

8 March 2024

Fortescue to farm-in to the Myall Project and make cornerstone 19.9% investment into Magmatic Resources

- Farm-in and Joint Venture Agreement (**FJV**) executed with FMG Resources Pty Ltd (**Fortescue**) at the Myall Project
- Fortescue to spend up to \$14M over six years to earn up to 75% joint venture interest in the project
- Magmatic Resources (**MAG**), via its wholly owned subsidiary Modeling Resources Pty Ltd (**MOD**), to be the operator during the initial Farm-in period of up to four years
- Fortescue will also subscribe for 75,946,151 shares in Magmatic Resources (**MAG**) to hold a 19.9% stake
- The placement at a price of \$0.04884 per share will raise approximately \$3.71M and represents a 10% premium to MAG's 30-day volume-weighted average price at 31 January 2024
- Recent exploration at Myall has concentrated on the Corvette and Kingswood Prospects (CKP), with an initial Mineral Resource Estimate of 110Mt at 0.33% CuEq containing 293kt Cu, 237koz Au & 2.8Moz Ag released in July 2023
- MAG considers Myall to have Tier 1 potential and partnering with Fortescue enables significant advancement of both the CKP and other high-potential targets within the project area
- Fortescue's strategic investment will also allow MAG to further advance its two other projects in parallel with Myall, including Wellington North, which surrounds Alkane's Resources ~15.7Moz gold-equivalent Boda-Kaiser deposits

Magmatic Resources Ltd ('**ASX:MAG**' or '**the Company**' or '**Magmatic**') is pleased to announce the execution of a Farm-in and Joint Venture agreement with FMG Resources Pty Ltd ('**Fortescue**'), a wholly owned subsidiary of Fortescue Ltd (**ASX:FMG**), to explore the Myall Project in central west New South Wales. The Myall Project consists of EL 6913, a contiguous 244km² tenement covering the northern extension of the Junee-Narromine Volcanic Belt. The project hosts significant porphyry-associated copper-gold mineralisation within a similar geological setting to the Northparkes copper-gold mine **50 kilometres** to the south. **Evolution Mining** recently purchased 80% of Northparkes, with the balance held by **Sumitomo Metals Mining and Sumitomo Corporation**. Over the preceding two years, Magmatic has completed extensive exploration in the Corvette and Kingswood prospect areas of the project, culminating in an initial Mineral Resource Estimate for the area of **110Mt at 0.27% Cu, 0.07g/t Au and 0.8g/t Ag** (ASX MAG 11 July 2023).

In addition, Fortescue will make a strategic investment, subscribing for 75,946,151 shares in MAG, to become a cornerstone investor.

Magmatic Resources Executive Chairman David Richardson said:

"We are excited to joint venture and partner with Fortescue to advance our exploration efforts across the Myall Project area. Myall has many of the signatures of a Tier 1 copper-gold deposit and Magmatic has recognised the need to partner with a major to further advance the project following the maiden Resource."

Fortescue's cornerstone investment in MAG will allow the Company to simultaneously advance our other two projects at Wellington North and Parkes which are strategically located near Alkane Resources Boda-Kaiser deposits and Tomingley Gold Operations respectively."

Farm-in and Joint Venture Terms

Significant terms include:

1. Fortescue may earn a 51% initial interest in the Myall Project by incurring \$6M in expenditure on exploration in the initial earn-in period of up to four years. This includes a minimum expenditure of \$3M on exploration (including a minimum of 3,000 metres of drilling) within the first two years (**Minimum Obligation**). Fortescue is permitted to withdraw from the Agreement within the first 2 years after satisfying the Minimum Obligation or payment of any shortfall.
2. Fortescue can then earn an additional 24% interest (for a total interest of 75%) by incurring an additional \$8M in expenditure on exploration over an additional two years.
3. During the initial earn-in period, MAG, via its wholly owned subsidiary MOD, will operate and conduct all exploration activities as directed by an Exploration Committee that will comprise two members from each party. MAG will be entitled to a 10% operator's fee.
4. Upon earning a 51% interest in the Myall Project, a joint venture (**JV**) will commence and Fortescue will sole fund and manage exploration activities.
5. On a decision to mine being made, if MOD elects to not contribute to development of the project then Fortescue has a pre-emptive right to purchase MOD's JV interest for fair market value, and a final matching right in relation to a third party sale of MOD's JV interest.
6. At the end of the earning period, funding reverts to a standard contribute or dilute joint venture. If MOD's JV interest falls below 10% for any reason, then Fortescue will be entitled to purchase MOD's remaining JV interest at 90% of the fair market value.

Key Placement Terms

Pursuant to the Share Subscription Agreement (**SSA**), the Company will issue 75,946,151 fully paid, ordinary shares at an issue price of \$0.04884 per share representing 19.9% of the Company's issued share capital upon completion of the new share placement. The issue price of \$0.04884 represents a premium of 10% to the 30-day VWAP as at 31 January 2024. The Company intends to issue the shares on or around 11 March 2024, utilising the Company's current placement capacity under Listing Rule 7.1 and Listing Rule 7.1A.

In accordance with the terms of the SSA, the proceeds from the placement will be used for exploration activities at the Company's Wellington North and Parkes Projects. There is no broker or lead manager to the placement and no capital raising fees were incurred.

In addition, upon completion of the placement:

- (a) Fortescue will have a right to appoint one (1) nominee director to the Magmatic Board while its interest in the Company remains below 20%;
- (b) if Fortescue increases its interest in the Company to 20% or more, it will have the right to appoint an additional nominee director to the Board, however such right will only be valid while Fortescue's interest in the Company remains at 20% or higher;

- (c) while Fortescue holds at least a 10% interest in the Company, Magmatic will use reasonable endeavours to allow Fortescue to participate in any issues of securities (other than a pro-rata offer to existing shareholders or an offer of securities under the Company's employee incentive scheme); and
- (d) for a period of two (2) years, where the Company receives a non-equity financing offer, the Company will provide Fortescue with first right of refusal to provide such non-equity financing.

The SSA also contains additional terms that are considered customary and usual for an agreement of this nature, including certain representations and warranties.

For further information:

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Authorised for release by the Board of Directors of Magmatic Resources Limited.

About Magmatic Resources (ASX:MAG)

Magmatic Resources Limited (ASX: MAG) is a New South Wales-focused gold and copper explorer.

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

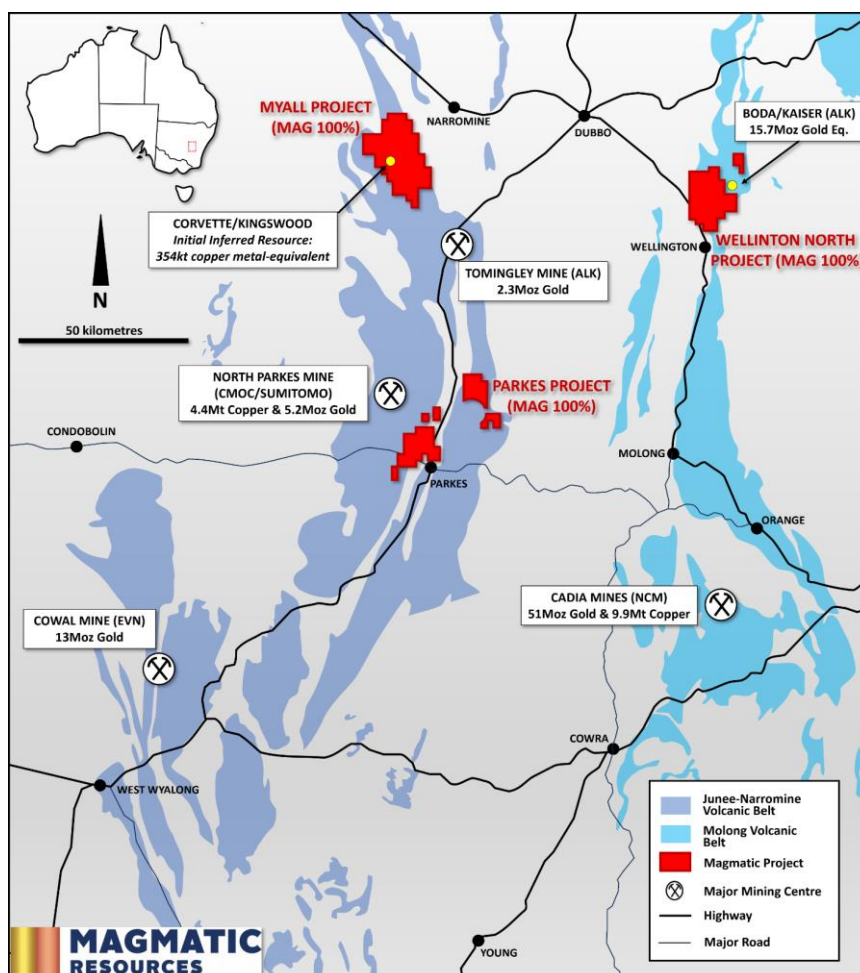
The East Lachlan has an endowment of more than 80 million ounces of gold and 13 million tonnes of copper. It is home to Newcrest Mining's Cadia Valley District, which includes the Cadia East Mine, Australia's largest gold mine and one of the world's most profitable gold mines. The Northparkes copper-gold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

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

The Company also holds a strategic position in the Parkes Fault Zone (Parkes Project), immediately south from Alkane's Tomingley Gold Mine and recent Roswell and San Antonio gold discoveries.

The Myall Copper-Gold Project covers the northern extension of the Junee – Narromine Volcanic Belt, located ~50km north and along strike from the Northparkes copper-gold mining district (China Molybdenum/ Sumitomo). In July 2023 the Company released a maiden Inferred Mineral Resource Estimate for the Corvette and Kingswood Prospects of 110Mt at 0.33% CuEq, containing 293kt of copper, 237koz of gold and 2.8Moz of silver, equating to 354kt of copper metal-equivalent.

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



Competent Persons Statement

Compilation of exploration and drilling data, along with assay validation and geological interpretations for the Mineral Resource Estimate was coordinated by Adam McKinnon, BSc (Hons), PhD, MAusIMM, who is Managing Director and a full-time employee of Magmatic Resources Limited. Dr McKinnon has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr McKinnon consents to the inclusion in this release of the matters based on his information in the form and context in which it appears. Additionally, Dr McKinnon confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

The information in this ASX release that relates to the Mineral Resource Estimate is based on information compiled by Arnold van der Heyden, a Member and Chartered Professional (Geology) of the AusIMM. Mr van der Heyden is a full-time employee of H&S Consultants Pty Ltd. Mr van der Heyden has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr van der Heyden consents to the inclusion in this Announcement of the matters based on his information in the form and context in which it appears.

Previously Reported Information

The information in this report that references previously reported exploration results is extracted from the Company’s ASX market announcements released on the date noted in the body of the text where that reference appears. The previous market announcements are available to view on the Company’s website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.

Disclaimer

This report contains certain forward-looking statements and forecasts, including possible or assumed reserves and resources, production levels and rates, costs, prices, future performance or potential growth of Magmatic Resources Limited, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Magmatic Resources Limited. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this report should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geoscientists.