

Magmatic Resources Ltd

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About Magmatic Resources Ltd:

- The Company's four 100% owned projects and 8 granted exploration licences cover (1049km²) in the East Lachlan's central NSW
- The East Lachlan is host to major gold-copper mines (Figure 1) such as Cadia Valley (52Moz Au & 9.2Mt Cu), Cowal (7.8Moz Au) and Northparkes (4Moz Au & 3.7Mt Cu).
- Myall is one of the largest volcanic-intrusive complexes in the East Lachlan with known copper-gold porphyry mineralisation and potential for Cowal style epithermal gold.
- Wellington North is prospective for porphyry copper-gold and orogenic gold, and includes historical Bodangora gold field (230koz @ 26g/t Au)
 - Moorefield is prospective for near surface epithermal and orogenic gold, as well as skarn and VMS deposits.
- Parkes (JV with Japanese Government exploration agency JOGMEC) is prospective for porphyry copper-gold, orogenic gold in the Parkes Fault Zone, and epithermal gold
- Magmatic has 8 exploration programs planned in the next 3 months, and is awaiting multiple assay results

Highlights for September Quarter 2017

Carlisle Reefs (Moorefield): second-round RC drilling 14 holes for 2,322m, and 1m re-sampling from first-round RC drilling:

- Gold mineralisation extended to 150m vertical from surface and remains open at depth
- Higher-grade gold intersected 40m beneath an old shaft
- Several new gold zones defined, including near surface, which remain open at depth and along strike
- Significant intercepts from latest results include:
 - ✓ 9m @ 2.18g/t Au from 39m incl. 2m @ 8.44g/t Au from 40m MFRC011
 - ✓ 30m @ 1.60g/t Au from 80m MFRC013
 - ✓ 36m @ 1.21g/t Au from 81m MFRC017
 - ✓ 16m @ 1.55g/t Au from 156m; incl 4m @ 3.54g/t Au from 166m MFRC017
 - ✓ 34m @ 0.72g/t Au from 3m MFRC019
 - ✓ 28m @ 1.34g/t Au from 49m MFRC020

Parkes (JV):

- Brolgan diamond drilling completed. 2 holes for 955.5m awaiting assays
- Goonumbla Volcanics FPXRF soils completed (820 samples). Arsenic anomalies extended along MacGregors trend
- Alectown Hylogging RC holes completed, awaiting completion of DD holes and interpretation

Plans for December quarter 2017

- Carlisle Reefs (Moorefield): diamond drilling planned to follow up on 1st and 2nd round RC gold results
- Boxdale (Moorefield): drilling planned to link Carlisle Reefs and Boxdale 15km magnetic trend
- Pattons (Moorefield) - VHMS type Copper-Gold: hand auger sampling across magnetic anomaly on a 100 x 50m pattern
- MacGregor's and Buryan (Parkes JV), drilling planned for November/December
- Lady Ilse (Wellington North): 30 AC holes planned to test historical Newcrest gold anomaly
- Bodangora (Wellington North): auger sampling gold anomalies along strike of old gold field
- Barina and Gemini (Myall): 4,000m AC drilling planned to target epithermal and porphyry copper-gold anomalies

Exploration

Exploration during the quarter included drilling at two prospects: RC drilling at the Carlisle Reefs prospect (Moorefield) and diamond drilling at the Brolgan prospect (Parkes JV project). Soil sampling was also completed at the Pattons prospect (Moorefield) and across the Goonumbla Volcanics and MacGregors trend (Parkes JV project). Re-processing of magnetic and gravity datasets, including 3D inversion modelling, was completed at Alectown (Parkes JV project) and HyLogging of previous drill core and RC chips is in progress.

Drilling planned for the next quarter includes: follow-up diamond drilling at Carlisle Reefs (Moorefield); aircore drilling at the Lady Ilse prospect (Wellington North); diamond and RC drilling of targets at the Parkes JV; and auger soil sampling at the Pattons and Boxdale prospects (Moorefield).

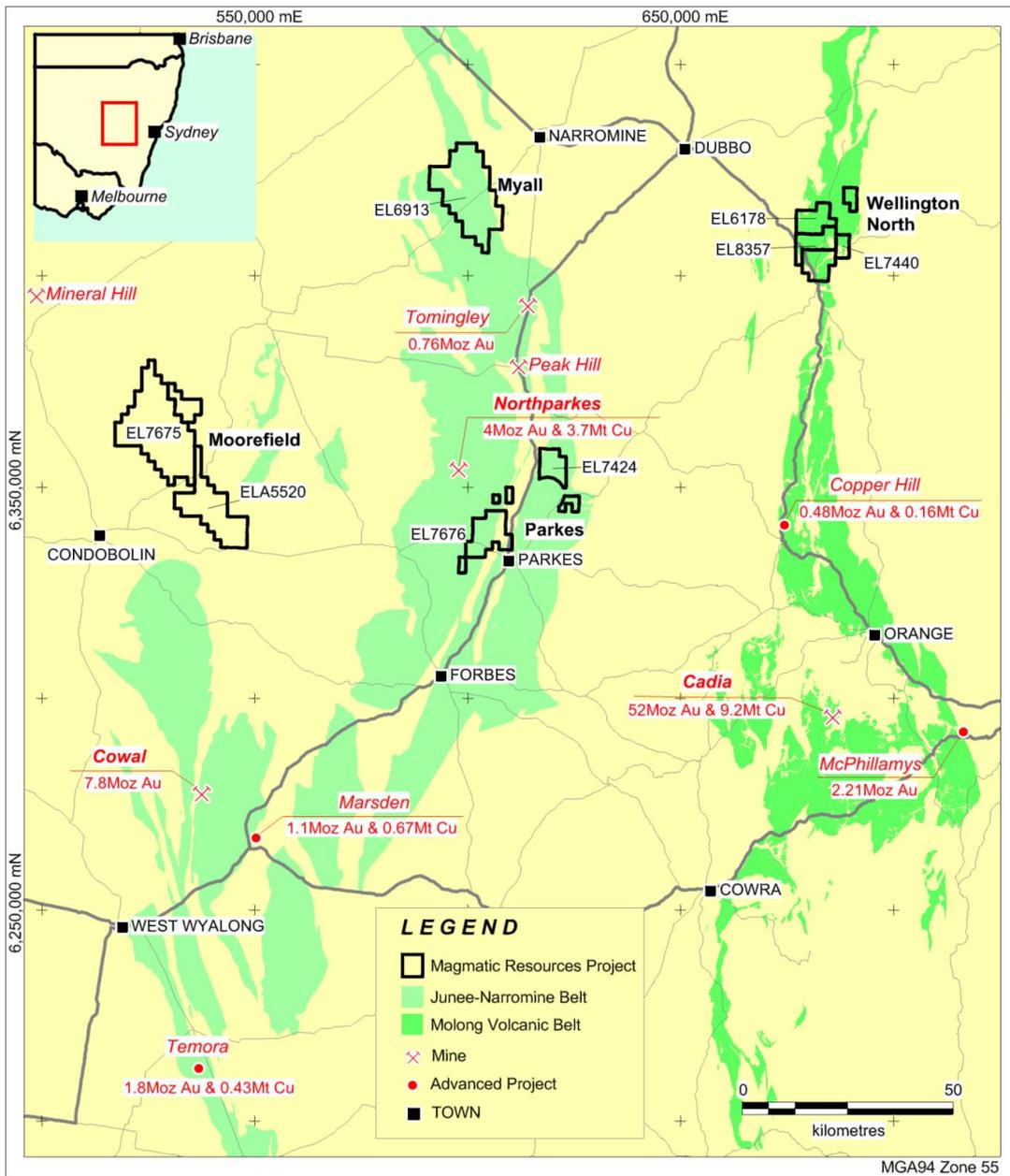


Figure 1 – Location of Magmatic's projects in the East Lachlan province showing mines and advanced projects with selected metal endowments¹

¹ Endowment = production + current resource current to January 2017

Moorefield Project: Gold, Copper, Zinc (MAG 100%)

Targets: epithermal gold and orogenic gold deposits, and skarn-related and VHMS base metals ± gold deposits.

The Moorefield project consists of two tenements EL7675 & ELA5520 covering 478km² located 25km northeast of Condobolin (Figures 1 & 5). The project covers geological units prospective for vein-hosted gold and skarn-related mineralisation in the Ordovician Girilambone Group and VHMS-hosted base metal (± gold) mineralisation in Siluro-Devonian volcanic and sedimentary rocks.

Carlisle Reefs Drilling

Outcropping gold mineralisation is present at Carlisle Reefs, an historic goldfield with unknown production where high-grade gold rock chips results were returned² (including >1000g/t Au). The goldfield contains nearly 100 historic gold workings over an 800m x 800m area, including shafts, adits and drives (Figure 2). Magmatic completed the first ever drilling at the goldfield with a Phase 1 drill program in the previous quarter, which intersected multiple significant gold intervals extending from near surface to 100m vertical at the Central Vein Zone³.

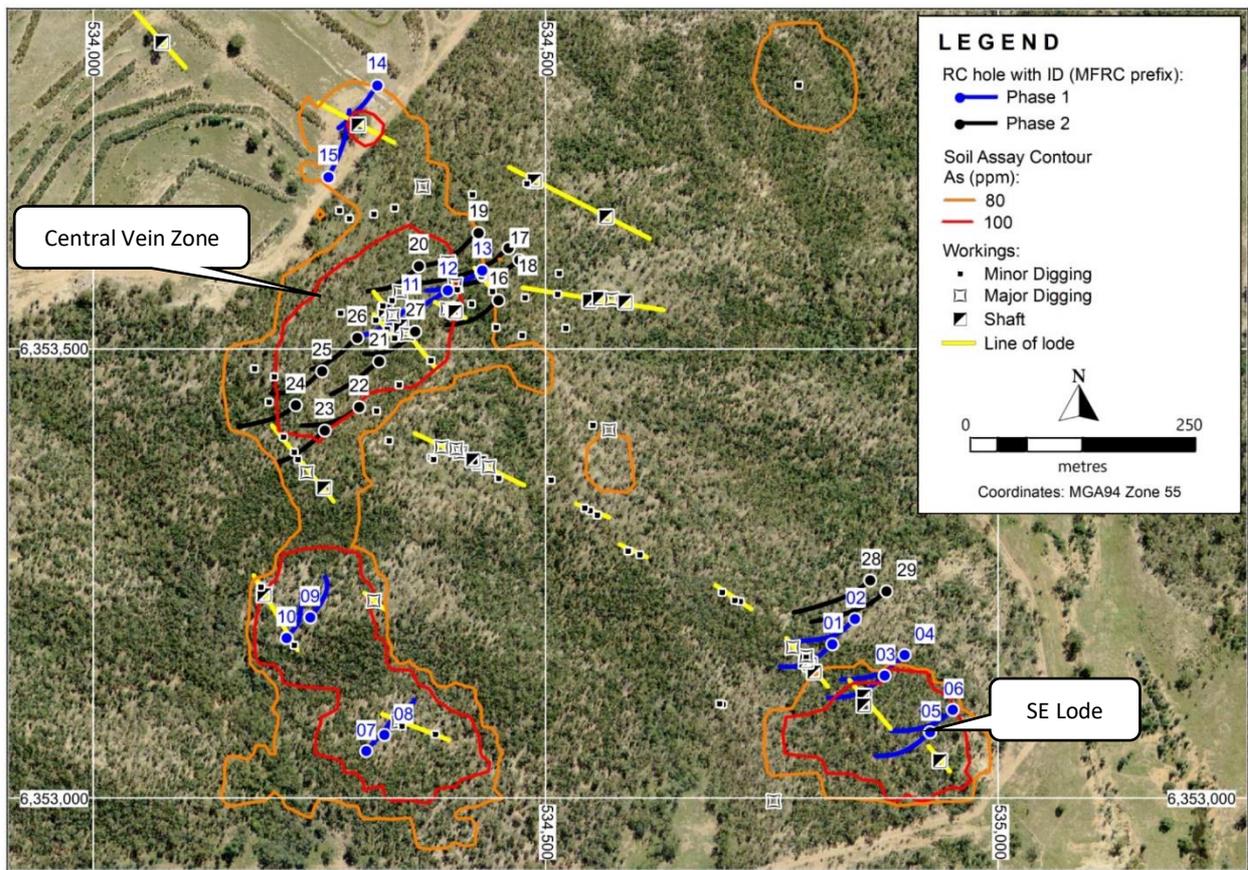


Figure 2 – aerial view of Carlisle Reefs goldfield showing historic workings, arsenic soil geochemistry and RC drilling. The Central Vein Zone is enlarged in Figure 3.

Follow-up RC drilling was completed with a Phase 2 program in the September quarter, which has extended the gold mineralisation at the Central Vein Zone to 150m vertical from surface and it remains open at depth⁴ (Figures 3 & 4). A higher-grade interval of 2m @ 8.44g/t Au was defined from Phase 1 1m re-split sampling that is 40m vertically beneath the projected position of an historic shaft (MFRC011; Figure 4). New gold zones have also been intersected in MFRC019, where significant shallow mineralisation was intersected, and in holes MFRC023 & 024 approximately 200m southwest of the previously drilled area (Figure 3). These newly defined zones fall within the +80ppm arsenic soil anomaly (Figure 2) and remain open at depth and along strike.

² Refer to MAG ASX release dated 24/05/2017

³ Refer to MAG ASX release dated 4/07/2017

⁴ Refer to MAG ASX release dated 17/10/2017

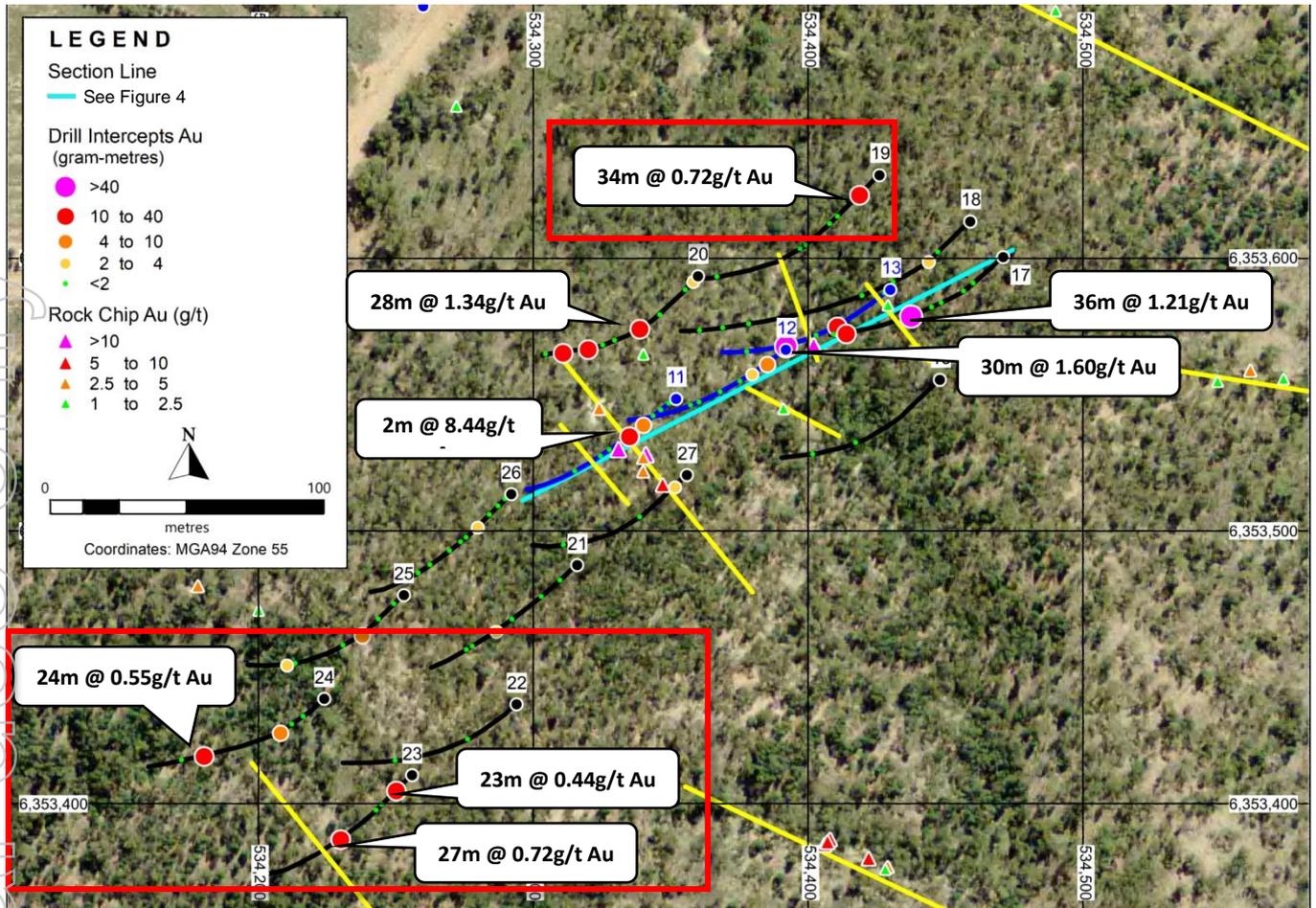


Figure 3 – Central Vein Zone drilling showing some of the significant drill intercepts, previous rock chip results and location of drill section for MFRC011-013 & 017 (see Figure 4). Legend for other linework as shown in Figure 2. Red boxes represent drill intercepts in newly defined gold zones (MFRC019, MFRC023 and MFRC024).

Significant gold intercepts⁵ returned from drilling to date include⁶:

- MFRC011: 9m @ 2.18g/t Au from 39m; incl 2m @ 8.44g/t Au from 40m
- MFRC013: 5m @ 2.99g/t Au from 47m
- MFRC013: 30m @ 1.60g/t Au from 80m; incl 3m @ 2.70g/t Au & 80 and 11m @ 2.68g/t Au from 95m
- MFRC017: 36m @ 1.21g/t Au from 81m; incl 5m @ 2.49g/t Au from 84m & 3m @ 2.95g/t Au from 112m
- MFRC017: 16m @ 1.55g/t Au from 156m; incl 3m @ 2.62g/t Au from 158m & 4m @ 3.54g/t Au from 166m
- MFRC019: 34m @ 0.72g/t Au from 3m; incl 2m @ 2.14g/t Au from 14m & 6m @ 2.07g/t Au from 29m
- MFRC020: 28m @ 1.34g/t Au from 49m; incl 15m @ 2.30g/t Au from 54m
- MFRC020: 14m @ 0.76g/t Au from 109m; incl 2m @ 2.96g/t Au from 116m
- MFRC020: 23m @ 0.58g/t Au from 130m; incl 3m @ 2.50g/t Au from 144m
- MFRC023: 23m @ 0.44g/t Au from 5m
- MFRC023: 27m @ 0.72g/t Au from 62m
- MFRC024: 20m @ 0.55g/t Au from 97m

The gold mineralisation at Carlisle Reefs is interpreted as an orogenic gold system in strongly sheared and folded metasedimentary host rocks. The mineralisation occurs as quartz-sulphide veins and disseminated sulphide (arsenopyrite and pyrite) in the host sequence. Mapping has identified dominant NW- and WNW-trending Line of Lode, which is the orientation of the workings at surface (Figures 2 & 3). The intersection of these trends may be

⁵ Refer to MAG ASX release dated 17/10/2017

⁶ Intercepts for MFRC011 & MFRC013 are based on 1m re-split assays of Phase 1 2m composite samples. True width of intercepts yet to be determined.

associated with broader mineralised intervals. Actual vein orientations are not known, so diamond drilling is planned for the December quarter to follow-up the gold intercepts at depth and to provide structural data to clarify the geometry of the mineralisation. Carlisle Reefs is located at the southern end of a regionally extensive magnetic trend that extends from south of the Carlisle Reefs prospect to The Dam prospect, which is 15km to the northwest (Figure 5).

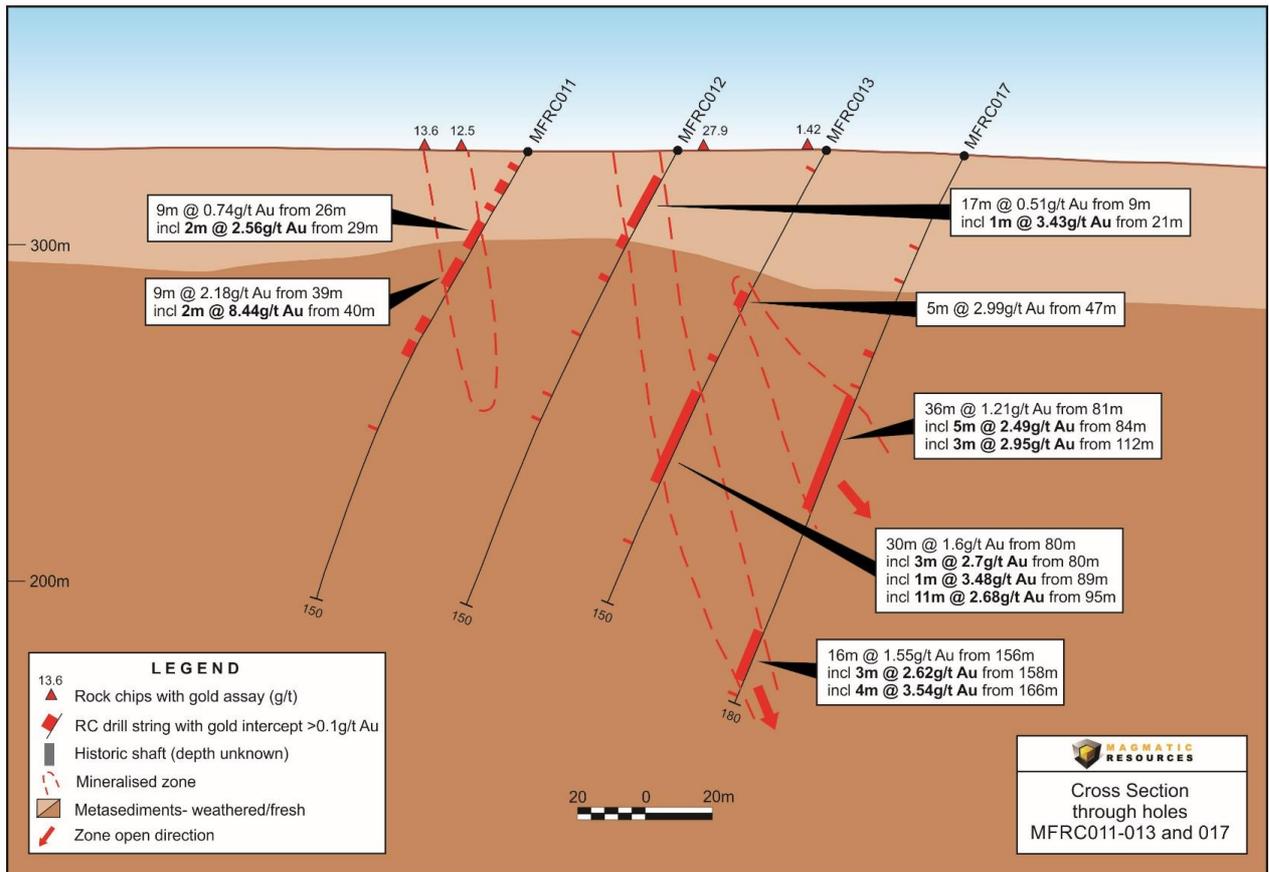


Figure 4 – section looking northwest through Central Vein Zone holes MFRC0011-013 & 017

Pattons Soil sampling

The Pattons prospect (Figure 5) is an emerging copper-gold target associated with a magnetic anomaly that has Tritton-style copper affinity. Auger soil sampling was completed across a magnetic anomaly (124 samples) with results pending.

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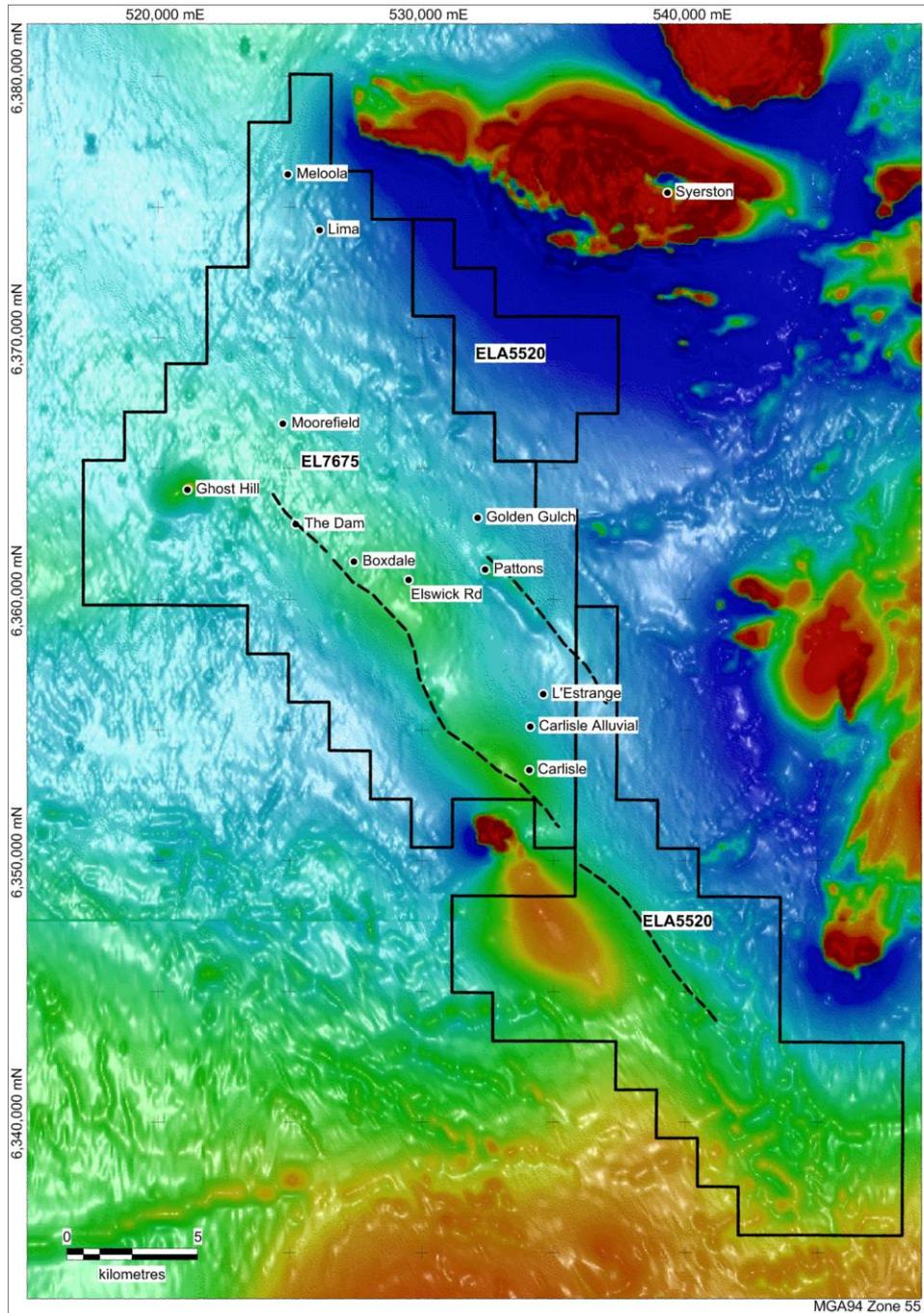


Figure 5 – Moorefield regional RTP magnetics showing possible extensions of mineralised trends

Parkes Project: Gold and Copper (MAG 100%; JV with JOGMEC earning 51% and funding 100%)
 Targets: porphyry copper-gold, epithermal gold and orogenic gold deposits

The Parkes project includes two Exploration Licences EL7424 and EL7676, covering 159km² located northwest of Parkes (Figure 1). The project is within the Juneo Narromine Volcanic Belt of the Ordovician Macquarie Arc, which hosts porphyry copper-gold deposits at Northparkes and Temora as well as the Cowal gold deposit. It is within structurally prominent stratigraphy east of Northparkes Cu-Au deposits along strike from the recently developed Tomingley gold deposit.

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EL7676 Brolgan Diamond Drilling

Diamond drilling was commenced at the Brolgan prospect and was completed after the end of the quarter⁷. The Brolgan prospect is located 24km south of the Northparkes porphyry copper-gold mine (4Moz gold and 3.7Mt copper) within the southern section of the Northparkes Volcanic Group of the Macquarie Arc (Figures 1 & 6).

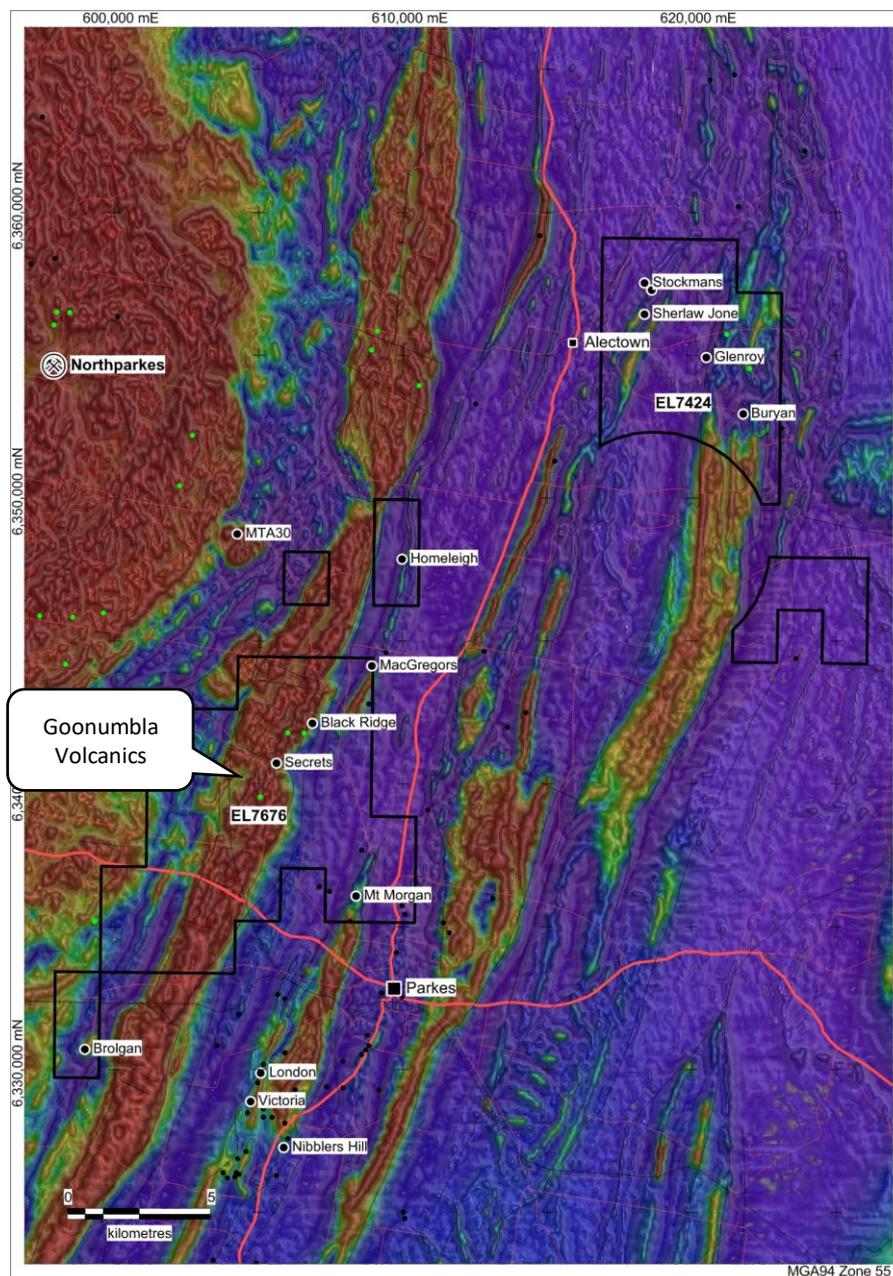


Figure 6 – Regional magnetic image (RTP colour over tilt filter texture) of the Parkes JV project, showing prospects including Brolgan (lower LHS) and proximity to the Northparkes porphyry copper-gold mine.

Previous aircore drilling from 2008 defined low-level zinc, copper, sulphur ± gold anomalism over a 600m diameter area, which remains open to the southeast towards a magnetic anomaly that has not been previously drill tested. Alteration and mineralisation consist of chlorite-sericite and lesser epidote alteration with disseminated and stringer pyrite. The target area is cut by NW-trending faults and the magnetic anomaly is inferred to be a magnetite-bearing intrusion. Target mineralisation styles are inferred to be structurally controlled copper-gold bearing skarn and/or orogenic gold. The purpose of this exploration program is to provide a better understanding of the controls on mineralisation which will lead to further targeting as part of the \$3m exploration budget over 3 years.

⁷ Refer to MAG ASX release 20/09/2017

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Two diamond holes were completed for 955.3m, inclusive 193.2m of aircore pre-collars. The holes intersected a mixed sequence of clastic sediments, volcanic conglomerate, mudstone-shale and sandstone interbeds. The second hole also intersected lava and porphyry dykes. Geological logging and sampling was completed after quarter end and analytical results are pending.

EL7676 Soil sampling

Soil sampling was completed over the NE-trending Goonumbla Volcanics (linear magnetic belt within EL7676, Figure 6) and adjacent MacGregors Trend. The purpose of the sampling was to test for copper anomalism within the Goonumbla Volcanics and arsenic anomalism within the MacGregors Trend. There is a strong arsenic-gold association at the MacGregors prospect, where previous drilling intersected 19m @ 0.63g/t Au from 95m including 1m @ 5.75g/t Au⁸. Samples were analysed on-site with a handheld XRF unit and a total of 820 sites were collected. Copper anomalism within the Goonumbla Volcanics is relatively subdued, however elevated copper values in the Black Ridge – Secrets area (Figure 6) will be reviewed and field checked. Several arsenic anomalies of similar scale to the MacGregors arsenic anomaly have been defined and will be followed-up in the December quarter.

EL7424 Alectown

Re-processing of magnetic, radiometric and gravity data was completed and inversion modelling of magnetic and gravity data was also completed. The inversions produce a 3D model of susceptibility and density values that generate magnetic and gravity fields that match the observed magnetic and gravity data. The inversions are used to build 3D models of the distribution of magnetic or dense bodies. Filters applied to the inversion models identify areas of interest for potential epithermal and porphyry mineralisation, such as high structural complexity zones, large pathway faults and radially symmetric features.

HyLogging of previous drill core and RC chips is nearing completion. The HyLogger measures reflectance features in the Very Near Infrared (VNIR), Short Wave Infrared (SWIR) and Thermal Infrared (TIR) spectral bands. VNIR measures oxides, SWIR measures micas and carbonates and TIR measures silicates, micas and carbonates. The HyLogger also captures high-resolution photos of the core and chip trays which are automatically compiled into photo strip logs and the outputs are combined into graphic logs. This information will assist in defining alteration and lithology vectors in 3D once the HyLogging is completed in the coming weeks. The next stage is to review the spatial relationships of the geophysical, geological, geochemical and Hylogger data in 3D to define priority drill targets to be tested with RC and diamond drilling in the December quarter.

Wellington North Project: Gold and Copper (MAG 100%)

Targets: porphyry copper-gold, epithermal gold and orogenic gold deposits

The Wellington North Project includes three Exploration Licences, EL7440, EL6178 and EL8357, covering 177km² located immediately north of Wellington (Figure 1). The project is within the Molong Volcanic Belt of the Ordovician Macquarie Arc, which hosts the porphyry copper-gold deposits at Cadia Valley (54Moz Au & 9.2Mt Cu).

In the 1990's, previous explorers identified gold anomalism in soil sampling and aircore drilling over a 400m diameter area at the Lady Ilse prospect (previously referred to as GEUR007; Figure 7), which is coincident with a magnetic anomaly. Nearby drilling intersected strongly altered sub-volcanic porphyry and the gold anomaly remains open to the south⁹. Planning and permitting for an aircore drilling program was completed in the September quarter, and the drilling was completed after the quarter end for a total of 30 aircore holes (392m). Geological logging and sampling have now been completed and analytical results are pending.

⁸ Refer to MAG prospectus ASX release 17/05/2017

⁹ Refer to MAG ASX release 19/10/2017

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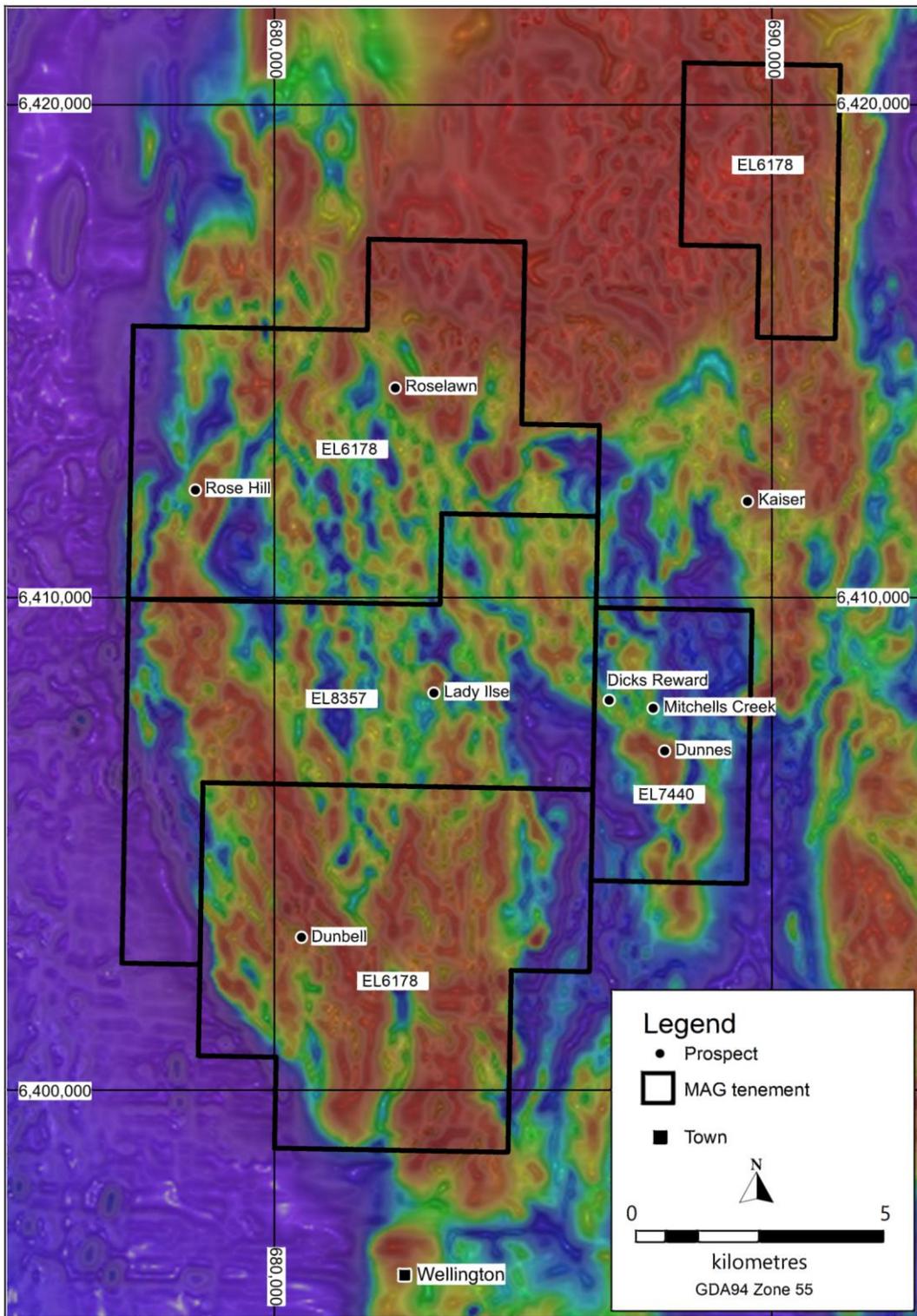


Figure 7 – Wellington North tenements showing regional magnetics RTP (colour) over tilt filter (texture).

Myall Project: Gold and Copper (Magmatic 100%)

Targets: porphyry copper-gold, epithermal gold and orogenic gold deposits

Myall EL6913 is located 20km southwest of Narromine covering 244km² of the Narromine Igneous Complex in the Junee-Narromine Volcanic Belt which is part of the Ordovician Macquarie Arc (Figures 1 & 8). The project is prospective for porphyry copper-gold deposits and Cowal-style epithermal carbonate base metal gold systems.

Previous drilling¹⁰ has intersected significant porphyry copper-gold mineralisation at Kingswood: 70m @ 0.15g/t Au & 0.54% Cu from 141m, including 10m @ 0.61g/t Au & 0.64% Cu from 268m; and Cowal-style carbonate base-metal gold mineralisation at Barina: 0.5m @ 204g/t Au, 93g/t Ag & 8.6% Zn from 221.9m. The latter intercept represents an emerging target style for the Myall project, which has been confirmed by the NSW government awarding drill funding under the New Frontiers Drill Grant scheme to test the Barina target. Most of the area is under irrigated crops, however drilling is planned for the December quarter.

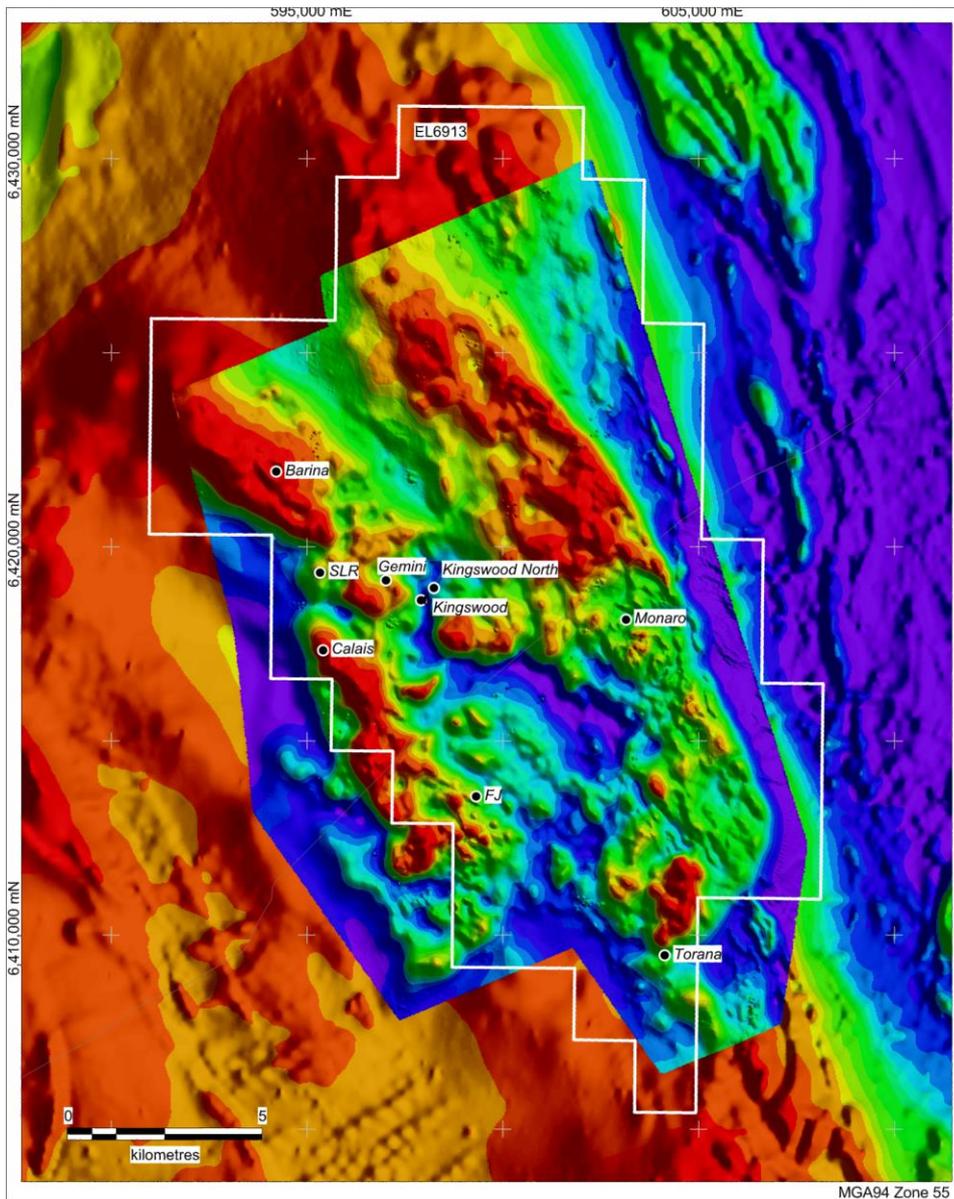


Figure 8 – Myall RTP magnetics (mosaic of high-resolution survey over regional survey) showing key prospects.

¹⁰ Refer to MAG prospectus ASX release 17/05/2017

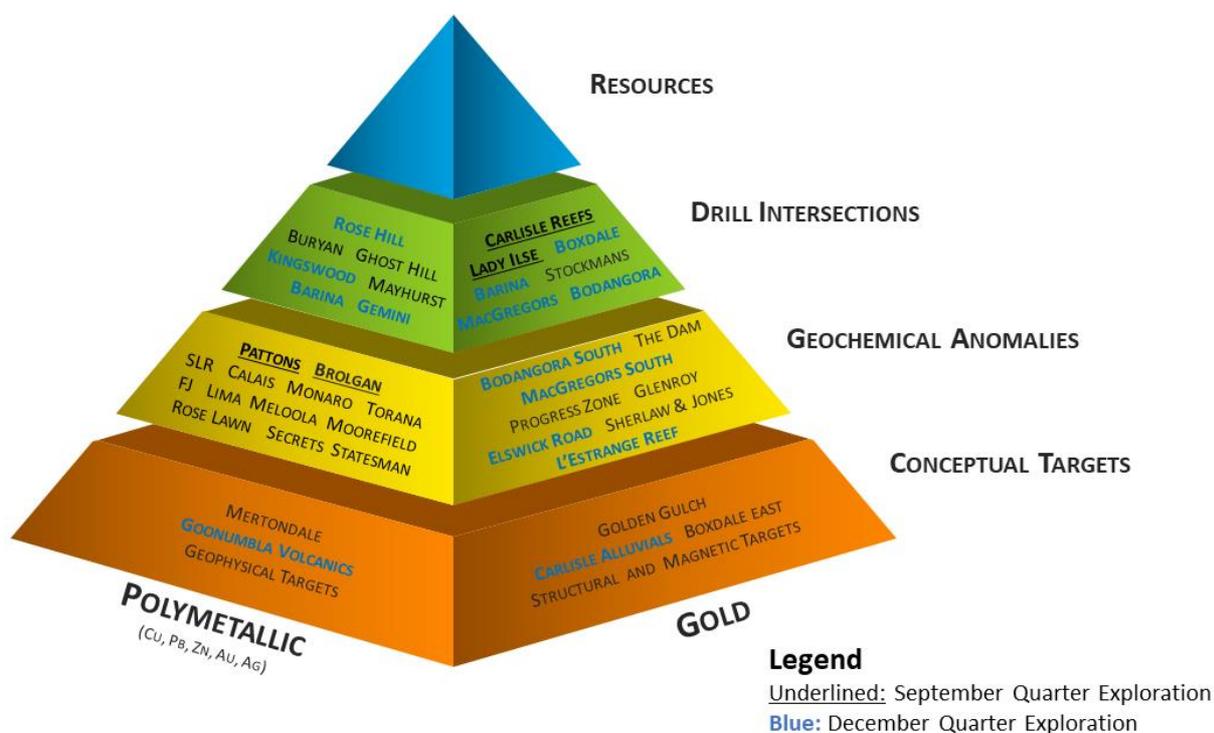
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Magmatic Tenement Listing

(As at 30 September 2017) – no change from 30 June 2017

State	Project	Lease No	Status	JV Project	Manager	Magmatic interest ¹¹	Area (km2)	Note
NSW	Wellington North	EL6178	Renewed	No	Magmatic	100%	113.0	
NSW	Myall	EL6913	Renewal Pending	No	Magmatic	100%	243.7	
NSW	Parkes	EL7424	Renewed	Yes	Magmatic	100%	56.0	JOGMEC earning 51%
NSW	Wellington North	EL7440	Renewed	No	Magmatic	100%	17.4	
NSW	Moorefield	EL7675	Renewed	No	Magmatic	100%	284.6	
NSW	Parkes	EL7676	Renewed	Yes	Magmatic	100%	95.0	JOGMEC earning 51%
NSW	Wellington North	EL8357	Granted	No	Magmatic	100%	46.4	
NSW	Moorefield	ELA5520	Application	No	Magmatic	100%	193.0	

Magmatic Resources Prospect Pipeline



Please direct enquiries to:

David Richardson
 Managing Director
 Phone: +61 (0)8 6102 2709

Competent Persons Statement:

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Gordon Barnes who is a Member of the Australian Institute of Geoscientists. Mr. Barnes is a full-time employee of Magmatic Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Gordon Barnes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

¹¹ All tenements are held by Modeling Resources Pty Ltd which is a 100% owned subsidiary of Magmatic Resources Ltd
 Magmatic Resources Limited (ASX: MAG)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Aooendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MAGMATIC RESOURCES LIMITED

ABN

32615598322

Quarter ended ("current quarter")

30/09/2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1.0 Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-287	-287
(b) development		
(c) production		
(d) staff costs	-99	-99
(f) administration and corporate costs	-113	-113
1.3 Dividends received (see note 3)		
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other - JV management fee	8	8
1.9 Net cash from / (used in) operating activities	-488	-488
2.0 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-58	-58
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets	-20	-20
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-78	-78

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3.0	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.1	Net cash from / (used in) financing activities	0	0

4.0	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,081	187
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-488	-367
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-78	0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	3,260
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,515	3,080

5.0	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	13	168
5.2	Call deposits	2,351	2,702
5.3	Bank overdrafts		
5.4	Other (JV Partner contribution account)	151	210
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,515	3,080

6.0 Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter	\$A'000
	68

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7.0 Payments to related entities of the entity and their associates

Current quarter \$A'000

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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8.0 Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end	Amount drawn at quarter end
\$A'000	\$A'000

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9.0 Estimated cash outflows for next quarter

\$A'000

9.1 Exploration and evaluation

-450

9.2 Development

9.3 Production

9.4 Staff costs

-110

9.5 Administration and corporate costs

-150

9.6 Other (principal & interest repayments)

9.7 Total estimated cash outflows

-710

10.0 Changes in tenements

(items 2.1(b) and 2.2(b) above)

Tenement reference and location

Nature of Interest

10.1 Interest in mining tenements and petroleum tenements lapsed, relinquished or reduced

10.2 Interests in mining tenements and petroleum tenements acquired or increased

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 30 October 2017

Company secretary

Print name:

Ian Hobson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.