

Magmatic Resources Limited

East Lachlan- World Class Gold-Copper Terrain

Magmatic Resources Ltd (ASX:MAG) is an ASX-listed mineral exploration company focussed on the development of its assets in the East Lachlan gold-copper province in New South Wales. The region is best known for Australia's largest producing gold mine at Cadia East (ASX:NCM) and major mining operations at Northparkes (CMOC/Sumitomo) and Cowal (ASX:EVO) with Alkane Resources' (ASX:ALK) recent Boda porphyry discovery demonstrating the areas potential for further Tier 1 discovery. MAG is advancing a portfolio of gold-copper targets purchased from Gold Fields (JSE:GFI) in 2014 with the company's flagship project (Wellington North) surrounding the Boda discovery and along strike from Newcrest's Cadia Valley Operations (>50Moz, 8.7Mt Cu). MAG appointed Peter Duerden as MD in late January to bring additional technical expertise to the board. Mr Duerden previously led Alkane Resources' North Molong Belt gold-copper porphyry exploration for 9 years including oversight of the Boda prospect.

The Projects

Magmatic acquired four advanced projects covering 1,049²km from Gold Fields in 2014. Gold Fields, which retains an 11% interest in Magmatic, had spent ~\$14m identifying 60 targets many now at a drill ready stage. Magmatic is now accelerating exploration activity across its portfolio including near term drilling activity at the Lady Ilse prospect. The Lady Ilse Prospect exhibits several similarities with Alkane's nearby Boda porphyry discovery. The wide zone of shallow gold and porphyry pathfinder anomalism, associated with pyrite-rich upper level porphyry alteration, is similar to that at Boda at the equivalent stage of exploration (ASX ALK 9 September 2019). Ongoing exploration activity, including electrical geophysics has defined a target larger than Boda with potential for discovery of a large Cadia-East style gold-copper porphyry. Alkane reported on February 13th that diamond core drilling at their Boda project (6km from Lady Ilse) has increased the width of mineralisation and recorded 698m @ 0.46g/t gold, 0.19% copper with grades as high as 4.38g/t gold. MAG will proceed with drilling activity at Lady Ilse in late March with further geophysical and geochemical surveys to rapidly advance other gold-copper targets.

Pathway to development

Following a recent heavily oversubscribed raising, the company is well funded and is accelerating exploration activity in the East Lachlan. Funds raised will be applied to progressing the company's exploration activities at multiple projects including near term drilling at Lady Ilse.

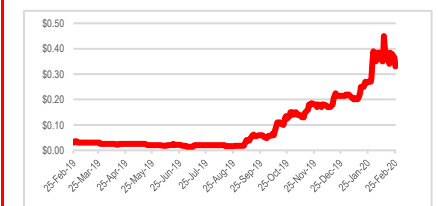
Target markets

Demand for copper is expected to be bolstered by increasing sales of Electric Vehicles with new large copper mines developed since 2007 taking an average of twenty years from discovery to production. Gold prices and demand have been driven by jewellery and inflation hedging and this dynamic remains a strong driver of long-term volumes.

Share details

ASX Code	MAG
Share Price	\$0.33
Market Capitalisation	\$62.8M
Number of shares	172.2M
Options on issue	50M
Net cash at 20 th Feb	\$5.6M

Share price performance (12 months)



Upside Case

- A record of major deposits in surrounding region
- Recent significant finds nearby
- Funding to support exploration drilling in place
- Experienced management

Downside Case

- Lady Ilse discovery possibly not validated in the short term
- Drilling of additional prospects potentially inconclusive
- Funding pressure

Catalysts

- Significant intersections at Lady Ilse
- Additional funding and drilling of three other project areas

Comparative companies (Australia & NZ)

ALK, NCM, EVO, TLM, DEV and, ALY, HRR

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FINANCIAL SERVICES GUIDE

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AFSL 456663

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- our services
- how we transact with you
- how we are paid, and
- complaint processes

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