

MAGMATIC RESOURCES LIMITED

ACN 615 598 322

SHORT FORM PROSPECTUS

For an offer to transfer 117,242,568 AGC Shares to shareholders of Magmatic Resources Limited pursuant to a Capital Reduction by way of an In-specie Distribution being the subject of the Capital Reduction Resolution in the Notice of Meeting dated 13 September 2019.

IMPORTANT INFORMATION

This Prospectus is important and requires your immediate attention. You should read this Prospectus in its entirety and consult your professional adviser in respect of the contents of this Prospectus.

This Prospectus is a short form prospectus prepared in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, but refers to parts of other documents lodged with ASIC, the contents of which are therefore taken to be included in this Prospectus.

The Magmatic Directors consider an investment in the AGC Shares that will be distributed and transferred under this Prospectus and the Capital Reduction Resolution, to be speculative.

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1. IMPORTANT NOTICE

1.1 General

This Prospectus is dated 13 September 2019 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No AGC Shares may be offered or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus, including the Notice of Meeting which is incorporated by reference into this Prospectus, is important and should be read in its entirety. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser immediately. This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to Shareholders and professional advisers whom Shareholders may consult.

Defined terms and abbreviations used in this Prospectus are explained in section 8 of this Prospectus.

1.2 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act, meaning that this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in documents which have been lodged with ASIC on certain dates.

This Prospectus incorporates the Notice of Meeting lodged with ASIC on 13 September 2019. This Prospectus also provides an update in relation to the NSW Assets in the Independent Technical Assessment Report in section 4 and Solicitor's Report on Tenements in section 5 of this Prospectus.

In referring to the Notice of Meeting, the Company:

- (a) identifies the Notice of Meeting as being relevant to the offer of AGC Shares under this Prospectus and contains information that will provide Shareholders and their professional advisers to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to the AGC Shares; and
 - (ii) the assets and liabilities, financial position and performance, profits and losses and prospects of AGC;

- (b) refers Shareholders and their professional advisers to section 3 of this Prospectus which summarises the material information in the Notice of Meeting deemed to be incorporated in this Prospectus;
- (c) informs Shareholders and their professional advisers that they are able to obtain, free of charge, a copy of the Notice of Meeting by contacting the Company at its registered office during normal business hours during the period of the Offer; and
- (d) advises that the information in the Notice of Meeting will be primarily of interest to Shareholders and their professional advisers or analysts.

1.3 No quotation of AGC Shares

AGC is an unlisted public company. No application has been made to ASX or to the operator of any other financial market to list AGC or to grant quotation of the AGC Shares so as to enable the AGC Shares to be traded on a financial market. The Company does not intend to apply for quotation of the AGC Shares post-completion of the Capital Reduction.

1.4 Exposure Period

The Corporations Act prohibits the Company from distributing and transferring the AGC Shares to the Shareholders during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the distribution and transfer of AGC Shares. As the General Meeting will be held on 15 October 2019, the Exposure Period will have ended by the time the In-specie Distribution occurs, assuming Shareholders approve the Capital Reduction Resolution.

This Prospectus (including the Notice of Meeting) will be made generally available during the Exposure Period by being posted on Magmatic's website <https://magmaticresources.com/>. A paper copy will be made available to Australian residents on request to Magmatic during the Exposure Period.

1.5 Forwarding-looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Magmatic Directors and management and the AGC Directors. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward-looking statements are subject to various risk factors that could cause the

Company's actual results to differ materially from the results expressed or anticipated in these statements.

2. THE OFFER

2.1 Terms and Conditions of the Offer

The terms and conditions of the Offer are set out in the Notice of Meeting accompanying this Prospectus.

In broad terms, the Notice of Meeting includes the Capital Reduction Resolution pursuant to which Magmatic proposes an equal reduction of capital to be satisfied by the distribution and transfer of 117,242,568 AGC Shares to be held by Magmatic to Shareholders registered as such on the Record Date in proportion to their respective holdings of Shares as at that date.

The In-specie Distribution will only proceed if the following conditions are satisfied (together, the **Transaction Conditions**):

- (a) Magmatic obtains Shareholder approval for the Capital Reduction Resolution (Resolution 1) in the Notice of Meeting; and
- (b) Magmatic obtains Shareholder approval to issue Shares in consideration for the acquisition of the New WA Assets (the subject of Resolution 2 in the Notice of Meeting).

Under ASIC Regulatory Guide 188, the issue of the Notice of Meeting with the Capital Reduction Resolution constitutes an offer by Magmatic of the transfer of the AGC Shares to be distributed and transferred to Eligible Shareholders pursuant to Chapter 6D of the Corporations Act and accordingly Magmatic has prepared this Prospectus to accompany the Notice of Meeting.

Shareholders should note that the In-specie Distribution of the AGC Shares to overseas Shareholders under the Capital Reduction will be subject to legal and regulatory requirements in their relevant overseas jurisdictions. If the requirements of any jurisdiction where a Shareholder is resident are held to restrict or prohibit the distribution of securities as proposed or would impose on Magmatic an obligation to prepare a prospectus or other similar disclosure document or otherwise impose on Magmatic an undue burden, the AGC Shares to which the relevant Shareholder is entitled will not in fact be issued to such Shareholders and instead will be sold by Magmatic on their behalf, in order that Magmatic will pay the relevant Shareholder a cash equivalent amount, or otherwise Magmatic will seek to make alternative arrangements with respect to the relevant Shareholder which are reasonable in all the circumstances.

If Magmatic elects to sell the AGC Shares on a relevant Shareholder's behalf, Magmatic will then account to those Shareholders for the net proceeds of sale after deducting the costs and expenses of the sale. As the return of capital is being represented and satisfied by the In-specie Distribution and security prices may vary from time to time (assuming a liquid market is available), the net proceeds of sale to such Shareholders may be more or less than the notional dollar value of the reduction of capital. It will be the responsibility of each Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

AGC is an unlisted public company. As at the date of this Prospectus, no application has been made to ASX, or to the operator of a financial market (whether in Australia or elsewhere), to list AGC or to grant quotation of the AGC Shares so as to enable the Shares to be traded on a financial market.

2.2 Minimum Subscription

There is no minimum subscription under this Offer as there is no capital being raised. If the Offer is approved by Shareholders, the AGC Shares will be transferred to Shareholders registered on the Record Date and following the indicative timetable set out in section 1.6 of the Notice of Meeting.

2.3 No Restricted Securities

As at the date of this Prospectus, no AGC Shares subject to escrow.

Shareholders should note that the AGC Shares to be transferred under this Prospectus are not quoted on a stock exchange and therefore are not liquid or readily tradeable.

2.4 Effect of the Offer on the Company

The principal effects of the Offer will be that the Company ceases to hold the AGC Shares to be distributed and transferred to Shareholders and that the share capital of the Company will be reduced by the amount to be assessed by the Magmatic Directors as the market value of such AGC Shares.

The purpose of the Offer is set out in section 2.1 of this Prospectus.

2.5 Action Required by Shareholders

No action is required to be taken by Shareholders under this Prospectus. Should Shareholder approval be obtained for the Capital Reduction Resolution, the Transaction Conditions are satisfied and the Capital Reduction proceeds to be implemented, then the AGC Shares will be distributed and transferred to Eligible Shareholders in accordance with the terms of the Capital Reduction Resolution and Magmatic's constitution, whether you voted for or against the Capital Reduction Resolution or did not vote at all (or did not attend the Meeting).

In accordance with Legislative Instrument 2017/241, no application form is required to be completed or returned to participate in the proposed distribution and transfer of AGC Shares under the Capital Reduction and no application form is included in or accompanies this Prospectus.

If you have any queries regarding this Prospectus, please contact the Company Secretary on +61 (08) 9322 6009.

3. NOTICE OF MEETING INFORMATION DEEMED TO BE INCORPORATED IN PROSPECTUS

3.1 Short Form Prospectus

This Prospectus is a short form prospectus prepared in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all of the information that is generally required to be set out in a document of this type. However, it incorporates by reference information contained in the Notice of Meeting that has been lodged with ASIC.

3.2 Included Information

The Notice of Meeting contains information that Shareholders require in relation to the Capital Reduction, and the Notice of Meeting in its entirety is deemed to be incorporated in this Prospectus. The material provisions of the Notice of Meeting are summarised below in section 3.3 and will primarily be of interest to Shareholders and their professional advisers or analysts.

The Notice of Meeting will be dispatched to all Shareholders with this Prospectus. In addition, the Notice of Meeting will be made generally available during the Application Period by being posted on the Company's website (<https://magmaticresources.com/>).

3.3 Notice of Meeting - Summary of Material Provisions of Notice of Meeting

In accordance with Section 712 of the Corporations Act, set out below is a summary of the information contained in the Notice of Meeting that is deemed to be incorporated in this Prospectus to assist Shareholders and their professional advisers for the purposes of making an informed investment decision in relation to the AGC Shares.

Section numbers referred to in this section 3.3 are references to sections in the Notice of Meeting (Explanatory Statement).

(a) **Important Information Section**

This section sets out potential advantages and disadvantages of, and the recommendations of the Magmatic Directors in respect of, the Capital Reduction.

(b) **Important Notices Section**

This section sets out the indicative timetable for the Capital Reduction.

(c) **Section 1.1 – Company Background**

This section provides an overview of the Company.

(d) **Section 1.2 – Background on Existing Assets and Company Activities**

This section provides an overview of the NSW Assets and WA Assets.

(e) **Section 1.3 – Overview of the Proposal**

This section provides information relating to the Proposal.

(f) **Section 1.4 – Information on AGC**

This section provides an overview of AGC and its future operations.

(g) **Sections 1.5 – Proposed Project Development Plan for NSW Assets**

This section details the NSW Assets, including its future prospects and plans.

(h) **Section 1.6, 1.13, 1.15 and 1.18 – Capital Reduction**

These sections provide information on the Capital Reduction including the legal procedure required to be followed by the Company, the effect of the Capital Reduction on the Shareholders and a statement by the Magmatic Directors that they believe the Capital Reduction is fair and / or reasonable to Shareholders as a whole and does not materially prejudice the Company's ability to pay its creditors.

(i) **Sections 1.7, 1.13 and Schedule 2 – Pro Forma Financial Information**

These sections and schedule to the Notice of Meeting contain the unaudited pro forma statements of financial position of the Company assuming and AGC assuming completion of the Capital Reduction.

(j) **Section 1.8 – Advantages and Disadvantages of the Proposal**

This section sets out further information on the main advantages and disadvantages to Shareholders of the Capital Reduction.

(k) **Section 1.9 – Failure to achieve completion of the Proposal**

This section sets out the Company's potential future plans in the event the Capital Reduction does not complete.

(l) **Section 1.10 – AGC Structure and Board**

This section provides information on the AGC Directors.

(m) **Section 1.12 and Schedule 3 – Risk Factors**

This section and schedule to the Notice of Meeting sets out certain of the key general and specific risk factors which may affect AGC and the value of the AGC Shares.

(n) **Section 1.14 – Directors' interests and Recommendations**

This section sets out the number of securities in the Company held by the Magmatic Directors at the date of the Notice of Meeting and the number of AGC Shares they are likely to have an interest in assuming completion of the Capital Reduction.

(o) **Sections 1.16 and 1.17 – Additional Information**

These sections provide additional information in respect of the Capital Reduction including the current capital structure of the Company, the proposed capital structure of AGC assuming completion of the Capital Reduction and information in relation to the trading prices of the Shares.

(p) **Section 1.20 – Effect of shareholder approval**

This section outlines the effect the Capital Reduction will have on Eligible Shareholders, the treatment of overseas Shareholders and the effect the Capital Reduction will have on the existing options for Shares on issue in the Company.

(q) **Section 1.21 – Information concerning AGC Shares**

This section gives a summary of the more significant rights attaching to the AGC Shares to be distributed and transferred to the Shareholders pursuant to the Capital Reduction.

(r) **Section 1.22 – Taxation**

This section provides a general summary of the Australian taxation consequences for Shareholders who receive AGC Shares in respect of the Capital Reduction based on applicable taxation law as at the date of the Notice of Meeting.

The summary is not intended, and should not be relied upon, as specific taxation advice to any particular Shareholder. The comments in the summary are of a general nature only, may not apply to a Shareholder's specific circumstances and cannot be relied upon for accuracy or completeness. Each Shareholder should seek and rely on its own professional taxation advice, specific to its particular circumstances, in relation to the taxation consequences of the proposed Capital Reduction. Neither Magmatic, AGC nor any of their respective directors, officers or advisers, accepts liability or responsibility with respect to such consequences or the reliance of any Shareholder on any part of the summary.

A copy of the Notice of Meeting accompanies this Prospectus.



AGRICOLA MINING CONSULTANTS PTY LTD

**INDEPENDENT TECHNICAL ASSESSMENT REPORT on the Mineral Projects
held by MAGMATIC RESOURCES LIMITED in NEW SOUTH WALES**

12 September 2019



Georgius Agricola: De Re Metallica, 1556



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12 September 2019

Magmatic Resources Limited

Dear Sirs,

**Re: INDEPENDENT TECHNICAL ASSESSMENT REPORT on the Mineral
Projects held by MAGMATIC RESOURCES LIMITED in NEW SOUTH WALES**

Agricola Mining Consultants Pty Ltd (“Agricola”) has been commissioned by the Directors of Magmatic Resources Limited (“Magmatic or the “Company”) to provide an independent technical assessment report (“Report”) on the Moorefield, Myall, Parkes and Wellington North Projects in New South Wales (the “Projects”) held by Modeling Resources Pty Ltd, a subsidiary of Magmatic. This Report is to be included in a Prospectus to be lodged with the Australian Securities and Investments Commission (“ASIC”).

Agricola has completed a desktop review of the projects which included compiling and reviewing the project’s technical aspects, including previous work, regional geological setting, local geology, mineralisation, exploration potential and planned exploration. The objectives of this report are to provide a geological overview of the exploration projects covering pertinent aspects in detail appropriate to the strategic importance of the projects and to provide comments on the exploration potential for further discovery of mineralisation.

In consideration of the definition provided in the VALMIN Code, the mineral assets are classified as *Early Stage Exploration Projects* where no mineral resources have so far been estimated to JORC 2012 standard. The mineral properties are considered prospective, although subject to varying degrees of risk, and warrant further exploration and development of their economic potential consistent with the programs proposed by Magmatic.

This report was prepared by Mr Malcolm Castle in accordance with the *Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports* (VALMIN Code 2015 Edition) and the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code 2012 Edition).

Agricola and its employees and associates are not, nor intend to be, directors, officers or employees of Magmatic and have no material interest in any of the projects or Magmatic. The relationship with Magmatic is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Consent has been given by the author for the inclusion of this Report in the Prospectus and distribution of this Report in the form and context in which it appears.

Executive Summary

The **Moorefield Project** is located 30 km north east of Condobolin, in central west NSW. The tenement consists of gently undulating, broad-acre farmland and forested ridges. The Condobolin-Tullamore Road passes through the south and access to the tenement is along sealed and unsealed roads. Moorefield covers part of the Parkes Terrace, a broad north-trending belt which is part of the Girilambone Anticlinorial Zone.

The **Myall Project** overlies the Narromine Igneous Complex, which is part of the Ordovician Macquarie Arc and consists of a complex of basaltic to intermediate volcanic and volcanoclastic rocks intruded by plutons of gabbro to diorites and quartz-monzodiorites, and then a later porphyritic intrusive suite, some associated with mineralisation.

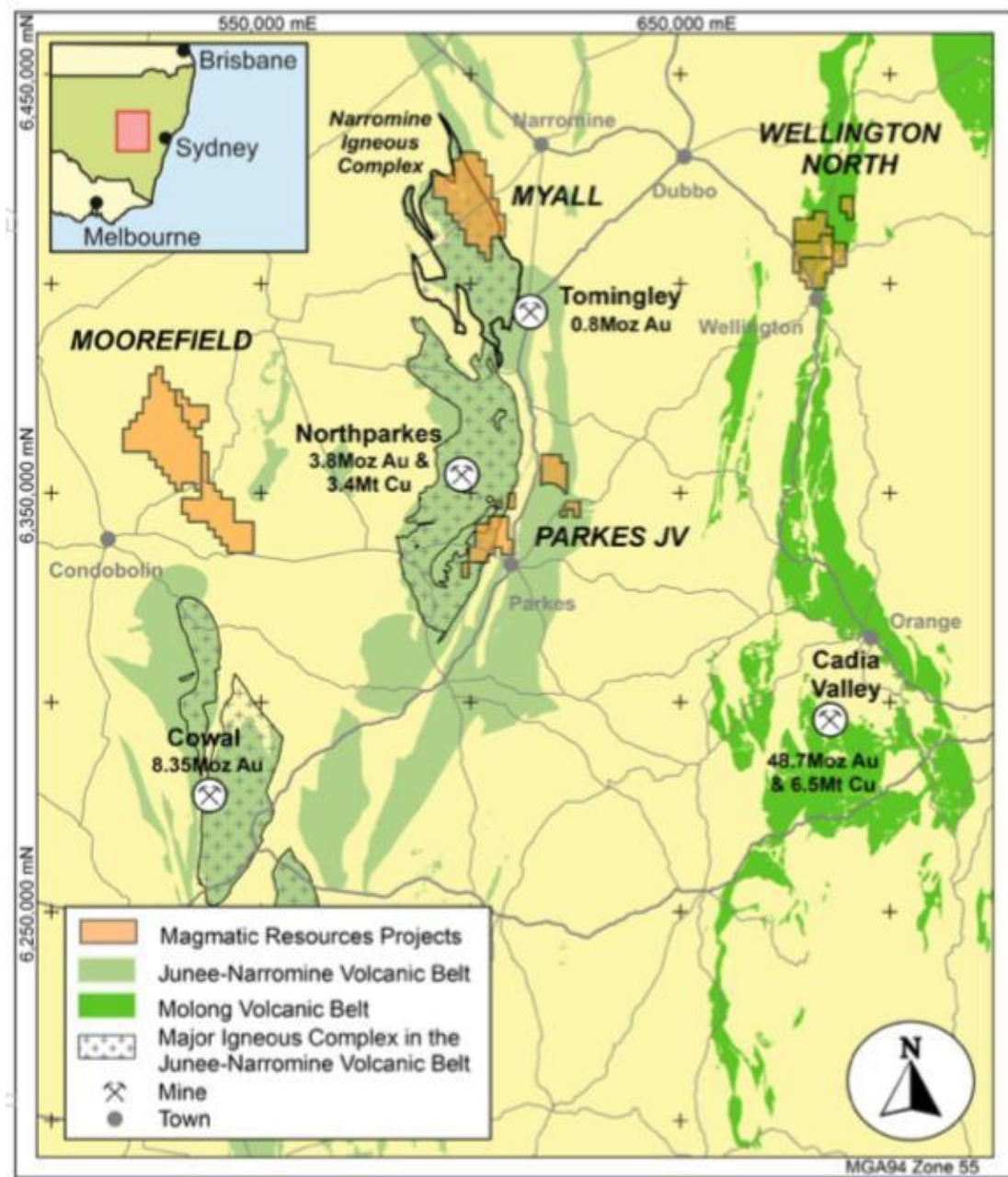
The **Parkes Project** is located within Junee Narromine Volcanic Belt, and is part of the Ordovician Macquarie Arc volcanic complex. The project covers parts of the Tumut-Mt Forster zone, which is located between the Parkes Thrust and Narromine–Coolac Suture. This area forms part of the Forbes to Tomingley gold belt and is made up of Ordovician to Silurian volcanics, volcanoclastics and other related sediments and is host to the Northparkes porphyry Cu-Au mine.

The **Wellington North Project** includes three exploration licenses 5km north of Wellington in central west NSW. The tenements are situated in the Ordovician Macquarie Arc within the East Lachlan Fold Belt. The project targets the Ordovician stratigraphy of the Molong Volcanic Rise, which hosts the Cadia-Ridgeway porphyry copper-gold deposits.

Total land holding in the central west of New South Wales is approximately 1,101 square kilometres.

Agricola considers that the exploration strategy and programs proposed by Magmatic are consistent with the mineral potential and status of the projects. The proposed expenditure is sufficient to meet the costs of the exploration programs proposed and to meet statutory tenement expenditure requirements.

PROJECT REVIEW – NEW SOUTH WALES



Location of the Company's Projects in Central NSW showing mineral resources¹ for mines and major projects.

¹ Resource information (Owner) current to: 31/12/2015 for Cadia (Newcrest), Northparkes (CMOC), Cowal (Evolution) and Marsden (Evolution); 30/06/2016 for Tomingley (Alkane); 31/03/2016 for McPhillamys (Regis); 30/06/2015 for Temora (Straits/Sandfire) and 24/03/2015 for Copper Hill (Golden Cross). Sourced from company annual mineral resource and reserve statements, company annual reports and stock exchange releases (see References)

OVERVIEW

The early Ordovician to early Silurian Macquarie Arc of the Lachlan Orogen in NSW is Australia's only economic porphyry Cu-Au province. The province is currently host to a number of active mines and additional significant porphyry systems exist within the Macquarie arc. Numerous other minor occurrences with porphyry or porphyry-related characteristics occur throughout the arc.

The deposits are not uniformly distributed throughout the volcanic belts and clustering is evident at all scales. The location of the known systems is heavily skewed toward four productive districts. These districts occupy approximately 11% of the explored volcanic belts but contain 92% of the known systems. Two of the districts contain all of the known economic and feasibility stage systems. These districts can be distinguished to a certain extent from much of the remaining Macquarie Arc, but no single or combination of features can definitively distinguish them.

One of the most critical and striking aspects of the districts is the abundance of intrusive rocks compared to the Macquarie Arc outside the productive districts. The Cadia-Forest Reefs District has an area of 430 km² and within this, mapped intrusive rocks occupy 51 km². Therefore approximately 12% of the total area of the Cadia Forest Reefs District is represented by intrusive rocks compared to 3.5% in the Molong Volcanic Belt as a whole.

The Ordovician volcanic belts display compositions ranging from ultramafic to felsic; however the dominant compositions are within the basalt to andesite range. Within the Porphyry Districts, compositions are relatively more felsic with a greater representation of andesitic and trachytic rocks.

THE GIRILAMBONE DISTRICT

Regional Setting and Mineralisation

The Girilambone District contains at least eight copper deposits, including Girilambone North (Larsens East, North East, Double Tanks and Hartmans), Girilambone (Murrawombie) and Girilambone Deeps, Tritton, Budgerygar, Great Hermidale, Bonnie Dundee and Budgery. These deposits are distributed over a strike length of around 60 km. The original Girilambone deposit is located 45 km north-west of Nyngan and 105 km ENE of Cobar in central-western New South Wales, Australia, whilst Tritton is 10 km to the SW.

The Girilambone deposits are located in the western section of the Palaeozoic Lachlan Fold Belt of the Tasman Orogen in eastern Australia. They are hosted by the Ordovician Girilambone Group flysch sequence, which is largely composed of medium grained quartz-wackes and has been regionally metamorphosed to quartz-chlorite-sericite schist. This sequence extends from as far south as Wagga Wagga to the north of Girilambone. In the Girilambone district 'basement' semi-pelitic and mafic schists of this succession are unconformably overlain by mafic schists and quartz-greywacke of the Caro schist and by the Tritton Formation quartz-wacke, sandstone and phyllite. Near Girilambone the 'basement schists' are intruded by syn- and post-tectonic granitoids,

intermediate, mafic and ultramafic Alaskan-type intrusive rocks. Only some of the younger of these intrude the Caro Schist and Tritton Formation.

The significant massive sulphide deposits of the district occur within the Caro schist near the base of the greywacke succession and is associated with intervals of chloritisation, siderite and epidote alteration, thin magnetite lenses, hematite alteration and intense silicification. Not all of these features are recognised at all deposits. Complexly folded quartzite ridges extend discontinuously over a strike length of up to 150 km and consist of intensely silicified greywacke. All of the known deposits are located close to such ridges.

Pink quartzite of these ridges, including red jasper with disseminated pyrite within mafic schists occur adjacent to some large ultramafic and mafic intrusives and are developed throughout the region at different stratigraphic positions, indicating the quartzite is not a stratigraphic unit, but rather is of low temperature hydrothermal origin.

The mineralisation in the Girilambone district is polymetallic, comprising pyrite, chalcopyrite, chalcocite, sphalerite and galena, with <0.5 g/t Au and <20 g/t Ag. Ore occurs within steep dipping, WNW striking shears within quartz-chlorite-sericite schist and psammitic turbidites of the Caro schist.

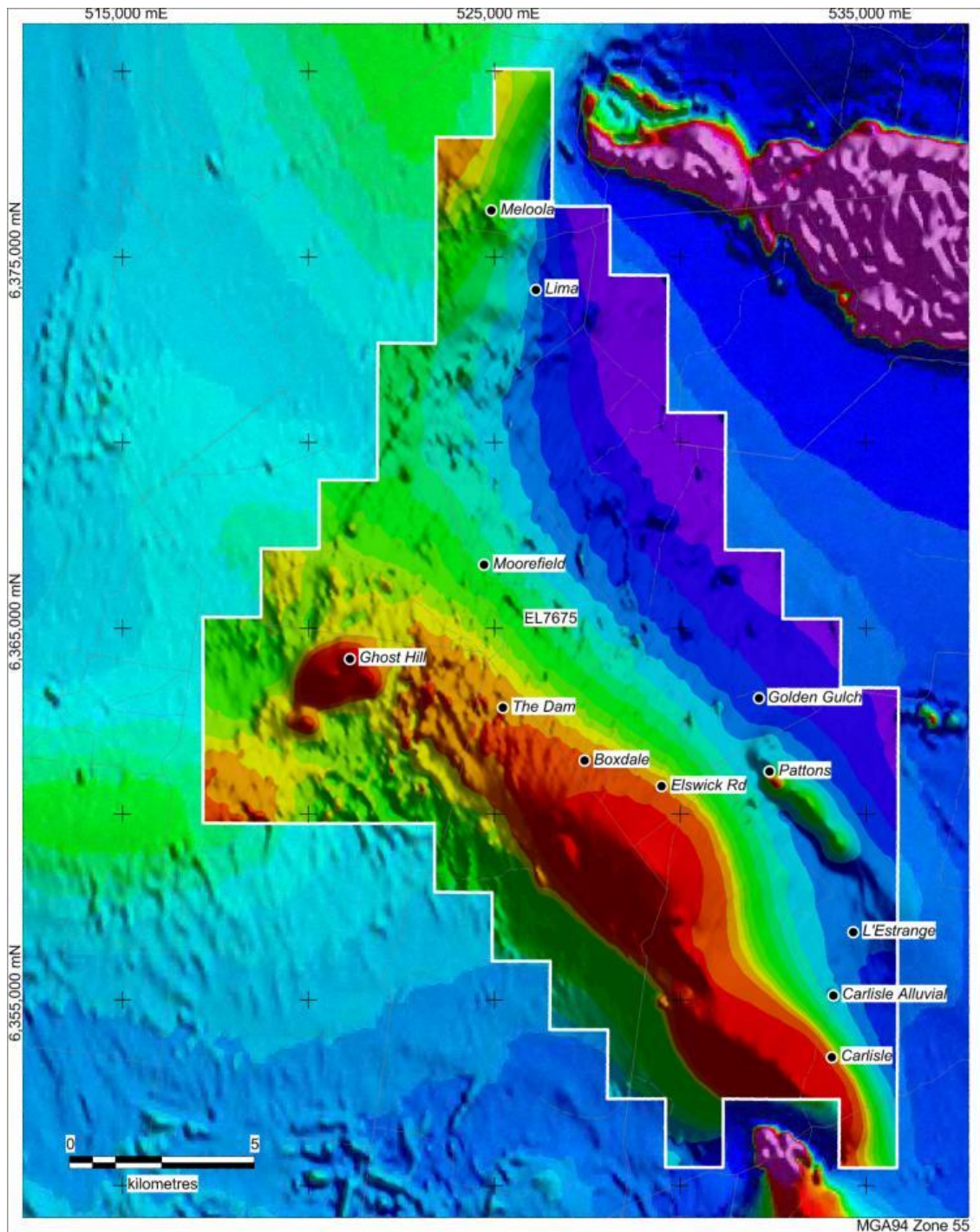
The Moorefield Project

EL7675 Moorefield covers about 289.7km² and is located 30 km north east of Condobolin, in central west NSW. The tenement consists of gently undulating, broad-acre farmland and forested ridges. The Condobolin-Tullamore Road passes through the south and access to the tenement is along sealed and unsealed roads.

Geological Setting

EL7675 Moorefield covers part of the Parkes Terrace, a broad north-trending belt, which is part of the Girilambone Anticlinorial Zone. The Girilambone Anticlinorial Zone is bound to the southwest by the north-northwest trending Gilmore Suture. An eastern splay off the Gilmore Suture transects the licence.

The Girilambone Group consists of occasionally outcropping, multiply deformed metasediments of lower greenschist (grade) facies. Slivers of thinly bedded chert are also present within the Girilambone Group and crop out in the east of the tenement area in the hinge zones of NW-SE oriented folds. The Girilambone Group is unconformably overlain by Siluro-Devonian volcanic and sedimentary rocks of the Derriwong Group to the east and west of the tenement in the Tullamore and Murda Synclines respectively, which are prospective for stratabound base metal mineralisation. The Derriwong Group subcrops and outcrops in the north-western portion of the tenement. Volcanic units within the Derriwong Group include the Meloola Volcanics which are considered correlates of the Mineral Hill Volcanics, which host the Mineral Hill deposit 30 kilometres to the north-west of EL7675. The Derriwong Group is overlain by shallow west dipping early Devonian sediments of the Yarra-Yarra Creek Group in the Murda Syncline.



Moorefield Aeromagnetic RTP Image (mosaic of sub-sampled regional survey data over regional survey) showing key prospects.

Late Ordovician mafic-ultramafic intrusions occur along a major north-west trending crustal structure extending from Condobolin to Bourke. The intrusions include serpentinite, wehrlite, clinopyroxenite, hornblendite, gabbro, diorite and monzonite.

EL7675 is partially covered by Quaternary alluvium, interpreted to reach depths of 80m across some parts of the tenement.

Moorefield is host to several different styles of mineralisation. The Ordovician Girilambone Group hosts several small occurrences of narrow gold-bearing quartz

veins. Examples include the Boxdale, Carlisle Reefs, Northern Veins and Golden Gulch prospects, some of which were mined in the early 20th century. Gold mineralisation is often associated with arsenopyrite and localized in NW-SE trending structures.

Early exploration in the area focussed on base metal exploration in Siluro-Devonian volcanic rocks of the Derriwong Group. The Meloola Volcanics were the focus of exploration as they were interpreted to be contemporaneous with volcanic rocks hosting the Mineral Hill deposit. Sphalerite-galena-pyrite disseminations were observed in outcrops in the Lima and Moorefield areas, however, drilling results were variable. Drillholes originally assayed for base metals were later re-assayed for gold, with disappointing results. The Ghost Hill skarn is an advanced target hosted by Siluro-Devonian sequences. Anomalous lead, zinc, copper and gold have been intersected in diamond drillholes at Ghost Hill, and the thickness of the skarn unit suggests proximity to an intrusive source and possible porphyry Cu-Au mineralization.

Previous Exploration

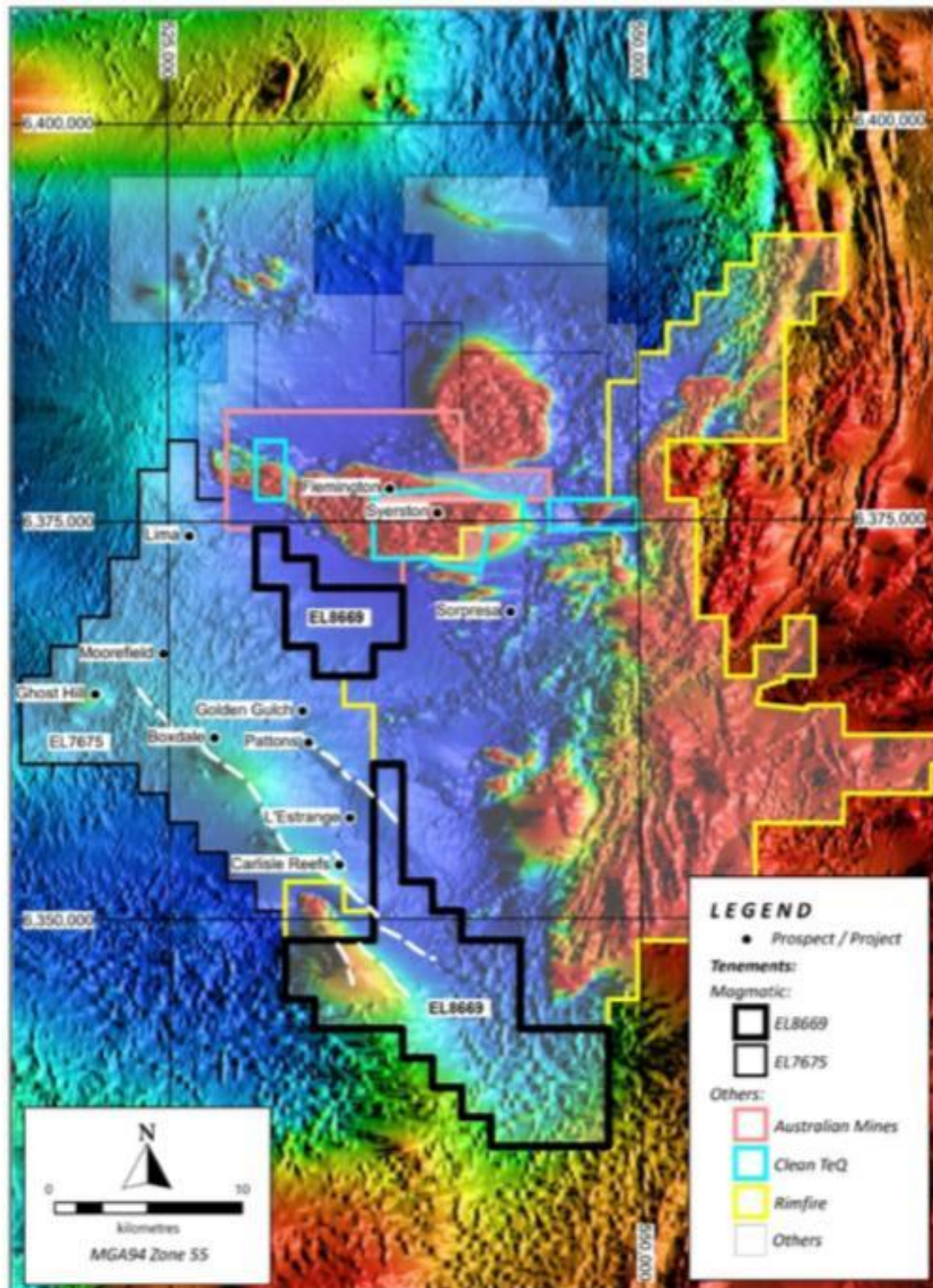
EL7675 has had a long history of exploration and mining. The Boxdale mine, originally referred to as the Coronation Mine started in 1955 and the Carlisle Reef Prospect has reports of alluvial mining being carried out as early as 1894 with reef mining beginning in 1897.

A high-resolution ground magnetic survey was completed over the Carlisle Reefs prospect. A total of 70km line-kms of data was collected on 20m spaced NS lines. A high-resolution gradient array resistivity/IP survey and two pole-dipole IP lines at Carlisle Reefs were completed. The gradient array survey was split into a southern block which was completed on a 50m x 25m grid over the known historical gold workings and a northern block on a 100m x 50m grid over the interpreted extension of the Carlisle Reefs Goldfield under shallow colluvium cover to the north. A total of 241 surface rock chip samples were collected at the Carlisle Reefs, Carlisle Alluvials, L'Estrange Reef, Pattons, Golden Gulch, Elswick Road, Boxdale and The Dam prospects during the reporting period. High-grade gold in rock chips was returned from Carlisle Reefs gold prospect over 1.2km of strike, where visible gold was observed in quartz-arsenopyrite-pyrite veined, quartz-sericite-carbonate altered schist. In addition, significant gold in rock chip results were returned from L'Estrange Reef gold prospect over 200-300m of strike and at Patton's gold prospect over 400m of strike.

A total of 271 auger holes have been completed at the Elswick Road, Boxdale East, Boxdale, Boxdale NW and The Dam prospects for a total of 1,387.5m on a 20m x 140m grid using a trailer mounted Christie Engineering auger rig. Auger hole depths range from 3 to 15m, averaging 5.1m. The last 1.5m was sampled at auger refusal depth. At the Elswick Road gold prospect auger drilling defined a gold-arsenic auger geochemical anomaly over 1.4km in length and up to 140m wide associated with anomalous gold in rock chip results.

An orientation soil geochemical survey was conducted over the 'Eastern Stockwork' target at Carlisle Reefs with 43 samples collected on a 70m x 35m grid over 5 lines. Previous shallow soil sampling at Carlisle Reefs has been largely ineffective due to thin colluvium cover and contamination caused by historic mining activities. In order to

mitigate against surface contamination samples were collected from 30cm-50cm below surface at the soil – schist bed-rock interface. Where bedrock could not be reached due to thick colluvium cover no sample was taken. The samples defined a coherent arsenic anomaly.



Regional setting and magnetic imagery of the Moorefield Project and surrounds

Exploration in 2018 focused on RC drilling at Carlisle Reefs where two drill programs were completed and the commencement of exploration at several other prospects.

- RC drilling at Carlisle Reefs
- Reviewed the geology and geophysics of Carlisle Reefs, including geophysical re-processing and 3D Modelling
- Soil Sampling at Carlisle Reefs, Pattons and Boxdale-Carlisle Trend
- Rock-chip sampling at Pattons

A 3D inversion model of magnetic vector amplitude data shows that the Au zones at Carlisle Reefs may be associated with de-magnetisation, which could assist future drill targeting. Diamond drilling is recommended to follow-up the Au intercepts at depth and to provide structural data to clarify the geometry of the mineralisation.

Exploration Potential

EL7675 includes two distinct geological domains:

- The Ordovician Girilambone Group in the southern portion of the tenement area consists of multiply deformed metasediments of lower grade greenschist facies. The metasediments are host to several occurrences of narrow high-grade, auriferous quartz veins.
- The Derriwong Group subcrops and outcrops in the northern portion of the tenement. The Meloola Volcanics within the Derriwong Group are considered correlations of the Mineral Hill Volcanics that host the Mineral Hill deposit 30km NW of EL7675

EL7675 is prospective for intrusive related gold (IRG), porphyry Cu-Au, epithermal Au and Au-rich Cobar type deposits. Features of the project area include:

- Ordovician Girilambone and Silurian-Devonian Derriwong Groups
- RC drilling 14 holes for 2351m and Diamond drilling 2 holes for 503.4m.
- *Carlisle Reefs prospect*: workings on high grade quartz veins traced intermittently to 500m long and workings less than 30m deep. No drilling has been completed at Carlisle Reefs.
- *Boxdale prospect*: minor copper workings and shallow cover.
- *Ghost Hill prospect*: Volcanic units of the Derriwong Group targeted previously by Getty, Shell and Billiton for, initially base metals and then epithermal gold. Identified and drilled outcropping mineralisation at the *Ghost Hill* base metal gold skarn are coincident with a buried aeromagnetic anomaly. The anomaly remains open to the north. A review of the assays from the Moorefield Project (Appendix 1) indicates the following spread of values for the Boxdale & Ghost Hill Prospects:

Details of all drill locations, intercepts and other details are included in the Magmatic Resources Prospectus that included the Independent Geologist's Report on Mineral Projects In Central New South Wales, 24 March 2017 and available as an ASX Release 'Prospectus, dated 17 May 2017,

THE COWAL AREA

Regional Setting and Mineralisation

The Cowal epithermal gold deposit is located on the western edge of Lake Cowal, approximately 35 km NNE of West Wyalong in central New South Wales, Australia. The deposit falls within the Macquarie volcanic arc of the Palaeozoic Lachlan Fold Belt of southeastern Australia.

Gold mineralisation at Cowal is hosted by the Ordovician Lake Cowal Volcanic Complex, exposed as a north-south elongated 40 x 15 km window of intermediate calc-alkaline intrusives, volcanics and volcanoclastics surrounded by unconformably overlying Siluro-Devonian sediments and volcanics. Immediately to the west of this window a highly deformed north-south zone within the Siluro-Devonian defines the broad Booberoi Fault Zone.

The deposit is covered by 30 m of lake sediments and an underlying Tertiary laterite profile with no outcrop of the host volcanics, apart from some minor gossanous float.

The gold mineralisation is primarily in narrow dilatant veins of quartz-carbonate-sulphide (with common adularia) and carbonate±quartz-sulphide and narrow, healed faults with a similar mineralogy. Gold occurs to a lesser extent in pyrite stringers and as disseminations, shear chlorite-carbonate veins and chlorite-carbonate-sulphide veins. Approximately 20% of the orebody is in the oxide zone where gold is more erratic, reflecting leaching and dispersion. The veins generally strike at 305° and dip 35°SW and are at their highest density in the Golden Lava, although those in the Muddy Lake Diorite are usually thicker. The veins are typically parallel sided and from <1 to 100 mm thick. Vein alteration haloes are rare and the main sulphides are quartz, sphalerite, chalcopyrite, galena and pyrrhotite, with minor associated visible gold. The best gold accompanies sphalerite and to a lesser extent adularia.

The Myall Project

The Myall Project, EL6913, is located 20km south west of Narromine, NSW, and covers an area of 243.4km². The project is covered by a network of sealed and unsealed roads, farm tracks and property fence lines. The topography of the area is relatively flat. Land use consists of dry land and irrigated cropping, along with sheep and cattle grazing.

Geological Setting

EL6913 overlies the Narromine Igneous Complex, which is part of the Ordovician Macquarie Arc. The Macquarie Arc hosts major gold and copper-gold deposits including Cadia, Northparkes and Cowal. The Narromine Igneous Complex consists of a complex of basaltic to intermediate volcanic and volcanoclastic rocks intruded by plutons of gabbro to diorites and quartz-monzodiorites, and then a later porphyritic intrusive suite, some associated with mineralisation. The Narromine Igneous Complex is structurally bounded to the west by Ordovician-Silurian sedimentary rocks and to the east by Devonian sedimentary rocks. Geophysical interpretations indicate that the complex is transected by north-northwest striking faults.

Recent discoveries of epithermal-style gold in carbonate base-metal veins at the Barina prospect suggest that the geology of EL6913 could also host deposits similar to the Cowal mine in the Lake Cowal Complex.

Previous Exploration

Most previous drilling work was completed by Goldfields, (an unrelated party to Gold Fields Australasia Pty Ltd), Resolute, and Newcrest who identified several target areas.

The Calais prospect is a 1.5km by 500m copper-gold anomaly with multiple bottom of hole (BOH) aircore copper and gold anomalies. The prospect is associated with a magnetic high with coincident gravity low. Initial diamond drilling intersected porphyry-style altered diorite (propylitic, phyllic and sodic-altered) intruded by quartz monzodiorite porphyry dykes with sulphides (pyrite, chalcopyrite, bornite and chalcocite). Two targets were identified within the area: Target 1 is associated with BOH geochemical anomalies and Target 2 is associated with the intersection of an interpreted molybdenum trend with the copper anomaly.

Kingswood is a 2km by 3km hydrothermally-altered multiphase intrusive system and two types of mineralisation have been identified here: breccia style copper-gold mineralisation open to the north/northwest and east and vein style mineralisation potentially open south and east. There is post mineralisation porphyry mapped ('wipe-out porphyry') and a significant post-mineralisation structure has been identified.

Kingswood North is interpreted as being of similar style to Kingswood but at a more favourable preservation level and the alteration has been interpreted as 'lithocap' style. Drilling has intercepted hydrothermally altered ('reddened') and quartz sulphide veined felsic porphyry and feldspar porphyry.

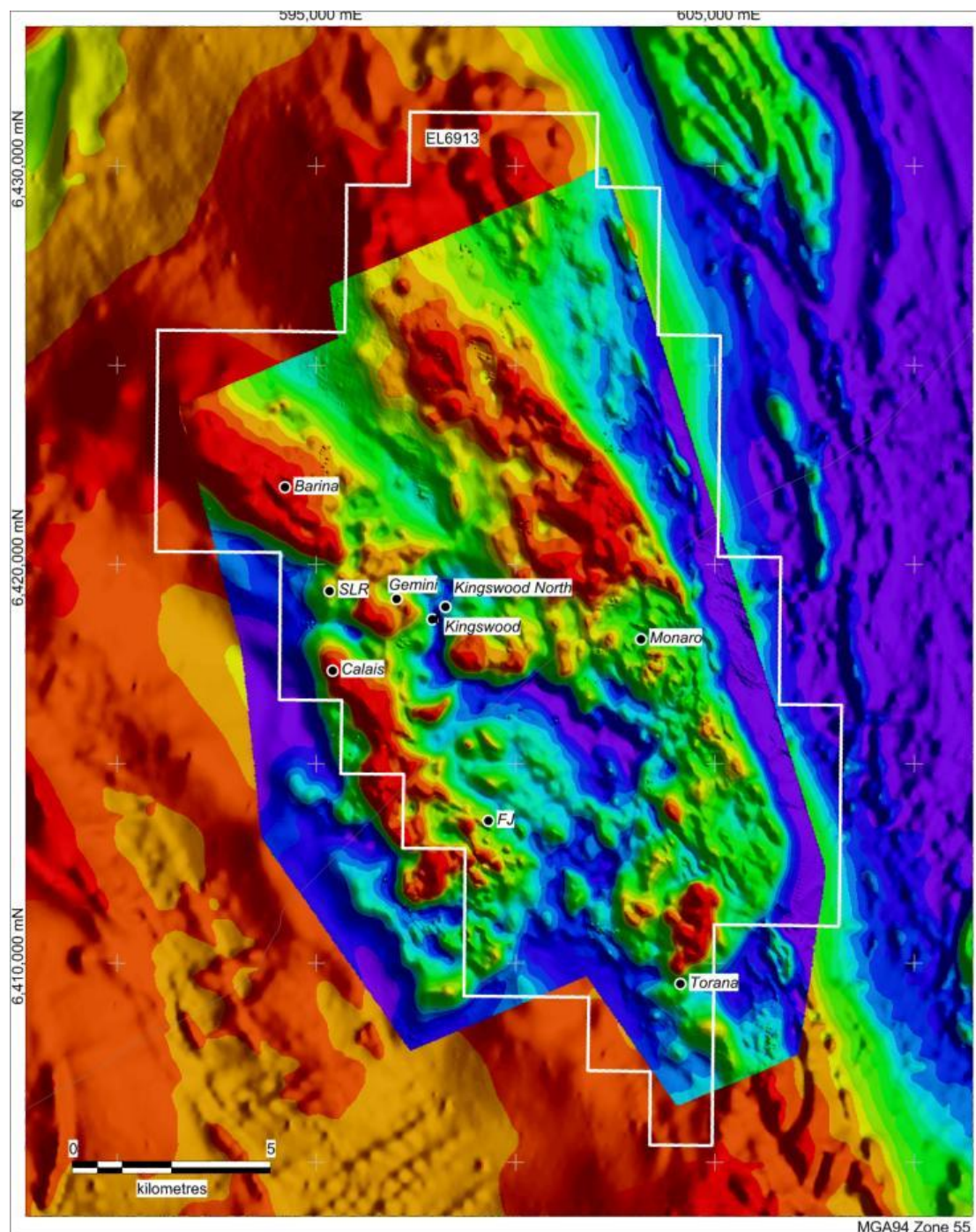
The SLR Trend contains two 1km scale gold-copper anomalies and lies within a northeast trending aeromagnetic feature which has been interpreted as a cross-arc graben structure. There are two diamond drill holes in the area, one of which shows rare sheeted quartz- pyrite-chalcopyrite veins with reddened hematite selvages. The large-scale anomalies, combined with favourable geology, led to an additional five diamond holes being proposed for the area.

The quartz monzodiorite to quartz monzonite porphyries at Gemini belong to a high potassium calc-alkaline to shoshonitic intrusive association equivalent to those at Cadia and Northparkes. A porphyry system has been identified which is open to the north and west and there is also the potential for Lake Cowal-style epithermal gold veins.

Barina is a doughnut magnetic anomaly ('Barina') with a coincident zinc and gold anomaly. Diamond drilling at Barina confirmed hydrothermal alteration of micro diorite, micro monzodiorite, a polymictic hydrothermal breccia and monzonite porphyry dykes. Barina Trend is the extension to the southeast from Barina. An eleven-hole air core program is being considered for the area.

Exploration in 2018 consisted of drilling (22 holes/ 2394m) and a geological review which included contouring of bottom of hole and maximum down hole Cu, Au and porphyry pathfinder elements, and depth of cover analysis and 3D assessment of target areas;

Work completed included lithogeochemical analysis which identified possible Wombin Volcanics which are the host rocks for the giant Northparkes Copper gold mine.



Myall Aeromagnetic RTP Image (mosaic of high-resolution survey over regional survey) showing key prospects.

Exploration Potential

EL6913 Myall covers the Narromine Igneous Complex and Gold Fields explored for large copper-gold porphyry systems with a strong reliance on recognition of these systems through multi-element geochemistry, alteration logging, spectral analysis (ASD), high resolution magnetics and gravity data, as well as an extensive grid of 500m

by 500m and 250m by 250m aircore drilling with follow up diamond drilling. The exploration strategy focussed on targeting systems beneath the post mineral cover.

Although some of the tenement has 250m by 250m air-core coverage a large portion of EL6913 Myall has only been drilled at approximately 1000m by 1000m or 500 by 500m aircore drill hole spacing. The current strategy is to better define the porphyry centres based on strategic geological features and combine that information with the multi-element geochemistry. Selective aircore infill drilling to 125m by 125m would then be completed.

Previous exploration has focused on large copper-gold porphyry systems with a strong reliance on recognition of these systems through alteration logging, spectral analysis (ASD) and diamond drilling. Exploration work will continue to focus on regolith interpretation and geochemical understanding of the area to build on the comprehensive work already completed. Regolith dispersion of ore-related elements beneath cover (40m to plus 150m) is difficult to interpret and further in-fill air-core drilling is required to better delineate diamond drilling targets. Features of the project area include:

- One of the largest volcano-intrusive complexes in the East Lachlan with med-high K calc-alkaline island arc volcanics and multiphase intrusive centres. Underexplored due to post-mineral cover 50+ deep.
- Multi-disciplinary datasets including high resolution 50m line spaced aeromagnetics and 500m x 500m gravity data in-filled to 250m x 250m.
- Systematic full-field air-core at 500m x 500m spacing with infill down to 250m x 250m has identified large alteration systems with associated anomalous geochemistry Air Core drilling 55 hole for 19671m and Diamond drilling 1 holes for 376.9m.
- *Kingswood prospect*: vein and hydrothermal breccia style porphyry system. *Kingswood North prospect*: porphyry style quartz sulphide vein system in hydrothermally altered 'reddened' feldspar porphyry. Significant intercepts are shown in the following table.
- *Barina prospect*: alkalic carbonate base metal epithermal Au-Ba-Te signature telescoped on reddened potassic altered feldspar porphyry dykes. Significant intercepts are shown in the following table. *Gemini prospect*: quartz carbonate base metal gold system with significant gold intercepts over 2km strike overlying an underexplored porphyry system.

Details of all drill locations, intercepts and other details are included in the Magmatic Resources Prospectus that included the Independent Geologist's Report on Mineral Projects In Central New South Wales, 24 March 2017 and available as an ASX Release 'Prospectus, dated 17 May 2017,

JUNEE NARROMINE VOLCANIC BELT

Regional Setting and Mineralisation

The Northparkes group of porphyry copper-gold deposits including Northparkes/Goonumbla, Endeavour, E26, E22, E27, E48 is located 125 km WNW of the Cadia-Ridgeway deposits and ~30 km NNW of the city of Parkes in the Bogan Gate Synclinal Zone of the Lachlan Fold Belt in central New South Wales

Like the Cadia-Ridgeway deposits, the Northparkes cluster is associated with a late Ordovician shoshonitic volcano-intrusive centre - the Goonumbla Igneous Complex. The Northparkes porphyry intrusives are very similar to that at Ridgeway, with the main difference being the relative importance of gold and copper.

The Goonumbla Igneous Complex is part of the Ordovician to Early Silurian Junee-Narromine Volcanic Belt, a remnant of the Macquarie Volcanic Arc. The complex is divided into two parts, both products of the third pulse of arc volcanism.

The Goonumbla Volcanics, are 2500 to 4000m thick and comprise a Middle to Late Ordovician sequence of coherent basaltic andesitic to trachyandesitic volcanic rocks, including lavas and shallow sills with peperitic margins, volcaniclastic rocks of similar composition, and minor intercalated limestones.

The Wombin Volcanics are 700 to 1000m thick and of Late Ordovician age, are typically dark red hematite-dusted glassy lavas, ignimbrites, polymictic volcanic breccias and other volcanic sediments, with less abundant porphyritic trachyandesitic and flow banded trachytic lavas.

Mineralisation occurs as disseminated and quartz vein stockworks, both within the intrusives and the surrounding wall rocks. The strongest grades are associated with quartz vein stockworks developed within the central potassic alteration zone, decreasing outwards as the vein and fracture density decreases. The mineralisation in individual deposits is controlled by the size of the intrusive and the intensity of alteration. In general, each deposit has a high grade bornite (and lesser chalcocite) core which passes outwards into a chalcopyrite dominant zone to an outer patchy pyritic (up to 3%) halo.

Intense mineral destructive alteration is generally absent, with the potassic core being present as pink-red K-spar fractures and vein selvages. In zones of intense fracturing and veining these selvages merge. Weak pervasive biotite is also developed in the potassic core. The potassic core, greatest vein density and highest grade are centred on the intrusive pipes. Widespread pervasive, often intense, quartz-sericite-pyrite alteration is semi-regional related to major structures, and not individual deposits, with a regional propylitic phase. Copper:gold ratios are variable across the field, ranging from 1:1 (Cu%:Au g/t) to others where gold is much less abundant.

The Parkes Prospect

The Parkes Project includes two Exploration Licences, EL7676 and EL7424 and covers 159.4km². The Project is located north west of Parkes, NSW. It is bordered to the south by the exploration exclusion zone surrounding the Parkes Observatory and to the east

by the Goobang National Park. The terrain is mostly flat to undulating with access via sealed and unsealed roads. The land use is mainly cropping with minor grazing.

Geological Setting

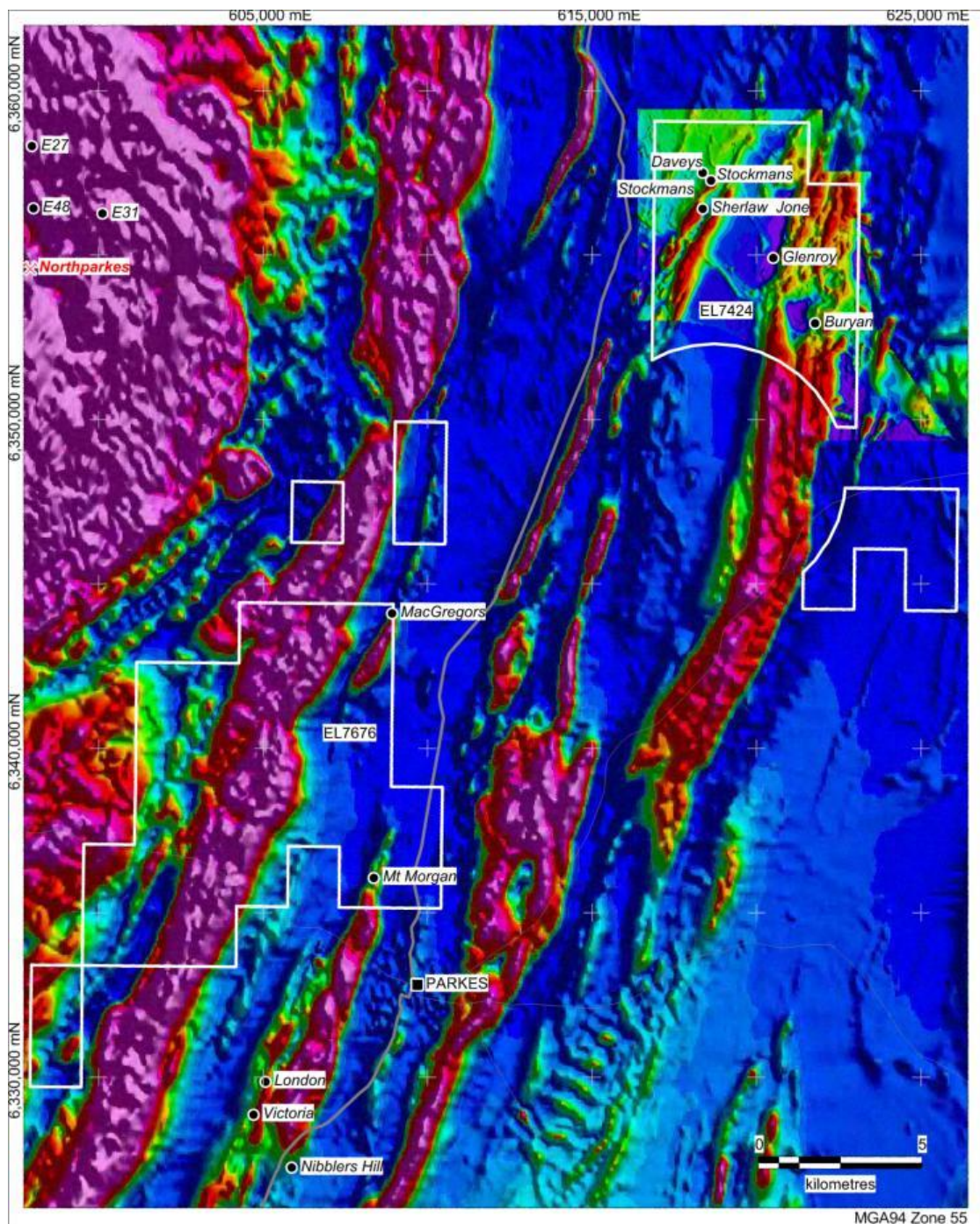
The Parkes Project is within the Junee Narromine Volcanic Belt in Central Western NSW. The Junee-Narromine Belt is predominantly covered by transported Quaternary and Cainozoic cover. The surface geology in the vicinity of the project consists of a veneer of colluvial sheet wash and scree slopes, with scattered occurrences of Middle Ordovician Goonumbla Volcanics on the faulted eastern limb of the N-S striking Forbes Anticline. Andesitic lavas and breccias with volcanoclastic sandstone and conglomerate characterise the unit. In the project area, the Goonumbla Volcanics sit along the western side of the interpreted Parkes Thrust Zone and are therefore commonly altered and sheared.

The Goonumbla Volcanic group is a series of folded trachyandesitic volcanics and volcanoclastic sediments interpreted to have formed in a shallow marine environment of a shoshonitic Ordovician magmatic arc that extends from Temora in the South to beneath Great Australian Basin cover rocks to the north. The shoshonitic trend of rocks that dominates the Parkes zone to the west of the Project area is known to host the Northparkes porphyry copper - gold deposits as well as the Lake Cowal Gold Mine, and the Peak Hill and Gidgingbung epithermal deposits.

Exploration License EL7424 overlies a portion of the Ordovician Goobang Volcanics. The Goobang Volcanics are a formation within the Goonumbla Volcanic Group and consist of intermediate-mafic volcanics, intrusives and sediments, truncated on both margins and possibly reverse faulted. The project area lies within the Mt Foster- Tumut zone, between the Parkes Thrust to the west, and the Coolac-Narromine Suture in the east, which runs through the western part of EL7424, and corresponds with the southern portion of the Forbes- Parkes-Peak Hill-Tomingley gold belt.

The surface geology in the vicinity of EL7676 consists of outcrop and areas of recent and older age alluvial and colluvial sheet wash plains of variable thickness. In the southern block of the tenement the basement geology crops out as scattered occurrences of Middle Ordovician Goonumbla Volcanics on the faulted western limb of the N-S striking Forbes Anticline. Andesitic lavas and breccias with volcanoclastic sandstone and conglomerate characterise the Goonumbla Volcanics. The Goonumbla Volcanics are host to the large Northparkes porphyry Cu-Au deposits, located to the north-east of the tenement. The northern block of the tenement is comprised dominantly of undifferentiated Silurian and Devonian sediments of the Tullamore Trough.

The eastern extent of the northern block consists of interpreted monzonitic intrusions of the Ordovician Northparkes Volcanic Group. The intrusions are pyroxene-quartz monzonites to monzodiorites, some associated with sulphide mineralisation. They have a K calc-alkaline to shoshonitic affinities, similar to the surrounding volcanic rocks and alteration products including clay, sericite, epidote and chlorite have been observed.



Parkes Aeromagnetic RTP Image (mosaic of high-resolution survey over regional survey) showing key prospects.

Previous Exploration

EL7424: Alkane Resources Ltd mapped, soil sampled, rock chipped and drilled four percussion holes at the workings in the Stockmans area in 1980. The workings consisted of small-scale diggings dating back to early 1900s and include: Monte Carlo Mine, Stockmans Reef, Sherlaw and Jones, and Davey's Diggings. Alkane analysed newly compiled aeromagnetic data and drilled three auger holes at Glenroy, however, the locations of those holes is not known. In 1985, Gold Fields Exploration completed rock chip sampling and drilling at Glenroy. Although they mapped the single small working at Glenroy, they do not appear to have drilled or sampled them.

Geopeko completed mapping, rock chip sampling, RAB (142 holes, 5269.7m) and percussion (1 hole, 181m) drilling at Glenroy in 1990. Elevated gold values were recovered from the rock chip sampling was from a schist sample at the Glenroy working. Geopeko considered the outcropping alteration at Glenroy to be similar to the Peak Hill mine. It completed RAB drilling on 200m and 400m line spacing with holes 50 to 100m apart and one percussion hole. Results were considered disappointing. The percussion hole tested the zone of most intense silicification and quartz-pyrophyllite-pyrite alteration.

Compass Resources completed mapping and RC drilling (16 holes, 976m) in the Stockmans area in 1995 and identified the Buryan area as a porphyry system through an AC and DDH program. It drilled 103 AC holes for 5507m and 2 DDH holes for 435m at Buryan, Glenroy South and Mountain View and then joint ventured the project to Newcrest. The reason for drilling at Buryan was to investigate the aeromagnetic low, which had similarities to Northparkes. Newcrest was interested in the porphyry style mineralisation identified by Compass at Buryan and completed AC, RC and pre-collared DDH holes. It also completed one RC hole at Glenroy.

EL7676: Sipa Resources held an extensive tenement portfolio stretching from Peak Hill in the north to Forbes in the south. It completed regional geochemical programs and drilling, which included two RC programs at MacGregors. Total drilling was 43 holes for 2232m. All the other prospects were not on EL7676 Parkes East.

BHP Gold Mines Pty Ltd (BHP Gold) were active in the area during mining at its Victoria London operations in 1990 (not on EL7676). Exploration activities covered areas that included Mt Morgan and Nibblers Hill. Newcrest took over the operation in the early 1990s and mining ceased in September 1990 after production of about 3Mt at 1.5 g/t Au (about 150k ounces of gold). During the BHP Gold – Newcrest period old workings were tested and the data is recorded in the annual reports. BHP Gold completed BLEG and percussion drilling over a regional area covering the workings in the Mt Morgan and Nibblers Hill area of EL7676.

In 2018, Magmatic completed diamond drilling at the Buryan porphyry Copper Gold target during the quarter and results of this drilling were released in the March quarter (ASX: 29/01/2019). Further diamond drilling has been designed and drilling is planned to start as soon as possible.

The Company has previously identified 3 new Gold and 9 new Copper Gold targets through a combination of aeromagnetic surveying and field verification of areas interpreted to have shallow cover (less than 5- 10m) and no previous drilling. Drilling was completed at Target 3 (Kaoru)

Exploration Potential

Drilling in 2011 targeted the Glenroy, Buryan and Mertondale prospects on EL7424 although initial results were disappointing. Further work is warranted at Glenroy and Stockdale as well as a geological review of the entire area. Buryan is a significant porphyry target and new approaches to evaluation of this prospect are warranted.

Three key areas within EL7676 were identified as MacGregors, Brolgan and Mt Morgan. The MacGregors south auger anomaly warrants RC drill testing and Brolgan has a Zn-Cu-Sb-Tl-Cs-Cd anomaly that requires further work. The results from drilling at Mt Morgan indicate that auger and RC drilling may be warranted.

Previous exploration has targeted large copper-gold porphyry systems with a strong reliance on recognition of these systems through alteration logging, spectral analysis (ASD), geochemical and geophysical interpretation and drilling. Epithermal and orogenic style gold with a style similar to Alkane's historical Peak Hill mine (epithermal Au-Ag-Cu), and Tomingley/Wyoming orogenic Au deposit have also been targeted. Features of the project area include:

- Ordovician Goonumbla and Nelungaloo volcano-intrusive centres and Junee-Narromine Volcanic Belt.
- Tenement wide aeromagnetic and radiometric data-sets acquired and imaged. Prospect scale high resolution ground magnetic, gravity and IP data-sets acquired with undrilled geophysical anomalies. Prospect scale soil, rock chip air-core and auger drilling (342 holes for 11,974m) data sets acquired with comprehensive EOH multi-element geochemistry with undrilled Au/Cu and pathfinder geochemical anomalies.
- Air Core drilling 31 holes for 1608m, RC drilling 5 holes for 450m and Diamond drilling 1 hole for 216.7m completed confirming hydrothermal systems with anomalous Au or Cu-Au at several prospects.
- *MacGregors orogenic gold prospect*: two holes completed by Gold Fields Australasia intersected quartz-pyrite-arsenopyrite veining. Significant intercepts are shown in the following table.
- *Glenroy HS epithermal Au prospect*: RC drilled quartz-muscovite-paragonite-pyrite alteration zone analogous to nearby Peak Hill HS epithermal Au deposit with untested geophysical (IP, gravity and magnetics) anomaly to the north.
- *Buryan porphyry Cu-Au prospect*: RC drilled porphyry style quartz-pyrite-chalcopyrite veins in andesitic volcanoclastic rocks and diorite. *Buryan IS epithermal Au-Pb-Zn prospect*: RC/DD drilled quartz-carbonate-sulphide (py- sph-ga-cpy) veins and matrix infill in phyllic and propylitic altered polymictic breccias.

Details of all drill locations, intercepts and other details are included in the Magmatic Resources Prospectus that included the Independent Geologist's Report on Mineral Projects In Central New South Wales, 24 March 2017 and available as an ASX Release 'Prospectus, dated 17 May 2017,

THE MOLONG VOLCANIC RISE

Regional Setting and Mineralisation

The Cadia and Ridgeway porphyry gold-copper deposits are located 20 km south of Orange in the central tablelands of New South Wales. Cadia Hill and related adjacent resources are low grade, bulk mining, porphyry style Au-Cu deposits while Ridgeway, 3 km to the north-west of the Cadia Hill open pit and 500 m below surface, comprises quartz veins, sheeted and stockwork quartz and quartz-sulphide veins and disseminated mineralisation with higher grade gold and associated copper mineralisation.

The Cadia district falls within the Molong Volcanic Belt in the eastern part of the Lachlan Orogen. The Cadia-Ridgeway cluster of deposits is principally associated with a 3 x 1.5 km late Ordovician composite quartz-monzonite to dioritic porphyry stock and its probable co-magmatic volcanic wall rocks and intercalated volcanoclastics that together form part of an Ordovician volcano-intrusive Cadia Intrusive Complex. The intrusive complex is represented as the stock at Cadia Hill and Cadia Quarry, a narrow-restricted pipe-like intrusion at Ridgeway and as a series of dykes at Cadia East. Overall the stock has an alkaline composition, with mineralisation and alteration being associated with porphyritic quartz-monzonite phases that are altered over an area of 5.5 x 3 km and to a depth of up to 1.6 km, defining a NW trending corridor that encloses the known deposits.

Mineralisation at Cadia Hill is present as chalcopyrite, native gold, lesser pyrite and bornite, which are disseminated within and immediately adjacent to the quartz-carbonate veins of a low density sheeted vein array. This array forms a broadly tabular envelope that is approximately 300 m wide, dips SW at around 60° and strikes NW. The sheeted vein envelope persists over a length of some 900 m and to a depth of at least 800 m beneath the surface, although grades decrease below 600 m. Within the envelope, veins range from a millimetre to 10 centimetres in width with densities from 2 to 10 per metre, but locally in the core of the deposit may exceed 15 per metre.

Ridgeway is a high-grade gold-copper porphyry deposit. It is the deepest formed and highest grade of the four main deposits within the Cadia-Ridgeway mineralised corridor. The deposit is an upright, bulbous body of stockwork quartz veining and alteration zoned around a 50 to 100m diameter, vertically attenuated, alkalic intrusive plug of porphyritic Cadia Hill Monzonite, which is of monzodioritic to quartz monzonitic composition. Mineralisation and alteration are hosted both by the intrusive and by the surrounding volcanic rocks of the Forest Reefs Volcanics, at and just above, the contact with the underlying Weemalla Formation. The dominant volcanic host occurs as massive bands that are >50 m thick of intercalated volcanic lithic conglomerates to breccias, and bedded volcanic sandstone.

The Wellington North Project

The Wellington North Project includes three Exploration Licences, EL7440, EL6178 and EL8357 and covers 176.7 km². The project is 5km north of Wellington in central west NSW. The Company is exploring the region for epithermal gold and copper-gold deposits similar to Cadia. Access to the project is along the Dunedoo Road or the

Mitchell Highway north of Wellington, and then sealed and unsealed roads. The land is gently rolling and consists of grazing and cultivated land.

Geological Setting

The Project area is situated in the Ordovician Macquarie Arc within the East Lachlan Fold Belt. The Ordovician stratigraphy of the Molong Volcanic Rise is locally referred to as the Oakdale Formation, which plunges beneath Napperby Formation of the Gunnedah Basin at the northern end of the tenements.

The Oakdale Formation consists of latitic to basaltic volcanics and volcanoclastics, which have been intruded by dioritic to quartz-monzonitic bodies. To the east is the Silurian Gleneski Formation, which is comprised of rhyolitic to latitic lava, intrusives, tuff and volcanoclastic sandstone. To the west is the Devonian Garra Formation with well bedded, fossiliferous limestone, calcareous sandstone, siltstone, shale and minor tuffaceous sandstone. The Mesozoic Napperby Formation that overlies the Gleneski and Oakdale Formations at the northern end of the project area is characterised by quartz-lithic sandstones and rare conglomerates. Magnetic Tertiary basalts form both plugs and flows, which occur locally as topographic highs. Transported cover overlying the Ordovician Oakdale Formation varies in thickness from non-existent where the Oakdale Formation is outcropping in the south, to greater than 100m thick in the north-east of the tenement package.

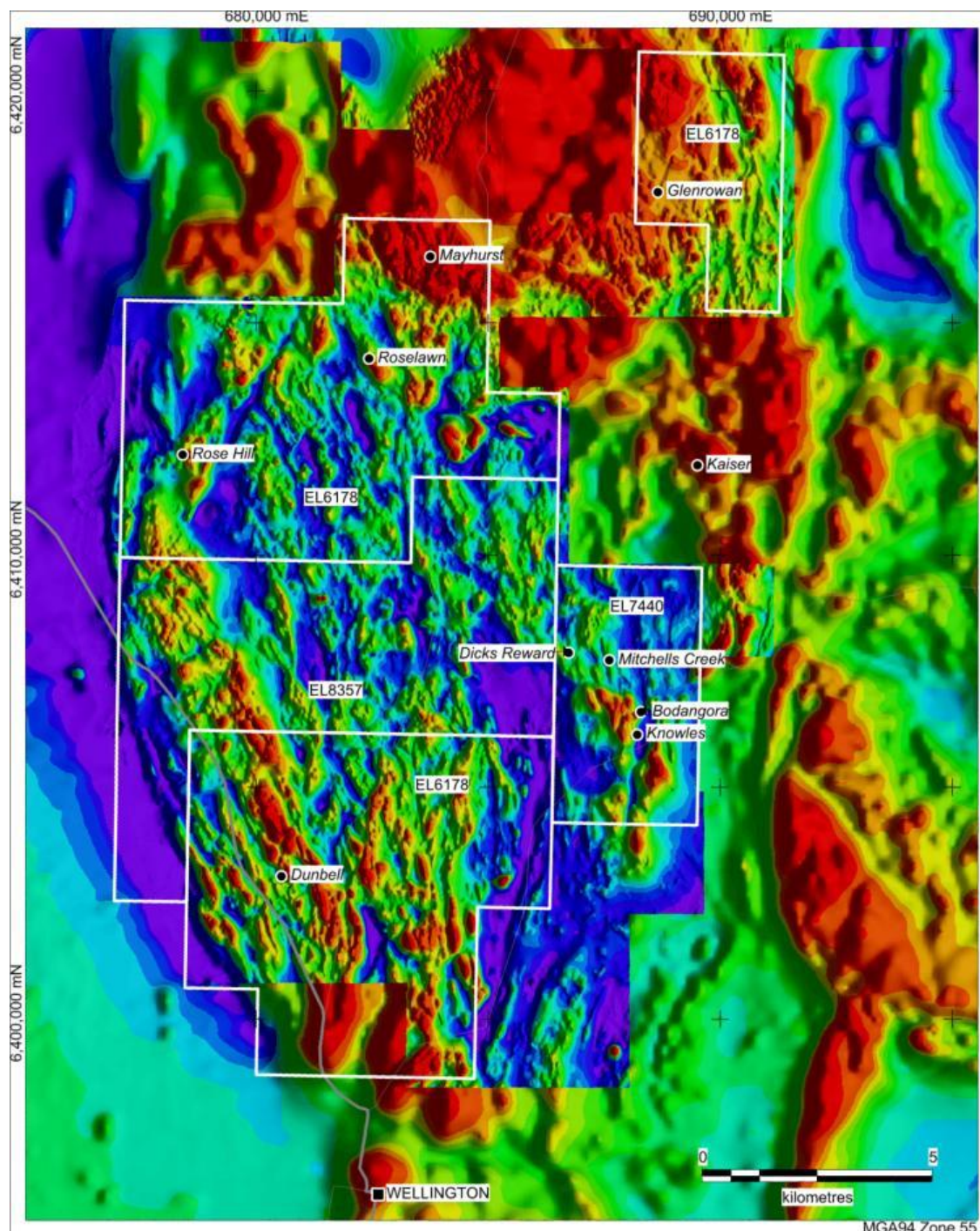
The deformation history within the Wellington North Project is considered to be complex. The Ordovician Oakdale Formation is structurally bound by the arc parallel, east dipping Nindethana Fault in the east; and the north-east dipping Macquarie Fault to the west. The north-west trending transfer structures that are evident in the Wellington area may form part of a 2nd order, Lachlan Transfer Zone - parallel structural corridor. A number of magnetite destructive north-north-east striking faults are evident in the northern portion of the project area, and have been interpreted as wrench faults, with 2nd order north-north-west extensional faults forming a broad “horse-tail”-style accommodation zone.

Mineralisation observed within and immediately surrounding the Project is varied, with both gold and copper mined at various scales. The most significant production was obtained from the Mitchell’s Creek (Bodangora) mine which is considered an orogenic-style Au deposit. A number of alluvial gold workings were operated around the 1900’s with the interpretation that most of Au had shed from the Mitchell’s Creek lode. A number of shallow Cu and Au mines were worked from the early 1900’s to the late 1930’s with source of ore either primary sulphide veins or secondary malachite ± azurite. The Kaiser mine which lies between EL6178 and EL7440 has been identified as and alkalic Au-Cu porphyry prospect.

Previous Gold Production

Both the Mitchell Creek and Dicks Reward (EL7440) mines are near the small village of Bodangora. Mineralisation was reported as 0.2-1.2m wide quartz veins with pyrite ± galena ± chalcopyrite association. Production estimated by Alkane was 270,000t at 26g/t gold (230koz Au), mostly between 1890 and 1917. Cluff and Alkane completed

modern work including drilling. Alkane partially relinquished the area in 2008 and Gold Fields applied for the authority.



Wellington Aeromagnetic RTP Image (mosaic of high-resolution surveys over

Although these deposits are characterised by high grades, the modern drilling completed appears to have closed off the strike and depth extensions of these deposits. However, the production of 230koz Au is considered significant and further mineralisation may be present in areas under cover and identified by combining the structural framework with geological modelling and interpretation.

The Knowles deposit is located south of the Mitchell Creek mine, and it is speculated that this may be an offset of the Mitchell Creek lode. There is minor production from

this lode. Other minor reefs in the Bodangora area also include Dunne's Reef, Nameless Reef, Trig Reef and X-Reef. Cluff focused drilling at Dicks Reward. True width was not reported. Cluff used mostly diamond drilling and selectively sampled the veins. Alkane used RC drilling and carefully logged veins and appeared to have identified the target horizons, however, the use of RC would have reduced grade of narrow veins during sampling. It is possible that the vein is actually much narrower and higher grade.

Although there is significant production from the Bodangora mines area it appears to have been sourced from narrow (0.1-0.3m) veins with grades of around 20-30 g/t Au. Both Cluff and Alkane tested for extensions without success.

Previous Exploration

CRA identified two magnetic features, which they followed up with surface geochemistry. Sampling programs are reported as a bulk sample or bulk soil using a hand-held power auger. CRA completed a soil sampling program (38 samples) and ground magnetics (3.05 line km) over anomaly GEUR007. CRA completed a soil sampling program (149 samples), rock chip sampling (3 samples) and ground magnetics (1.5 line km) over anomaly GEUR012.

Aircore drilling by Newcrest was completed at 500m spacing over large area of cover within the Bodangora Creek valley. Elevated gold values were encountered associated with intrusive rocks. This result lay coincident with CRA aeromagnetic feature GEUR007 however no further work was completed by Newcrest.

Clancy held the ground as part of EL6178. A prospect review was completed on the CRA anomaly GEUR007, which Clancy referred to as Yarran Grove. Gold Fields Australasia (Gold Fields) entered into a joint venture agreement with the licence holder over Clancy's Wellington North project. In 2010 Gold Fields completed regional geophysical surveys that included the project area. The regional aeromagnetic and radiometric survey had a line spacing of 50m and a flight height of 40m. A gravity survey was completed by taking gravity readings at 500m spacing along public roads. The pre-existing detailed gravity surveys were merged with this data to produce a gravity map.

Gold Fields completed 8 auger holes at the Rose Lawn prospect in 2012. Gold Fields identified four targets (C1-C4), but had to relinquish the project due to corporate restructuring. The area was subsequently pegged by Modeling Resources as EL8357.

C1 is an alkalic copper-gold porphyry target in the west of the project comprising a series of sub-circular magnetic lows thought to be caused by magnetite destructive hydrothermal alteration and a magnetic high thought to be related to magnetite hydrothermal alteration. The target lies along an ENE fault zone with minor internal NW fractures. Rock chips comprise altered volcanoclastic rocks hosting malachite-azurite fractures and quartz-epidote breccia veins with malachite-chalcopryrite- bornite infill. Rock chip sample N354R-072 returned anomalous copper and gold.

C2 is an alkalic copper-gold porphyry target. It is characterised by an indistinct non-stratigraphic sub-circular magnetic high (500m x 500m) and a semi-coincident

potassium radiometric anomaly. The target is located at the junction of a north trending extensional sector and WNW fault zone. Anomalous gold and copper values were detected in air-core drilling with peripheral As-Zn anomalism. C2 is equivalent to CRA's GEUR007 and Clancy's Yarran Grove target.

C3 is an alkalic copper-gold porphyry target and is located on the northern boundary of the project at the intersection between two major NE and NW structures. Anomalous gold and copper in surface rock chip samples are associated with magnetic lows peripheral to a north trending linear magnetic high. High-grade copper values have been returned in rock-chips of altered andesite.

C4 is an orogenic gold style quartz-sulphide vein target and is located in the NE corner of the project and is interpreted as the NW extensions of the Bodangora orogenic quartz-sulphide vein system under shallow transported cover. The Bodangora gold mine is located immediately east of the project.

Exploration in 2018 included soil sampling at the Rose Hill prospect, rock chip sampling, geophysical review and re-processing and auto-cluster analysis of gravity, magnetic and IP data. A review of the exploration data along with indications of good results on adjoining tenements has produced a number of viable conceptual targets. There remains untested potential for a Cadia like mineral endowment within EL6178.

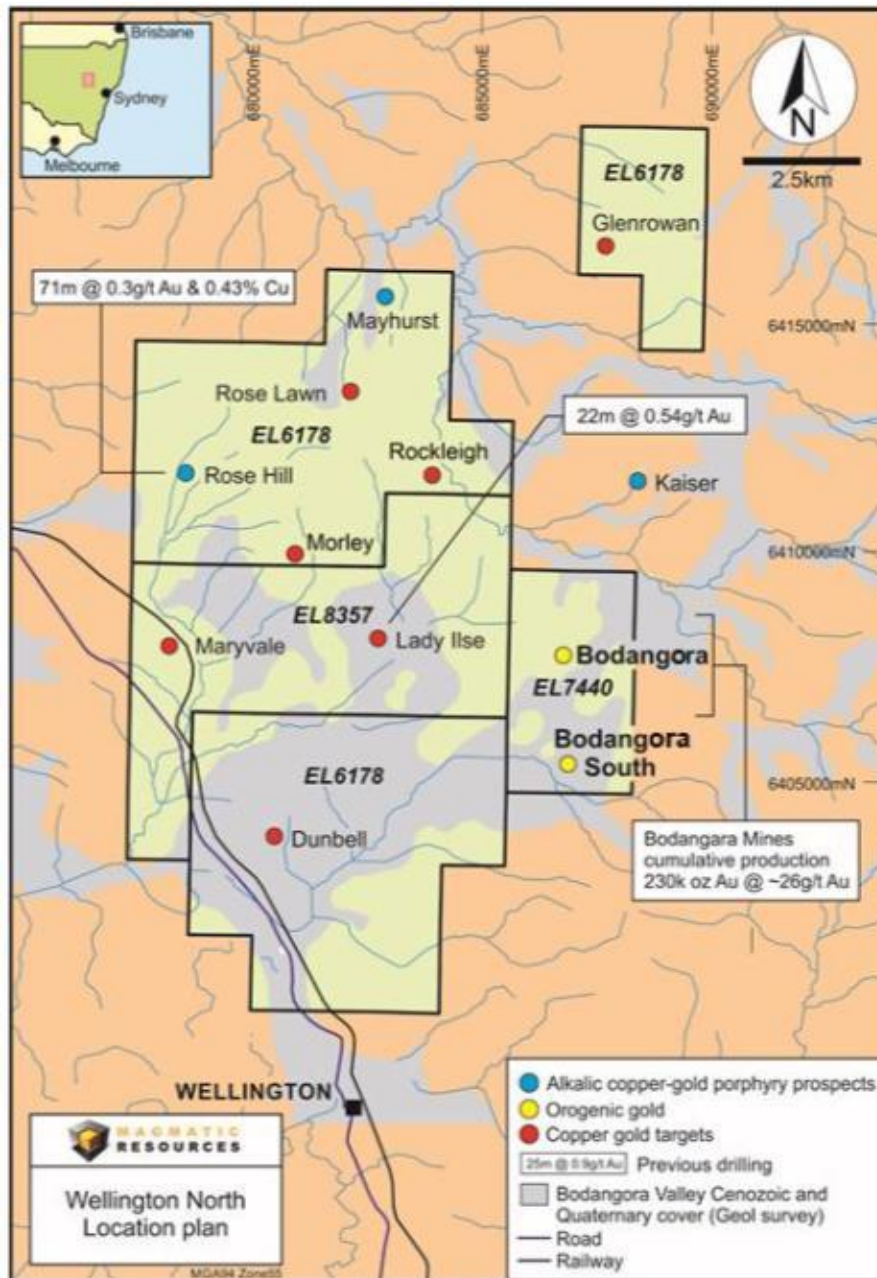
Exploration Potential

Exploration is aimed towards the discovery of high-grade, gold-rich porphyry copper systems, such as those found in the Cadia and Northparkes districts. The East Lachlan Fold Belt is considered to be under explored, with a number of world-class discoveries being made in the past 20 years. The prospectivity of the Wellington North area for porphyry copper-gold style mineralisation is recognised by the presence of porphyry related alteration and mineralisation identified in both outcrop and drilling and the Kaiser alkalic copper-gold porphyry prospect adjacent to the property.

Numerous geophysical and geochemical anomalies considered prospective for porphyry Cu-Au deposits remain untested and are ready for RC and diamond drill testing. Features of the project area include:

- Large volcanic–intrusive centre on Ordovician Molong Rise with crustal-scale arc-parallel and cross-arc structures. High K to shoshonitic volcanics with high K to alkalic intrusions with outcropping mineralisation.
- Tenement wide aeromagnetic, radiometric and gravity data-sets. Prospect scale high resolution ground magnetic, gravity and IP (3DIP, gradient array and pole-dipole) data-sets with undrilled geophysical anomalies.
- Rock chip sampling and auger drilling (1,246 holes for 6,193m) – comprehensive end-of-hole multi-element geochemistry and ASD mineralogy data-sets with undrilled Cu-Au and pathfinder geochemical anomalies.
- RC drilling 10 holes for 1635m and Diamond drilling 2 holes for 807.3m. testing multi- disciplinary anomalies and confirming hydrothermal systems with anomalous Cu-Au at Mayhurst and Rose Hill prospects.

- *Mayhurst prospect*: high K calc-alkaline volcano-intrusive complex (Comobella Intrusive Complex). Rock chips with pyrite- chalcopyrite-magnetite and ‘red-rock’ (hematite-feldspar-sulphide) alteration at surface. At least three porphyry systems have been drilled.
- *Rose Hill prospect*: Pyrite-chalcopyrite-bornite-malachite-native Cu in calc-potassic and calc-sodic altered diorite.



Wellington North Project

Details of all drill locations, intercepts and other details are included in the Magmatic Resources Prospectus that included the Independent Geologist's Report on Mineral Projects In Central New South Wales, 24 March 2017 and available as an ASX Release 'Prospectus, dated 17 May 2017,

PROPOSED EXPLORATION

Moorefield Project

Exploration Methodology, Strategy & Comments

- RC drilling across lode structures at Carlisle Reefs
- Systematic auger geochemical & geological drilling along the magnetic high anomaly.
- First pass evaluation of >4km long, NW-SE striking, magnetic high anomaly for VAMS Cu-Au systems.
- Specifically targeting magnetic highs, magnetic gradients & structural ‘breaks’ associated with an exhalative horizon.
- Suggested 200m spaced SW-NE orientated auger lines with 20m spaced holes.
- Aim of the program is to delineate a Cu-Au geochemical anomalism for infill auger drilling & later RC drill testing.
- Initial RC drill testing under the historic prospecting pit associated with the malachite stained exhalative horizon & anomalous Au-Cu in rock chip results.
- Initial shallow RC drill test (<150m deep holes) resultant geochemical / geology targets generated from the auger drill program.
- Consider geophysics (e.g. IP, magnetics, EM or gravity) to refine targets before deeper RC drill testing – ‘blind’ Cu-Au VAMS deposits can have compelling geophysical anomalies.

Myall Project

Exploration Methodology, Strategy & Comments

- Lake Cowal, Marsden and Northparkes were discovered with Air Core Drilling.
- Complete infill & extensional AC drilling around broad spaced low level Cu-Au & Au-Zn geochemical anomalies with supporting geology (alteration/mineralisation & host rocks).
- Barina to SLR to Gemini trends - Low to intermediate sulphidation, alkalic, epithermal, carbonate base metal Au-Ag targets defined. Latest research from Lake Cowal Au Mine defines a clear exploration rationale to be applied to Barina.
- Exploit current low AC drill rates ~(\$20/m).
- The aim is to define robust multi-point, geochemical anomalies with distinct higher grade centres for targeted diamond drill testing. Staged, disciplined, efficient.
- Diamond drill test resultant AC geochemical anomalies – success measured by economic porphyry Cu-Au or epithermal Au-Zn drill intersections.

- Follow up Kingswood breccia hosted Cu-Au-Mo drill intersections, with a deep diamond hole to test for a porphyry Cu-Au stockwork vein zone at depth.
- Myall is ~80kms by road to the Northparkes Mine and 50km by road to the Tomingley Gold Mine (Alkane Resources).

Parkes Project

- All required geophysical surveys have been completed.
- RC Drill programs at Buryan Porphyry and infill RC at Epithermal targets to establish orientation and continuity.
- Complete previously designed shallow RC drill program at Glenroy including one deeper hole testing deeper porphyry potential.
- FpXRF and conventional soil programs with Auger drilling at the Stockmans / Sherlaw & Jones targets to define strike extensions away from the main ridge line.
- Shallow RC (~100m) infill and extensional drilling near the S2 hole for shallow oxide and high grade primary mill feed to Tomingley.

Wellington Project

- RC & auger drill programs at the Rose Hill alkalic porphyry Cu-Au-Mo prospect & associated regional corridor (EL6178 Duke).
- RC drill programs at the Mayhurst West & East alkalic porphyry Cu-Au-Mo prospects (EL6178 Duke).
- Auger drill program at the historic Rose Lawn Cu-Au mine; a conceptual alkalic porphyry Cu-Au target (EL6178 Duke).
- AC drill program at the Yarindery shear zone; a conceptual epithermal to mesothermal Au target (EL6178 Duke).
- Auger & air-core drill programs at the Bodangora gold field testing under shallow regolith cover adjacent to exposed high grade veins, for a concealed epithermal to mesothermal Au deposit (EL7440 Bodangora).
- Air core drill programs at the GUER007 & Maryvale Cu-Au targets (EL8357 Combo).
- Geological mapping & surface geochemistry at regional prospects (EL6178 Duke, EL7440 Bodangora & EL8357 Combo).

The exploration program will be subject to modification on an ongoing basis depending on the results obtained from exploration activities as they progress.

It is considered that the Company has a reasonable proposed exploration program consistent with its stated objectives and that this program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of an economic mineral deposit on the properties.

TENURE, DECLARATIONS, RISK and INDEPENDENCE

Tenement Schedule

The present status of the tenements is based on information made available by Magmatic and independently verified by Agricola. The Report has been prepared on the assumption that the tenements are lawfully accessible for evaluation.

A determination of the Status of Tenure is necessary and must be based on a sufficiently recent inquiry to ensure that the information is accurate for the purposes of the Report. Tenure that is Material must be or recently have been verified independently of the Commissioning Entity. (*Adapted from VALMIN Code 2015, Clause 7.2*)

| Tenement | Holder | Area, SB | Area km2 | Grant Date | Expiry Date | Status |
|--------------------------------------|--------|----------|----------|------------|-------------|--------|
| Moorfield Project, NSW | | | | | | |
| EL 7675 | MODR | 100 | 300.00 | 11/1/11 | 11/1/21 | LIVE |
| EL 8669 | MODR | 67 | 201.00 | 30/10/17 | 30/10/22 | LIVE |
| Myall Project, NSW | | | | | | |
| EL 6913 | MODR | 84 | 252.00 | 18/10/07 | 18/10/20 | LIVE |
| Parkes Project, NSW | | | | | | |
| EL 7424 | MODR | 22 | 66.00 | 30/11/09 | 30/11/20 | LIVE |
| EL 7676 | MODR | 33 | 99.00 | 11/1/11 | 11/1/21 | LIVE |
| Wellington North Project, NSW | | | | | | |
| EL 6178 | MODR | 39 | 117.00 | 19/1/04 | 18/1/21 | LIVE |
| EL 7440 | MODR | 6 | 18.00 | 8/1/10 | 8/1/21 | LIVE |
| EL 8357 | MODR | 16 | 48.00 | 8/4/15 | 8/4/21 | LIVE |

MODR MODELING RESOURCES PTY LTD

The Company's Tenement Schedule

The status of the tenements has been verified based on a recent independent inquiry of the Department of Planning and Environment, NSW On Line database (source: <http://nswtitles.minerals.nsw.gov.au/nswtitles/>) by Agricola, pursuant to section 7.2 of the Valmin Code, 2015. The tenements are believed to be in good standing based on this inquiry. Expenditure commitments have been expended in full and rent payments are up to date. Agricola is not aware of any outstanding matters that may affect the conduct of exploration on the tenements in a timely manner.

Risks for Exploration Companies

Agricola has identified a range of risk elements or risk factors, which may affect the exploration outcomes of Magmatic's Projects. Some of the risk factors are completely external, which is beyond the control of management. However, advance planning can mitigate the project specific risks.

Risks inherent in exploration and mining include, among other things, successful exploration and identification of mineral Resources; satisfactory performance of

mining operations if a mineable deposit is discovered and competent management.

Security of Tenure

Exploration and mining companies are subject to the regulatory environments in which they operate and exploration and mining companies throughout the world are subject to the inherent risks of the minerals industry.

- Risks are associated with obtaining the grant of any or all of the mining tenements or permits which are applications, or renewal of tenements upon expiry of their current term, including the grant of subsequent titles where applied for over the same ground;
- The grant or refusal of tenements is subject to ministerial discretion and there is no certainty that the tenements applied for will be granted;
- Applications are also subject to additional processes and requirements under the Native Title Act in Australia. The right to negotiate process under Native Title matters can result in significant delays to the implementation of any project or stall it. Negotiated native title agreements may adversely impact on the economics of projects depending on the nature of any commercial terms agreed;

Land Access

- Risks arising because of the rights of indigenous groups in domestic and overseas jurisdictions which may affect the ability to gain access to prospective exploration areas and to obtain exploration titles and access, and to obtain production titles for mining if exploration is successful. If negotiations for such access are successful, compensation may be necessary in settling indigenous title claims lodged over any of the tenements held or acquired by Magmatic. The level of impact of these matters will depend, in part, on the location and status of the tenements;
- The risks associated with being able to negotiate access to land, including by conducting heritage and environmental surveys, to allow for prospecting, exploration and mining, is time and capital consuming and may be over budget and is not guaranteed of success;

Government Policy and Environment

- The risk of material adverse changes in the government policies or legislation of the host country affect the level and practicality of mining and exploration activities;
- Environmental management issues with which the holder may be required to comply from time to time. There are very substantive legislative and regulatory regimes with which the holder needs to comply for land access, exploration and mining that can lead to significant delays;

Access and Equipment and Management

- Poor access to exploration areas as a result of remoteness or difficult terrain;
- Poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues;
- Unforeseen major failures, breakdowns or repairs required to key items of exploration equipment and vehicles, mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep;
- The availability and high cost of quality management, contractors and equipment for exploration, mining, and the corporate and administration functions in the current economic climate and the cost of identifying, negotiating with and engaging the right people.

Declarations

Relevant codes and guidelines

This Report has been prepared as a technical assessment in accordance with the Australasian Code for Public Reporting of Technical Assessment of Mineral Assets (the “VALMIN Code”, 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (“AusIMM”) and the Australian Institute of Geoscientists (“AIG”), as well as the rules and guidelines issued by the ASIC which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112, March 2011). Agricola regards RG112.31 to be in compliance whereby there are no business or professional relationships or interests, which would affect the expert’s ability to present an unbiased opinion within this report.

Unless otherwise stated in this report, if exploration results and mineral resources have been quoted or referred to in this report, they were prepared pursuant to the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“the JORC Code”).²

This Report is not a Valuation Report (as defined in the VALMIN Code) and does not express an opinion as to the value of the mineral assets or make any comment on the fairness and reasonableness of any transactions related to the Offer. Aspects reviewed in this Report may include commodity prices, socio-political

² ASIC, 2011, Content of Expert Reports, Regulatory Guideline 111, March 2011.

ASIC, 2011, Independence of Experts, Regulatory Guideline 111, March 2011.

JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code).

VALMIN, 2015, Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code)

issues and environmental considerations; however, the author does not express an opinion regarding the specific value of the assets and tenements involved.

Reporting of Exploration Results

Public Reports of Exploration Results must contain sufficient information to allow a considered and balanced judgement of their significance. Public Reports of Exploration Results must not be presented so as to unreasonably imply that potentially economic mineralisation has been discovered. Where assay and analytical results are reported, they must be reported either by listing all results or by reporting weighted average grades of mineralised zones. *Adapted from JORC Code 2012, Clause 19.*

Sources of Information

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Malcolm Castle, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle 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'. Malcolm Castle consents to the inclusion in the report of the matters based on his (or her) information in the form and context in which it appears.

The statements and opinion contained in this Report are given in good faith and this Report is based on information provided by Magmatic, along with technical reports prepared by consultants, previous tenements holders and other relevant published and unpublished data for the area. Agricola has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this Report is based. A final draft of this Report was provided to Magmatic along with a written request to identify any material errors or omissions prior to lodgement.

In compiling this Report, Agricola did not carry out a site visit to the Project areas. Based on its professional knowledge and experience, familiarity with the general area, previous technical visits to the area and the availability of extensive databases and technical reports made available by various government agencies, Agricola considers that sufficient current information was available to allow an informed appraisal to be made without such a visit. Agricola has no reason to doubt the authenticity or substance of the information provided.

The information contained in the Independent Technical Assessment Report was compiled by Agricola Mining Consultants Pty Ltd and is based on, and fairly represents, information and supporting documentation prepared by Magmatic and reviewed by Malcolm Castle who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

This Report contains statements that are made in, or based on statements made in previous geological reports that are publicly available from either a government

department or the ASX. These statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72 (clauses 6 and 7).³ Other than where consent has been provided as outlined in the prospectus, the authors and competent persons of the publicly available reports referred to in the Reference section of this Report have not consented to the references made to their reports in this Report.

Agricola or Malcolm Castle is not aware of any new information or data, other than that disclosed in this Report, that materially affects the assessments included in this Report and that all material assumptions and parameters underpinning Exploration Results and Mineral resource Estimates continue to apply and have not materially changed.

This Report has been compiled based on information available up to and including the date of this Report. Consent has been given by the author for the inclusion of this Report in the Prospectus relating to the Offer and distribution of this Report in the form and context in which it appears.

Qualifications and Experience

Agricola has been consulting to the mining industry since 1987 with services that include valuations, independent technical reporting and exploration management. Its capabilities include reporting for the major securities exchanges and encompass a diverse variety of commodity types.

The people responsible for the preparation of this Report are:

Malcolm Castle, B.Sc.(Hons), GCertAppFin (Sec Inst), MAusIMM

Malcolm Castle has over 50 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company over 30 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including uranium, gold, base metals, iron ore and mineral sands over his professional career.

He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical audits in many countries. He has completed numerous Independent Technical Assessment Reports and Mineral Asset Valuation Reports over the last decade as part of his consulting business.

Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc.(Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in

³ ASIC Corporations (Consents to Statements) Instrument 2016/72, 11 March 2016.

2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Mr Castle is the Principal Consultant for Agricola Mining Consultants Pty Ltd, an independent geological consultancy established 30 years ago. He is a Member of the Australasian Institute of Mining and Metallurgy ("MAusIMM").

- Mr Castle is appropriately qualified geologist and is a member of a relevant recognized professional association;
- He has the necessary technical and securities qualifications, expertise, competence and experience appropriate to the subject matter of the report; and
- He has at least ten years of suitable and recent experience in the particular technical or commercial field in which he is to report.

Declaration – VALMIN Code: The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Malcolm Castle, who is a Member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle is not a permanent employee of Magmatic. Malcolm Castle has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity, which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Malcolm Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement – JORC Code: The information in this report that relates to Exploration Results and Mineral resources of Magmatic is based on, and fairly represents, information and supporting documentation reviewed by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral resources and Ore Reserves'. Mr Castle consents to the inclusion in this report of the matters based on the information and supporting documentation in the form and context in which they appear.

Independence and Competency

Mr Castle has prepared assignments for a large number of companies on gold, base metals, tin, uranium, lithium and coal of the past decade. He is a Non-Executive director of BMG Ltd, currently exploring lithium projects in Chile.

Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of Magmatic and have no material interest in the projects. The relationship with Magmatic is solely one of professional association

between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Agricola has had no material association during the previous two years with the owners/promoters of the mineral assets, the company acquiring the assets or any of the assets to be acquired and has no material interest in the projects;

There are no business relationships between Agricola and Magmatic. Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of Magmatic. The relationship with Magmatic is solely one of professional association between client and independent consultant;

Agricola does not hold and has no interest in the securities of the company under review; Agricola has no relevant pecuniary interest, association or employment relationship with Magmatic and its subsidiaries; Agricola has no interest in the material tenements, the subject of the Report;

Agricola is not a substantial creditor of an interested party, or has a financial interest in the outcome of the proposal. The review work and this report are prepared in return for professional fees of \$10,000 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Consent

For the purposes of the Corporations Act 2001, Agricola Mining Consultants Pty Ltd consents to the inclusion of this Independent Technical assessment Report in the form and context as set out in the formal agreement with Magmatic.

Agricola provides its consent on the understanding that the assessment expressed in the individual sections of this report will be considered with, and not independently of, the information set out in full in this report. Agricola has no reason to doubt the authenticity or substance of the information provided.

Agricola Mining Consultants Pty Ltd has not withdrawn this consent prior to the lodgement of the Report.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Malcolm Castle', is written over a light grey, textured background.

Malcolm Castle

B.Sc.(Hons) MAusIMM, GCertAppFin (Sec Inst)

Agricola Mining Consultants Pty Ltd

GLOSSARY OF TECHNICAL TERMS

| | |
|---------------------------|--|
| aeolian | Formed or deposited by wind. |
| aerial photography | Photographs of the earth's surface taken from an aircraft. |
| aeromagnetic | A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field. |
| airborne geophysical data | Data pertaining to the physical properties of the earth's crust at or near surface and collected from an aircraft. |
| aircore | Drilling method employing a drill bit that yields sample material which is delivered to the surface inside the rod string by compressed air. |
| alluvial | Pertaining to silt, sand and gravel material, transported and deposited by a river. |
| alluvium | Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries. |
| alteration | The change in the mineral composition of a rock, commonly due to hydrothermal activity. |
| andesite | An intermediate volcanic rock composed of andesine and one or more mafic minerals. |
| anomalies | An area where exploration has revealed results higher than the local background level. |
| anticline | A fold in the rocks in which strata dip in opposite directions away from the central axis. |
| antiformal | An anticline-like structure. |
| Archaean | The oldest rocks of the Precambrian era, older than about 2,500 million years. |
| assayed | The testing and quantification of metals of interest within a sample. |
| auger sampling | A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole. |
| axial plane | The plane that intersects the crest or trough of a fold, about which the limbs are more or less symmetrically arranged. |
| basalts | A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene. |
| polymetallics | A non-precious metal, usually referring to copper, lead and zinc. |
| bedrock | Any solid rock underlying unconsolidated material. |
| BIF | A rock consisting essentially of iron oxides and cherty silica, and possessing a marked banded appearance. |
| brittle | Rock deformation characterised by brittle fracturing and brecciation. |
| Cainozoic | An era of geological time spanning the period from 65 million years ago to the present. |
| carbonate | Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO ₃ . Essential component of limestones and marbles. |
| chemical symbols | Gold (Au), silver (Ag), barium (Ba), copper (Cu), zinc (Zn), lead (Pb) antimony (As), Antimony (Sb). |
| chert | Fine grained sedimentary rock composed of cryptocrystalline silica. |
| chlorite | A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks. |
| clastic | Pertaining to a rock made up of fragments or pebbles (clasts). |
| clays | A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates. |

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| colluvium | A loose, heterogeneous and incoherent mass of soil material deposited by slope processes. |
| conduits | The main pathways that facilitate the movement of hydrothermal fluids. |
| conglomerate | A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water. |
| dacite | An extrusive rock composed mainly of plagioclase, quartz and pyroxene or hornblende or both. |
| depletion | The lack of gold in the near-surface environment due to leaching processes during weathering. |
| diamond drill hole | Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock. |
| dilational | Open space within a rock mass commonly produced in response to folding or faulting. |
| dolerite | A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar. |
| ductile | Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking. |
| dykes | A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle. |
| en-echelon | Repeating parallel, but offset, occurrences of lenticular bodies such as ore veins. |
| erosional | The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earth's surface. |
| fault zone | A wide zone of structural dislocation and faulting. |
| feldspar | A group of rock forming minerals. |
| felsic | An adjective indicating that a rock contains abundant feldspar and silica. |
| folding | A term applied to the bending of strata or a planar feature about an axis. |
| foliated | Banded rocks, usually due to crystal differentiation as a result of metamorphic processes. |
| follow-up | A term used to describe more detailed exploration work over targets generated by regional exploration. |
| g/t | Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock. |
| gabbro | A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine. |
| geochemical | Pertains to the concentration of an element. |
| geophysical | Pertains to the physical properties of a rock mass. |
| GIS database | A system devised to present partial data in a series of compatible and interactive layers. |
| gneissic | Coarse grained metamorphic rocks characterised by mineral banding of the light and dark coloured constituent minerals. |
| granite | A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas. |
| granoblastic | A term describing the texture of a metamorphic rock in which the crystals are of equal size. |
| granodiorite | A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite. |
| greenschist | A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite. |

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| greenstone belt | A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies. |
| greywackes | A sandstone like rock, with grains derived from a dominantly volcanic origin. |
| GSWA | Geological Survey of Western Australia. |
| gypsum | Mineral of hydrated, or water-containing, calcium sulphate. |
| halite | Impure salt deposit formed by evaporation. |
| hangingwall | The mass of rock above a fault, vein or zone of mineralisation. |
| hematite | Iron oxide mineral, Fe_2O_3 . |
| hinge zone | A zone along a fold where the curvature is at a maximum. |
| hydrothermal fluids | Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution. |
| igneous | Rocks that have solidified from a magma. |
| infill | Refers to sampling or drilling undertaken between pre-existing sample points. |
| insitu | In the natural or original position. |
| interflow | Refers to the occurrence of other rock types between individual lava flows within a stratigraphic sequence. |
| intermediate | A rock unit which contains a mix of felsic and mafic minerals. |
| intrusions | A body of igneous rock which has forced itself into pre-existing rocks. |
| intrusive contact | The zone around the margins of an intrusive rock. |
| ironstone | A rock formed by cemented iron oxides. |
| isoclinal | A series of folds that dip in the same direction at the same angle. |
| joint venture | A business agreement between two or more commercial entities. |
| komatiitic | Magnesium-rich mafic to ultramafic extrusive rock. |
| laterite | A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content. |
| lineament | A significant linear feature of the earth's crust, usually equating a major fault or shear structure. |
| lithological contacts | The contacts between different rock types. |
| lithotypes | Rock types. |
| metamorphic | A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids. |
| metasedimentary | A rock formed by metamorphism of sedimentary rocks. |
| monzogranite | A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase feldspar, but usually with a low quartz content. |
| Moz | Millions of ounces. |
| Mt | Million Tonnes. |
| mylonite | A hard compact rock with a streaky or banded structure produced by extreme granulation of the original rock mass in a fault or thrust zone. |
| nickel laterite | Nickel ore hosted within the laterite profile, usually derived from the weathering of olivine-rich ultramafic rocks. |
| open pit | A mine working or excavation open to the surface. |
| Orthoimage | A geographically located composite plan using aerial photography as a base. |
| outcrops | Surface expression of underlying rocks. |
| palaeochannels | An ancient preserved stream or river. |
| pegmatite | A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals. |

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| pisolitic | Describes the prevalence of rounded manganese, iron or alumina-rich chemical concretions, frequently comprising the upper portions of a laterite profile. |
| playa lake | Broad shallow lakes that quickly fill with water and quickly evaporate, characteristic of deserts. |
| polymictic | Referring to coarse sedimentary rocks, typically conglomerate, containing clasts of many different rock types. |
| porphyries | Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass. |
| ppb | Parts per billion; a measure of low level concentration. |
| Proterozoic | An era of geological time spanning the period from 2,500 million years to 570 million years before present. |
| pyroxenite | A coarse grained igneous intrusive rock dominated by the mineral pyroxene. |
| quartz reefs | Old mining term used to describe large quartz veins. |
| quartzofeldspathic | Compositional term relating to rocks containing abundant quartz and feldspar, commonly applied to metamorphic and sedimentary rocks. |
| quartzose | Quartz-rich, usually relating to clastic sedimentary rocks. |
| RAB drilling | A relatively inexpensive and less accurate drilling technique involving the collection of sample returned by compressed air from outside the drill rods. |
| RC drilling | A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination. |
| regolith | The layer of unconsolidated material which overlies or covers insitu basement rock. |
| residual | Soil and regolith which has not been transported from its point of origin. |
| resources | Insitu mineral occurrence from which valuable or useful minerals may be recovered. |
| rhyolite | Fine-grained felsic igneous rock containing high proportion of silica and feldspar. |
| rock chip sampling | The collection of rock specimens for mineral analysis. |
| saprolite | Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering. |
| satellite imagery | The images produced by photography of the earth's surface from satellites. |
| schist | A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals. |
| scree | The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion. |
| sedimentary | A term describing a rock formed from sediment. |
| sericite | A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks. |
| shale | A fine grained, laminated sedimentary rock formed from clay, mud and silt. |
| sheared | A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress. |
| sheet wash | Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica. |

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| silcrete | Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica. |
| silica | Dioxide of silicon, SiO ₂ , usually found as the various forms of quartz. |
| sills | Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy. |
| silts | Fine-grained sediments, with a grain size between those of sand and clay. |
| soil sampling | The collection of soil specimens for mineral analysis. |
| stocks | A small intrusive mass of igneous rock, usually possessing a circular or elliptical shape in plan view. |
| strata | Sedimentary rock layers. |
| stratigraphic | Composition, sequence and correlation of stratified rocks. |
| stream sediment sampling | The collection of samples of stream sediment with the intention of analysing them for trace elements. |
| strike | Horizontal direction or trend of a geological structure. |
| subcrop | Poorly exposed bedrock. |
| sulphide | A general term to cover minerals containing sulphur and commonly associated with mineralisation. |
| supergene | Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment. |
| syenite | An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals. |
| syncline | A fold in rocks in which the strata dip inward from both sides towards the axis. |
| talc | A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks. |
| tectonic | Pertaining to the forces involved in or the resulting structures of movement in the earth's crust. |
| tholeiitic | A descriptive term for a basalt with little or no olivine. |
| thrust fault | A reverse fault or shear that has a low angle inclination to the horizontal. |
| tremolite | A grey or white metamorphic mica of the amphibole group, usually occurring as bladed crystals or fibrous aggregates. |
| ultramafic | Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar. |
| veins | A thin infill of a fissure or crack, commonly bearing quartz. |
| volcaniclastics | Pertaining to clastic rock containing volcanic material. |
| volcanics | Formed or derived from a volcano. |
| zinc | A lustrous, blueish-white metallic element used in many alloys including brass and bronze. |



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Liability limited by a scheme approved under
Professional Standards Legislation

4 September 2019

The Directors
Magmatic Resources Limited
Suite 8, 1297 Hay Street
West Perth WA 6005
Australia

Dear Sirs

SOLICITOR'S REPORT ON NSW TENEMENTS

1. INTRODUCTION

This report is prepared for inclusion in a short form prospectus (**Prospectus**) for an offer to transfer 117,242,568 Australian Gold and Copper Limited Shares to shareholders of Magmatic Resources Limited pursuant to a capital reduction by way of an in-specie distribution to Magmatic Resources Limited (ACN 615 598 322) (**Magmatic Resources**) shareholders.

The report relates to the mining tenements in which Magmatic Resources' wholly-owned subsidiary Modeling Resources Pty Ltd (ACN 169 211 876) (**Modeling Resources** or **Company**) holds an interest (**Tenements**). All of the Tenements are located in New South Wales (**NSW**). The attached Tenement Schedule (**Schedule**) and notes to the Schedule contain an overview of the Tenements.

Modeling Resources holds a 100% interest in all of the Tenements, however on the Parkes tenements Japan, Oil, Gas and Metals National Corporation (**JOGMEC**) is earning a 51% joint venture interest. There are no encumbrances registered against any of the Tenements.

2. OPINION

Based on our searches and enquiries, and subject to the assumptions and qualifications set out below, we confirm at the date of the searches that:

- (a) the details of the Tenements referred to in the Schedule are accurate as to the status and registered holder of the Tenements;
- (b) unless otherwise specified in this report, the Tenements are in good standing, and all applicable rents and levies have been paid;
- (c) there are no encumbrances or dealings registered against the Tenements;
- (d) none of the Tenements are subject to any unusual conditions of a material nature other than as disclosed in the Schedule; and

- (e) subject to the comments below relating to standard administrative authorisations, which are normally applied for at the time of finalising the details of individual exploration programs, or as otherwise detailed in this Prospectus, there are no legal, regulatory or contractual impediments to the Company undertaking the proposed exploration on the Tenements as detailed elsewhere in the Prospectus.

3. SEARCHES

For the purpose of this report, we have obtained and reviewed:

- (a) searches of the Tenements in the mining tenement register (**Register**) maintained by the Division of Resources and Geoscience of the NSW Department of Planning and Environment (**DPE**) under the *Mining Act 1992* (NSW) and *Mining Regulation 2016* (NSW) (**Mining Act**) conducted on 4 September 2019;
- (b) summary searches of the NSW Tenements on the 'MinView' online system maintained by the DPE conducted on 3 September 2019;
- (c) searches of the native title register maintained by the National Native Title Tribunal on 3 September 2019; and
- (d) searches of the Aboriginal Heritage Information Management System maintained by the Office of Environment and Heritage (NSW) on 17 June 2019.

4. ASSUMPTIONS AND QUALIFICATIONS

In preparing this report:

- (a) we have assumed the accuracy and completeness of results of the searches of the registers maintained by the various government agencies;
- (b) we have been advised that there are no contracts, agreements or arrangements relating to the Tenements, with the exception of a joint venture agreement between the Company and JOGMEC in relation to the Parkes Tenements (see note 5 to the Schedule);
- (c) where any agreement, dealing or act (including disturbing the land for exploration) affecting the Tenements requires an authorisation, approval, permission or consent (**Authorisation**) under the Mining Act, or any other relevant legislation, we have assumed that Authorisation has been or will be granted in due course;
- (d) where any dealing in the Tenements has been lodged for registration but is not yet registered, we express no opinion as to whether the registration will be effected, or the consequences of non-registration;
- (e) we have assumed that the Company has complied with all applicable provisions of the Mining Act and all other legislation relating to the Tenements; and
- (f) we have not researched the underlying land tenure in respect of the Tenements to determine if:
 - (i) native title rights have or have not been extinguished, or the extent of any extinguishment; or
 - (ii) the Tenements encroach on any private land in which the rights to minerals have been reserved to the owner of the land.

5. TENEMENT SCHEDULE

The Schedule sets out a brief description of the Tenements and a summary of any encumbrances.

In relation to the area of each Tenement specified in the Schedule:

- (a) the area is described by units, given by one minute of latitude by one minute of longitude on the earth's surface. In the general location of the Tenements each unit is approximately 2.9 sq km. Areas given in sq km are therefore approximate only. It is not possible to verify those areas without conducting a survey; and
- (b) the area might be reduced by a number of exclusions, including the existence of mining leases, National Parks or reserves situated within the boundaries of the relevant Tenement.

6. BACKGROUND ON EXPLORATION LICENCES IN NSW

The Tenements comprise eight exploration licences (prefix **EL**) granted under the Mining Act. The ELs are for Group 1 Minerals, comprising metallic minerals.

(a) Rights of a holder of an EL

The rights of a holder of an EL are subject to compliance by that holder with the provisions of the Mining Act and the terms and conditions of the licence.

An EL gives the holder the exclusive right to explore for minerals over a specific area of land. The holder of an EL may, in accordance with the terms and conditions of the EL and subject to the Mining Act, conduct exploration activities on the land specified in the EL for the group of minerals specified in the licence.

An EL does not permit mining, and an EL holder will not necessarily be permitted to mine in the future if a discovery is made.

(b) Term and transfer

An EL may be granted for up to six years, and may be extended by successive periods of up to six years, on application by the holder. However, ELs are generally granted and renewed for periods of three years, depending on the proposed work program and other factors. An EL may be transferred to another person upon approval by the Minister for Energy and Environment (**Minister**). In approving a transfer, the Minister may impose amended or additional conditions on the holder of the EL.

(c) Renewal

An EL will not usually be renewed over more than half the number of units comprising the original EL unless the Minister is satisfied that special circumstances exist, including that the conditions of the licence have been satisfactorily complied with, the full area of the EL has been effectively explored, and the proposed work program satisfactorily covers the full area to be renewed.

Provided the conditions of the Tenements continue to be met, we do not see any reason why the Minister would not grant a renewal of all of the units comprising the Tenements for further periods of three years.

(d) Conditions

Each of the Tenements are subject to standard conditions that must be complied with, including expenditure to meet the annual proposed work program, payment of government fees, and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder obtain the consent of an officer of the DPE prior to conducting any ground disturbing work, and include basic environmental and rehabilitation conditions, such as the removal of all waste, capping of drill holes, etc.

The Minister's approval is required for a change of effective control of a licence holder. There is an exemption if the change of control occurs as a result of the acquisition of shares on a registered stock exchange. The proposed in specie distribution to shareholders of Magmatic

Resources Limited will not require approval, as the effective ownership of the Company will not change.

Holders must also comply with the Exploration Codes of Practice, including the Environmental Management Code, the Rehabilitation Code, which requires the holder to rehabilitate, level, re-grass, reforest or contour land that has been damaged or adversely affected by exploration activities, and the Community Consultation Code. A Review of Environmental Factors and an Agricultural Impact Statement may be required for surface-disturbing exploration activities such as drilling.

Failure by the holder of an EL to comply with these conditions may render the EL liable to cancellation.

(e) Environmental and planning legislation

Licence holders may also be required to obtain approvals under and comply with environmental and planning and other legislation, including:

- (i) *Environmental and Planning Assessment Act 1979* (NSW);
- (ii) *Protection of the Environment Operations Act 1997* (NSW); and
- (iii) *Water Act 1912* and *Water Management Act 2000* (NSW).

(f) Access agreements

Prior to commencing exploration activities on private land, an access agreement must be entered into with the owner or occupier of the land¹. Compensation is payable for any loss or damage caused by the activities².

There are no current access agreements in place.

(g) Annual rents and levies

An annual rental and an administrative levy are payable, based on the size of the EL. ELs are also subject to expenditure requirements in accordance with work programs approved by the DPE. These rental, levy and expenditure requirements are set out in the Schedule. Payment of rentals and levies are currently up to date. Failure to comply with expenditure requirements may render the EL liable to cancellation.

7. ROYALTIES

Tenement holders must pay royalties to the NSW government on minerals (including material containing minerals) obtained from a mining tenement. Royalties are payable quarterly and must be accompanied by a royalty return in the approved form. The holder of a mining tenement must provide a quarterly production report commencing at the expiration of the first quarter during which any mineral is produced or obtained from that mining tenement.

Royalty rates for Group 1 Minerals, comprising metallic minerals, are generally 4% of the value of the mineral recovered³.

8. REHABILITATION SECURITIES

The holder of a Tenement is required to lodge a security by way of a cash deposit or banker's undertaking for the performance of its rehabilitation and other obligations arising under the Tenement. The security for each of the Tenements is \$10,000, with the exception of EL 7675 (100 units), for which it is \$15,500.

¹ Section 140 *Mining Act 1992* (NSW)

² Section 263 *Mining Act 1992* (NSW)

³ Section 73, *Mining Regulation 2016* (NSW)

9. NATIVE TITLE

(a) Background

Native title or claims for native title exist over parts of NSW.

The existence of a lodged claim does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists in an area. The existence of native title will be established under the determination of claims by the Federal Court.

The grant of a mining tenement is a 'Future Act' for the purposes of the *Native Title Act 1993* (Cth) (**NTA**)⁴. A Future Act is an activity or development on land or waters that affects native title. Native title claimants gain the "right to negotiate" in relation to the grant of certain mining tenements if their native title claim is registered at the time the government issues a notice, known as a section 29 notice, stating it intends to do the act, in this case grant the mining tenement, or if their claim becomes registered within four months after that notice.

(b) Right to negotiate

The right to negotiate applies in the main to the grant of a mining lease and describes a process whereby the tenement applicant and native title claimant must negotiate in good faith to attempt to resolve any potential concerns the native title claimants may have arising from the mining lease application or its grant. If the parties cannot reach agreement as to the terms of grant, a negotiation party may apply to the National Native Title Tribunal (**NNTT**) to make a determination as to whether the grant may proceed (and if so, on what conditions).

The right to negotiate process does not necessarily have to be followed in locations where an Indigenous Land Use Agreement (**ILUA**) has been negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases the procedures set out in the ILUA must be followed for the ML to be granted.

(c) Searches

Searches conducted in the register maintained by the NNTT on 3 September 2019 showed that none of the Tenements overlaps with a registered native title claim. The searches also showed that none of the Tenements is subject to a registered ILUA.

(d) Effect of native title on the Tenements

ELs are generally subject to a condition that requires the holder to obtain the Minister's consent before carrying out exploration activity on land where native title has not been extinguished. Ministerial consent will only be granted after the right to negotiate process has been followed, or the land on which native title has not been extinguished has been excised from the EL. The grant of a mining lease over land where native title has not been extinguished is also subject to the right to negotiate process.

The DPE has published guidelines on the evidence required to demonstrate extinguishment of native title. Native title has been wholly extinguished over much of NSW, including through the grant of freehold estates, leases in perpetuity for grazing purposes under the *Western Lands Act 1901*, and the establishment of public works.

(e) Compensation

The Mining Act makes mining tenement holders liable for any native title compensation that may be payable as a result of the grant of the mining tenement⁵. If the existence of native title is proven over any of the land subject to the Tenements, and the native title holders make an application to the Federal Court for compensation, the Tenement holder may be liable to pay any compensation awarded.

⁴ Section 233, *Native Title Act 1993* (Cth)

⁵ Section 281B *Mining Act 1992* (NSW)

10. ABORIGINAL HERITAGE

(a) Commonwealth

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which can affect exploration activities. Compensation is payable by the Minister to a person who is, or is likely to be, affected by a permanent declaration of preservation.

(b) New South Wales

Under the *National Parks and Wildlife Act 1974* (NSW) (**NSW Heritage Act**), land containing Aboriginal objects or sites may be reserved as an "Aboriginal area" for the purpose of identifying, protecting and conserving such objects or sites. It is unlawful to prospect or mine for minerals in an Aboriginal area unless expressly authorised by an Act of Parliament or, among other things, an authority issued under the Mining Act. Subject to this exception, the NSW Heritage Act excludes the application of the Mining Act to lands in an Aboriginal area.

The NSW Heritage Act also authorises the Minister to declare a place that is or was of special significance to Aboriginal culture to be an 'Aboriginal place' and makes it an offence knowingly to destroy, deface or damage, or knowingly to permit the destruction, defacement or damage to, an Aboriginal object or "Aboriginal place" without the consent of the Director-General.

(c) Heritage surveys

To satisfy the obligations under the relevant Heritage Act, tenement holders commonly undertake Aboriginal heritage surveys, which involve the relevant traditional owners and as necessary, an archeologist or anthropologist walking the land, identifying sites and discussing the impact of proposed exploration activity. The costs of a heritage survey are met by the tenement holder.

(d) Heritage searches

We obtained and reviewed searches of the Aboriginal Heritage Information Management System maintained by the Office of Environment and Heritage (NSW) on 17 June 2019. The searches showed that the Tenements contain a number of known Aboriginal sites. The Company will review the location of each site when planning its exploration programs so as to ensure that activities near Aboriginal sites meet the requirements of the Commonwealth Heritage Act and the NSW Heritage Act.

There are currently no Aboriginal heritage agreements or arrangements in place affecting the Tenements.

11. CONSENT

This report is made on 4 September 2019 and relates only to the laws in force on that date. Resources Legal Pty Ltd has consented to the inclusion of this report in the Prospectus in the form and context in which it is included and has not withdrawn that consent prior to the lodgment of the Prospectus with ASIC.

12. DISCLOSURE OF INTEREST

Resources Legal Pty Ltd will be paid normal and usual professional fees for the preparation of this report and related matters, as set out elsewhere in the Prospectus.

Yours faithfully



Daven Timms
Director Principal
Resources Legal Pty Ltd

SCHEDULE – TENEMENTS

| Tenement | Holder | No units/ approx. area sq km ¹ | Grant Date | Expiry Date | Rental and levy ² | Proposed expen- diture ³ | Encum- brances |
|-------------------------------------|--------------------|--|---------------|----------------|---------------------------------|---|---------------------------|
| Wellington North Project | | | | | | | |
| EL 6178 | Modeling Resources | 39/113 | 19.01.2004 | 19.01.2021 | \$2,440 pa | \$200,000 | Nil |
| EL 7440 | Modeling Resources | 6/17 | 08.01.2010 | 08.01.2021 | \$460 pa | \$200,000 | Nil |
| EL 8357 | Modeling Resources | 16/46 | 08.04.2015 | 08.04.2021 | \$1,060 pa | \$100,000 | Nil |
| Parkes Joint Venture Project | | | | | | | |
| EL 7424 | Modeling Resources | 22/56 ⁴ | 30.11.2009 | 30.11.2020 | \$1,420 pa | \$255,000 | JOGMEC JV ⁵ |
| EL 7676 ⁶ | Modeling Resources | 33/95 | 11.01.2011 | 11.01.2021 | \$2,080 pa | \$250,000 | As above |
| Myall Project | | | | | | | |
| EL 6913 | Modeling Resources | 84/243 | 18.10.2007 | 18.10.2020 | \$5,140 pa | \$374,325 | Nil |
| Moorefield Project | | | | | | | |
| EL 7675 | Modeling Resources | 100/289 | 11.01.2011 | 11.01.2021 | \$6,155 pa | \$300,000 | Nil |
| EL 8669 | Modeling Resources | 67/194 | 30.10.2017 | 30.10.2022 | \$4,120 pa | \$55,000 | Nil |

Notes

- One unit is the area bounded by one minute of latitude by one minute of longitude and, depending on the location in NSW, comprises an area of approximately 2.9 square kilometres. As shown on the tenement maps contained in the Prospectus, portions have been excised from some of the units in the licences.
- The annual tenement rental is \$60 per unit. The annual administrative levy is 1% of the security deposit (1% of \$10,000 = \$100 for most tenements). The renewal application fee is \$2,000 plus \$12.50 per unit per year applied for, eg renewal fee for 100 unit EL for three years is \$2,000 plus \$37.50 x 100 = \$5,750.
- Proposed expenditure in the current year of the licence term, to be met through current exploration work programs approved by the DPE. For example, EL 6178 requires an expenditure of \$200,000 in the 12 months to 19.01.2020. Work may include geological mapping, rock chip sampling, soil geochemical surveys, geophysical surveys, modelling of results, drilling and core logging.
- The area of EL 7424 has been reduced by an exclusion area surrounding the Parkes Radio Telescope. The actual area of the tenement is estimated to be 56 square kilometres.
- The Company entered into a joint venture with Japan, Oil, Gas and Metals National Corporation (JOGMEC) dated 3 February 2017, whereby JOGMEC can earn up to 51% interest in the Parkes project by funding up to \$3,000,000 of exploration expenditure by 31 March 2020. Modelling Resources acts as operator of the project on behalf of the parties during the JV until JOGMEC becomes a majority owner, at which point JOGMEC has the option to appoint the operator. JOGMEC has a right to assign its joint venture interest to a Japanese company.
- EL 7676 is located immediately to the north west of the town of Parkes, and contains the Goonumbla Solar Farm, Parkes Solar Farm and Parkes Transport Hub. These developments occupy around 9% of the area of EL 7676. There is a risk that the development area will not be available for exploration. We understand that there are no known mineral occurrences within the proposed development area and no significant exploration has taken place. There are no agreements in place affecting the Tenements in relation to the proposed developments.

6. ADDITIONAL INFORMATION

6.1 Interests of AGC Directors

Other than as set out below or elsewhere in this Prospectus or the Notice of Meeting:

- (a) no AGC Director holds, or during the last two years before lodgement of this Prospectus with ASIC, held, an interest in:
 - (i) the formation or promotion of AGC;
 - (ii) property acquired or proposed to be acquired by AGC in connection with its formation or promotion or the Offer; or
 - (iii) the Offer; and
- (b) except as set out in section 6.2 of this Prospectus or the Notice of Meeting, no amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid and no benefits have been given or agreed to be given to any AGC Director, either to induce him to become, or to qualify, as a AGC Director or otherwise for services rendered in connection with the formation or promotion of AGC or the Offer.

6.2 Remuneration of AGC Directors

AGC has not paid remuneration to its Board since incorporation to the date of this Prospectus and will not pay remuneration to its Board until the Proposal has completed.

Following receipt of Shareholder approval for the Capital Reduction, the AGC Board may be different to that of AGC's present Board (and also that of the Company's present Board). For further details, please refer to section 1.10 (AGC Structure and Board) of the Notice of Meeting.

The final composition of the AGC Board and proposed remuneration following implementation of the Capital Reduction will be confirmed by the Company at a future date.

6.3 Interests of Experts and Others

Other than as set out below or elsewhere in this Prospectus or the Notice of Meeting, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company or AGC;

holds, or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company or AGC;
- (b) any property acquired or proposed to be acquired by the Company or AGC in connection with:

- (i) its formation or promotion; or
- (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of AGC or the Company; or
- (b) the Offer.

Elderton Capital Pty Ltd has prepared the independent expert's report which is included in the Notice of Meeting. The company estimates it will pay Elderton Capital Pty Ltd a total of \$15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Elderton Capital Pty Ltd has not received fees from the Company for any other services.

Agricola Mining Consultants Pty Ltd has prepared the Independent Technical Assessment Report which is included in section 4 of this Prospectus. The Company estimates it will pay Agricola Mining Consultants Pty Ltd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Agricola Mining Consultants Pty Ltd has not received fees from the Company for any other services

Resources Legal Pty Ltd has prepared the Solicitor's Report on Tenements which is included in section 5 of this Prospectus. The Company has paid Resources Legal Pty Ltd \$4,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Resources Legal Pty Ltd has not received fees from the Company for any other services.

Steinepreis Paganin has acted as solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin approximately \$140,000 (excluding GST and disbursements) in respect of these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin has been paid fees totalling \$43,000 (excluding GST and disbursements) for legal services provided to the Company.

6.4 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Elderton Capital Pty Ltd has given its written consent to being named in this Prospectus and to the inclusion of the independent expert's report in the Notice of Meeting. Elderton Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Agricola Mining Consultants Pty Ltd has given its written consent to being named in this Prospectus and to the inclusion of the Independent Technical Assessment Report. Agricola Mining Consultants Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Resources Legal Pty Ltd has given its written consent to being named in this Prospectus and to the inclusion of the Solicitor's Report on Tenements. Resources Legal Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

6.5 Substantial AGC Shareholders

| AGC Shareholder | AGC Shares | % shareholding in AGC |
|---|------------|-----------------------|
| Bilingual Software Pty Ltd <Let's Go Investment A/C> | 32,188,823 | 27.54% |
| Gold Fields Australia Pty Ltd | 17,600,000 | 15.06% |
| Davthea Pty Ltd <David Berrie Super Fund A/C> | 12,669,044 | 10.08% |

6.6 Litigation

As at the date of this Prospectus, AGC is not involved in any legal proceedings and the Magmatic Directors are not aware of any legal proceedings pending or threatened against AGC.

6.7 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the furtherance of AGC's development. The Company does not expect AGC to declare any dividends.

Any future determination as to the payment of dividends by AGC will be at the discretion of the AGC Directors and will depend on the availability of distributable earnings and operating results and financial condition of AGC, future capital requirements and general business and other factors considered relevant by the AGC Directors. No assurance in relation to the payment of dividends by AGC or franking credits attaching to dividends can be given by the Company.

6.8 Privacy

Magmatic collects personal information about its Shareholders' holdings of Shares in accordance with the Corporations Act. Magmatic will share that personal information with its advisers and service providers and with AGC and its advisers and service providers in connection with the Capital Reduction and In-specie Distribution.

Shareholders can contact Magmatic's Share Registry, Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) if they have any questions about their personal information.

7. MAGMATIC DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Magmatic Directors.

In accordance with Section 720 of the Corporations Act, each Magmatic Director has consented to the lodgement of this Prospectus with ASIC.



David Richardson
Managing Director
For and on behalf of
Magmatic Resources Limited

8. GLOSSARY

AGC means Australian Gold and Copper Ltd (ACN 633 936 526).

AGC Director means a current director of AGC.

AGC Share means a fully paid ordinary share in the capital of AGC.

Application Period means the period commencing at the end of the Exposure Period and ending on the date that the General Meeting is held.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ATO means the Australian Taxation Office.

Capital Reduction means the equal reduction of capital of the Company proposed by way of the In-specie Distribution.

Capital Reduction Resolution means Resolution 1 of the Notice of Meeting to be proposed to Shareholders at the General Meeting to approve the Capital Reduction.

Company or **Magmatic** means Magmatic Resources Limited (ACN 615 598 322).

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Shareholder has the meaning given in the Glossary set out in the Explanatory Statement.

Explanatory Statement means the explanatory statement accompanying and forming part of the Notice of Meeting.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

General Meeting means the general meeting of the Company convened by the Notice of Meeting.

In-specie Distribution means the proposed in-specie distribution and transfer of 117,242,568 AGC Shares by Magmatic to Eligible Shareholders (in proportion to their holdings of Shares).

Magmatic Director means a director of the Company as at the date of this Prospectus.

New WA Assets has the meaning given in section 1.3 of the Notice of Meeting.

Notice of Meeting means the Notice of General Meeting and Explanatory Statement of the Company dated 13 September 2019.

NSW Assets has the meaning given in section 1.2 of the Notice of Meeting

Offer means the offer of AGC Shares to Shareholders (in connection with the In-specie Distribution) pursuant to the Notice of Meeting.

Proposal has the meaning given in section 1.3 of the Notice of Meeting.

Prospectus means this short form prospectus prepared in accordance with section 712 of the Corporations Act.

Record Date means the record date for determining entitlements to the distribution and transfer of AGC Shares under the Capital Reduction to be set by the Magmatic Directors in accordance with section 1.6 of the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Transaction Conditions has the meaning given in section 2.1 of this Prospectus.

WA Assets has the meaning given in section 1.2 of the Notice of Meeting.