



MAGMATIC
RESOURCES

Magmatic Resources Limited

ABN 32 615 598 322

**Half Year Financial Report – For the period ended
31 December 2023**

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**Magmatic Resources Limited
Corporate Directory**

Board of Directors

David Richardson – Executive Chairman
Adam McKinnon – Managing Director
David Berrie – Non-executive Director and joint Company Secretary
Andrew Viner – Non-executive Director (resigned 9 January 2024)

Company Secretary

Andrea Betti
David Berrie

Registered Office and Principal Place of Business

Suite 7
55 Hampden Road
Nedlands WA 6009

Share Registry

Computershare Investor Services Pty Ltd
Level 17, 221 St George's Terrace
Perth WA 6000
Tel: 1300 850 505

Auditors

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Securities Exchange Listing

The securities of Magmatic Resources Limited are quoted on the Australian Securities Exchange under the trading code MAG.

Magmatic Resources Limited
Directors' report
31 December 2023

Directors' Report

The Directors present their report, together with the financial statements, on Magmatic Resources Limited (Magmatic or the Company) (ASX:MAG) and its wholly owned subsidiaries, Modeling Resources Pty Ltd (Modeling) and Landslide Investments Pty Ltd (Landslide), together the Group, for the period ended 31 December 2023.

Directors

The following persons were directors of the Company during the whole of the period and up to the date of this report, unless otherwise stated:

David J Richardson
Adam R McKinnon
David W Berrie
Andrew J Viner (resigned 9 January 2024)

Company Secretary

Andrea Betti
David W Berrie

Principal activities

The principal activity of the Group during the financial period was mineral exploration.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Operating results

The comprehensive loss for the period for the Group after providing for income tax amounted to \$2,002,556 (31 December 2022: \$3,802,676).

Corporate

Securities Issued and Cancelled

On 30 September 2023, the Company cancelled 750,000 unlisted options, exercisable at \$0.2642 expiring on 30 September 2023, which had lapsed on that date.

On 8 December 2023 the Company issued 2,250,000 unlisted options exercisable at \$0.0920 and expiring 8 December 2026 under the Company's employee incentive scheme.

Subsequent to the end of the period, on 11 March 2024, the Company issued 75,946,151 fully paid ordinary shares at an issue price of \$0.04884 per share, as part of a placement to FMG Resources Pty Ltd.

Review of operations

Magmatic Resources Limited (ASX: MAG) is a New South Wales-focused gold and copper explorer that listed on the ASX in May 2017.

In 2014, Magmatic completed the acquisition of an advanced gold-copper target portfolio in the East Lachlan from Gold Fields Limited. Gold Fields had completed a major phase of target generation across four main projects (Wellington North, Parkes, Myall, Moorefield), identifying over 60 targets.

The East Lachlan has an endowment of more than 80 million ounces of gold and 13 million tonnes of copper. It is home to Newcrest Mining's Cadia Valley District, which includes the Cadia East Mine, Australia's largest gold mine and one of the world's most profitable gold mines. The Northparkes copper-gold mine (China Molybdenum/Sumitomo) and Cowl Mine (Evolution Mining) are also significant long-life gold-copper mining operations in the region.

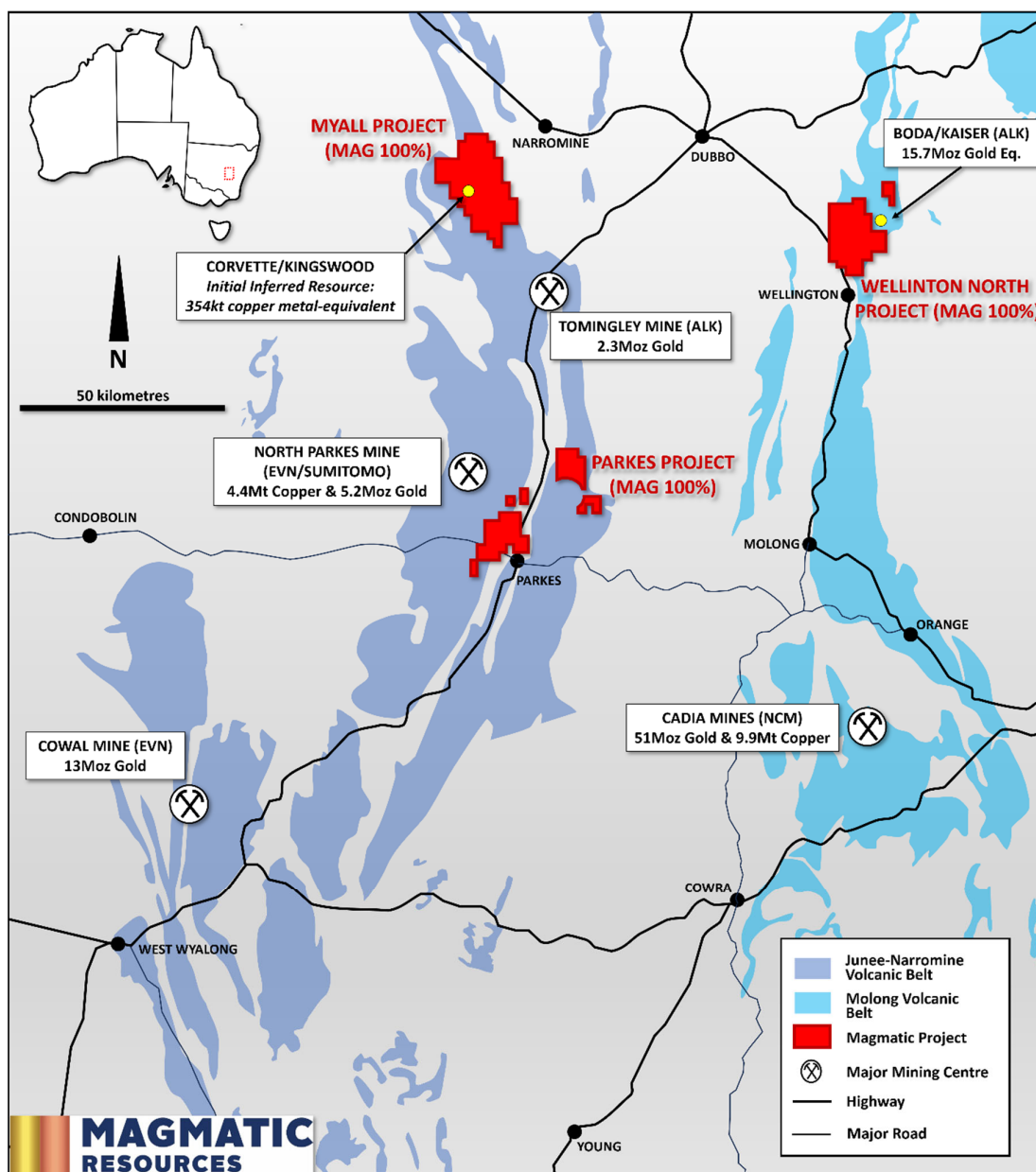


Figure 1. Magmatic's projects in the East Lachlan region of NSW.

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Magmatic's three Wellington North tenements effectively surround the recent 15.7Moz AuEq Boda discovery (ASX ALK 14 Dec 2023). The Bodangora tenement is located ~2km from Boda and encompasses the historic Bodangora Gold Field, where high grade gold mining occurred with recorded production of 230,000 ounces @ 26g/t Au between 1869-1917.

The Company also holds a strategic position in the Parkes Fault Zone (Parkes Project), immediately south from Alkane's Tomingley Gold Mine and recent Roswell and San Antonio gold discoveries. The Myall Copper-Gold Project covers the northern extension of the Junee – Narramine Volcanic Belt, located ~50km north and along strike from the Northparkes copper-gold mining district (China Molybdenum/ Sumitomo). In July 2023 the Company released a maiden Inferred Mineral Resource Estimate for the Corvette and Kingswood Prospects of 110Mt at 0.33% CuEq, containing 293kt of copper, 237koz of gold and 2.8Moz of silver, equating to 354kt of copper metal-equivalent.

In 2021 MAG demerged its wholly owned subsidiary Australian Gold and Copper Limited (AGC) along with its Moorefield orogenic gold project. AGC also acquired two other NSW gold-base metals projects and listed on the ASX in January 2021.

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.

Investments

Magmatic has a 2.54% interest in Australian Securities Exchange listed Australian Gold and Copper Limited (AGC).

AGC listed on the Australian Securities Exchange (ASX) in January 2021 after a demerger of Magmatic's Moorefield orogenic gold project and the acquisition of two other NSW based gold and polymetallic projects.

Exploration Overview

Myall Project

Magmatic Resources 100%

The Myall Project (244km²) covers the northern extension of the Junee-Narromine Volcanic Belt and is located approximately 60km north along strike of the Evolution/Sumitomo-owned Northparkes Mine (Figure 1), a world-class porphyry copper-gold operation with current combined Resource and Reserves of **628Mt at 0.55% Cu & 0.21g/t Au** (CMOC, 2023). The mineralisation at Northparkes occurs in a cluster of deposits, with at least 22 porphyry copper-gold systems discovered in the mining district to date (Hoye, 2022). The deposits are associated with coherent, multi-kilometre scale basement copper anomalism, with Myall hosting copper anomalism at a similar grade and over a similar area.

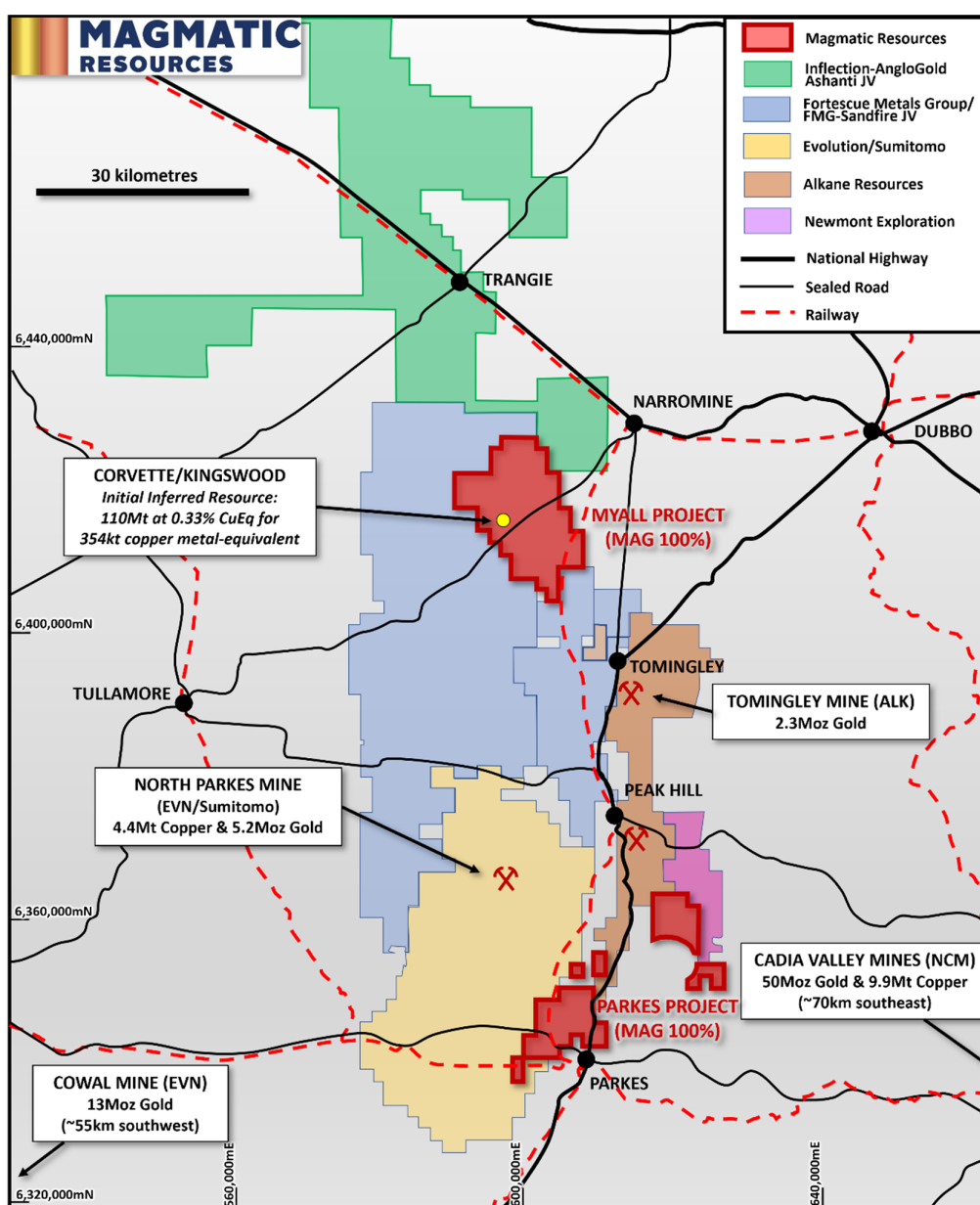


Figure 2. Location of the Myall Project showing selected tenement holdings from other major explorers and miners in the region, along with road and rail infrastructure and major towns (modified after ASX MAG 11 July 2023).

Early in the period the Company reported a maiden Inferred Mineral Resource Estimate (MRE) for the Corvette and Kingswood deposits (ASX MAG 11 July 2023) at Myall comprising **110Mt at 0.27% Cu, 0.07g/t Au, 0.8g/t Ag & 10ppm Mo (Figures 3 & 4)**. The Inferred Resources have a contained metal content of **293kt copper, 237koz gold & 2.8Moz silver**, equating to **354Kt copper metal-equivalent**. 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 previous quarter (ASX MAG 30 May 2023).

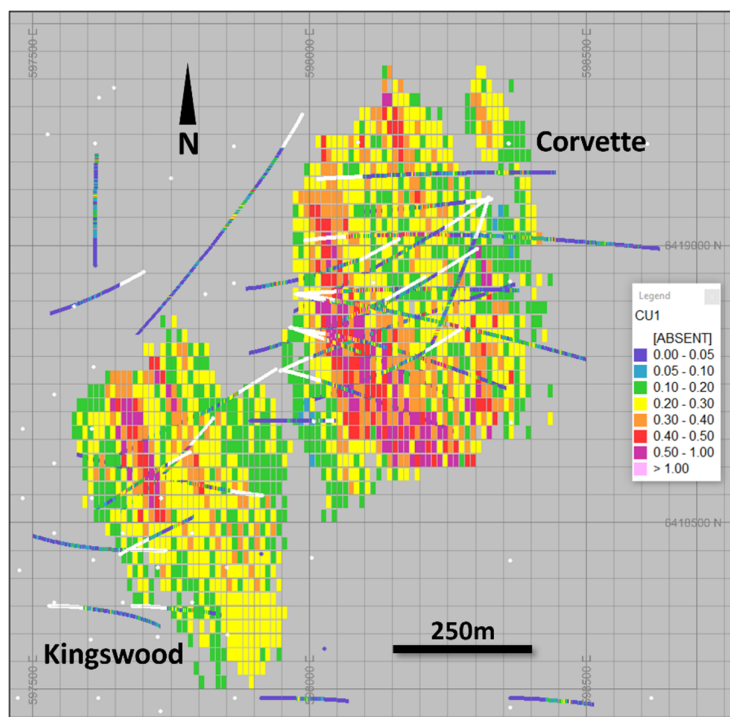


Figure 3. Plan view showing the relationship between drilling and the Corvette and Kingswood MRE model (ASX MAG 11 July 2023).

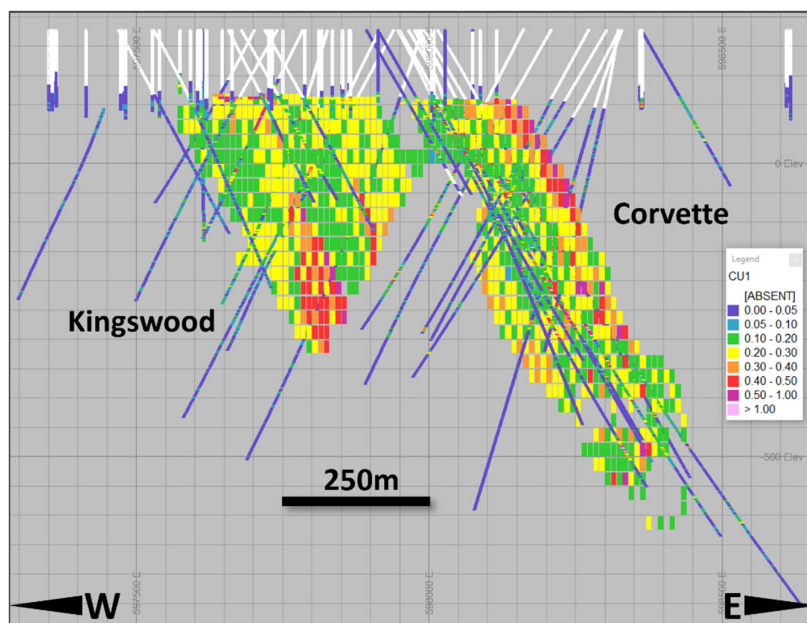


Figure 4. Cross-sectional view (looking north) showing the relationship between drilling and the Corvette and Kingswood MRE model (ASX MAG 11 July 2023).

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Following the completion of the MRE, a diamond drilling program testing six key target areas outside of the recent Corvette and Kingswood MRE footprint was commenced. The main target for the program was shallow mineralisation immediately below the transported cover, with the areas of interest contained within an extensive zone of high-tenor basement copper anomalism (ASX MAG 19 September 2023).

Eight new holes were completed totaling 1,956 metres across the key target areas (23MYDD428-435, see **Figures 5**). Shallow copper mineralisation was intersected at all six targets tested, with strongest results from a previously untested area approximately 100 metres to the west of Corvette (**Figure 5**):

23MYDD434 **18.0 metres at 0.80% CuEq**, 0.76% Cu, 0.03g/t Au, 1.9g/t Ag & 51ppm Mo from 169m
incl. 5.8 metres at 2.13% CuEq, 1.97% Cu, 0.04g/t Au, 4.6g/t Ag & 179ppm Mo from 169.9m

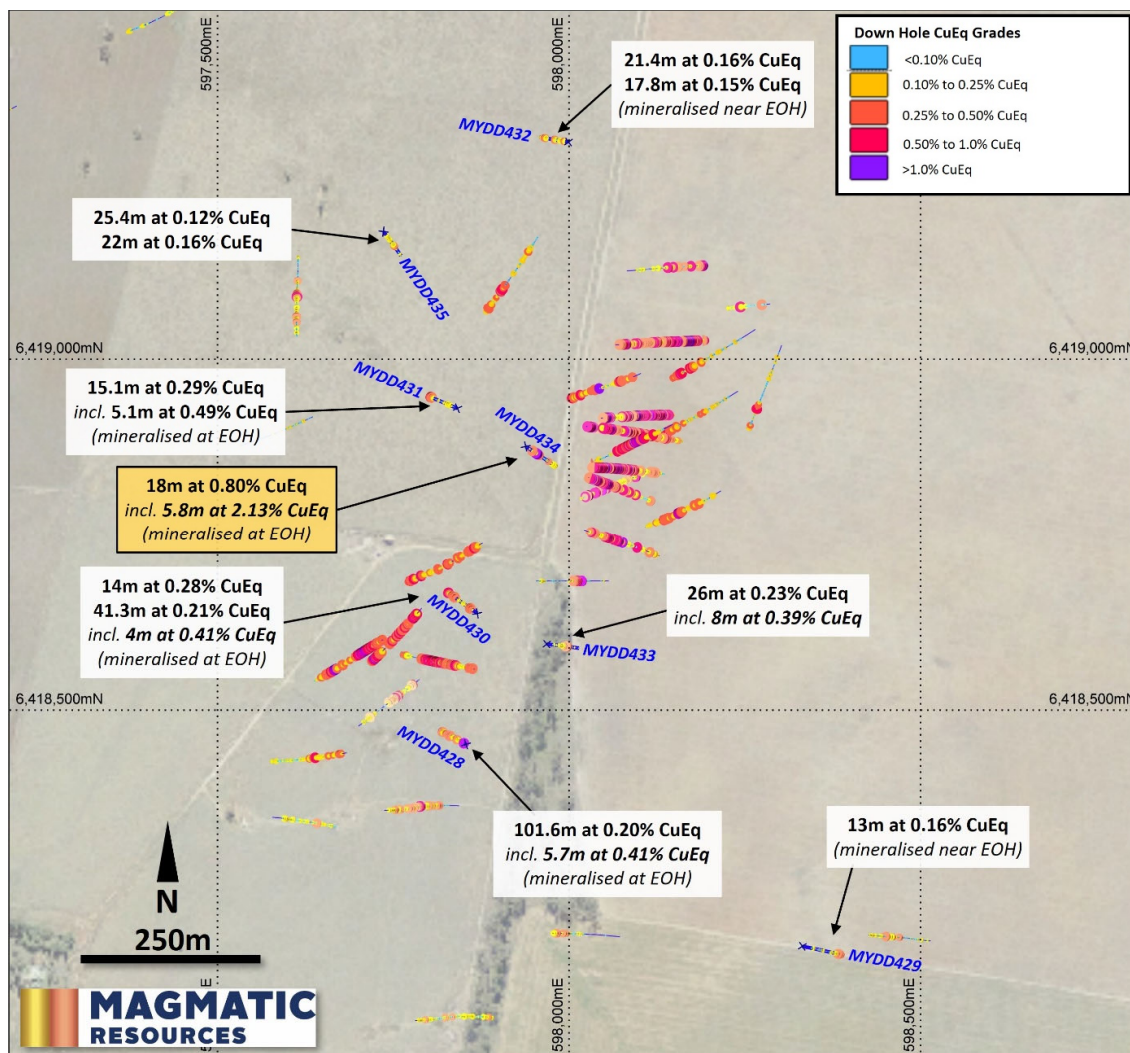


Figure 5. Level plan of the Corvette and Kingswood area showing drilling in the 200 metres immediately below the cover sequence. CuEq grades are shown downhole, with the recent drilling and results labelled (ASX MAG 6 December 2023).

The copper-molybdenum-silver mineralisation in this interval is hosted within a strongly altered, chalcopyrite-dominant breccia zone (**Figure 4**) and represented one of the highest grade copper intersections ever drilled at the Myall Project.

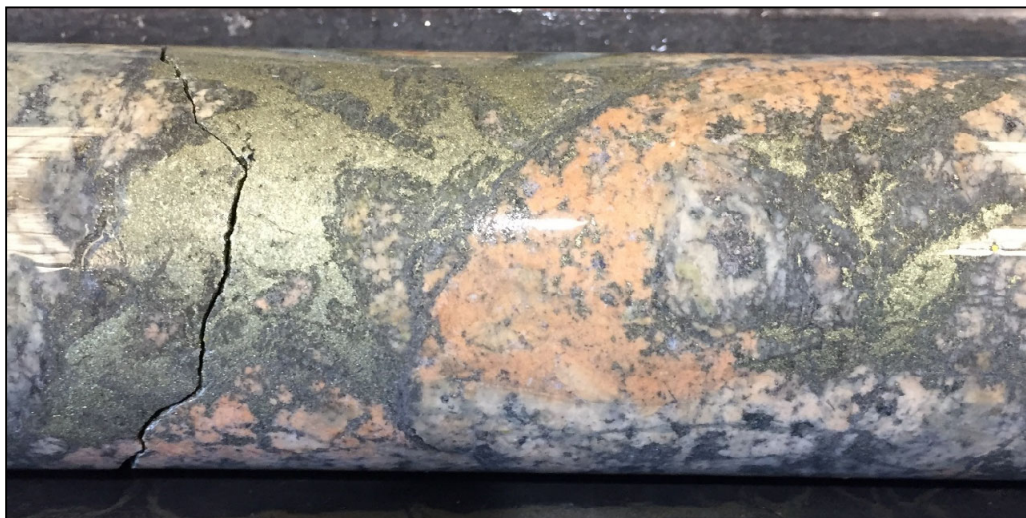


Figure 6. Breccia-hosted copper mineralisation west of the Corvette deposit, comprising 5.8 metres at 1.97% Cu & 179ppm Mo (photograph from ~170 metres down hole in 23MYDD434, core diameter 45mm, ASX MAG 6 December 2023).

Highly encouraging copper/molybdenum zones were also encountered in all five of the other target areas tested, with multiple holes ending in mineralisation (**Figure 3**):

- 23MYDD428 **101.6 metres at 0.20% CuEq**, 0.16% Cu & 0.04g/t Au from 131.7m (to end of hole)
incl. 5.8 metres at 0.41% CuEq, 0.28% Cu & 0.16g/t Au from 131.7m
- 23MYDD430 **41.3 metres at 0.21% CuEq**, 0.19% Cu, 0.03g/t Au & 23ppm Mo from 213.5m (to end of hole)
incl. 4.0 metres at 0.41% CuEq, 0.37% Cu, 0.03g/t Au & 139ppm Mo from 242m
- 23MYDD431 **15.1 metres at 0.29% CuEq**, 0.26% Cu & 0.03g/t Au from 218.3m (to end of hole)
incl. 5.1 metres at 0.49% CuEq, 0.43% Cu & 0.05g/t Au from 220m
- 23MYDD433 **26.0 metres at 0.23% CuEq**, 0.21% Cu, 0.01g/t Au & 21ppm Mo from 187m
incl. 8.0 metres at 0.39% CuEq, 0.37% Cu, 0.02g/t Au & 43ppm Mo from 201m

Full drill hole details and a list of significant intersections from the recent program can be seen in Magmatic's release to the ASX on 6 December 2023. The presence of shallow mineralised intervals at each of the target areas tested represented a significant increase to the known mineralised footprint, highlighting the impressive and growing scale of the Corvette and Kingswood systems.

Wellington North Project

Magmatic Resources 100%

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 East (ASX:NCM) and immediately adjacent to Alkane's recent Boda porphyry gold-copper discovery (ASX:ALK).

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 both Boda-style porphyry gold-copper and Bodangora-style high grade gold targets (**Figure 7**).

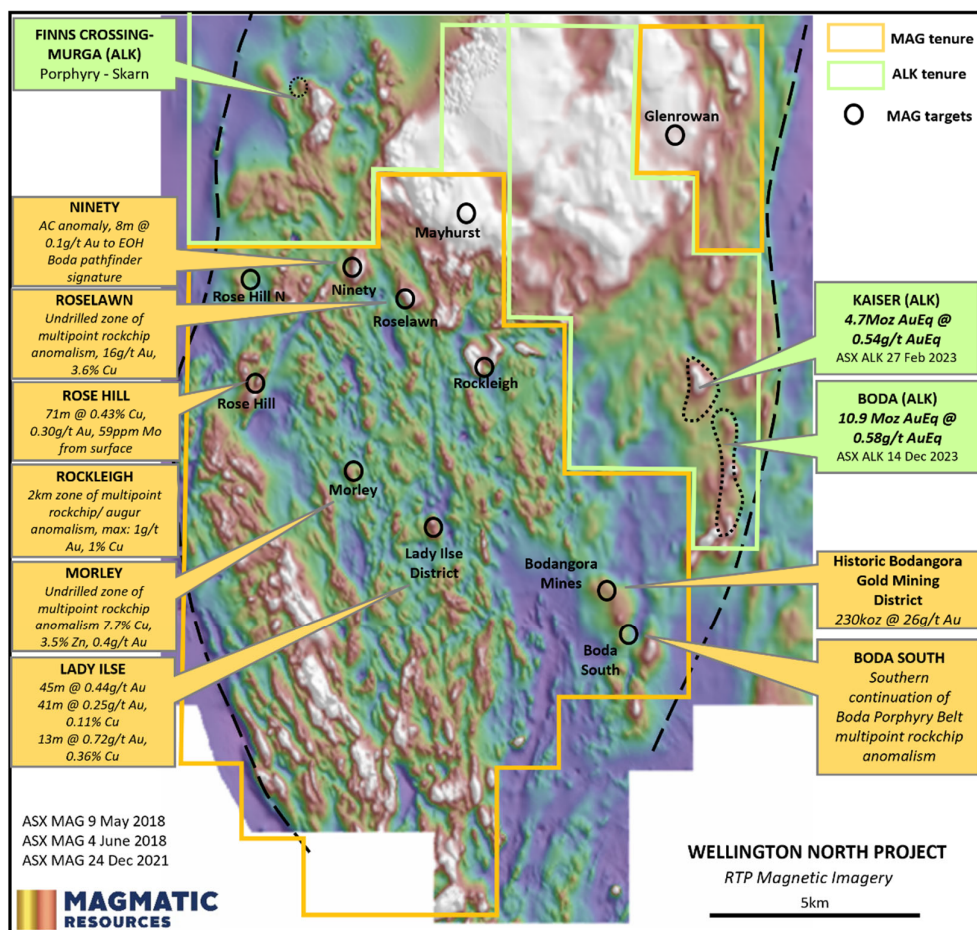


Figure 7. Aeromagnetic imagery (RTP) showing the Magmatic's target portfolio in the Wellington North Project area and highlighting the proximity to the 15.7Moz AuEq Boda-Kaiser discovery (ASX ALK 14 December 2023).

No on-ground activities were completed at the Wellington North Project during the half while the focus remained on the high-impact exploration programs 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, particularly along the project's eastern margin closest to Alkane's Boda-Kaiser discoveries.

Parkes Project

Magmatic Resources 100%

The Parkes Project comprises two exploration licences located within the Parkes Fault Zone, approximately 25 kilometres south from Alkane's Tomingley Gold Operations and recently defined resources at Roswell of 904,000oz of gold and 406,000oz of gold at San Antonio (ASX ALK 2 May 2022). Several existing gold intersections are equivalent to early-stage exploration results at Alkane's Tomingley deposits, including (ASX MAG 17 May 2017):

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

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No on-ground exploration activities were undertaken at the Parkes Project during the half, with the focus remaining on the high impact drilling programs at the Myall Project to the North.

Magmatic Tenure

Table 1: Tenement listing as at 31 December 2023. Note all tenements are held by Modeling Resources Pty Ltd which is a 100% owned subsidiary of Magmatic Resources Limited.

State	Project	Lease No	Lease name	Status	Holder	Magmatic interest	Area (km ²)	Expiry
NSW	Myall	EL6913	Myall	Granted	Modeling Resources	100%	243.7	18/10/2026
NSW	Parkes	EL7424	Alectown	Granted	Modeling Resources	100%	56.0	30/11/2026
NSW	Parkes	EL7676	Parkes East	Granted	Modeling Resources	100%	95.0	11/11/2027
NSW	Wellington North	EL6178	Duke	Granted	Modeling Resources	100%	113.0	19/1/2027
NSW	Wellington North	EL7440	Bodangora	Granted	Modeling Resources	100%	17.4	8/1/2027
NSW	Wellington North	EL8357	Combo	Granted	Modeling Resources	100%	46.4	8/4/2027

References

Alkane, 2023., Reserve and Resource Statement 2023, ASX release dated 13 September 2023
CMOC, 2023. Northparkes Mining and Technical Information. <http://www.northparkes.com/news/>
Cooke, D. *et al.*, 2012, Porphyry, epithermal and skarn deposits of the Macquarie Arc, NSW, Ore Deposit Models and Exploration Strategies, Course, University of Tasmania
Evolution, 2023, Annual Mineral Resources & Ore Reserves Statement, 16 February 2023
Lye 2006, The Discovery History of the Northparkes Deposits, Mines and Wines 2006
Heithersay P S and Walshe J L, 1995, Endeavour 26 North: A Porphyry Copper-Gold Deposit in the Late Ordovician, Shoshonitic Goonumbra Volcanic Complex, New South Wales, Economic Geology v90
Hoye, J., 2022. Fluid-rock interactions to failed over-pressurisation in intrusion-related wallrock porphyry systems; examples from the Northparkes district, New South Wales. Discoveries in the Tasmanides Abstract.
Newcrest, 2023, Annual Mineral Resources & Ore Reserves Statement, 11 September 2023
Phillips, G N (Ed), 2017, Australian Ore Deposits, The Australasian Institute of Mining and Metallurgy: Melbourne.
Singer *et al.*, 2008. Porphyry Copper Deposits of the World. USGS open file report, 2008-1155.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the reporting period.

Matters subsequent to the end of the period

There was no matter or circumstance arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the company's state of affairs in future financial years other than the following:

On 9 January 2024, the Company accepted the resignation of Mr Andrew Viner as a Non-Executive Director of the Company.

On 9 January 2024, the Company cancelled 1,000,000 unlisted options, exercisable at \$0.1440 expiring on 31 December 2025, which had lapsed on that date because the conditional right to the securities had not been or had become incapable of being satisfied.

Magmatic Resources Limited
Directors' report
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On 7 March 2024, the Company executed a Farm-in and Joint Venture Agreement with FMG Resources Pty Ltd (Fortescue) to explore the Myall Project. Fortescue will spend up to \$14M over six years to earn up to a 75% joint venture interest in the project. Fortescue will also subscribe for 75,946,151 shares in the Company to hold a 19.9% stake. The shares will be issued at a price of \$0.04884 per share, raising approximately \$3.71M and represents a 10% premium to the company's 30-day volume-weighted average price at 31 January 2024. The investment by Fortescue will allow the Company to advance further on their other two projects in parallel with Myall.

On 11 March 2024, the Company issued 75,946,151 fully paid ordinary shares at an issue price of \$0.04884 per share, as part of a placement to FMG Resources Pty Ltd.

Environmental regulation

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.

Indemnity and insurance of auditor

The Company has not, during or since the end of the period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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

On behalf of the Directors



David Richardson
Executive Chairman

12 March 2024
Perth, Western Australia

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF MAGMATIC RESOURCES LIMITED

As lead auditor for the review of Magmatic Resources Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Neil Smith
Director

BDO Audit (WA) Pty Ltd

Perth

12 March 2024

Magmatic Resources Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-year ended 31 December 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Other income	3	58,296	81,204
Expenses			
Corporate and administrative expenses	4	(520,339)	(588,258)
Share based payment expense	5	(250,397)	(335,820)
Exploration and evaluation expenses	4	(1,367,519)	(2,903,166)
Finance expenses		<u>(24,073)</u>	<u>(259)</u>
Profit / (Loss) before income tax expense		(2,104,032)	(3,746,299)
Income tax expense		<u>-</u>	<u>-</u>
Profit / (Loss) after income tax expense for the half year attributable to the owners of Magmatic Resources Limited		<u>(2,104,032)</u>	<u>(3,746,299)</u>
Other comprehensive income			
<i>Items that will not be classified to profit or loss</i>			
Changes in the fair value of Investments at fair value through other comprehensive income	6	<u>101,479</u>	<u>(56,377)</u>
Profit / (Loss) after income tax expense for the half year attributable to the owners of Magmatic Resources Limited		<u>(2,002,553)</u>	<u>(3,802,676)</u>
		Cents	Cents
Basic profit / (loss) per share		(0.66)	(1.29)
Diluted profit / (loss) per share		(0.66)	(1.29)

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

Magmatic Resources Limited
Consolidated Statement of Financial Position
31 December 2023

	Note	31 Dec 2023 \$	30 Jun 2023 \$
Assets			
Current assets			
Cash and cash equivalents		842,002	2,855,309
Trade and other receivables		113,832	79,920
Total current assets		<u>955,834</u>	<u>2,935,229</u>
Non-current assets			
Security bonds		176,300	122,300
Property, plant & equipment		86,315	105,096
Exploration and evaluation assets		1,368,350	1,368,350
Right-of-use assets		597,937	-
Financial assets held at fair value through other comprehensive income	6	400,269	298,790
Total non-current assets		<u>2,629,171</u>	<u>1,894,536</u>
Total assets		<u>3,585,005</u>	<u>4,829,765</u>
Liabilities			
Current liabilities			
Trade and other payables		378,138	488,748
Lease Liabilities		37,057	-
Total current liabilities		<u>415,195</u>	<u>488,748</u>
Non-current liabilities			
Lease Liabilities		580,949	-
Total non-current liabilities		<u>580,949</u>	<u>-</u>
Total liabilities		<u>996,144</u>	<u>488,748</u>
Net assets		<u>2,588,861</u>	<u>4,341,017</u>
Equity			
Issued capital	7	21,728,407	21,728,407
Reserves	8	5,299,376	4,947,500
Accumulated losses		<u>(24,438,922)</u>	<u>(22,334,890)</u>
Total equity		<u>2,588,861</u>	<u>4,341,017</u>

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

Magmatic Resources Limited
Consolidated Statement of Cash Flows
For the Half-year ended 31 December 2023

	31 Dec 2023	31 Dec 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers and contract discontinuance fees received	32,154	32,648
Payments to suppliers and consultants	(545,459)	(560,277)
Payments for exploration expenditure	(1,422,854)	(2,781,955)
Interest (paid) / received	4,868	54,470
	<u> </u>	<u> </u>
Net cash (outflow) from operating activities	(1,931,290)	(3,255,114)
	<u> </u>	<u> </u>
Cash flows from investing activities		
Payments of tenement and leased property security deposits	(54,000)	(48,000)
Payments for property, plant and equipment	(2,090)	(10,715)
	<u> </u>	<u> </u>
Net cash (outflow) from investing activities	(56,090)	(58,715)
	<u> </u>	<u> </u>
Cash flows from financing activities		
Repayment of lease liabilities	(25,927)	(22,608)
Proceeds from issue of shares net of capital raising costs	-	3,633,564
	<u> </u>	<u> </u>
Net cash inflow from financing activities	(25,927)	3,610,956
	<u> </u>	<u> </u>
Net increase / (decrease) in cash and cash equivalents	(2,013,307)	297,127
Cash and cash equivalents at the beginning of period	2,855,309	5,018,580
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the period	842,002	5,315,707
	<u> </u>	<u> </u>

Magmatic Resources Limited
Notes to the financial statements
For the Half-year ended 31 December 2023

Note 1. Corporate Information

The condensed consolidated interim financial statements of Magmatic Resources Ltd and its subsidiaries (collectively, the "Group") for the half year ended 31 December 2023 were authorised for issue in accordance with a resolution of Directors on 12 March 2024.

Magmatic Resources Ltd is a for-profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group's principal activity is mineral exploration.

Operating segments

The Directors have determined the Group has one reportable segment, being mineral exploration in Australia. As the Group is focussed on minerals exploration, the Board monitors the Group based on the actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

Note 2. Significant accounting policies

(a) Basis of preparation

This condensed consolidated interim financial report for the half year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Magmatic Resources Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted in preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023.

(b) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Critical accounting estimates and judgements

Classification of the investment in Australian Gold And Copper

The Group have classified the investment as a financial instrument held at fair value through other comprehensive income. Significant influence is the power to participate in financial and operating policy decisions of the investee but is not control or joint control of those policies. If an entity holds less than 20% of the voting power of the investee, it is presumed that the entity does not have significant influence unless such influence can be clearly demonstrated. The Group have determined that they do not have significant influence over AGC for the following reasons:

- The Group holds a 2.54% interest in AGC at 31 December 2023
- Whilst two of the Directors from Magmatic sit on the board of AGC, they do not do so as representatives of Magmatic and do so independently, therefore Magmatic does not participate in the financial and operating policies of AGC
- There is no material transactions between Magmatic and AGC
- There is no interchange of managerial personnel between Magmatic and AGC
- There is no provision of essential technical information.

Magmatic Resources Limited
Notes to the financial statements
For the Half-year ended 31 December 2023

Note 3. Other income

	Half-year 31 December 2023 \$	Half-year 31 December 2022 \$
<i>Other income</i>		
Interest	28,942	54,729
Office sublease and shared services income	29,354	26,475
	58,296	81,204

Note 4. Expenses

	Half-year 31 December 2023 \$	Half-year 31 December 2022 \$
<i>Corporate and administration expenses</i>		
Depreciation	20,872	20,984
Right of Use Assets Amortisation	45,995	21,529
Directors and Company Secretarial Fees	126,262	110,850
Employee Expenses	240,492	215,110
Investor Relations	7,850	10,322
Legal Fees	7,071	7,621
Travel	24,771	39,759
Rental Expenses	23,837	18,135
Other	23,189	143,948
	520,339	588,258
<i>Share based payment expense</i>		
Employee options expense	200,289	273,887
Director options expense	50,108	61,933
	250,397	335,820
<i>Exploration and evaluation expenses</i>		
Exploration expenses incurred	1,367,519	2,903,166
Net exploration and evaluation expense	1,367,519	2,903,166
Finance costs	24,073	259
	2,162,328	3,827,503

Magmatic Resources Limited
Notes to the financial statements
For the Half-year ended 31 December 2023

	Half-year 31 December 2023	Half-year 31 December 2022
Note 5. Share based payment expenses		
500,000 \$0.292 options expiring on 30 September 2023 with a Black Scholes valuation of \$59,603 were issued in accordance with the Company's employee incentive plan on 24 September 2020 to a manager of the Company which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.	4,980	9,961
250,000 \$0.292 options expiring on 30 September 2023 with a Black Scholes valuation of \$30,735 were issued in accordance with the Company's employee incentive plan on 25 September 2020 to a employee of the Company which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.	2,571	5,141
5,040,000 \$0.37395 options and 2,460,000 \$0.63225 options all expiring on 31 January 2023 with a Black Scholes valuation of \$950,156 were issued in accordance with the Company's employee incentive plan on 23 January 2020 to management personnel of the Company which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.	-	158,359
1,250,000 \$0.15 options expiring on 31 October 2024 with a Black Scholes valuation of \$61,098 were issued in accordance with the Company's employee incentive plan on 01 December 2021 to managers of the Company which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.	10,248	10,248
4,050,000 \$0.1452 and 1,950,000 \$0.1936 options all expiring on 31 December 2024 with a Black Scholes valuation of \$316,387 were issued in accordance with the Company's employee incentive plan on 01 December 2021 to Directors of the Company which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.	51,609	51,609
10,000,000 \$0.1002 options expiring on 31 May 2025 with a Black Scholes valuation of \$599,684 were issued in accordance with the Company's employee incentive plan on 27 May 2022 to a Director of the Company which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.	94,068	94,068
4,000,000 \$0.1440 options expiring on 31 December 2025 with a Black Scholes valuation of \$215,988 were issued in accordance with the Company's employee incentive plan on 25 November 2022 to Directors of the Company which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.	52,648	3,959
500,000 \$0.1440 options expiring on 31 December 2025 with a Black Scholes valuation of \$26,999 were issued in accordance with the Company's employee incentive plan on 25 November 2022 to the Company Secretary of the Company which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.	6,581	495
2,000,000 \$0.1440 options expiring on 31 December 2025 with a Black Scholes valuation of \$107,994 were issued in accordance with the Company's employee incentive plan on 25 November 2022 to managers of the Company which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.	26,324	1,980
2,250,000 \$0.0920 options expiring on 8 December 2026 with a Black Scholes valuation* of \$65,202 were issued in accordance with the Company's employee incentive plan on 8 December 2023 to managers of the Company which vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.	1,368	-
	250,397	335,820

Magmatic Resources Limited
Notes to the financial statements
For the Half-year ended 31 December 2023

**Black-Scholes model assumptions for options granted during the period that were valued using that method. The options vest progressively throughout the period during which they can be exercised but lapse if their employment is terminated.*

<i>Holder</i>	<i>Grant date share price (cents)</i>	<i>Exercise Price (cents)</i>	<i>Expected volatility (%)</i>	<i>Option Life (Years)</i>	<i>Dividend Yield (%)</i>	<i>Risk-free Rate (%)</i>	<i>Fair value per option (cents)</i>
<i>Management personnel</i>	5.40	9.2	100	3.04	0.00	4.153	2.9

Note 6. Investments

	31 December 2023	30 June 2023
	\$	\$
5,637,594 ordinary shares in Australian Gold and Copper Limited*	400,269	298,790
	400,269	298,790

*These shares were valued at their closing market price.

Note 7. Equity - issued capital

	31 December 2023	30 June 2023	31 December 2023	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	305,692,798	305,692,798	21,728,407	21,728,407

Movements in ordinary share capital during the current financial period were as follows:

	Shares	\$
Balance at the beginning of period	305,692,798	21,728,407
Balance at 31 December 2023	305,692,798	21,728,407

Note 8. Equity - reserves

	31 December 2023	30 June 2023
	\$	\$
Capital restructure reserve	250	250
Share based payments reserve	1,083,478	1,083,478
Options based payments reserve	4,942,898	4,692,501
Fair Value Other Comprehensive Income ("FVOCI") Reserve	(727,250)	(828,729)
Total reserves	5,299,376	4,947,500

Magmatic Resources Limited
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For the Half-year ended 31 December 2023

Note 9. Contingent liabilities

From time to time the Company may be party to claims from suppliers and service providers arising from operations in the ordinary course of business.

As at the date of this report there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate, the Company's financial position or results from operations.

Note 10. Events after the reporting period

There was no matter or circumstance arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the company's state of affairs in future financial years other than the following:

On 9 January 2024, the Company accepted the resignation of Mr Andrew Viner as a Non-Executive Director of the Company.

On 9 January 2024, the Company cancelled 1,000,000 unlisted options, exercisable at \$0.1440 expiring on 31 December 2025, which had lapsed on that date because the conditional right to the securities had not been or had become incapable of being satisfied.

On 7 March 2024, the Company executed a Farm-in and Joint Venture Agreement with FMG Resources Pty Ltd (Fortescue) to explore the Myall Project. Fortescue will spend up to \$14M over six years to earn up to a 75% joint venture interest in the project. Fortescue will also subscribe for 75,946,151 shares in the Company to hold a 19.9% stake. The shares will be issued at a price of \$0.04884 per share, raising approximately \$3.71M and represents a 10% premium to the company's 30-day volume-weighted average price at 31 January 2024. The investment by Fortescue will allow the Company to advance further on their other two projects in parallel with Myall.

Subsequent to the end of the period, on 11 March 2024, the Company issued 75,946,151 fully paid ordinary shares at an issue price of \$0.04884 per share, as part of a placement to FMG Resources Pty Ltd.

Note 11. Related party transactions

There were no related party transactions during the reporting period.

Note 12. Fair value measures

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual 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 three levels prescribed under the accounting standards. An explanation of each level follows underneath the following table.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2023 on a recurring basis (30 June 2023: \$298,790):

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at 31 December 2023				
5,637,594 ordinary shares in Australian Gold and Copper Limited [ASX:AGC]	400,269	-	-	400,269

Magmatic Resources Limited
Notes to the financial statements
For the Half-year ended 31 December 2023

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

The fair value of 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 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 the financial assets and liabilities are included at the 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 amounts of cash and short-term trade and other receivables, trade payables and other current liabilities approximate their fair values 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 listed companies are based on the quoted market prices from the ASX on 31 December 2023, being the last traded price prior to year-end.

Magmatic Resources Limited
Notes to the financial statements
For the Half-year ended 31 December 2023

Directors' declaration

In the opinion of the Directors:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (a) Complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date.
2. At the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



David Richardson
Executive Chairman

12 March 2024
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Magmatic Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Magmatic Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group’s financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd



Neil Smith

Director

Perth, 12 March 2024