derriwong	Granted	No	Modeling	100%	193.0	Transferring to AGC
NSW	Myall	EL6913	Myall	Granted	No	Modeling	100%	243.7	
NSW	Parkes	EL7424	Alectown	Granted	No	Modeling	100%	56.0	
NSW	Parkes	EL7676	Parkes East	Granted	No	Modeling	100%	95.0	
NSW	Wellington North	EL6178	Duke	Granted	No	Modeling	100%	113.0	
NSW	Wellington North	EL7440	Bodangora	Granted	No	Modeling	100%	17.4	
NSW	Wellington North	EL8357	Combo	Granted	No	Modeling	100%	46.4	
WA	Mt Venn	E38/2961	Mt Venn	Granted	No	Magmatic	100%	59.6	
WA	Mt Venn	E38/3351	Mt Venn North	Granted	No	Modeling	100%	27.3	
WA	Yamarna	E38/2918	Yamarna	Granted	No	Landslide	100%	60.68	
WA	Yamarna	E38/3312	Cowderoy Hill	Granted	No	Modeling	100%	191.3	
WA	Yamarna	E38/3327	Yamarna North	Granted	No	Modeling	100%	103.4	

**Table 1: Tenement listing at 30 September 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

### 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.



## ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$ 885,000. 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 \$162,000: 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

Phillips, G N (Ed), 2017. Australian Ore Deposits, The Australasian Institute of Mining and Metallurgy: Melbourne

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

*Please direct all shareholder and investor enquiries to:*

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**Managing Director**

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**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.

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.

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.

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