Magmatic Resources Limited

ABN 32 615 598 322

Annual report
for the year ended 30 June 2023

Contents

Corporate Information

Directors	David J Richardson – Executive Chairman Adam R McKinnon – Managing Director David W Berrie – Non-Executive Director Andrew J Viner – Non-Executive Director
Company Secretary	Andrea S Betti David W Berrie
Registered Office and Principal Place of Business	Suite 7, 55 Hampden Road Nedlands WA 6009 Telephone: +61 8 9322 6009 Email: info@magmaticresources.com Website: www.magmaticresources.com
Share Registry	Computershare Investor Services Pty Ltd Level 17, 221 St George's Terrace Perth WA 6000 Telephone: 1300 850505 Telephone: +61 8 9415 4000
Auditors	BDO Audit (WA) Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	HopgoodGanim Level 8, 1 Eagle Street Brisbane QLD 4000
ASX Code	Magmatic Resources Limited is listed on the Australian Securities Exchange Shares: MAG

Review of Operations

Magmatic Resources Limited ("Magmatic" or the "Company") (ASX:MAG) is a New South Wales-focused copper and gold explorer that listed in May 2017, following the acquisition from Gold Fields Limited of an advanced portfolio in the East Lachlan region of New South Wales (**Figure 1**).

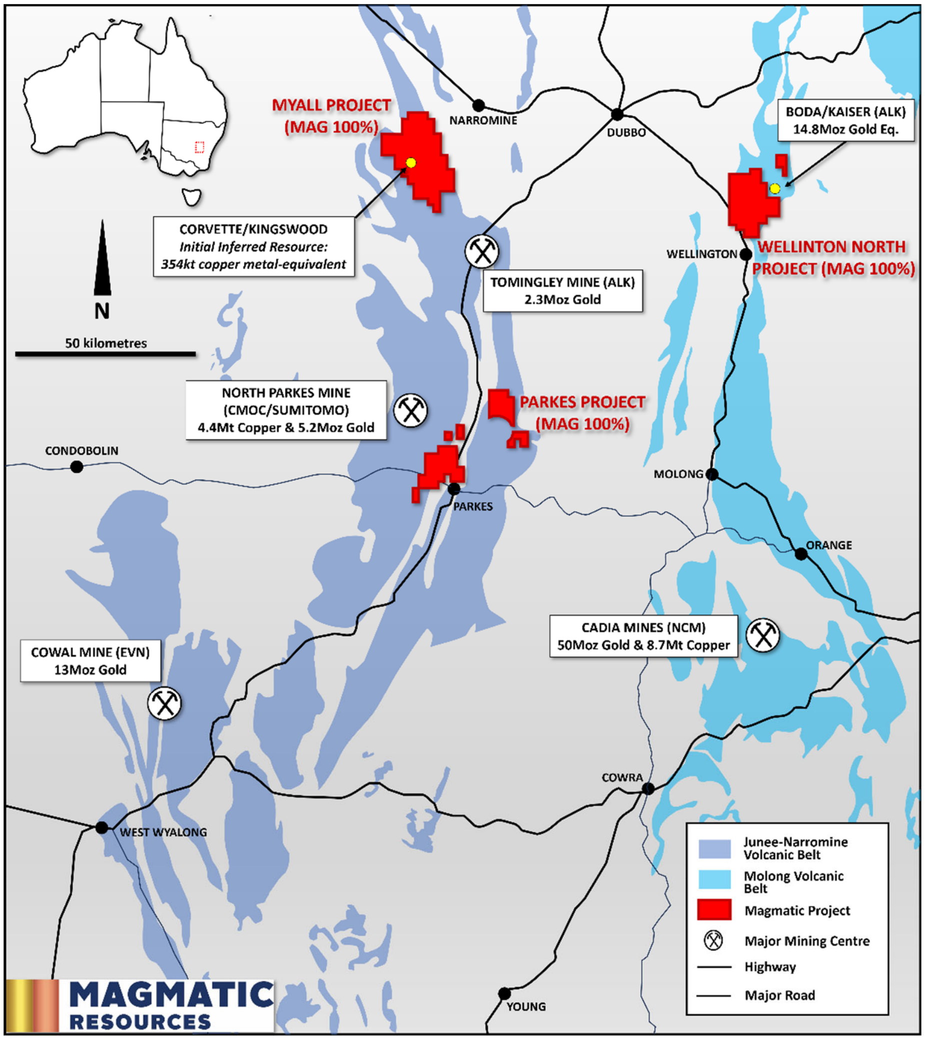

Figure 1. Location of Magmatic's East Lachlan Projects (Resources from Phillips, 2017; CMOC, 2018; Evolution, 2019; Newcrest 2019; Alkane 2023)

Exploration in the East Lachlan Region

The Company has three 100%-owned projects comprising six licences in the East Lachlan region of New South Wales – namely Myall, Wellington North and Parkes (Figure 1).

The East Lachlan region is a globally significant gold-copper province with an endowment of more than 80 million ounces of gold and 13 million tonnes of copper (Phillips, 2017). It is most famous for Newcrest Mining's world class gold-copper porphyry cluster at the Cadia Valley, where the Cadia East Mine represents Australia's largest producer. In addition, the Northparkes copper-gold porphyry deposits (China Molybdenum/Sumitomo) and Cowal gold deposit (Evolution Mining) represent significant long-life mining operations.

The Company's projects represent strategic holdings and target portfolios adjacent to major mining operations and recent discoveries.

Ongoing exploration activity, including recent high impact diamond drilling, indicates strong similarities between the Company's Myall Project and the Northparkes Mining District, located 60 kilometres to the south (CMOC, 2022). The recent 14.8 million ounce-equivalent maiden resource for the Boda gold-copper discovery (ASX ALK 30 May 2022) has highlighted the value of Magmatic's dominant surrounding tenure position and target portfolio at its Wellington North Project. The Company also holds a strategic position in the Parkes Fault Zone (Parkes Project), immediately south from Alkane's Tomingley Gold Operations and recent Roswell and San Antonio discoveries.

Myall Project (Copper-Gold)

Magmatic Resources Limited 100%

The Myall Copper-Gold Project covers the northern extension of the Junee - Narromine Volcanic Belt, located ~60km north and along strike from the Northparkes copper-gold Mining District (China Molybdenum/Sumitomo, **Figure 2**).

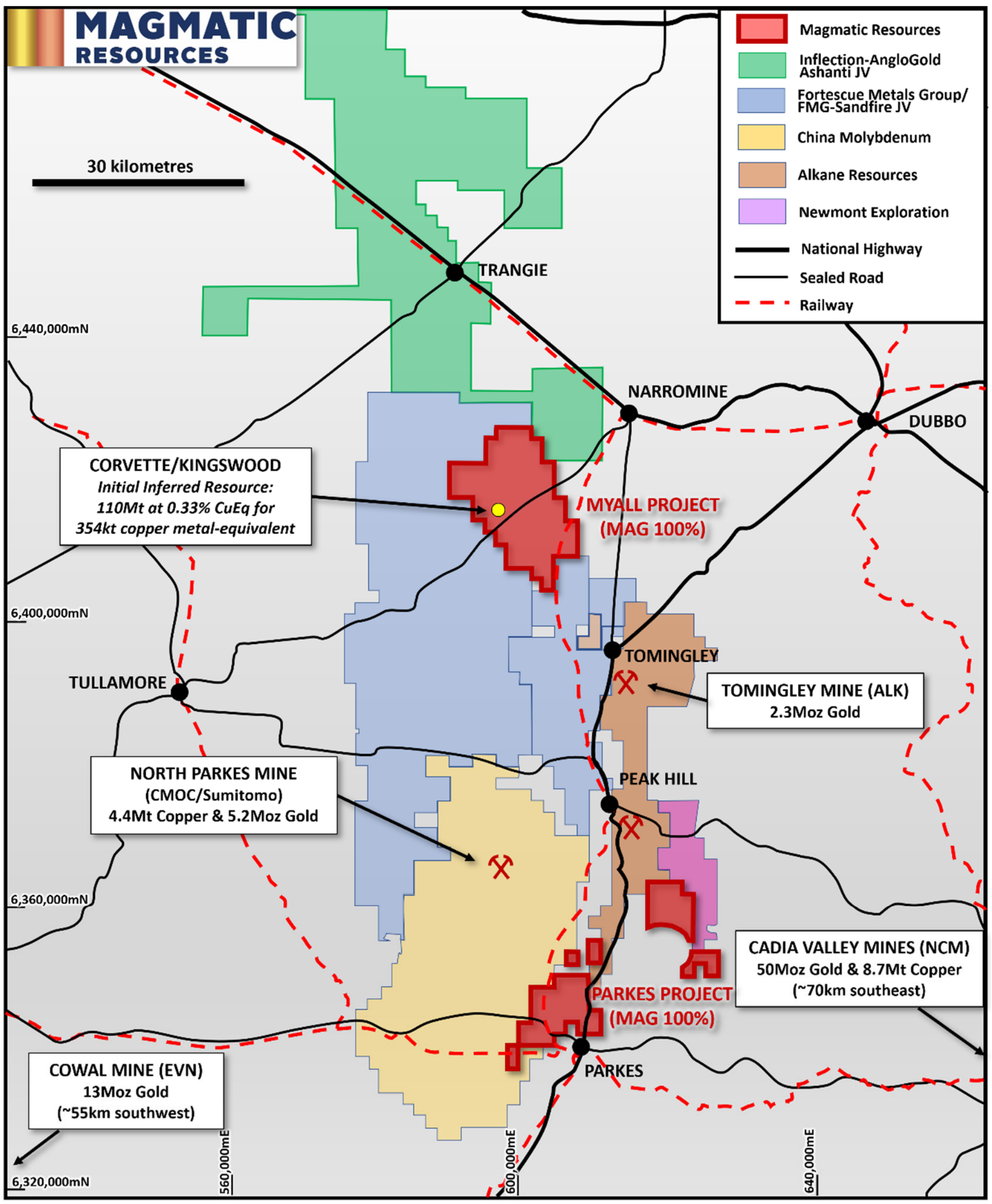

Figure 2. Location of the Myall Project showing selected tenement holdings from other major explorers and miners in the region, along with road and rail infrastructure and major towns (modified after ASX MAG 11 July 2023).

In the 2020-2021 financial year the Company defined a wide zone of copper mineralisation at the Kingswood Prospect, including 381.9 metres at 0.20% Cu from 150m to end of hole in 21MYDD412 (ASX MAG 29 March 2021), highlighting the potential of this area. Following a review of previous exploration data, a high impact diamond drilling program was commenced in July 2022, targeting the Kingswood, Kingswood North and Corvette prospect areas.

Copper mineralisation was intercepted from the first hole of the program (ASX MAG 23 August 2022), with subsequent drilling defining a large-scale porphyry-associated system at the Corvette Prospect. Between late July 2022 and May 2023, 14 diamond holes for 11,092 metres were completed at Myall, with significant copper-gold-silver-molybdenum mineralisation intersected in every hole (**Figure 3**). Some of the best intersections from this drilling included (ASX MAG 11 July 2023):

22MYDD415	722.5m at 0.29% CuEq; 0.25% Cu, 0.05g/t Au & 14ppm Mo from 134.5m ***incl. 111.0m at 0.64% CuEq;*** *0.55% Cu, 0.10g/t Au & 5ppm Mo from 499m*
22MYDD416	413.4m at 0.32% Cu Eq; 0.26% Cu, 0.08g/t Au & 21ppm Mo from 137.6m ***incl. 94.0m at 0.53% CuEq;*** *0.42% Cu, 0.14g/t Au & 42ppm Mo from 230m*
22MYDD417	466.6m at 0.36% CuEq; 0.30% Cu, 0.07g/t Au & 12ppm Mo from 134.4m ***incl. 154.6m at 0.55% CuEq;*** *0.47% Cu, 0.10g/t Au & 26ppm Mo from 134.4m*
22MYDD418	165.7m at 0.37% CuEq; 0.32% Cu, 0.05g/t Au & 17ppm Mo from 134.3m ***incl. 70.7m at 0.60% CuEq;*** *0.51% Cu, 0.10g/t Au & 24ppm Mo from 134.3m*
23MYDD421	**51.0m at 0.73% CuEq;** 0.46% Cu, 0.33g/t Au & 1ppm Mo from 797m ***incl. 13.0m at 1.56% CuEq;*** *1.07% Cu, 0.61g/t Au & 1ppm Mo from 816m*
23MYDD422	**875.2m at 0.24% CuEq;** 0.21% Cu, 0.04g/t Au & 6ppm Mo from 146.8m ***incl. 241.0m at 0.55% CuEq;*** *0.45% Cu, 0.11g/t Au & 7ppm Mo 261m*
23MYDD424	**107.0m at 0.41% CuEq;** 0.29% Cu, 0.14g/t Au & 8ppm Mo from 183m ***incl. 36.0m at 0.63% CuEq;*** *0.38% Cu, 0.31g/t Au & 8ppm Mo from 237m*

Results from the diamond drilling conducted throughout the year were used to report a maiden Inferred Mineral Resource Estimate (MRE) for the Corvette and Kingswood deposits (ASX MAG 11 July 2023). Modelling for the MRE was restricted to two zones of higher density drilling associated with the Corvette and Kingswood deposits (**Figures 4 & 5**) and contains total Inferred Resources of 110Mt at 0.27% Cu, 0.07g/t Au, 0.8g/t Ag & 10ppm Mo. The Inferred Resources have a contained metal content of 293kt copper, 237koz gold & 2.8Moz silver, equating to 354Kt copper metal-equivalent. Indicative grade tonnage figures associated with the Corvette-Kingswood model are given in **Table 1**, with the corresponding grade-tonnage curves shown in **Figure 6**.

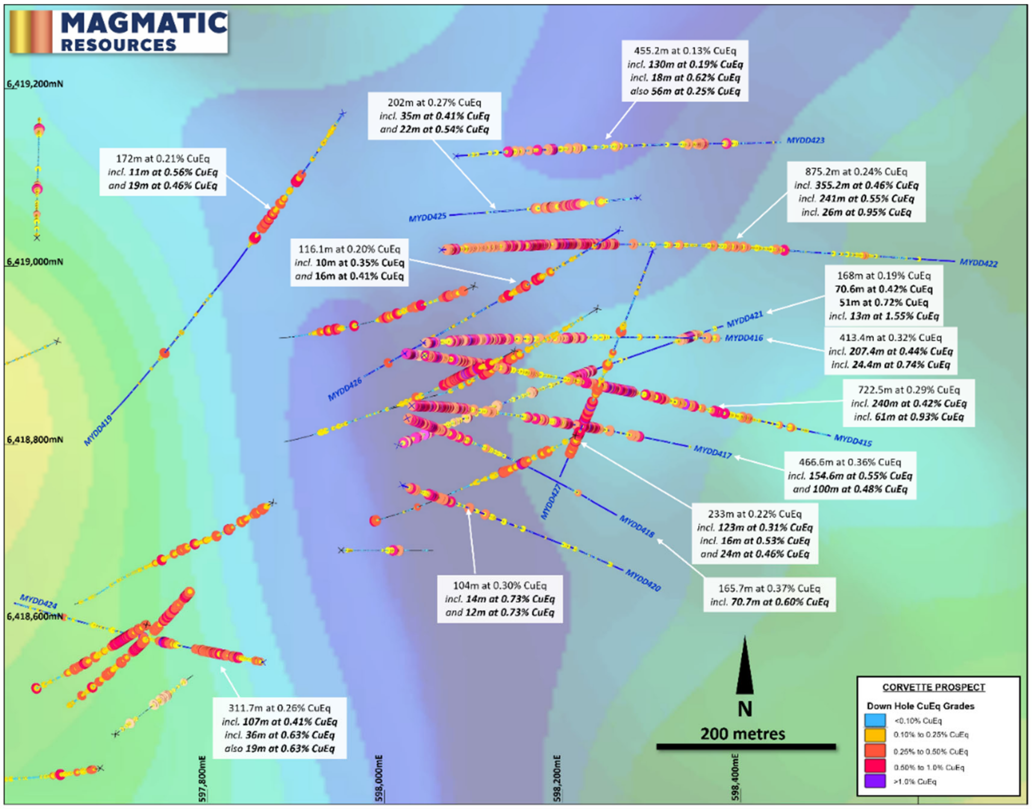

Figure 3. Plan of the Corvette Prospect over airborne magnetics (RTP) showing previous (ASX MAG 4 June 2017) and recent diamond drilling with down hole copper mineralisation (ASX MAG 11 July 2023). Vertical air core holes <150 metres depth are omitted for clarity.

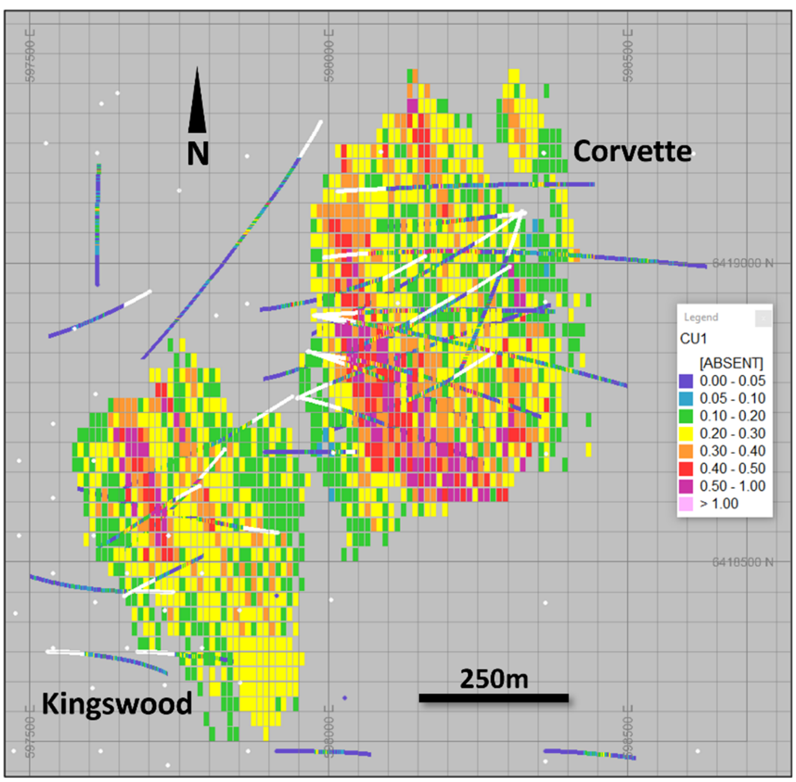

Figure 4. Plan view showing the relationship between drilling and the Corvette and Kingswood MRE model (ASX MAG 11 July 2023).

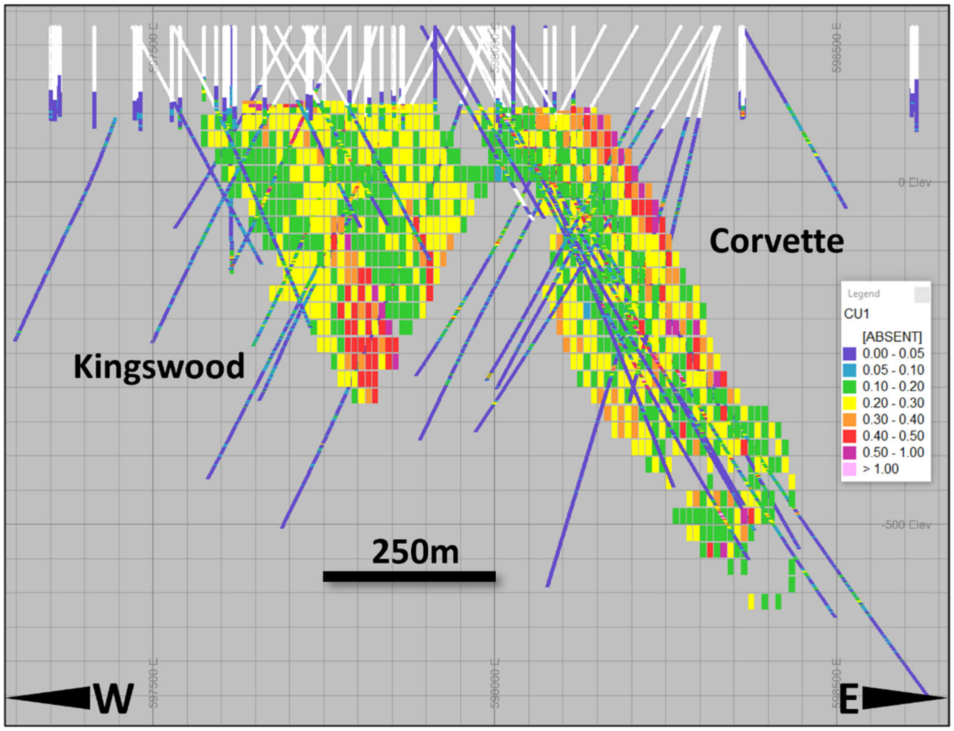

Figure 5. Cross-sectional view (looking north) showing the relationship between drilling and the Corvette and Kingswood MRE model (ASX MAG 11 July 2023).

Table 1. Indicative grade-tonnage figures associated with Corvette-Kingswood Resource model. The MRE is reported at a 0.20% copper-equivalent cut-off grade (highlighted in orange).

Cut-off (CuEq%)	Tonnage (Mt)	Grade					Contained Metal				
		CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	CuEq (kt)	Cu (kt)	Au (koz)	Ag (Moz)	Mo (kt)
0.00	740	0.11	0.09	0.02	0.3	6	822	696	433	8.2	4.2
0.05	490	0.15	0.13	0.02	0.5	7	750	636	391	7.2	3.5
0.10	280	0.21	0.18	0.04	0.6	8	594	500	333	5.2	2.4
0.15	170	0.27	0.22	0.05	0.7	9	459	381	282	3.7	1.6
0.20	**110**	**0.33**	**0.27**	**0.07**	**0.8**	**10**	**358**	**293**	**237**	**2.8**	**1.1**
0.25	73	0.38	0.31	0.08	0.9	12	274	223	189	2.1	0.9
0.30	49	0.42	0.34	0.09	1.0	14	209	169	150	1.5	0.7
0.35	34	0.47	0.38	0.11	1.0	17	159	127	119	1.1	0.6
0.40	22	0.52	0.41	0.12	1.1	19	116	92	89	0.8	0.4
0.45	15	0.57	0.45	0.14	1.2	20	85	67	68	0.6	0.3
0.50	10	0.61	0.48	0.16	1.2	22	63	49	52	0.4	0.2
0.60	4	0.70	0.53	0.21	1.3	21	31	24	30	0.2	0.1

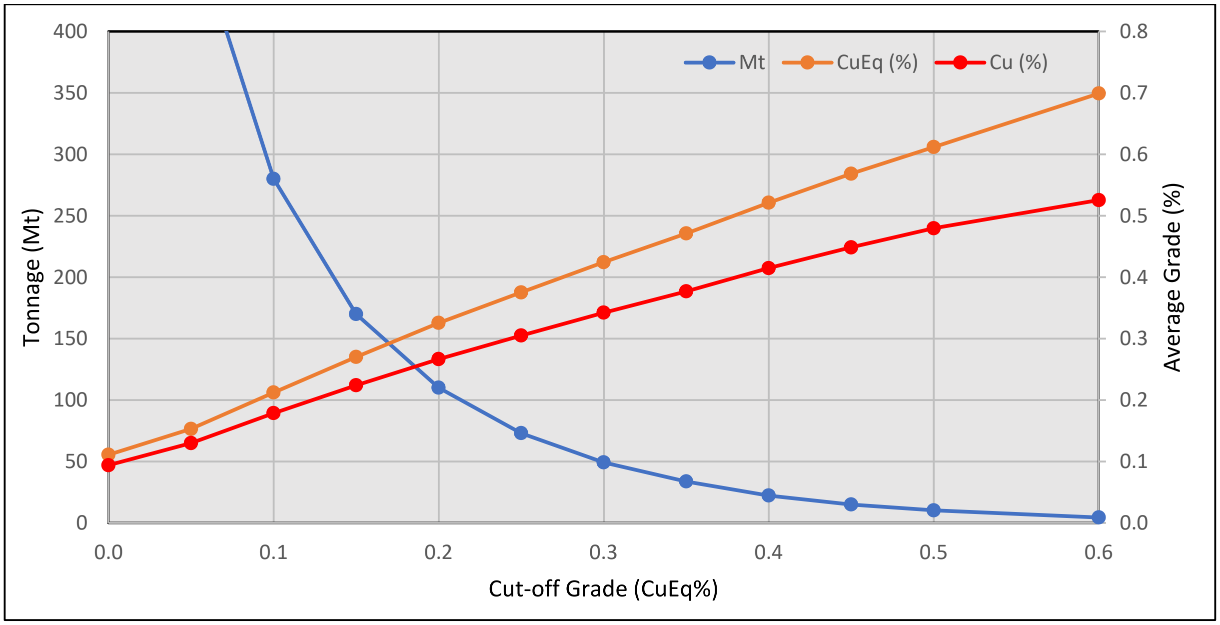

Figure 6. Indicative grade-tonnage curve for the Corvette and Kingswood deposits (ASX MAG 11 July 2023).

The MRE was reported at a 0.20% copper-equivalent cut-off, with the equivalency being derived from initial metallurgical test work conducted during the June quarter (ASX MAG 30 May 2023). This testwork showed that sulphide mineralisation at Corvette could be treated by conventional froth flotation (**Figure 7**) to produce a bulk Cu-Au-Ag sulphide concentrate. The test work comprised grind establishment, mineralogical characterisation and rougher and cleaner flotation tests. Results indicate sulphide mineralisation from Corvette is amenable to treatment by industry standard grinding and flotation techniques and that gold and silver upgrade with the copper. Future metallurgical work may look to produce a separate molybdenum concentrate, with high Mo grades previously noted from multiple holes.

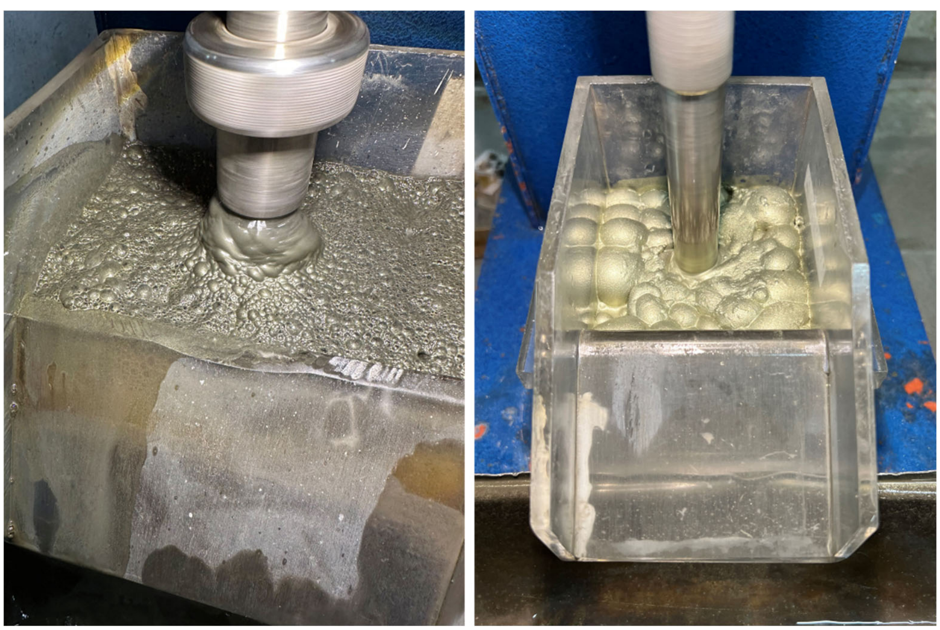

Figure 7. Photographs showing desktop rougher (left) and cleaner (right) froth flotation test work on a mineralised composite from the Corvette Prospect conducted by ALS Metallurgy in Burnie, Tasmania (ASX MAG 30 May 2023).

The Company's technical team also utilised the multi-element geochemical dataset collected from the drilling throughout the year to test vectors useful in targeting higher grade zones. This analysis was particularly focused on element zonation and variations in alteration signatures associated with potential mineralising intrusives. Re-analysis of the basement copper and gold geochemistry has defined multiple large scale targets with similar geochemical and geophysical signatures to Corvette (**Figures 8**).

The Company noted that follow-up diamond coring (totaling ~26,000 metres) is almost entirely limited to the Kingswood/Corvette/Barina prospect area on the central western edge of the tenement (defined by the dashed red square in **Figure 8**). Despite of the multi-kilometre scale copper-gold anomalous trends - particularly to the east – the remainder of the tenement is still largely under-explored, with less than 450 metres of follow-up diamond coring in total.

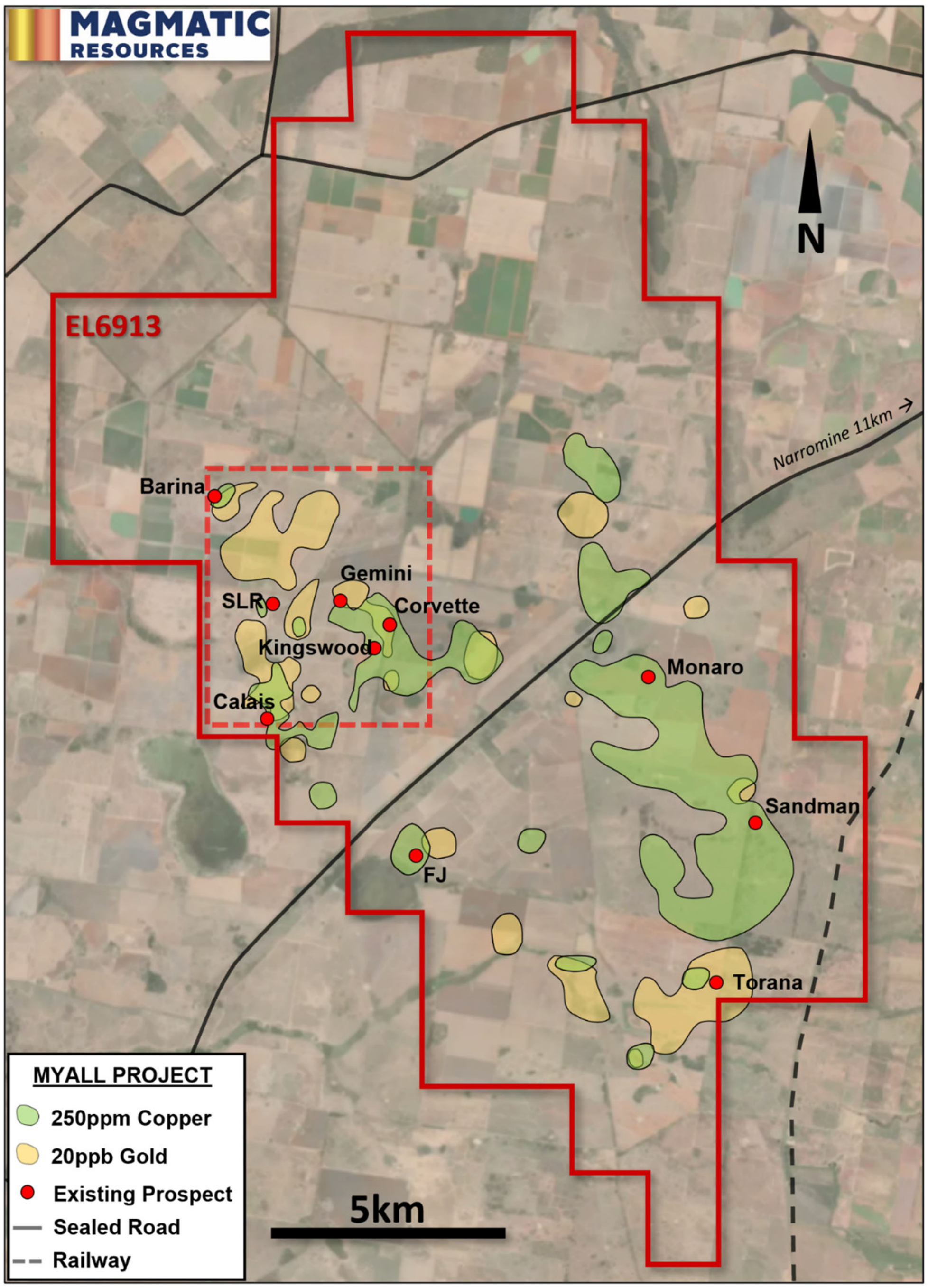

Figure 8. Plan of the Myall project area over satellite imagery showing existing prospects, road and rail infrastructure and basement copper and gold geochemistry (ASX MAG 11 July 2023).

Wellington North Project (Gold-Copper)

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Magmatic's 100%-owned Wellington North Project covers the northern extension of the Molong Volcanic Belt, located north of Australia's largest gold producer at Cadia (ASX:NCM) and immediately adjacent to and 2km from Alkane's recent 14.8Moz gold-equivalent Boda and Kaiser porphyry gold-copper discovery (ASX ALK 27 February 2023).

The Wellington North Project includes the historic Bodangora Gold Field, where 230,000 ounces at ~26g/t Au were produced between 1869-1917 (ASX MAG 17 May 2017) alongside an extensive portfolio of Boda-style porphyry gold-copper and Bodangora-style high grade gold targets (**Figure 9**). Encouraging porphyry-style mineralisation has been intercepted in drilling at multiple locations at Wellington North, including:

- **71m at 0.43% Cu, 0.30g/t Au & 59ppm Mo** from surface at Rosehill (ASX MAG 17 May 2017)
- **41m at 0.25 g/t Au & 0.11% Cu** at Lady Ilse (ASX MAG 10 September 2020)
- **13m at 0.72 g/t Au & 0.36% Cu** at Lady Ilse (ASX MAG 10 September 2020)
- **45m at 0.44g/t Au** at Lady Ilse (ASX MAG 24 December 2020)

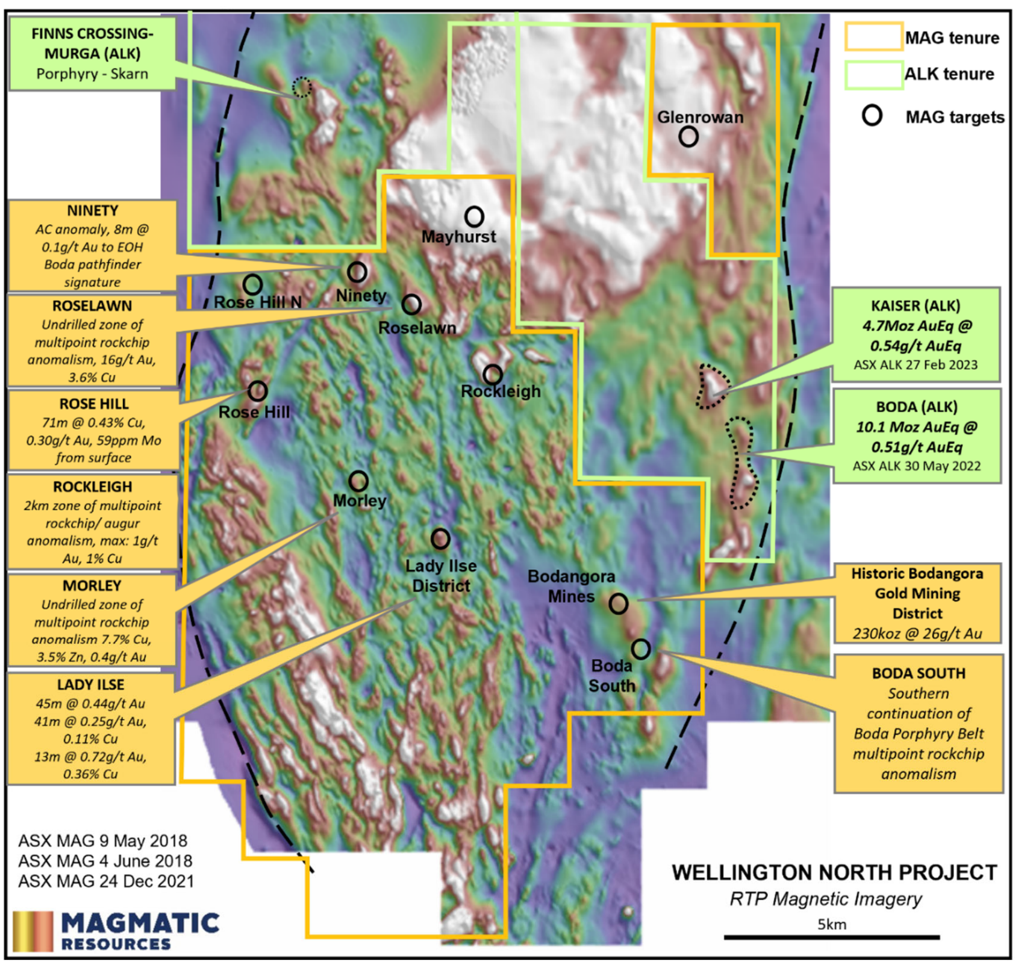

Figure 9. Aeromagnetic imagery (RTP) showing the Magmatic's target portfolio in the Wellington North Project area and highlighting the proximity to the 14.8Moz AuEq Boda-Kaiser discovery (ASX ALK 27 February 2023).

No significant on-ground activities were completed at the Wellington North Project during this financial year while the focus remained on the high-impact diamond program at Myall. The Company's technical team continues to review the potential for Boda-style gold-copper mineralisation at a number of key prospects in the Wellington North area, with further on-ground exploration currently being considered.

Parkes Project (Gold)

Magmatic Resources Limited 100%

The Parkes Project comprises two exploration licences located within the Parkes Fault Zone, approximately 30 kilometres south from Alkane's Tomingley Gold Operations and recently defined resources at Roswell of 858,000oz of gold and 406,000oz of gold at San Antonio (ASX ALK 13 September 2023). Several existing gold intersections are equivalent to early-stage exploration results at Alkane's Tomingley deposits, including:

- **16m at 1.22 g/t Au** from 13m (MM33) McGregors (ASX MAG 17 May 2017)
- **18m at 0.72 g/t Au** from 33m (MM33) McGregors (ASX MAG 17 May 2017)
- **26m at 0.55 g/t Au** from 34m (MM32) McGregors (ASX MAG 17 May 2017)
- **22m at 0.79g/t Au** from 45m (S1) Stockmans (ASX MAG 17 May 2017
- **12m at 1.42g/t Au** from 7m (S2) Stockmans (ASX MAG 17 May 2017)

No on-ground exploration activities were undertaken at the Parkes Project during the financial year, with the focus on the high impact drilling program at the Myall Project to the North.

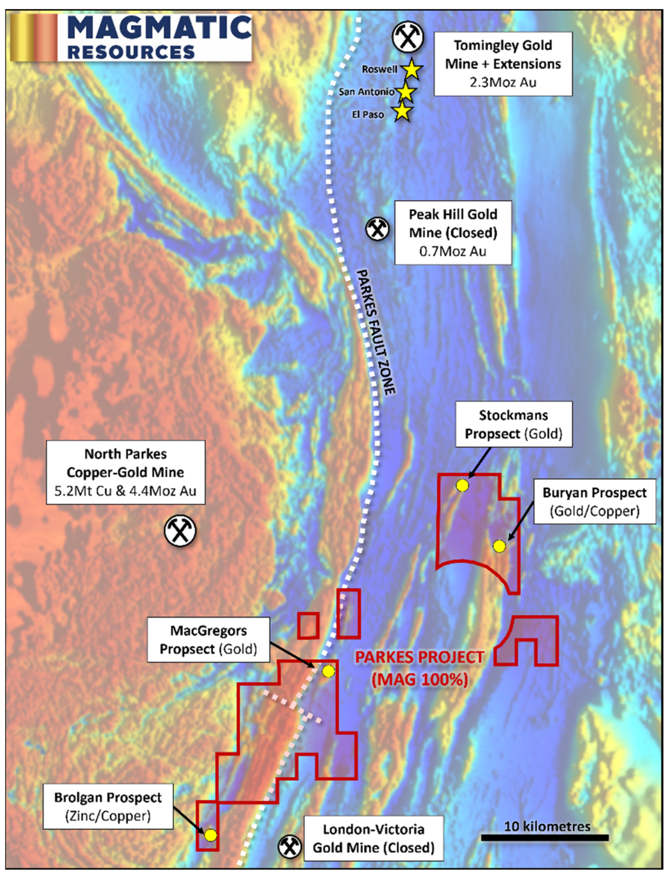

Figure 10. Parkes Project with aeromagnetic imagery, showing the position along strike from Tomingley Gold Mine (ASX:ALK) within the highly prospective Parkes Fault Zone

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Competent Persons Statement

Compilation of exploration and drilling data, along with assay validation and geological interpretations for the Mineral Resource Estimate was coordinated by Adam McKinnon, BSc (Hons), PhD, MAusIMM, who is Managing Director and a full-time employee of Magmatic Resources Limited. Dr McKinnon 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”. Dr McKinnon consents to the inclusion in this release of the matters based on his information in the form and context in which it appears. Additionally, Dr McKinnon 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.

The information in this ASX release that relates to the Mineral Resource Estimate is based on information compiled by Arnold van der Heyden, a Member and Chartered Professional (Geology) of the AusIMM. Mr van der Heyden is a full-time employee of H&S Consultants Pty Ltd. Mr van der Heyden has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being 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 van der Heyden consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Directors' Report

Your directors present their annual financial report on the consolidated entity (referred to hereafter as the "Group") consisting of Magmatic Resources Limited (the "Company" or "parent entity") and its wholly owned subsidiaries Modeling Resources Pty Ltd ("Modeling") and Landslide Investments Pty Ltd ("Landslide"). In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors
The names of the directors of the Company during or since the end of the year are noted below. Directors were in office for the entire year unless otherwise stated:

David J Richardson – *Executive Chairman*
Adam R McKinnon – *Managing Director*
David W Berrie – *Non-Executive Director*
Andrew J Viner – *Non-Executive Director*

Company Secretary
Andrea S Betti
David W Berrie

Principal activities
The principal activity of the Group during the financial year was mineral exploration.

Dividends
No dividend has been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Review of operations
Information on the operations of the Group is set out in the Review of Operations report on pages 4 to 13 of this Annual Report.

Financial review
The loss for the Group after providing for income tax for the financial year amounted to $7,491,491 (2022: $3,019,039).

As at 30 June 2023, the Group had net assets of $4,341,017 (30 June 2022: $6,731,700), including cash and cash equivalents of $2,855,309 (30 June 2022: $5,018,580).

Significant changes in the state of affairs
The Group raised $794,200 from option holders who exercised 11,000,000 options as well as raising a further $4,020,600 from shareholders who subscribed to 40,206,000 new shares issued pursuant to a share purchase plan (ASX:MAG 25 November 2022).

The Company's retained 5.64% shareholding in Australian Gold and Copper Ltd was revalued down by $95,841 at 30 June 2023 (2022: revalued down by $394,632), based on the AGC closing market price of $0.053 from its 30 June 2022 price of $0.070.

Matters subsequent to the end of the financial year
There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Likely developments and expected results
Additional comments on expected results of certain operations of the Group are included in the Review of Operations.

Environmental legislation
The Group is subject to significant environmental legal regulations in respect to its exploration and evaluation activities. The group is compliant with the NGER Act 2007. There have been no known breaches of these regulations and principles.

During the financial year the Company has paid premiums in respect of insuring directors and officers of the Company against liabilities incurred as directors or officers. The amount paid is confidential under the terms of the terms of the insurance policy. The Company has no insurance policy in place that indemnifies the Company's auditors.

Information on directors

David Richardson B. Comm MBA *Executive Chairman*
Experience and expertise
Mr David Richardson has extensive international corporate experience including 15 years in Japan in Asia Pacific regional director positions with organisations such as Pacific Dunlop Ltd and Amcor Ltd, expertise includes venture capital and finance.

Mr Richardson founded Magmatic Resources in 2014, listing the Company on the ASX in 2017 and is Executive Chairman of the Company. Mr Richardson holds a Masters of Business Administration from the University of Southern California (USC), Los Angeles.

Mr Richardson is not considered to be independent due to his executive role as Executive Chairman of the Company and his interest in the securities of the Company.

Other current directorships: Australian Gold and Copper Ltd
Former directorships in the last 3 years: Nil
Special responsibilities: Executive Chairman and member of the Audit and Risk Committee
Interests in shares and options at the date of this report:
47,442,571 ordinary shares (indirectly held) and 6,000,000 options (indirectly held).

Adam McKinnon BSc (Hons), PhD, MAusIMM, MRACI (CCHEM) *Managing Director* (appointed 15 March 2022)
Experience and expertise
Dr McKinnon is a mining and geoscience professional with 16 years industry and academic experience. Before joining Magmatic Resources he was General Manager – Exploration and Business Development at Aurelia Metals Limited, where he was involved in a number of significant discoveries including the high grade Federation deposit south of Nymagee, NSW. Dr McKinnon also led several highly successful exploration programs whilst with KBL Mining Limited, including the discovery of the high grade Pearse gold-silver deposit near the Mineral Hill Mine. Dr McKinnon holds a PhD in mineralogy and geochemistry from Western Sydney University, is a Chartered Chemist with the Royal Australian Chemical Institute (RACI) and a Member of the Australian Institute of Mining and Metallurgy (AusIMM).

Dr McKinnon is not considered to be independent due to his executive role as Managing Director of the Company.

Other Current Directorships: Australian Gold and Copper Ltd (appointed 12 August 2022)
Former directorships in the last 3 years: Nil
Special Responsibilities: Managing Director
Interests in shares and options at the date of this report:
720,000 ordinary shares (directly held) and 10,000,000 options (indirectly held)

David Berrie LLB *Non-Executive Director* (appointed 28 October 2016)
Company Secretary (appointed 01 June 2019)
Experience and expertise
Mr. David Berrie has over 30 years' experience in the mining industry. Mr Berrie worked as a solicitor in the mining team at Clayton Utz before joining the international mining house Western Mining Corporation in 1987 with much of that time spent in the exploration division before transitioning over to BHP Billiton. Mr Berrie has extensive public company experience. Mr Berrie has a Bachelor of Laws and a Bachelor of Juris Prudence from the University of Western Australia.

Other current directorships: **Nil**
Former directorships in the last 3 years:
Hylea Metals Limited (appointed 6 February 2018, resigned 2 January 2019)
Summit Resources Limited (appointed 19 Oct 2006, resigned 15 November 2018)
Special responsibilities: Joint Company Secretary and member of the Audit and Risk Committee
Interests in shares and options at the date of this report:
14,029,044 ordinary shares (indirectly held) and 3,000,000 options (indirectly held).

Andrew Viner BSc (Geology) *Non-Executive Director* (appointed 17 December 2021)
Experience and Expertise
Mr Viner is a geologist with more than 37 years' experience in multi commodity mining and mineral exploration in Australia, southeast and central Asia and South America. He has been an Executive and Managing Director of ASX listed Companies since 2002.
Andy has a BSc in Geology undertaken at Curtin University in Western Australia. He is a member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Company Directors.

Other Directorships: **Nil**

Former Directorships in the last 3 years: Strickland Metals Limited (appointed 21 June 2011, resigned 1 April 2021)
Special Responsibilities: Member of the Audit and Risk Committee
Interests in shares and options at the date of this report:
543,000 ordinary shares (533,000 indirectly held and 10,000 directly held)) and 1,000,000 options (indirectly held).

Meetings of directors

During the financial year there were six formal directors' meetings. All other matters that required formal Board resolutions were dealt with via written circular resolutions. In addition, the directors met on an informal basis at regular intervals during the financial year to discuss the Group's affairs.

The Company has an Audit and Risk Committee. The directors have determined that the Company is not of a sufficient size to merit the establishment of any other committees of the Board, and therefore duties ordinarily assigned to committees other than the Audit and Risk Committee are carried out by the full Board.

The number of meetings of the Company's board of directors attended by each director were:

	Directors' meetings entitled to attend	***Directors' meetings attended***	***Audit and Risk Committee Meeting entitled to attend***	***Audit and Risk Committee Meeting attended***
D Richardson	6	6	2	2
A McKinnon	6	6	-	-
D Berrie	6	6	2	2
A Viner	6	6	2	2

Shares under option

Outstanding share options at the date of this report are as follows:

Grant date	**Date of expiry**	**Exercise price**	**Number of options**
24 September 2020	30 September 2023	$0.2642	500,000
25 September 2020	30 September 2023	$0.2642	250,000
28 May 2021	28 May 2024	$0.2062	4,000,000
27 October 2021	31 October 2024	$0.1500	1,250,000
29 November 2021	31 December 2024	$0.1452	4,050,000
29 November 2021	31 December 2024	$0.1936	1,950,000
15 March 2022	31 May 2025	$0.1002	10,000,000
25 November 2022	31 December 2025	$0.1440	6,500,000

Shares issued on the exercise of options

Options Grant Date	**Date of Expiry**	**Date Exercised**	**Exercised Price**	**Number of Options**
14 October 2019	14 October 2022	13 September 2022	$0.0722	8,000,000
22 October 2019	30 November 2022	14 October 2022	$0.0722	3,000,000

Material Business Risks

The Group makes every effort to identify materials risks and to manage these effectively. This section does not attempt to provide an exhaustive list of risks faced by the Group or by investors in the Group, nor are they in order of significance. Actual events may be different to those described.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

a) *Tenure and access risk*

Applications

While the Company does not anticipate there to be any issues with the grant of its tenement applications, there can be no assurance that the applications (or any future applications) will be granted. While the Company considers the risk to be low, there can also be no assurance that when the relevant tenement is granted, it will be granted in its entirety. Some of the tenement areas applied for may be excluded.

Renewal

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to the discretion of the relevant authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Access

A number of the tenements overlap certain third-party interests that may limit the Company's ability to conduct exploration and mining activities, including private land, Crown Reserves, areas on which native title is yet to be determined and other forms of tenure for railways, pipelines, renewable energy infrastructure and similar third party interests.

Where the tenement overlaps private land, exploration and mining activity on the tenement may require authorisation or consent from the owners of that land. The Company is required to enter into land access agreements to undertake its proposed exploration program on the tenements and such land access agreements are entered into prior to exploration activities commencing. The Company intends to carry out heritage clearance surveys before implementing its proposed exploration program if required to do so. The Company's current proposed exploration program is not impacted by the known sites of registered aboriginal heritage significance.

b) Exploration Risk

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Project, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of the Company and possible relinquishment of its projects.

c) Climate Change

The operations and activities of the Company are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

d) Reliance on Key Personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

e) Environmental

The operations and proposed activities of the Company are subject to Australian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

The Company provides cash security bonds as a condition of its' exploration licences, and the Company's access to these security bonds once exploration activities have been completed are subject to the satisfactory completion of the rehabilitation obligations outlined in the exploration licences as assessed by the relevant state government department.

f) Native title

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

The Company is required to enter into land access agreements to undertake its proposed exploration program on the tenements and such land access agreements are entered into prior to exploration activities commencing. The Company intends to carry out heritage clearance surveys before implementing its proposed exploration program if required to do so. The Company's current proposed exploration program is not impacted by the known sites of registered aboriginal heritage significance.

g) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company, as well as on its ability to fund its operations.

h) Additional requirements for capital

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for the key management personnel of Magmatic Resources Limited (the "Company" or "Parent") for the financial year ended 30 June 2023. The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes all executives in the Parent and the Group receiving the highest remuneration.

Key Management Personnel

(i) Directors
David Richardson - Executive Chairman
Adam McKinnon – Managing Director
David Berrie – Non-Executive Director
Andy Viner – Non-Executive Director

(ii) Executives
Michael Franklin - Chief Financial Officer

Details of directors' and executives' remuneration are set out under the following main headings:
A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Employment contracts/Consultancy agreements
D Share-based compensation

A Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aims to align executive reward with the creation of value for shareholders. The key criteria for good remuneration governance practices adopted by the Board are:
competitiveness and reasonableness
acceptability to shareholders
performance incentives
transparency
capital management

The framework provides a mix of fixed salary, consultancy, agreement-based remuneration and share based incentives.

The broad remuneration policy for determining the nature and amount of emoluments of Board members and senior executives of the Company is governed by the full board. Although there is no separate remuneration committee, the Board's aim is to ensure the remuneration packages properly reflect directors' and executives' duties and responsibilities. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention and motivation of a high-quality Board and executive team.

The current remuneration policy adopted is that no element of any director or executive package is directly related to the Company's financial performance. Indeed, there are no elements of any director or executive remuneration that are dependent upon the satisfaction of any specific condition however the overall remuneration policy framework is structured to advance and create shareholder wealth.

Non-executive directors
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board and are intended to be in line with the market. Non-executive directors receive a board fee and fees for chairing or participating on board committees. They do not receive performance-based pay or retirement allowances.

For the year ended 30 June 2023, exclusive of superannuation guarantee, the annual cash remuneration for the Non-Executive Directors was $140,000.

The non-executive directors fee pool approved by shareholders is $250,000 per annum.

Directors' fees
On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration relevant to the office of director.

The Board policy is to remunerate non-executive directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Non-executive directors receive a Board fee but do not receive fees for chairing or participating on Board committees. Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation. Non-executive directors are granted options in the Company from time to time subject to shareholder approval.

Fees for non-executive directors are not linked to the performance of the Group.

Retirement allowances for directors
Apart from superannuation payments paid on salaries there are no retirement allowances for directors.

Executive pay
The executive pay and rewards framework has the following components:
- base pay and benefits such as superannuation where appropriate
- long-term incentives through participation in employee equity issues

Base pay
All executives are either full time employees or consultants who are paid on an agreed basis that has been formalised in a consultancy agreement.

Benefits
Apart from superannuation paid on executive salaries there are no additional benefits paid to executives.

Short-term incentives
There are no current short-term incentive remuneration arrangements.

Performance based remuneration
To ensure that the Company has appropriate mechanisms in place to continue to attract and retain the services of suitable directors and employees, the Company has, in the past, issued options and performance rights to some key personnel.

Share-based compensation

Issue of shares
No shares were issued to directors during the year ended 30 June 2023.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

	Number of Options Granted	Grant Date	Vesting and exercisable date	Option Life (Years)	Expiry Date	Share price on Grant Date	Exercise Price	Risk Free Interest Rate on Grant Date	Fair value Per option at grant date #
David Richardson	2,000,000	25 Nov 2022	25 Nov 2022	3.10	31 Dec 2025	$0.065	$0.144	3.275%	$0.031123
David Berrie	1,000,000	25 Nov 2022	25 Nov 2022	3.10	31 Dec 2025	$0.065	$0.144	3.275%	$0.031123
Andy Viner	1,000,000	25 Nov 2022	25 Nov 2022	3.1	31 Dec 2025	$0.065	$0.144	3.275%	$0.031123
Michael Franklin	500,000	25 Nov 2022	25 Nov 2022	3.10	31 Dec 2025	$0.065	$0.144	3.275%	$0.031123

The Black Scholes valuations for each option granted assumed the Expected Volatility parameter was 100% and the Dividend Yield parameter was 0.00%.

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the Company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

The table below shows a reconciliation of options held by each KMP from the beginning to the end of the financial year ending 30 June 2023:

2022	Balance at the start of the year			Vested			Forfeited			Balance at the end of the year	
Name & Grant dates	Unvested	Vested	Granted as compensation	Number	%	Exercised	Number	%	Other changes	Vested and exercisable	Unvested
D Richardson											
25 Nov 2022	-	-	2,000,000	-	-	-	-	-	-	-	2,000,000
21 Nov 2021	4,000,000	-	-	-	-	-	-	-	-	-	4,000,000
23 Jan 2020	4,000,000	-	-	-	-	-	4,000,000	100	-	-	-
A McKinnon											
15 Mar 2022	10,000,000	-	-	-	-	-	-	-	-	-	10,000,000
D Berrie									-		
25 Nov 2022	-	-	1,000,000	-	-	-	-	-	-	-	1,000,000
21 Nov 2021	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000
23 Jan 2020	2,000,000	-	-	-	-	-	2,000,000	100	-	-	-
A Viner											
25 Nov 2022	-	-	1,000,000	-	-	-	-	-	-	-	1,000,000
M Franklin											
25 Nov 2022	-	-	500,000	-	-	-	-	-	-	-	500,000
27 Oct 2021	500,000	-	-	-	-	-	-	-	-	-	500,000

Performance rights

No performance rights were issued during the year ended 30 June 2023.

Company performance, shareholder wealth and directors' and executives' remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance due to the nature of the Company's operations being a non-producing resources exploration company.

The table below shows the losses and earnings per share of the Company for the last five financial years:

	2023	2022	2021	2020	2019
Net profit / (loss)	**($7,491,491)**	**($3,019,039)**	**$1,188,014**	**($4,318,026)**	**($1,993,025)**
Share Price at year end (cents)	**9.0**	**5.2**	**12.5**	**27.0**	**1.8**
Profit / (Loss) per share (cents)	**(2.73)**	**(1.13)**	**0.58**	**(3.02)**	**(1.76)**

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and other key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Company and the Group for the year ended 30 June 2023 are set out in the following tables.

The key management personnel of the Group comprise the directors of the Company and persons who have the authority and responsibility for planning, directing and controlling the activities of the Group. Given the size and nature of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001.* No cash remuneration is linked to performance.

Year ended 30 June 2023

Name	*Salary / Fees* $	*Post-employment benefits / Superannuation* $	*Share-based compensation* $	*Other* $	*Total* $
Director					
D Richardson	240,000	25,200	178,933	-	444,133
A McKinnon	350,000	36,750	186,602	-	573,352
D Berrie	100,000	10,500	89,467	-	199,967
A Viner	40,000	4,200	5,966	-	50,166
Key Management Personnel					
M Franklin	104,083	10,929	11,116	-	126,128
	834,083	**87,579**	**472,084**	**-**	**1,393,746**

Year ended 30 June 2022

Name	*Salary / Fees* $	*Post-employment benefits / Superannuation* $	*Share-based compensation*[1] $	*Other* $	*Total* $
Director					
D Richardson	225,725	22,572	201,489	-	449,786
A McKinnon (appointed 15 March 2022)	103,985	10,399	54,703	-	169,087
D Berrie	90,000	9,000	100,745	-	199,745
A Viner (appointed 17 December 2021)	21,692	2,169	-	-	23,861
P Duerden (resigned 17 December 2021)	162,800	16,280	(360,383)	-	(181,303)
Key Management Personnel					
M Franklin	100,000	7,500	5,437	-	112,937
	704,202	**67,920**	**1,991**	**-**	**774,113**

[1] *Equity-settled share-based payments as per Corporations Regulation 2M.3.03(1) Item 11. These include negative amounts for options forfeited during the year and the reversal of prior year expenses.*

C Employment contracts / Consultancy agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment.

Remuneration of the Managing Director and other executives are formalised in letters of appointment and employment agreements and amendments thereof. These agreements and amendments thereof provide details of the salary and employment conditions relating to each employee.

Name	Term of agreement and notice period	Base salary (excl. superannuation)	Termination payments
David Richardson *Executive Chairman*	N/A 3 months	$240,000	N/A
Adam McKinnon *Managing Director*	N/A 6 months	$350,000	N/A
Michael Franklin *Chief Financial Officer*	N/A 3 months	$107,000	N/A

D Key management personnel equity holdings

2023	Balance at beginning of year	Net movement during the year	Balance at the end of year
Ordinary shares			
Directors			
D Richardson	47,442,571	-	47,442,571
A McKinnon	240,000	480,000	720,000
D Berrie	14,029,044	-	14,029,044
A Viner	243,000	300,000	543,000
Other Key management personnel			
M Franklin	201,110	598,890	800,000
Options			
Directors			
D Richardson	8,000,000	(2,000,000)	6,000,000
A McKinnon	10,000,000	-	10,000,000
D Berrie	4,000,000	(1,000,000)	3,000,000
A Viner	-	1,000,000	1,000,000
Other Key management personnel			
M Franklin	500,000	500,000	1,000,000

No remuneration consultants have been used. Other than disclosed above, there are no other transactions with key management personnel.

Loans to Key Management Personnel
There were no loans to individuals or members of key management personnel during the financial year.

Transactions with Key Management Personnel
There were no transactions with key management personnel during the financial year or the previous financial year

E Voting and comments made at the Company's 2022 Annual General Meeting

Magmatic Resources Ltd received more than 98.98% of "yes" votes on its remuneration report for the 2022 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of audited remuneration report.

Auditor's independence and non-audit services

Section 307C of the *Corporations Act 2001* requires our auditors, BDO Audit (WA) Pty Ltd to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 23 and forms part of this directors' report for the year ended 30 June 2023.

Non-audit services

The Company may decide to employ the auditors on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important. The Company has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Details of remuneration paid to the auditors are:

	Consolidated	
	2023	2022
	$	$
Assurance services		
BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	**48,293**	43,680
Total remuneration for audit services	**48,293**	43,680
Total auditor's remuneration	**48,293**	43,680

Proceedings on behalf of Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Insurance of Directors and Officers

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

This report is made in accordance with a resolution of the directors.

D Richardson
Executive Chairman
PERTH, Western Australia
Dated: 28 September 2023

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF MAGMATIC RESOURCES LIMITED

As lead auditor of Magmatic Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Magmatic Resources Limited and the entity it controlled during the period.

Dean Just
Director

BDO Audit (WA) Pty Ltd

Perth

28 September 2023

Corporate Governance Statement

The Company and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2023 Corporate Governance Statement is lodged with the ASX as a separate document to the Annual Report.

The 2023 Corporate Governance Statement was approved by the Board on 28 September 2023 and is current as at 30 June 2023. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.magmaticresources.com.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Continuing Operations			
Other income	2	**187,055**	77,179
		187,055	77,179
Corporate administration expenses	3	**(1,267,465)**	(896,240)
Exploration and evaluation expenses	3	**(5,847,743)**	(2,085,934)
Share based payment expense	12	**(563,085)**	(111,747)
Finance costs		**(253)**	(2,297)
		(7,678,546)	(3,096,218)
Profit / (Loss) before tax		**(7,491,491)**	(3,019,039)
Income tax	4	**-**	-
Net profit / (loss) for the year		**(7,491,491)**	(3,019,039)
Other comprehensive income, net of tax			
Items that will not be classified subsequently to profit or loss		**-**	-
Changes in the fair value of investments at fair value through other comprehensive income	9	**(95,841)**	(394,632)
Items that may be reclassified subsequently to profit or loss		**-**	-
Total comprehensive profit / (loss) for the year		**(7,587,332)**	(3,413,671)
Total comprehensive profit / (loss) for the period attributable to the members of Magmatic Resources Limited:		**(7,587,332)**	(3,413,671)
Profit / (Loss) per share attributable to the members of Magmatic Resources Limited			
Profit / (Loss) per share (dollars)	5	**($0.027)**	($0.013)
Profit / (Loss) per share fully diluted (dollars)	5	**($0.027)**	($0.013)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2023

	Note	Consolidated 2023 $	2022 $
Current Assets			
Cash and cash equivalents	7	**2,855,309**	5,018,580
Other receivables		**79,920**	116,948
Total Current Assets		**2,935,229**	5,135,528
Non-Current Assets			
Plant and Equipment		**105,096**	134,986
Security Bonds		**122,300**	74,300
Exploration assets	8	**1,368,350**	1,368,350
Right-of-use assets		**-**	21,529
Financial assets held at fair value through other comprehensive income	9	**298,790**	394,631
Total Non-Current Assets		**1,894,537**	1,993,796
Total Assets		**4,829,765**	7,129,324
Current Liabilities			
Trade and other payables	10	**488,748**	375,016
Lease Liabilities		**-**	22,608
Total Current Liabilities		**488,748**	397,624
Total Liabilities		**488,748**	397,624
Net Assets		**4,341,017**	6,731,700
Equity			
Issued capital	11	**21,728,407**	17,094,843
Reserves	12	**4,947,500**	4,480,256
Accumulated losses		**(22,334,890)**	(14,843,399)
Total Equity		**4,341,017**	6,731,700

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2023

Consolidated	Issued Capital $	Share Based Payments Reserve $	Capital Restructure Reserve $	Fair Value Other Comprehensive Income ("FVOCI") Reserve	Accumulated Losses $	Total Equity $
Balance at 1 July 2021	14,580,282	5,101,147	250	(338,256)	(11,824,360)	7,519,063
Profit after income tax expense for the year	-	-	-	-	(3,019,039)	(3,019,039)
Other comprehensive income for the year, net of tax	-	-	-	(394,632)	-	(394,632)
Total comprehensive (loss)/profit for the year	-	-	-	(394,632)	(3,019,039)	(3,413,671)
Transactions with owners recorded directly in equity						
Share-based payments	-	111,747	-	-	-	111,747
Issue of ordinary shares	2,514,561	-	-	-	-	2,514,561
Capital raising expenses	-	-	-	-	-	-
Total transactions with owners recorded directly in equity	2,514,561	111,747	-	(394,632)	(3,019,039)	(787,363)
Balance at 30 June 2022	17,094,843	5,212,894	250	(732,888)	(14,843,399)	6,731,700
Balance at 1 July 2022	**17,094,843**	**5,212,894**	**250**	**(732,888)**	**(14,843,399)**	**6,731,700**
Loss after income tax expense for the year	**-**	**-**	**-**	**-**	**(7,491,491)**	**(7,491,491)**
Other comprehensive income for the year, net of tax	**-**	**-**	**-**	**(95,841)**	**-**	**(95,841)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(95,841)**	**(7,491,491)**	**(7,587,332)**
Transactions with owners recorded directly in equity						
Share-based payments	**-**	**563,085**	**-**	**-**	**-**	**563,085**
Issue of ordinary shares	**4,814,800**	**-**	**-**	**-**	**-**	**4,814,800**
Capital raising expenses	**(181,236)**	**-**	**-**	**-**	**-**	**(181,236)**
Total transactions with owners recorded directly in equity	**4,633,564**	**563,085**	**-**	**(95,841)**	**(7,491,491)**	**(2,390,683)**
Balance at 30 June 2023	**21,728,407**	**5,775,979**	**250**	**(828,729)**	**(22,334,890)**	**4,341,017**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Receipts from customers and Government Subsidies		**69,101**	53,199
Payments to suppliers and employees		**(1,204,978)**	(907,784)
Payments for exploration expenditure		**(5,712,935)**	(2,718,430)
Net Interest received / (paid)		**136,405**	17,735
Net cash used in operating activities	17(a)	**(6,712,407)**	(3,555,280)
Cash flows from investing activities			
Payments for property, plant & equipment		**(13,819)**	(9,936)
Tenement bonds refunded net of bonds (paid)		**(48,000)**	(5,000)
Net cash from / (used in) investing activities		**(61,819)**	(14,936)
Cash flows from financing activities			
Repayment of lease liabilities		**(22,608)**	(48,036)
Proceeds from the exercise of options		**794,200**	2,514,561
Proceeds from share placement		**4,020,600**	-
Payment of capital raising costs		**(181,236)**	-
Net cash from financing activities		**4,610,956**	2,466,525
Net increase/(decrease) in cash and cash equivalents		**(2,163,271)**	(1,103,691)
Cash and cash equivalents at the beginning of the year		**5,018,580**	6,122,271
Cash and cash equivalents at the end of the year	7	**2,855,309**	5,018,580

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements for the year ended 30 June 2023

Note 1: Statement of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Adoption of new and revised accounting standards and interpretations

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2022. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations issued by the AASB and, therefore, no change is necessary to Company accounting policies.

There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative periods as leases were only short term leases and low value leases.

(b) New accounting standards and interpretations that are not yet mandatory

The Directors have also reviewed all Standards and Interpretations issued and not yet adopted for the year ended 30 June 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

(c) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Magmatic Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(u).

(d) Statement of compliance

The financial report was authorised by the Board of directors for issue on 28 September 2023.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(e) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(f) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity (Magmatic Resources Limited) and its controlled subsidiaries; Modeling Resources Pty Ltd and Landslide Investments Pty Ltd. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(g) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

(h) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Group accounts for long term restricted security deposits as 'other' non-current assets.

(j) Other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

(k) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(l) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is

Notes to the consolidated financial statements for the year ended 30 June 2023

typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate (being the interest rate implicit in the lease for the remainder of the lease term or, if that cannot be readily determined, the Group's incremental borrowing rate at the re-assessment date). An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

The carrying value of lease liabilities is also revised when the variable element of future lease payments dependent on a rate or index is revised or there is a revision to the estimate of amounts payable under a residual value guarantee. In both cases an unchanged discount rate is used. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are items such as IT-equipment and small items of office furniture.

Notes to the consolidated financial statements for the year ended 30 June 2023

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Investments and other financial assets

Investments and other financial assets are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time-frame established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (OCI), or through profit or loss); or
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

(i) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group subsequently measures all equity investments at fair value. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and pricing models to reflect the issuer's specific circumstances.

Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(ii) Impairment
The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

(o) Exploration expenditure
Exploration expenditure is expensed to the statement of profit or loss as incurred and acquisition costs are capitalised as noncurrent assets. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off or provided against. Due to the speculative nature, when exploration assets have been acquired through equity instruments, the fair value of the asset cannot be measure reliably, therefore the fair value of the equity instrument is used to determine the fair value of the asset.

Impairment testing of exploration and evaluation expenditure
Exploration and evaluation expenditure is assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.
Exploration and evaluation expenditure is tested for impairment when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each area of interest. The Group performs impairment testing in accordance with accounting policy note 1(n) (ii).

(p) Share based payments
Equity-settled share-based payment transactions to Directors and seed capitalists for services are measured in reference to the fair value of equity instruments granted.

Equity-settled share-based payments in return for goods and services are measured at fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments.

The fair value of options and performance rights with non-vesting conditions and no service conditions attached issued to Directors, seed capitalists and suppliers, are valued with a Black-Scholes pricing model.

The fair value is measured at the grant date of the equity instrument and is recognised in equity in the share-based payment reserve. The number of instruments expected to vest is estimated based on the non-market vesting conditions. The total expense is recognised at the date of grant of the options and rights.

(q) Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the consolidated financial statements for the year ended 30 June 2023

(r) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(s) Deferred tax

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(t) In-specie distribution

The share capital of the Company was reduced by the fair value of an investment that was returned to shareholders.

(u) Critical accounting estimates and judgements

The preparation of these financial statements requires the use of certain critical accounting estimates.

It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Judgements:

Impairment of Exploration and Evaluation Asset

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Group's accounting policy (refer Note 1(o)), requires judgements as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. If, after having capitalised the expenditure under accounting policy 1(o), a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the income statement in accordance with accounting policy 1(o). The carrying amounts of exploration and evaluation assets are set out in Note 8.

Share-based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note (p).

Notes to the consolidated financial statements for the year ended 30 June 2023

	Consolidated 2023 $	Consolidated 2022 $
Note 2: Other income		
AGC shared services agreement income	**54,099**	58,398
Office sub-lease	**-**	(952)
Interest income	**136,658**	20,033
Other	**(3,702)**	(300)
	187,055	77,179

	Consolidated 2023 $	Consolidated 2022 $
Note 3: Expenses		
Corporate and administration expenses		
Depreciation	**43,709**	27,440
Director and Company Secretarial Fees	**208,738**	216,230
Consulting Fees	**-**	25,000
Investor Relations	**22,024**	28,083
Legal Fees	**12,481**	39,518
Travel	**99,962**	31,486
Employee Expenses	**692,356**	368,999
Rental Expense	**61,896**	30,233
Other	**126,301**	129,251
	1,267,465	896,240
Exploration and evaluation expenses		
Exploration expenses incurred	**5,847,743**	2,085,934
Net exploration and evaluation expense	**5,847,743**	2,085,934

Notes to the consolidated financial statements for the year ended 30 June 2023

Note 4: Income tax

(a) Income tax benefit

	Consolidated	
	2023	2022
	$	$
The prima facie income tax expense on pre-tax accounting result from operations reconciles to the income tax benefit in the financial statements as follows:		
Accounting profit/(loss) from continuing operations before income tax	**(7,491,491)**	**(3,019,039)**
At the statutory income tax rate of 25% (2022: 25%)	**(1,872,872)**	**(754,760)**
Add		
- Non-assessable income	**-**	**-**
- Share based payments	**140,771**	27,936
- Deductible equity costs	**(48,539)**	(39,477)
- Capital gain on exit from consolidated group	**-**	-
- Capital losses utilised	**-**	-
- Non-deductible expenses	**-**	-
- Under provision and correction of prior year balances	**-**	(971,627)
- Tax loss not brought to account	**1,780,640**	1,737,927
Income tax (benefit)	**-**	-
Accounting profit/(loss from Other Comprehensive Income before income tax	**(95,839)**	(394,634)
At the statutory income tax rate of 25% (2022: 25%)	**23,959**	98,658
Add		
- Temporary differences not brought to account	**(23,959)**	(98,658)
Income tax (benefit) reported in the statement of comprehensive income	**-**	-

(b) Unrecognised deferred tax balances

The following deferred tax assets have not been brought to account

Deferred tax assets comprise:		
Accruals	**6,327**	5,450
Operating lease	**-**	270
Employee entitlements	**59,685**	44,392
Share issues & capital costs	**98,251**	120,043
Investments	**207,182**	183,222
Losses available for offset against future income – revenue	**4,388,756**	2,612,765
	4,760,201	2,966,142
Deferred tax liabilities comprise:		
Prepayments	**8,099**	16,085
Exploration Equipment	**838**	165
	8,937	16,250
Net unrecognised deferred tax assets	**4,751,264**	2,949,892

Deferred tax assets have not been recognised in respect of these items because it is not certain that future taxable profit will be available against which the Group can utilise the benefit thereof.

Tax Losses

As at 30 June 2023, the Consolidated Entity has $17,555,023 (2022: $10,451,059) of taxable losses that are available for offset against future taxable profits of the consolidated entity, subject to the loss recoupment requirements in the Income Tax Assessment Act 1997. No deferred tax assets have been recognised in the Statement of Financial Position in respect of the amount of these losses, as it is not presently probable future taxable profits will be available against which the Company can utilise the benefit.

Notes to the consolidated financial statements for the year ended 30 June 2023

	Consolidated	
	2023	2022
	$	$
Note 5: Profit / (Loss) per share		
Total basic profit / (loss) per share	**(0.0273)**	(0.0134)
Total fully diluted profit / (loss) per share	**(0.0273)**	(0.0134)
The profit / (loss) and weighted average number of ordinary shares used in the calculation of basic profit / (loss) per share is as follows:		
Net profit / (loss) for the period	**(7,491,491)**	(3,019,039)
The weighted average number of ordinary shares	**274,530,842**	224,922,757
Options outstanding at year end	**28,500,000**	51,500,000
Fully diluted total weighted average securities on issue	**303,030,842**	276,422,757

Note 6: Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

AASB 8 "Operating Segments'" states that similar operating segments can be aggregated to form one reportable segment. Following incorporation, the Company acquired Modeling Resources Pty Ltd and Landslide Investments Pty Ltd. The Group has one reportable operating segment being gold exploration projects in Australia.

Note 7: Cash and cash equivalents

	Consolidated	
	2023	2022
	$	$
Cash at bank and on hand	**2,855,309**	5,018,580
	2,855,309	5,018,580

(Refer to Note 13(f) which contains risk exposure analysis for cash and cash equivalents)

Note 8: Exploration project acquisition costs

	Consolidated	
	2023	2022
	$	$
Opening balance	**1,368,350**	1,368,350
Project acquisition costs	**-**	-
Impairment of acquired exploration projects	**-**	-
Acquisition costs in respect of areas of interest in the exploration phase	**1,368,350**	1,368,350

Exploration expenditure is expensed to the statement of profit or loss as incurred and acquisition costs are capitalised as non-current assets. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off or provided against.

The carrying value of capitalised exploration expenditure is assessed for impairment at each area of interest whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amounts.

Notes to the consolidated financial statements for the year ended 30 June 2023

An impairment exists when the carrying amount of an asset or area of interest exceeds its estimated recoverable amount. The asset or area of interest is then written down to its recoverable amount. Any impairment losses are recognised in the profit or loss account.

Note 9: Financial assets held at fair value through other comprehensive income

Investments

	Consolidated	
	2023	2022
	$	$
Opening balance	**394,631**	789,263
Revaluation to fair market value	**(95,841)**	(394,632)
Closing balance	**298,790**	394,631

Note 10: Trade and other payables

Current Trade and other payables	Consolidated	
	2023	2022
	$	$
Trade creditors *	**295,153**	154,737
Other creditors	**191,159**	218,407
Goods and services tax payable	**2,436**	1,872
	488,748	375,016

* Trade payables are non-interest bearing and are normally paid on 30 day terms.

Note 11: Issued capital

	Consolidated	
(a) Ordinary shares issued	**2023**	2022
	$	$
305,692,798 (2022: 254,486,798) ordinary shares	**21,728,407**	17,094,843

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the parent entity, ordinary shareholders rank after all creditors and are fully entitled to any proceeds on liquidation.

Notes to the consolidated financial statements for the year ended 30 June 2023

(b) Movements in ordinary share capital:

Date	Details	Number of shares	$
Balance as at 30 June 2021		**219,659,088**	**14,580,282**
30 July 2021	Options exercised at $0.0722	5,000,000	361,000
6 August 2021	Options exercised at $0.0722	441,500	31,876
13 August 2021	Options exercised at $0.0722	3,058,410	220,817
17 August 2021	Options exercised at $0.0722	165,000	11,913
20 August 2021	Options exercised at $0.0722	2,777,356	200,525
27 August 2021	Options exercised at $0.0722	5,358,892	386,912
1 September 2021	Options exercised at $0.0722	5,886,552	425,009
3 September 2021	Options exercised at $0.0722	12,140,000	876,508
Balance as at 30 June 2022		**254,486,798**	**17,094,843**

Date	Details	Number of shares	$
Balance as at 30 June 2022		**254,486,798**	**17,094,843**
13 September 2022	Options exercised at $0.0722	8,000,000	577,600
14 October 2022	Options exercised at $0.0722	3,000,000	216,600
23 November 2022	Share Placement at $0.10 per share	30,206,000	3,020,600
04 January 2023	Share Placement at $0.10 per share	2,800,000	280,000
19 January 2023	Share Placement at $0.10 per share	7,200,000	720,000
	Capital Raising Expenses		(181,236)
Balance as at 30 June 2023		**305,692,798**	**21,728,407**

(c) Movements in share options

	2023		2022	
	Number of Options	**Weighted average exercise price**	Number of Options	Weighted average exercise price
Unlisted Options to acquire ordinary fully paid shares on or before 14 October 2022:				
Beginning of the financial year	**3,000,000**	**0.0722**	**3,000,000**	**0.0722**
Issued during the year	**-**	**-**	**-**	**-**
Converted during the year	**(3,000,000)**	**0.0722**	**-**	**-**
Expired during the year	**-**	**-**	**-**	**-**
Balance at end of financial year	**-**	**-**	**3,000,000**	**0.0722**
Unlisted Options to acquire ordinary fully paid shares on or before 30 November 2022:				
Beginning of the financial year	**16,000,000**	**0.1522**	28,000,000	0.1179
Issued during the year	**-**	**-**	-	-
Converted during the year	**(8,000,000)**	**0.0722**	(12,000,000)	0.0722
Expired during the year	**(8,000,000)**	**0.2322**	-	-
Balance at end of financial year	**-**	**-**	16,000,000	0.1522
Unlisted Options to acquire ordinary fully paid shares on or before 31 January 2023:				
Beginning of the financial year	**8,500,000**	**0.4149**	14,500,000	0.4153
Issued during the year	**-**	**-**	-	-
Converted during the year	**-**	**-**	-	-
Expired during the year	**(8,500,000)**	**0.4149**	(6,000,000)	0.3352
Balance at end of financial year	**-**	**-**	8,500,000	0.4149

Notes to the consolidated financial statements for the year ended 30 June 2023

	2023		2022	
	Number of Options	**Weighted average exercise price**	Number of Options	Weighted average exercise price
Unlisted Options to acquire ordinary fully paid shares on or before 31 January 2023:				
Beginning of the financial year	**8,500,000**	**0.4149**	14,500,000	0.4153
Issued during the year	**-**	**-**	-	-
Converted during the year	**-**	**-**	-	-
Expired during the year	**(8,500,000)**	**0.4149**	(6,000,000)	0.3352
Balance at end of financial year	**-**	**-**	8,500,000	0.4149
Unlisted Options to acquire ordinary fully paid shares on or before 12 February 2023:				
Beginning of the financial year	**2,000,000**	**0.5262**	2,000,000	0.5262
Issued during the year	**-**	**-**	-	-
Converted during the year	**-**	**-**	-	-
Expired during the year	**(2,000,000)**	**0.5262**	-	-
Balance at end of financial year	**-**	**-**	2,000,000	0.5262
Unlisted Options to acquire ordinary fully paid shares on or before 30 September 2023:				
Beginning of the financial year	**750,000**	**0.2642**	750,000	0.2642
Issued during the year	**-**	**-**	-	-
Converted during the year	**-**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Balance at end of financial year	**750,000**	**0.2642**	750,000	0.2642
Unlisted Options to acquire ordinary fully paid shares on or before 28 May 2024:				
Beginning of the financial year	**4,000,000**	**0.2062**	4,000,000	0.2062
Issued during the year	**-**	**-**	-	-
Converted during the year	**-**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Balance at end of financial year	**4,000,000**	**0.2062**	4,000,000	0.2062
(1) Unlisted Options to acquire ordinary fully paid shares on or before 31 October 2024:				
Beginning of the financial year	**1,250,000**	**0.1500**	-	-
Issued during the year	**-**	**-**	1,250,000	0.1500
Converted during the year	**-**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Balance at end of financial year	**1,250,000**	**0.1500**	1,250,000	0.1500
(2) Unlisted Options to acquire ordinary fully paid shares on or before 31 December 2024:				
Beginning of the financial year	**6,000,000**	**0.1609**	-	-
Issued during the year	**-**	**-**	6,000,000	0.1609
Converted during the year	**-**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Balance at end of financial year	**6,000,000**	**0.1609**	6,000,000	0.1609

Notes to the consolidated financial statements for the year ended 30 June 2023

	2023 Number of Options	**2023** Weighted average exercise price	2022 Number of Options	2022 Weighted average exercise price
(3) Unlisted Options to acquire ordinary fully paid shares on or before 31 May 2025:				
Beginning of the financial year	**10,000,000**	**0.1002**	-	-
Issued during the year	**-**	**-**	**10,000,000**	**0.1002**
Converted during the year	**-**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Balance at end of financial year	**10,000,000**	**0.1002**	**10,000,000**	**0.1002**
(4) Unlisted Options to acquire ordinary fully paid shares on or before 31 December 2025:				
Beginning of the financial year	**-**	**-**	-	-
Issued during the year	**6,500,000**	**0.1440**	-	-
Converted during the year	**-**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Balance at end of financial year	**6,500,000**	**0.1440**	-	-

(1) During the prior year, the Group issued 1,250,000 options with the fair value of $61,098 in accordance with the Company's employee share ownership plan to certain key management personnel which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated. The options were valued using a Black-Scholes option pricing model using the following inputs:

Grant Date	*Share Price on Grant Date*	*Exercise Price*	*Expected Volatility*	*Option Life*	*Dividend Yield*	*Interest Rate*	*Fair Value per Option*
27 October 2021	*$0.093*	*$0.15*	*100%*	*3.01 years*	*0.00%*	*1.032%*	*$0.049*

(2) During the prior year, the Group issued 6,000,000 options with the fair value of $316,387 in accordance with the Company's employee share ownership plan to certain key management personnel which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated. The options were valued using a Black-Scholes option pricing model using the following inputs:

Grant Date	*Share Price on Grant Date*	*Exercise Price*	*Expected Volatility*	*Option Life*	*Dividend Yield*	*Interest Rate*	*Fair Value per Option*
29 November 2021	*$0.099*	*$0.1452*	*100%*	*3.09 years*	*0.00%*	*0.929%*	*$0.055*
29 November 2021	*$0.099*	*$0.1936*	*100%*	*3.09 years*	*0.00%*	*0.929%*	*$0.049*

(3) During the prior year, the Group issued 10,000,000 options with the fair value of $599,684 in accordance with the Company's employee share ownership plan to the Company's new managing director which vest progressively throughout the period during which they can be exercised but lapse if his employment is terminated. The options were valued using a Black-Scholes option pricing model using the following inputs:

Grant Date	*Share Price on Grant Date*	*Exercise Price*	*Expected Volatility*	*Option Life*	*Dividend Yield*	*Interest Rate*	*Fair Value per Option*
15 March 2022	*$0.095*	*$0.1002*	*100%*	*3.21 years*	*0.00%*	*1.880%*	*$0.060*

Notes to the consolidated financial statements for the year ended 30 June 2023

4) During the year, the Group issued 6,500,000 options with the fair value of $202,298 in accordance with the Company's employee share ownership plan to certain key management personnel which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated. The options were valued using a Black-Scholes option pricing model using the following inputs:

Grant Date	*Share Price on Grant Date*	*Exercise Price*	*Expected Volatility*	*Option Life*	*Dividend Yield*	*Interest Rate*	*Fair Value per Option*
25 November 2022	*$0.0645*	*$0.1440*	*100%*	*3.10 years*	*0.00%*	*3.275%*	*$0.031*

Note 12: Reserves

	Consolidated	
	2023	2022
	$	$
Capital Restructure reserve		
Opening balance	**250**	250
Expense for the year	**-**	-
Closing balance	**250**	250
Share-based payment reserve		
Opening balance	**5,212,894**	5,101,147
Share based expense for year	**563,085**	111,747
Share based capital raising costs	**-**	-
Closing balance	**5,775,979**	5,212,894
Fair Value Other Comprehensive Income ("FVOCI") Reserve		
Opening balance	**(732,888)**	(338,256)
Fair Value Other Comprehensive Income ("FVOCI") Reserve movement	**(95,841)**	(394,632)
Closing balance	**(828,729)**	(732,888)

Nature of reserves:

(a) Capital restructure reserve
The capital restructure reserve arises from the acquisition of Modeling Resources Pty Ltd

(b) Share-based payment reserve
This reserve records the value of equity instruments issued to directors, employees and suppliers as recognition for services provided.

(c) Fair Value Other Comprehensive Income ("FVOCI") Reserve
This reserve records the value change in the Company's investment in Australian Gold and Copper Ltd [ASX:AGC].

Note 13: Financial instruments

(a) Capital risk management
Prudent capital risk management implies maintaining sufficient cash and marketable securities to ensure continuity of tenure to exploration assets and to be able to conduct the Group's business in an orderly and professional manner. The Board monitors its future capital requirements on a regular basis and will when appropriate consider the need for raising additional equity capital or to farm-out exploration projects as a means of preserving capital. The Board currently has a policy of not entering into any debt arrangements.

(b) Categories of financial instruments
The Group's principal financial instruments comprise of cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets

and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the year, the Group's policy that no trading in financial instruments shall be undertaken during the year.

(c) Financial risk management objectives

The Group is exposed to market risk (including interest rate risk and equity price risk), credit risk and liquidity risk.

The main risks arising from the Group's financial instruments is the price risk of Australian Gold and Copper Ltd's shares. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(d) Market risk

Equity price risk sensitivity analysis

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(i) Interest rate risk management

All cash balances attract a floating rate of interest. Excess funds that are not required in the short term are placed on deposit for a period of no more than 3 months. The Group's exposure to interest rate risk and the effective interest rate by maturity periods is set out below.

Interest rate sensitivity analysis

As the Group has no interest-bearing borrowings, its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

At 30 June 2023, if interest rates had changed by + 50 basis points and all other variables were held constant, the Group's loss would have been $23,085 (2022: $31,832) lower as a result of higher interest income on cash and cash equivalents. If interest rates dropped on average – 50 basis points then the Group's loss would have increased the by $23,085 (2022: $31,832).

(e) Credit risk management

Credit risk relates to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from any defaults.

Notes to the consolidated financial statements for the year ended 30 June 2023

(f) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to ensure continuity of tenure to exploration assets and to be able to conduct the Group's business in an orderly and professional manner. Cash deposits are only held with major financial institutions.

2023	Weighted Average Interest Rate	Less than 1 month	1-3 months	3 months – 1 year	1 + years
		$	$	$	$
Financial assets					
Cash and cash equivalents – non - interest bearing	n/a	105,068	-	-	-
Cash and cash equivalents – interest bearing	2.98%	750,241	2,000,000	-	-
Investments held at fair value	n/a	-	-	-	298,790
Trade and other receivables	n/a	4,689	-	-	128,000
		859,998	2,000,000	-	426,790
Financial liabilities					
Trade and other payables	n/a	250,006	151,309	87,433	-
Lease Liabilities	n/a	-	-	-	-
		250,006	151,309	87,433	-

2022	Weighted Average Interest Rate	Less than 1 month	1-3 months	3 months – 1 year	1 + years
		$	$	$	$
Financial assets					
Cash and cash equivalents – non - interest bearing	n/a	68,533	-	-	-
Cash and cash equivalents – interest bearing	0.32%	450,046	4,500,000	-	-
Investments held at fair value	n/a	-	-	-	394,631
Trade and other receivables	n/a	4,439	-	-	84,229
		523,018	4,500,000	-	478,860
Financial liabilities					
Trade and other payables	n/a	197,446	118,056	59,514	-
Lease Liabilities	5%	4,510	13,529	4,569	-
		201,956	131,585	64,083	-

The directors consider that the carrying value of the financial assets and financial liabilities are recognised in the consolidated financial statements approximate their fair values.

Note 14: Commitments and contingencies

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligation of the Group are subject to the minimum expenditure commitments over the life of the licenses, required as per the Mining Act 1978, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. Currently, the minimum expenditure commitment for the granted tenements is approximately $962,890 (2022: $962,650).

Notes to the consolidated financial statements for the year ended 30 June 2023

Note 15: Key management personnel disclosures

(a) Directors

At the date of this report the directors of the Company are:
D Richardson – *Executive Chairman*
A McKinnon – *Managing Director*
D Berrie – *Non-Executive Director and Joint Company Secretary*
A Viner – *Non-Executive Director*

There were no changes of the key management personnel after the reporting date and the date the financial report was authorised for issue.

(b) Key management personnel

At the date of this report the other Key management personnel of the Company are:

M Franklin – *Chief Financial Officer*

(c) Key management personnel compensation

	Consolidated	
	2023	2022
	$	$
Short-Term	**834,083**	704,202
Post-employment	**87,579**	67,920
Share-based payments	**472,084**	1,991
Termination benefits	**-**	-
	1,393,746	774,113

Detailed remuneration disclosures of directors and key management personnel are in pages 19 to 23 of this report.

There were no loans to individuals or members of the key management personnel during the financial year or the previous financial year.

Note 16: Subsidiaries

Name of entity	**Country of incorporation**	**Class of shares**	**Equity holding**	
			2023	2022
			%	%
Modeling Resources Pty Ltd	**Australia**	**Ordinary**	100	100
Landslide Investments Pty Ltd	**Australia**	**Ordinary**	100	100

Notes to the consolidated financial statements for the year ended 30 June 2023

Note 17: Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated 2023 $	Consolidated 2022 $
a) *Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities*		
Net profit / (loss) for the year after income tax	**(7,491,491)**	(3,019,039)
Share based payment expense	**563,085**	111,747
Depreciation	**43,709**	27,440
ROU Asset Amortisation	**21,529**	47,237
Movements in working capital		
(Increase) / Decrease in other receivables	**10,703**	15,688
(Increase) / Decrease in prepayments	**26,325**	(25,008)
Increase / (Decrease) in trade and other payables	**113,733**	(713,345)
Net cash outflows from operating activities	**(6,712,407)**	(3,555,280)

b) Non-cash financing and investing activities

There were no non-cash financing and investing activities in the financial year ended 30 June 2023.

Note 18: Parent Entity Disclosures

Financial position

	2023 $	2022 $
Assets		
Current assets	**2,821,445**	5,027,454
Non-current assets	**1,670,051**	1,768,493
Total assets	**4,491,495**	6,795,947
Liabilities		
Current liabilities	**160,203**	178,376
Total liabilities	**160,203**	178,376
Net assets	**4,331,292**	6,617,571
Equity		
Issued capital	**21,773,556**	17,139,992
Reserves	**5,031,199**	4,434,858
Accumulated losses	**(22,473,463)**	(14,957,279)
Total equity	**4,331,292**	6,617,571
Financial performance		
Profit / (Loss) for the year	**(1,397,830)**	(848,979)
Other comprehensive income/(loss)	**(95,841)**	(394,632)
Total comprehensive income/(loss)	**(1,493,671)**	(1,243,611)

Notes to the consolidated financial statements for the year ended 30 June 2023

Commitments
Refer to note 14: Capital and Other Commitments.

Contingencies
There were no contingent assets or liabilities of the parent as at 30 June 2023 related to exploration and evaluation expenditure (30 June 2022: $ nil).

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
There are no deeds of cross guarantee in place by the parent entity.

Note 19: Events after the reporting date

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Note 20: Auditor's remuneration

The auditors of the Group are BDO Audit (WA) Pty Ltd

	Consolidated	
	2023 $	2022 $
Assurance services		
BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	**48,293**	43,680
Total remuneration for audit services	**48,293**	43,680
Total auditor's remuneration	**48,293**	43,680

Note 21: Fair Value Measurement

This note provides an update on the judgements and estimates in determining the fair values of the financial instruments since the last annual financial report.

Fair Value Hierarchy

To provide an indication about the reliability of the inputs used in determining fair value. The Group classifies its financial instruments into the three levels prescribed under accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value.

As at 30 June 2023	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Financial assets as FVOCI – Equity Securities	298,790	-	-	298,790
As at 30 June 2022				
Financial assets as FVOCI – Equity Securities	394,631	-	-	394,631

There were no transfers between levels during the year. The Group's policy is to recognise transfers into and out of the fair value hierarchy levels at reporting date.

Notes to the consolidated financial statements for the year ended 30 June 2023

The fair value of the financial assets and liabilities held by the Group must be estimated for recognition, measurement and /or disclosure purposes. The Group measures fair value by level, per the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or the liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Valuation techniques used to determine fair values

The Group did not have any financial instruments that are recognised in the financial statements where their carrying value differed from the fair value. The fair value of assets and liabilities are included at an amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The carrying value of amounts of cash and short-term trade and other receivables, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these payments.

Financial assets at fair value through other comprehensive income – equity securities

The fair value of the equity holdings held in ASX companies are based on the quoted market prices from the ASX on the last trading day prior to the period end.

Directors' declaration

1. In the opinion of the directors of Magmatic Resources Limited (the "Company"):
   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year then ended; and

      ii. complying with Accounting Standards, Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the year ended 30 June 2023.

This declaration is signed in accordance with a resolution of the Board of Directors.

D Richardson
Chairman

Perth, Western Australia

28 September 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of Magmatic Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Magmatic Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Exploration and Evaluation expenditure

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 8 to the financial report, the carrying value of the exploration and evaluation asset represents a significant asset of the Group. The Group's accounting policies and significant judgements applied to capitalised exploration and evaluation expenditure are detailed in Note 1(u) of the financial report. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* ('AASB 6'), the recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts and circumstances that exist to suggest the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Assessing whether rights to tenure of the Group's area of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Notes 1(u) and 8 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 19 to 23 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Magmatic Resources Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Dean Just
Director

Perth, 28 September 2023

Additional Shareholder Information

The following additional information is current as at 27 September 2023.

Corporate Governance:

The Company's Corporate Governance Statement is available on the Company's website at www.magmaticresources.com/corporate-governance

Substantial Shareholders:

Holder Name	Holding	% IC
Bilingual Software Pty Ltd <Let's Go Investment A/C> and D & R Richardson	47,442,571	15.52%
Mr Ming Yiu Ko	27,100,000	8.87%
Gold Fields Australia Pty Ltd	19,200,000	6.28%

Ordinary Shares – Range of Units:

Holdings Ranges	Holders	Total Units	%
1 - 1,000	55	3,770	0.00
1,001 - 5,000	178	605,495	0.20
5,001 - 10,000	272	2,263,232	0.74
10,001 - 100,000	851	36,504,881	11.94
>100,000	316	266,315,420	87.12
Totals	**1,672**	**305,692,798**	**100.00**

There are 328 shareholders with less than a marketable parcel.

Voting rights

Each fully paid ordinary share carries voting rights of one vote per share.

The top 20 holders of ordinary shares are:

Ranking	Holder	Shares Held	%
1	BILINGUAL SOFTWARE PTY LTD <LET'S GO INVESTMENT A/C>	36,668,823	12.00
2	MR MING YIU KO	27,100,000	8.87
3	GOLD FIELDS AUSTRALIA PTY LTD	19,200,000	6.28
4	DAVTHEA PTY LTD <DAVID BERRIE S/F A/C>	14,029,044	4.59
5	MR MARC DAVID HARDING	13,985,960	4.58
6	MR DAVID RICHARDSON + MRS RYOKO RICHARDSON <D&R RICHARDSON S/F A/C>	10,367,502	3.39
7	MR NEVRES CRLJENKOVIC	9,471,248	3.10
8	GLENEDEN NOMINEES PTY LTD	7,200,000	2.36
9	MR ROBERT ANTHONY HEALY	6,350,000	2.08
10	AG INVESTMENT SERVICES PTY LTD	4,280,271	1.40
11	CITICORP NOMINEES PTY LIMITED	3,679,448	1.20
12	YERONDA NOMINEES PTY LTD <CARRINGTON EQITY S/FUND A/C>	2,785,464	0.91
13	KAOS INVESTMENTS PTY LIMITED	2,700,000	0.88
14	BLUE CAPITAL EQUITIES PTY LTD <BLUE CAPITAL NO 2 A/C>	2,050,000	0.67
15	MR BINH THANH LE	1,980,000	0.65
16	GOSOJO PTY LTD	1,965,000	0.64
17	MR ALAN GOODFELLOW	1,950,000	0.64
18	CRLJENKOVIC SUPER FUND PTY LTD <CRLJENKOVIC FAMILY S/F A/C>	1,851,428	0.61
19	SERCA SUPERFUND PTY LTD <SERCA SUPER FUND A/C>	1,809,234	0.59
20	WOMBAT SUPER INVESTMENTS PTY LTD <WOMBAT SUPER A/C>	1,760,000	0.58
	Total	**171,183,422**	**56.00**
	Total remaining holders	**134,509,376**	**44.00**

Unquoted equity securities

Unquoted equity securities on issue as at 28 September 2023 was as follows:
- 1 Optionholder holding 10,000,000 options, exercisable at $0.1002, expiring 31 May 2025
- 2 Optionholders holding 4,050,000 options, exercisable at $0.1452, expiring 31 Dec 2024
- 3 Optionholders holding 1,250,000 options, exercisable at $0.1500, expiring 31 October 2024
- 2 Optionholders holding 1,950,000 options, exercisable at $0.1936, expiring 31 Dec 2024
- 2 Optionholders holding 4,000,000 options, exercisable at $0.2062, expiring 28 May 2024
- 2 Optionholders holding 750,000 options, exercisable at $0.2642, expiring 30 September 2023
- 7 Optionholders holding 6,500,000 options, exercisable at $0.1440, expiring 31 December 2025

Tenement Listing

Project Area	Tenement Details	% Held
Wellington North – Duke	EL6178	100
Myall	EL6913	100
Parkes – Alectown	EL7424	100
Wellington North – Bodangora	EL7440	100
Parkes	EL7676	100
Wellington North - Combo	EL8357	100