Magmatic Resources Limited

ABN 32 615 598 322

Annual report
for the year ended 30 June 2018

Contents

Corporate Information

Directors	David Berrie – Non-Executive Chairman David Richardson – Managing Director Malcolm Norris – Non-Executive Director
Company Secretary	Ildiko Wowesny (appointed 1 December 2017) Ian Hobson (resigned 1 December 2017)
Registered Office and Principal Place of Business	Level 1, 11 Lucknow Place West Perth WA 6005 Telephone: +61 8 6102 2709 Email: info@magmaticresources.com Website: www.magmaticresources.com
Share Registry	Computershare Investor Services Pty Ltd Level 11, 172 St George's Terrace Perth WA 6000 Telephone: 1300 850505 Telephone: +61 8 9415 4000
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
Solicitors	Steinepreis Paganin Level 4, The Read Building 16 Milligan Street Perth WA 6000
ASX Code	Magmatic Resources Limited is listed on the Australian Securities Exchange Shares: MAG, Options: MAGO

Chairman's Letter

Dear shareholder,

I am pleased to present the company's second annual report since listing on the ASX on 17/5/2017. Our first complete year of exploration has been an eventful and successful year for Magmatic across its portfolio. Five targets were drilled to advance our copper-gold targets and four targets were drilled on our near-surface gold targets. Importantly all our tenements in the East Lachlan acquired from Gold Fields were renewed 100% without relinquishment.

We completed near surface gold exploration programmes at Moorefield Projects Carlisle Reefs target, Wellington North Projects Lady Ilse target and Parkes JV Projects MacGregors and MacGregors South targets, and our 2018/19 exploration will continue to focus on advancing these targets.

We delivered a separate drilling programme at our Myall Project, co-funded by the Government of New South Wales, which we believe has put us in a better position to advance this project with possible joint venture (JV) partners, in line with our strategy of joint venturing our deeper porphyry copper-gold projects and self-funding exploration on the near surface gold targets across our project portfolio.

At our Parkes JV we were able to drill several targets and identified 12 new drill-ready targets in the reporting period. Our JV partner JOGMEC (Japanese Government Resources Agency) have committed a further $1m to fund exploration in the coming year.

Other field work completed included geochemical sampling on our near surface gold targets at Wellington North and Parkes JV, with exciting rock chip results reported from our gold and copper-gold targets at Wellington North.

We have also made exciting and strategic tenement acquisitions in Western Australia, with our Mt Venn Copper-Nickel-Cobalt Project and Yamarna Gold Project tenement acquisitions, taking advantage of free-pegging opportunities to diversify our portfolio in terms of geography and commodity in a proven exploration belt.

We look forward to advancing our near surface gold targets and corporately we hope to announce further joint ventures in the near future, designed to progress our deeper porphyry targets.

I want to take this opportunity to thank our personnel across the business for their contributions to the successful execution of both exploration and corporate activities in the reporting period and acknowledge our loyal shareholders for their continued support of the Company.

Sincerely

DBerrie

David Berrie

Chairman

Review of Operations

It has been an eventful year since Magmatic Resources Limited ("Magmatic" or the "Company") (ASX: MAG) listed on the ASX in May 2017. Magmatic listed on the back of acquiring a 100% interest in four large gold and copper exploration projects in New South Wales from the world's seventh largest gold producer, Gold Fields Limited; and the Company's initial strategy was to focus exploration on near surface gold targets at the Wellington North, Moorefield and Parkes JV projects, and to identify JV partners for the larger copper-gold porphyry targets at the Myall and Wellington North Projects.

In addition to its exploration advancement strategy for its NSW projects, Magmatic moved in the past 12 months to acquire two strategic Western Australian projects: the Yamarna Gold Project and nearby Mt Venn Copper-Nickel-Cobalt Project, located 150km east of Laverton.

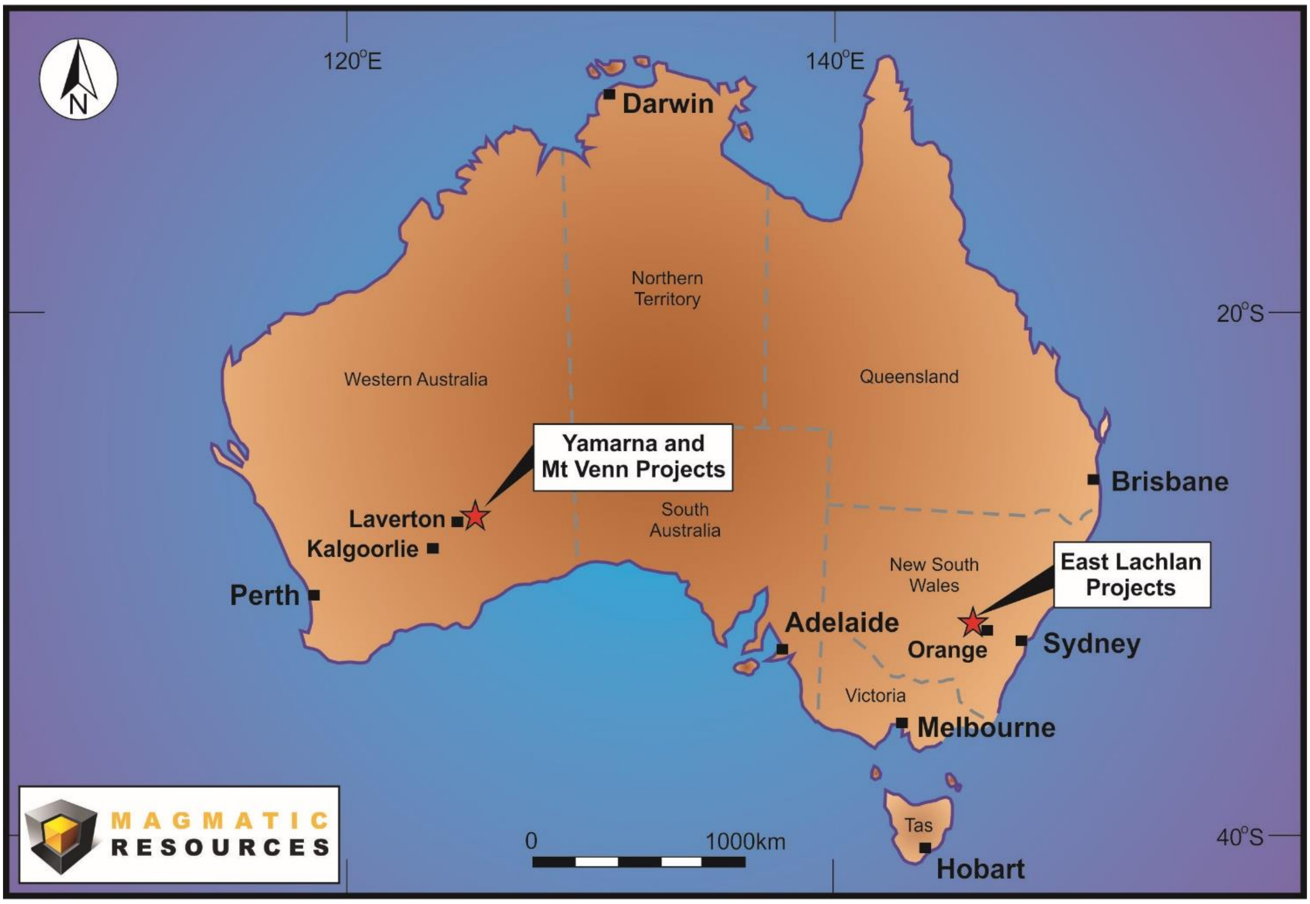

Figure 1: Magmatic has four advanced exploration projects in New South Wales and two target generation projects in Western Australia.

East Lachlan Exploration

The Company has four 100%-owned projects covering an area of 1,049km^2 – Myall, Moorefield, Wellington North and Parkes JV (with JOGMEC) – comprising eight tenements in the East Lachlan, NSW. This province is host to major gold and copper mining operations within the Ordovician Macquarie Arc, with significant metal endowments such as:

- Newcrest's Cadia Valley (48.7Moz Au and 6.5Mt Cu),
- China Moly – Sumitomo's Northparkes (3.8Moz Au and 3.4Mt Cu),
- Evolution's Cowal (8.35Moz Au).

Other mines and advanced projects in the region include Regis' McPhillamys (2.2Moz Au), Sandfire's Temora (2.1Moz Au and 0.8Mt Cu), and Alkane's Tomingley (0.8Moz Au).

On the regulatory front, seven of Magmatic's eight NSW licences have had 100% renewals issued for a further three years. Magmatic is very pleased with this outcome, which was a focus of the Company's work programme in the past 12 months, where we committed to completing early, aggressive exploration campaigns across the portfolio and Magmatic now looks forward to completing more targeted future programmes on these licences.

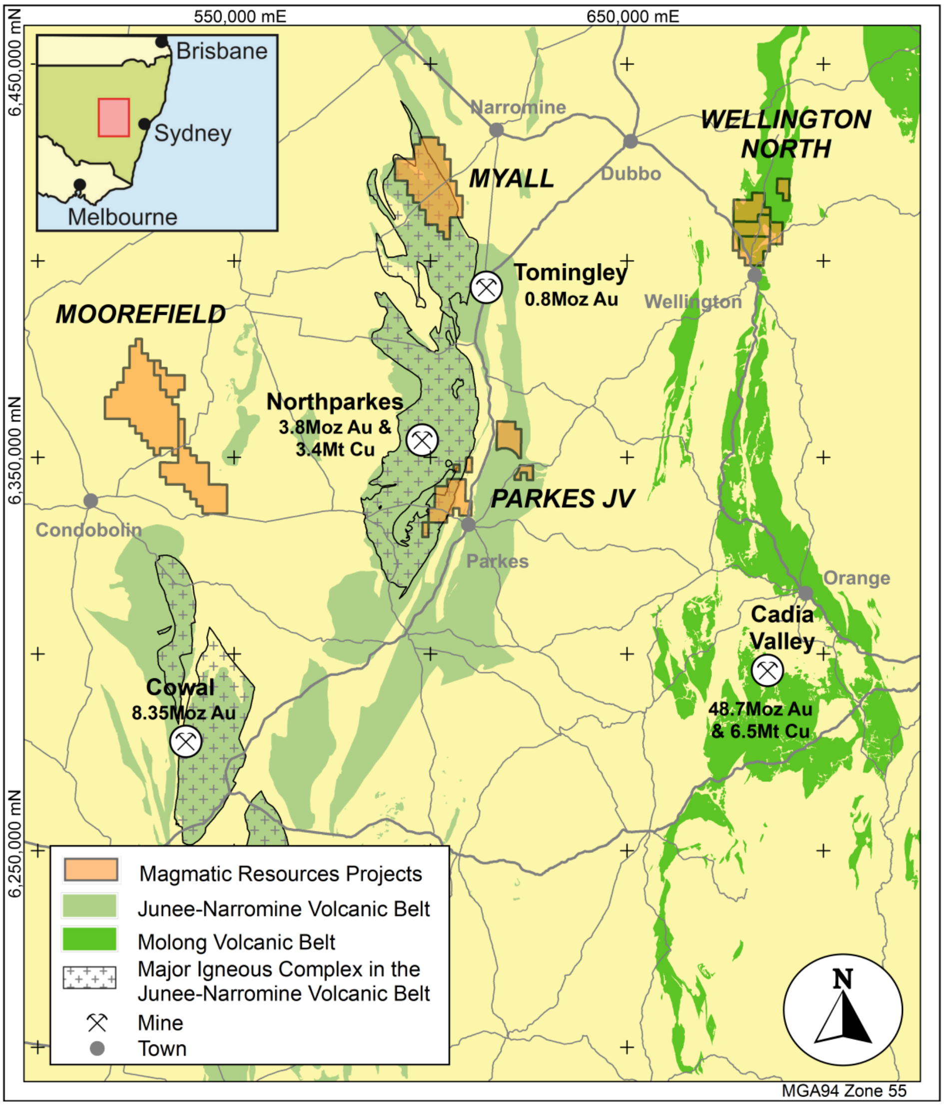

Figure 2: East Lachlan projects and geology showing volcanic belts and major igneous complexes

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

The Wellington North Project is located just north of the town of Wellington in the East Lachlan region of NSW. The Project consists of three licences (EL6178, EL7440 and EL8357) covering 176.7km^2. Wellington North is in the Molong Volcanic Belt which hosts Newcrest's Cadia Valley porphyry copper-gold deposits (48.7Moz Au and 6.5Mt Cu).

Wellington North is a core focus project for Magmatic. The project is under thin-to-no cover and has delivered outstanding results this year from the newly discovered Lady Ilse prospect and at the historical Bodangora mines which have a recorded previous production of 230,000oz with an average grade of 26g/t Au.

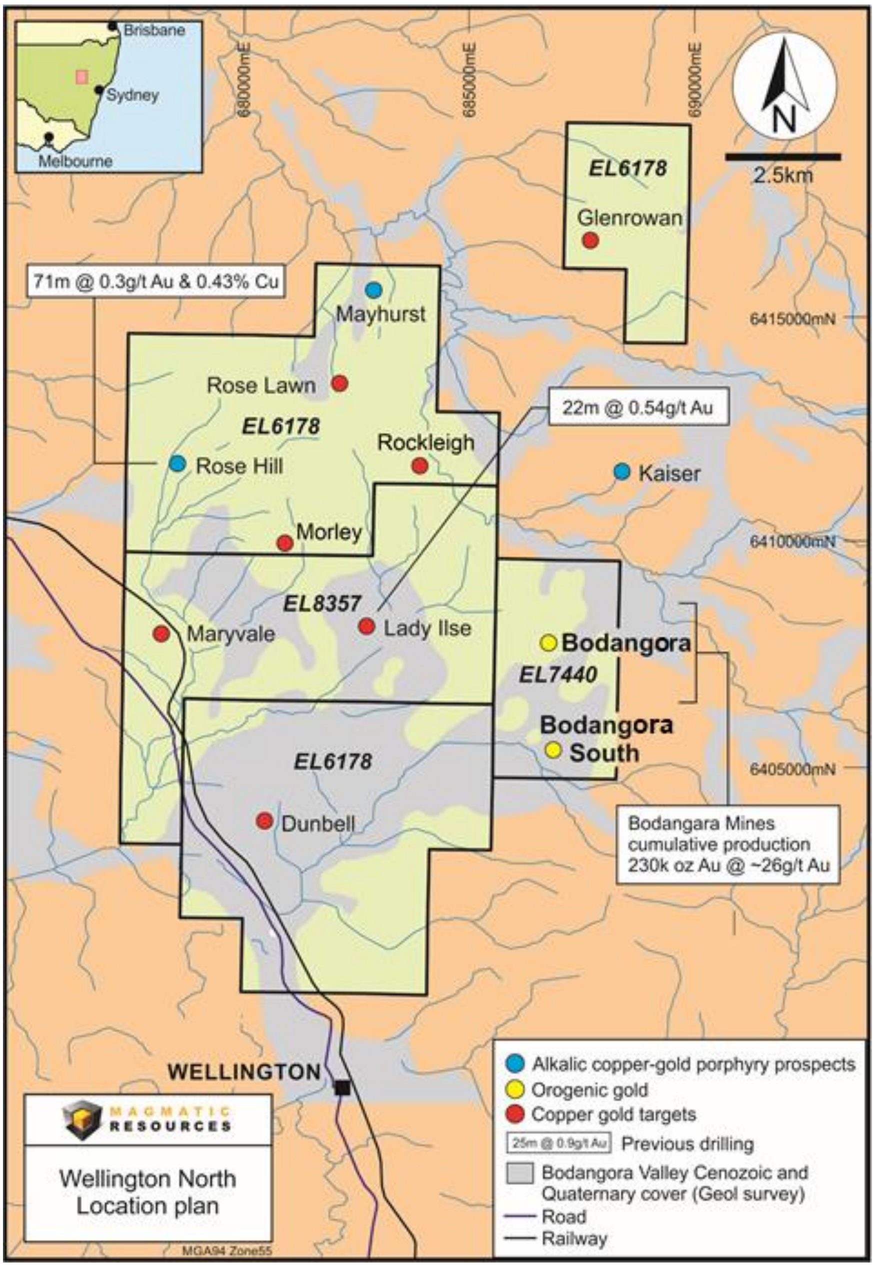

Figure 2: Magmatic's Wellington North Project has been a core focus of exploration activity Financial Year 2018.

Exploration commenced with aircore drilling at Lady Ilse (30 holes for 392m) where an old regional (500m spaced) aircore hole with an intersection of of 3m at 0.6g/t Au had not been followed up. The aircore anomaly sat coincident with an aeromagnetic anomaly making this a priority target for Magmatic. The aircore program delivered promising results with five holes ending in mineralisation, including an intersection of 20m at 0.66g/t Au at end-of-hole (eoh).

Magmatic followed up the aircore drilling with RC drilling (14 holes for 1,360m), which identified intrusion related gold-copper mineralisation under thin transported cover. Strongly magnetite altered and possibly skarn related rocks may indicate association with a porphyry copper-gold system. Drill intercepts included 22m at 0.54g/t Au and 18m at 0.48g/t Au.

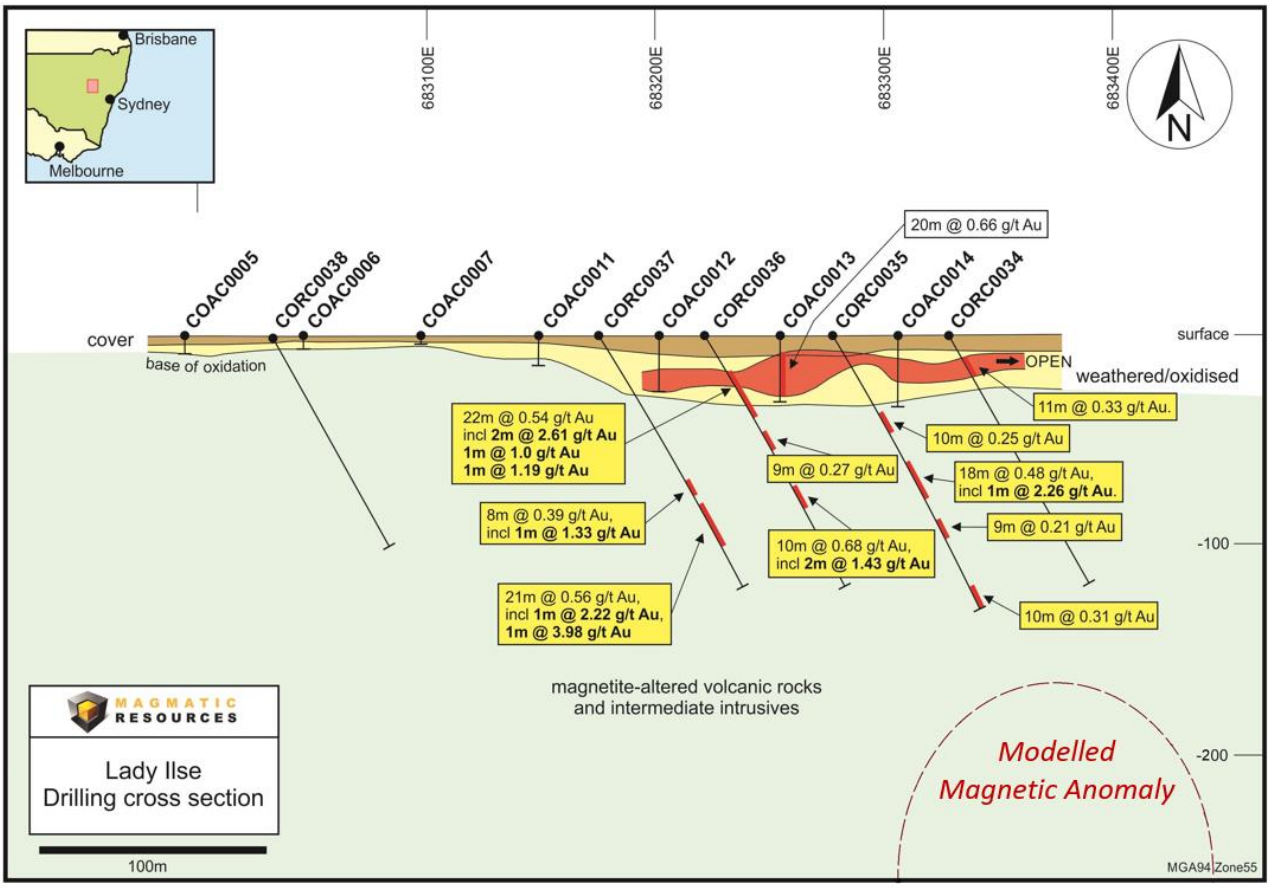

Figure 3: Cross section of significant intercepts from drilling at the Lady Ilse prospect at Wellington North.

Previous close-spaced aeromagnetic data at Lady Ilse has been interpreted to display a circular feature, possibly intrusion-related, with the centre at the Lady Ilse target. Three-dimensional interpretation and remodelling of the data has shown that the source of the anomaly is likely to be deeper than the recently completed Magmatic drilling. Deeper drilling is planned next year to target the magnetic feature, as well as the extent of the saprolite anomaly which has not yet been fully defined.

Magmatic pegged the EL8357 licence in 2015, separately to the transaction with Gold Fields, and that decision has reaped the Lady Ilse prospect as a reward to date.

Magmatic has started work at the old Bodangora Mines, with a mapping and sampling programme to improve understanding of the mineralisation in this area. The rock chip samples collected returned up to 92.8g/t Au from the old mine area at Dicks Reward and up to 2.2g/t Au from the untested and unmined Bodangora South target, 2.5km to the south. Magmatic is planning RC drilling at Bodangora and Bodangora South to target high-grade near surface mineralisation.

Rose Hill is a porphyry copper-gold target at Wellington North, which is a high-priority copper-gold porphyry target for Magmatic, which the Company has scheduled for testing in the 2019 Financial Year, preferably through the potential introduction of a joint venture partner.

Parkes JV Copper-Gold and Gold Project (100% MAG)

The Parkes JV Project is located just north of the town of Parkes in the East Lachlan region of NSW and consists of two licences (EL7676 and EL7424) covering 159km^2.

The project is within the Junee-Narromine Volcanic belt of the Ordovician Macquarie Arc, which hosts porphyry copper-gold deposits at Northparkes and Temora as well as the Cowal low-sulphidation epithermal gold deposit. It is within structurally prominent stratigraphy east of Northparkes Cu-Au porphyry deposit, and along the strike from the Tomingley Gold Mine and Peak Hill Gold Mine.

In line with the Company's strategy of joint venturing the larger copper-gold porphyry projects, we successfully joint ventured out Parkes with JOGMEC (Japanese National government resources agency). In the first year they have funded more than $1M on advancing this project and have committed to another $1M for the 2019 Financial Year.

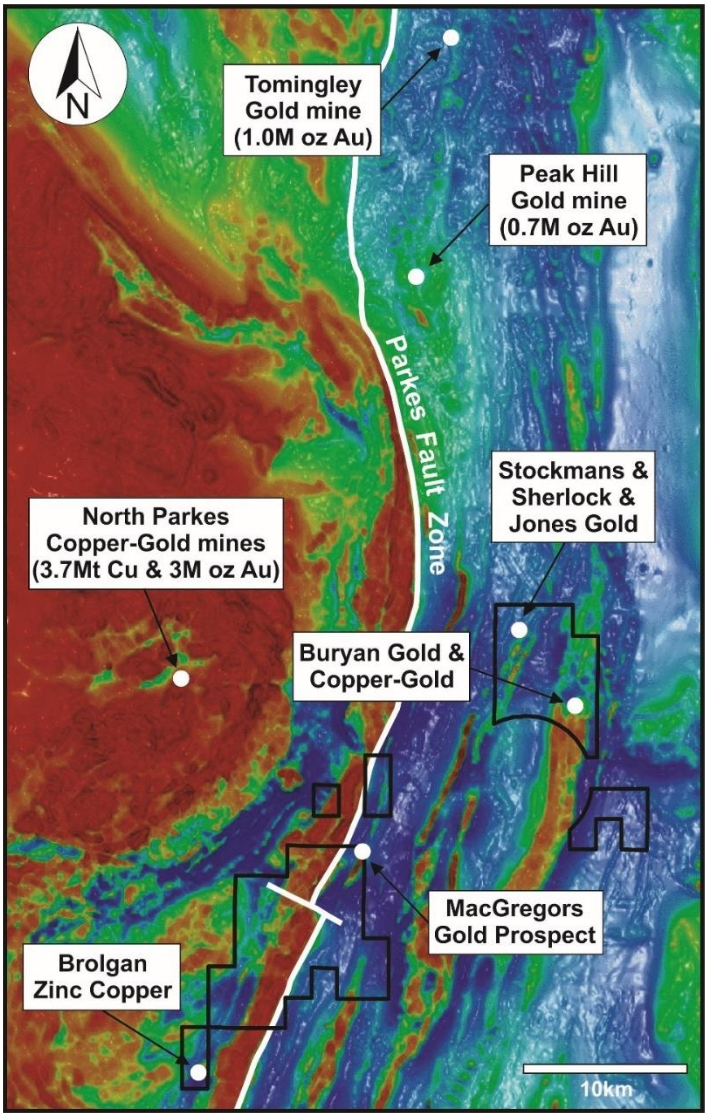

Figure 4: Magmatic's Parkes JV licence area straddles the highly prospective Parkes Fault Zone.

The work completed has included diamond drilling at Magmatic's Buryan and Brolgan porphyry copper-gold prospects as well as RC drilling at the MacGregors and MacGregors South gold targets (23 holes for 1,852m). The drilling at MacGregors and MacGregors South has opened up a 2km gold corridor in the Parkes Fault Zone, with assays including 10m at 1.25g/t Au within a broader zone of 19m at 0.8g/t Au.

Towards the end of the financial year, Magmatic completed a detailed aeromagnetic survey focussing along the Parkes Fault Zone, based on the success of drilling here at the MacGregors and MacGregors South prospects. The interpretation of the survey has highlighted 11 new targets with no known previous drilling and little sampling. Magmatic has commenced sampling and mapping which will help the Company prioritise and focus drilling in the 2019 Financial Year. Magmatic is enthusiastic about a second full year of exploration at the Parkes JV and is boosted by the confidence of a highly experienced JV partner that increased funding during the first year of exploration to $1.3M.

Myall Gold-Copper Project (100% MAG)

The Myall Project is located 18km southwest of Narromine in the East Lachlan Province, NSW. The project consists of one licence (EL6913) of 244km^2. Myall is also within the Junee-Narromine Volcanic Belt which hosts the Northparkes porphyry copper deposits. The licence covers one of the largest volcano-intrusive complexes in the East Lachlan, being a similar age to the Cadia Valley and Northparkes copper-gold porphyry systems. The Narromine Intrusive complex is one of three major intrusive complexes in the Junee-Narromine Volcanic Belt and the only major complex not currently producing gold or copper.

The Company completed a 22 aircore and watercore drill program with diamond tails (2,394m) over the Barina, Gemini and Kingswood targets. The drilling was co-funded by the NSW Government, and successfully confirmed and extended the gold and copper anomalies that remain untested at depth.

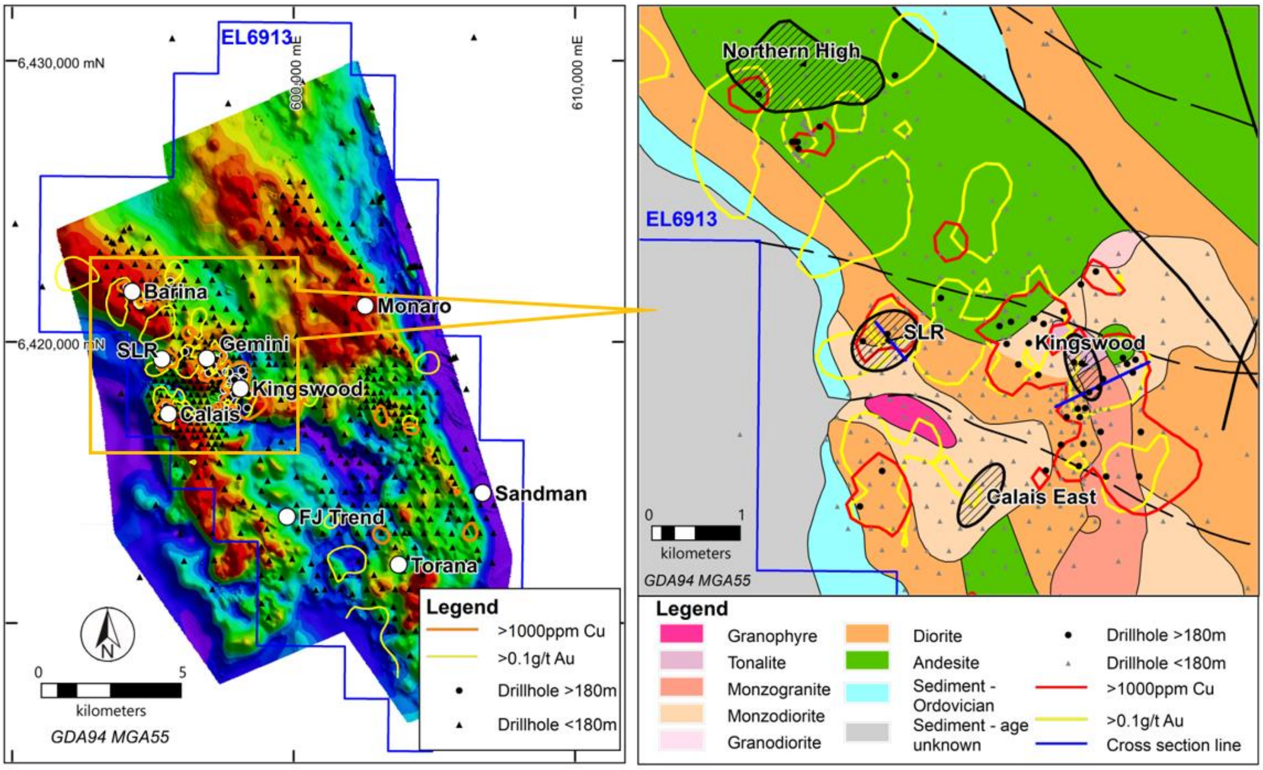

Figure 5: Myall Project magnetics and geological setting showing Magmatic's priority targets.

Magmatic integrated the new drilling data into the database and completed a comprehensive review including the inspection of RC chip trays and previous core. Magmatic was able to outline four priority target areas at Myall which has put the Company in a better position to joint venture the Myall project. The targets include the Kingswood porphyry system where the area north of MYACD001 (e.g. 52m at 0.67% Cu, 0.2 g/t Au, from 144m) is untested for more than 250m and open towards early reconnaissance hole NACD089 (14m at 0.14% Cu, 0.05g/t Au from 130m), with only a single DD hole following up (NACD156: e.g. 22m at 0.21% Cu and 0.2g/t Au, from 374m).

Magmatic hopes to progress this project in the next 12 months by forming a joint venture, as the Company believes all the ingredients of a major porphyry copper-gold system are present. This includes intersected grades, proximal epidote alteration and the presence of “M” veins and Northparkes-style porphyry veins at Kingswood.

Moorefield Gold and Base Metals Project (100% MAG)

The Moorefield Project is located 25km northeast of the town of Condobolin in the East Lachlan region of NSW. Moorefield consists of two tenements (EL7675 and EL8669) covering 478km^2. The project is immediately adjacent to Australian Mines’ and CleanTeQ’s nickel-cobalt-scandium projects.

Moorefield is located in a north-trending belt of Ordovician metasediments (Girilambone Group) and Siluro-Devonian volcanics and sediments (Derriwong Group). The area is prospective for near surface epithermal gold and skarn mineralisation in the Girilambone Group, which hosts numerous gold occurrences and VMS mineralisation in the Derriwong Group. Late Ordovician mafic-ultramafic intrusions occur along a major north-west trending crustal structure extending from Condobolin to Bourke, which are host to the Flemington, Syerston and Sopresa nickel-cobalt-scandium deposits.

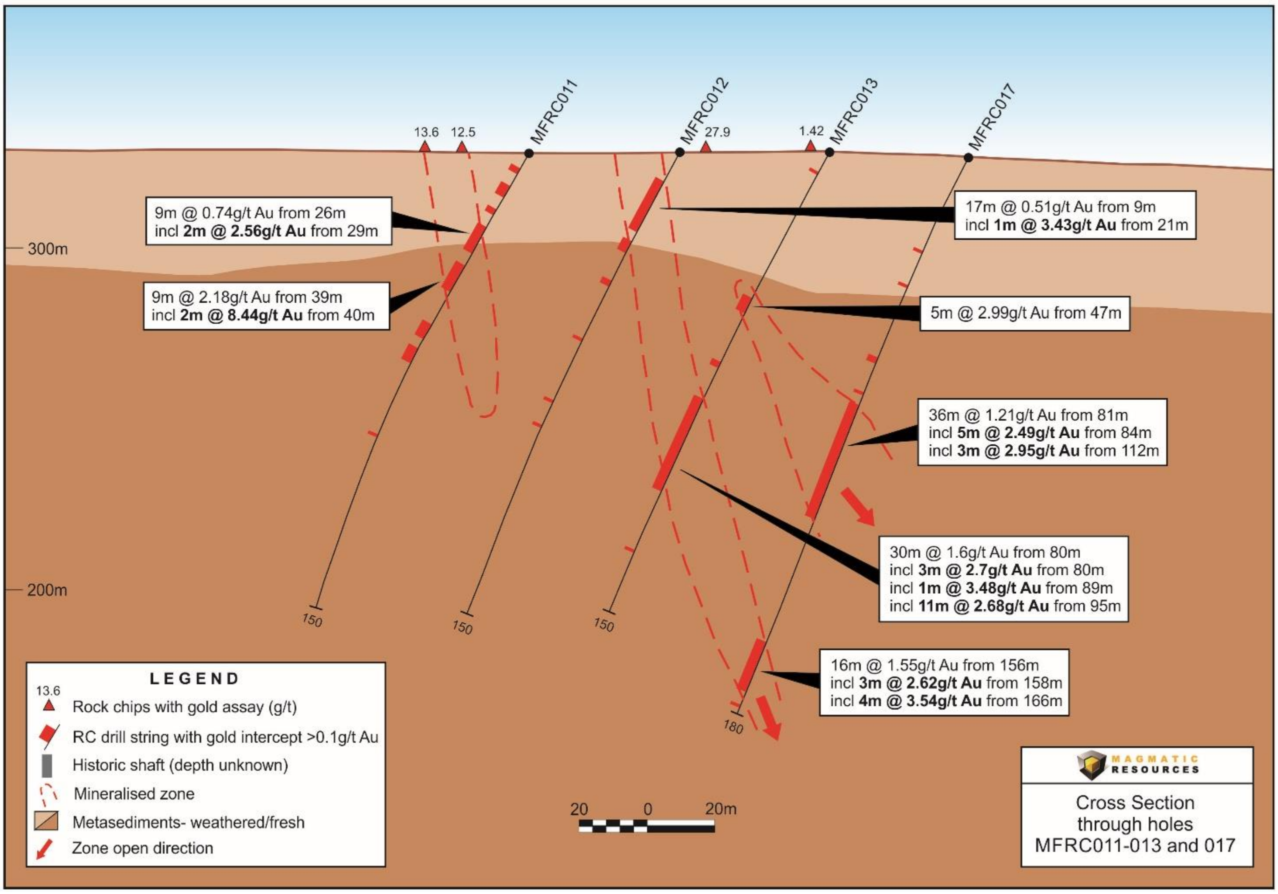

Figure 6: Carlisle Reef cross section of significant drill intercepts at the Moorefield Project.

Magmatic has identified and focused exploration on a 15km gold trend running from north of Boxdale to south of Carlisle Reefs. Previous RC drill results at Boxdale include 19m at 1.28g/t Au. In 2017, Magmatic completed a second round of RC drilling at its Carlisle Reefs prospect after a successful first round of drilling in June 2017, shortly after listing on the ASX. The results included 30m at 1.6g/t Au, including 3m at 2.70g/t Au and 11m at 2.68g/t Au.

Magmatic was granted a new exploration licence in October 2017 which covers the interpreted southern extent of the Boxdale-Carlisle Reefs trend. Magmatic subsequently flew a 50m line-spaced magnetic survey to test the trend and assist with targeting. The survey results have been processed and interpretation is under way. Magmatic is excited to release these results in the 2019 Financial Year and get on the ground to follow up these promising targets.

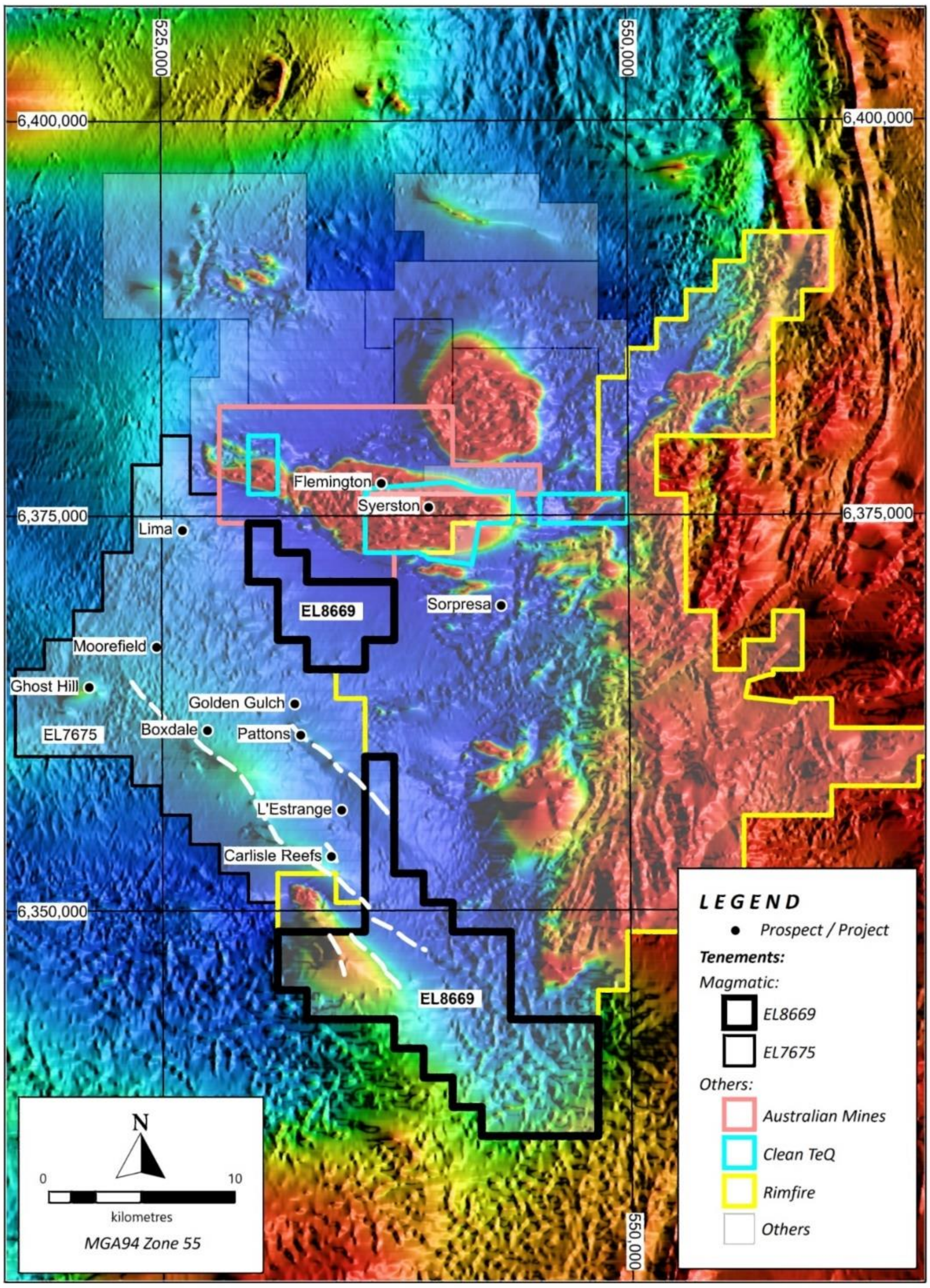

Figure 7: Regional setting and magnetic imagery of the Moorefield Project and surrounds.

Western Australian Project Acquisitions

Magmatic acquired new exploration ground over the Mt Venn intrusion in WA, prospective for copper-nickel and cobalt mineralisation in March 2018 as well as ground in the under-explored Yamarna Greenstone Belt. The highly promising early stage Yamarna Gold Project compliments the Mt Venn Copper-Nickel-Cobalt Project acquired in March 2018, 40km west of the new project area, and diversifies Magmatic's substantial portfolio of projects in the East Lachlan region of New South Wales. These strategic ground positions in a proven mineralised district of Western Australia adds the in-demand commodities of cobalt and nickel to the Company's pipeline of targets.

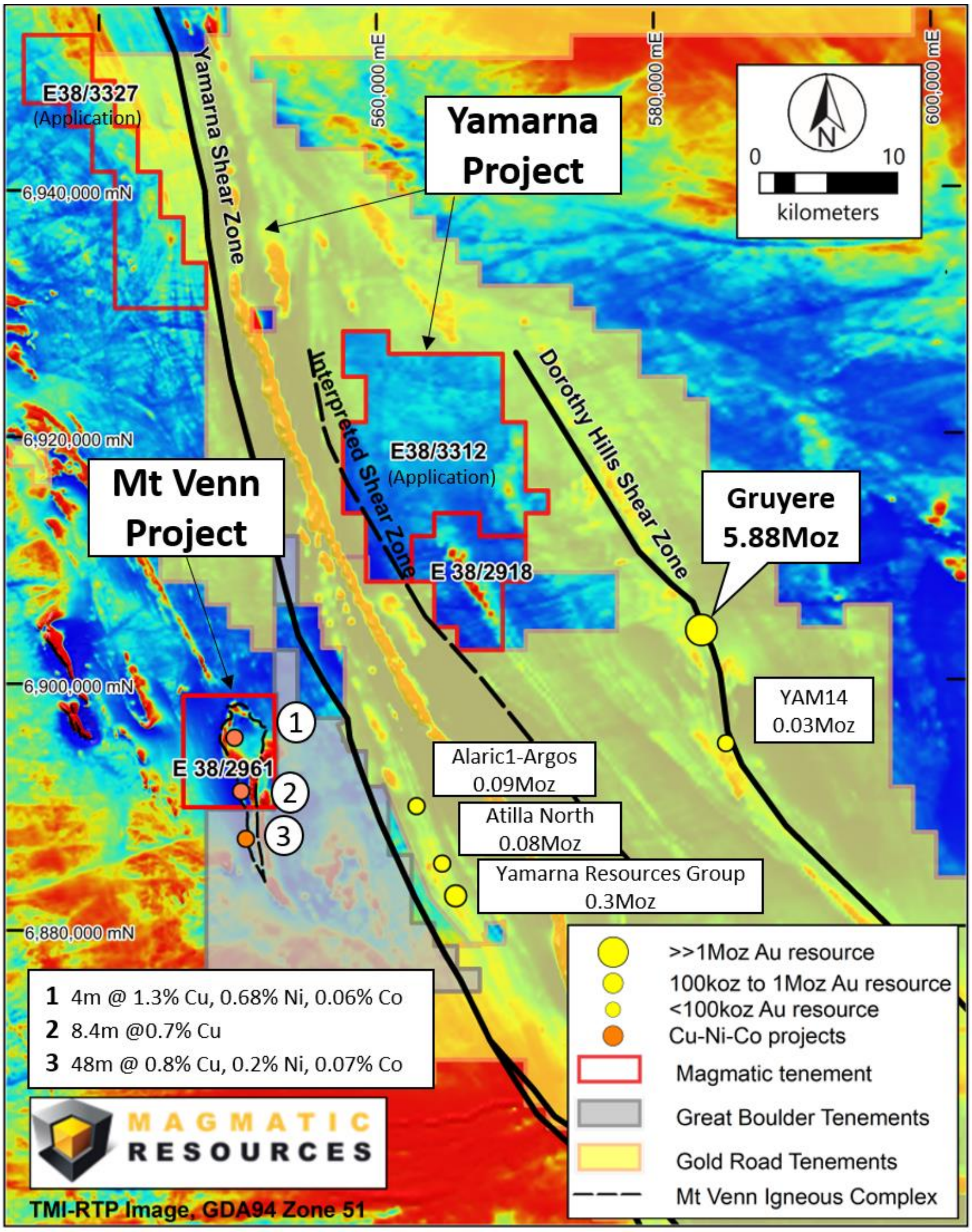

Figure 8: Magmatic's strategic acquisitions in WA form part of a diversification and target generation strategy.

Mt Venn Copper, Nickel and Cobalt (100% MAG)

Mt Venn is located 120km east of Laverton in Western Australia. It consists of 1 tenement (E38/2961) for 60km^2 which covers 60% of the Mt Venn Intrusion, where Great Boulder Resources recently discovered copper-nickel-cobalt mineralisation at its Mt Venn target. Intercepts included 48m at 0.75% Cu, 0.2% Ni and 0.07% Co and 61m at 0.51% Cu, 0.19% Ni and 0.06% Co (GBR ASX release 13/11/2017).

Rock chip sampling at Magmatic's Mt Venn Project, by previous explorers, was completed along 7km of strike length and identified copper-bearing gossans with assays up to 24% Cu, 1.89% Ni and 0.18% Co. Detailed ground EM and heliborne VTEM surveys by previous explorers identified multiple conductors, which remain untested or with minimal follow-up.

Magmatic intends to commence field work at its Mt Venn Project as soon as practicable with field reconnaissance, reprocessing of EM and VTEM data and an RC drill program scheduled for the 2019 Financial Year.

Yamarna Gold Project (100% MAG)

The Yamarna Project is 150km northeast of Laverton in the underexplored Yamarna Greenstone Belt of WA, 40km northeast of the Company's Mt Venn Project. Magmatic has acquired and applied for three exploration tenements this year (E38/2918 and applications E38/3312 and E38/3327) covering 355km^2.

The Yamarna Project is just 15km northwest of the Gruyere (5.88Moz) gold mine under construction (Gold Fields/ Gold Road JV).

The Magmatic exploration team have identified a large scale regional structure transecting the Company's new tenements, interpreted to be prospective for gold. Previous exploration is limited and includes minor shallow RAB and AC drilling, which Magmatic plans to assess with on the ground work in the 2018 field season.

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 Steven Oxenburgh who is a Member of the AusIMM (CP) and a Member of the Australian Institute of Geoscientists. Mr Oxenburgh 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 Oxenburgh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Additionally, Mr Oxenburgh 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.

Directors' Report

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

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

David Berrie – *Non-Executive Chairman*
David Richardson – *Managing Director*
Malcolm Norris – *Non-Executive Director*

Company Secretary
Ildiko Wowesny (appointed 1 December 2017)
Ian Hobson (appointed 20 January 2017, resigned 1 December 2017)

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

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

Review of operations
Information on the operations of the Group is set out in the Review of Operations report on pages 5 to 14 of this Annual Report.

Financial review
The Group incurred a loss of $2,533,870 after income tax for the financial year (2017: loss of $3,794,220).

As at 30 June 2018, the Group had net assets of $2,205,652 (30 June 2017: $4,264,431), including cash and cash equivalents of $553,484 (30 June 2017: $3,080,365).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group to the date of this report.

Matters subsequent to the end of the financial year
The Company issued a renounceable rights issue Prospectus dated 30 July 2018 to raise up to $1,226,939 on a one new share for three existing shares basis at $0.04 per share. The company announced on 28 August 2018 that it raised $994,366 (before costs as at 30 August 2018. The board is working with the Lead Broker to place the remainder of the shortfall under the terms of the Prospectus.

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

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

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

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

Information on directors

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

Mr Berrie is not considered to be independent due to his interest in the securities of the Company.
Other current directorships
Hylea Metals Limited (appointed 6 February 2018)
Summit Resources Limited
Former directorships in the last 3 years: Nil
Special responsibilities
Non-Executive Chairman
Interests in shares and options at the date of this report
12,669,044 ordinary shares (indirectly held), 1,360,000 class B performance shares (indirectly held).

David Richardson; B. Comm MBA *Managing Director* (appointed 28 October 2016)
Experience and expertise
Mr. David Richardson is an experienced international Executive and has worked in strategic partnerships, international business development and fund-raising in the Asia-Pacific region for over 25 years. He has lived and worked in Asia extensively, speaks fluent Japanese and is a founding board member of the Telethon Adventurers charity for childhood cancer research. David holds a Masters of Business Administration from the University of Southern California in Los Angeles and undertook post graduate Japanese studies at Keio University in Tokyo.

Mr Richardson is not considered to be independent due to his executive role as Managing Director of the Company and interest in the securities of the Company.
Other current directorships: Nil
Former directorships in the last 3 years: Nil
Special responsibilities
Managing Director
Interests in shares and options at the date of this report
37,962,573 ordinary shares (indirectly held), 4,480,000 class B performance shares (indirectly held).

Malcolm Norris; MSc, MAppFin *Non-Executive Director* (appointed 20 December 2016)
Experience and expertise
Mr. Malcolm Norris is a geologist with extensive experience in business management, asset transactions and exploration with a focus on porphyry discovery. He is currently the managing director of Sunstone Metals Limited (ASX:STM). Previously chief executive officer and managing director of SolGold Plc, Mr Norris holds a Bachelor of Science (Geology, Hons 1) from the University of Queensland, a Master of Science from the University of Western Ontario and a Master of Applied Finance (Kaplan).

The Board considers Mr. Norris to be an independent Director as he is not a member of management and is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board.
Other current directorships
Sunstone Metals Limited
Former directorships in the last 3 years
Afranex Gold Limited
Special responsibilities: Nil
Interests in shares and options at the date of this report

750,000 unlisted options exercisable at 30 cents on or before 19 May 2020.

Meetings of directors

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

The Company has no separate Audit committee or Remuneration committee as is not of a sufficient size to warrant these. All matters usually dealt with by these committees are dealt with by the whole Board.

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

	Directors' meetings held	***Directors' meetings attended***
D Berrie	4	4
D Richardson	4	4
M Norris	4	4

Shares under option

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

Grant date	Date of expiry	Exercise price	Number of options
11 May 2017	17 May 2020	$0.30	8,480,613
11 May 2017	17 May 2020	$0.30	9,500,000
11 May 2017	11 May 2019	$0.20*	2,500,000 (Tranche 2)
11 May 2017	11 May 2020	$0.20*	2,500,000 (Tranche 3)
30 August 2018	30 August 2021	$0.10	26,859,141

**Unlisted options exercisable at a price which is greater of $0.20 or a 5% discount to the 20-day weighted average price of shares on ASX.*

No option holder has any right under the options to participate in any other share issue of the Company or any other controlled entity.

Shares issued on the exercise of options

There have been no shares issued upon the exercise of options.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for the key management personnel of Magmatic Resources Limited (the "Company" or "Parent") for the financial year ended 30 June 2018. The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

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

Key Management Personnel

(i) Directors

David Berrie - Non-Executive Chairman
David Richardson – Managing Director
Malcolm Norris – Non-Executive Director

(ii) Executives
Ildiko Wowesny - Chief Financial Officer and Company Secretary (appointed 1 December 2017)
Ian Hobson – Chief Financial Officer and Company Secretary (appointed 20 January 2017, resigned 1 December 2017)

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

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

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

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

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

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

For the year ended 30 June 2018, exclusive of superannuation guarantee the annual cash remuneration for the Non-Executive Director was $45,000 with the Chairman receiving $60,000.

Directors' fees
On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration relevant to the office of director.
The Board policy is to remunerate non-executive directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Non-executive directors receive a Board fee but do not receive fees for chairing or participating on Board committees. Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.
Fees for non-executive directors are not linked to the performance of the Group.

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

Executive pay
The executive pay and reward framework has the following components:

- base pay and benefits such as superannuation
- long-term incentives through participation in employee equity issues

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

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

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

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

No options or performance rights were issued during the year ended 30 June 2018.

Company performance, shareholder wealth and directors' and executives' remuneration
No relationship exists between shareholder wealth, director and executive remuneration and Company performance due to the nature of the Company's operations being a non-producing resources exploration company.
The table below shows the losses and earnings per share of the Company for the last three financial years:

	2018	2017	2016
Net loss	**$2,533,870**	**$3,794,220**	
Share price at year end (cents)	**6.1c**	**12**	**n/a**
Loss per share (cents)	**3.1**	**6.6**	**n/a**

B Details of remuneration
Amounts of remuneration
Details of the remuneration of the directors and other key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Company and the Group for the year ended 30 June 2018 are set out in the following tables.

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

Year ended 30 June 2018

Name	Salary / fees	Post-employment benefits Superannuation	Share-based payments	Total
	$	$	$	$
Director				
D Berrie	60,000	5,700	-	65,700
D Richardson	150,000	14,250	-	164,250
M Norris	40,000	3,800	-	43,800
Key Management Personnel				
I Wowesny (appointed 1 December 2017)	70,334	6,757	-	77,091
I Hobson (appointed 20 January 2017, resigned 1 December 2017)	46,640	-	-	46,640
	366,974	**30,507**	**-**	**397,481**

Year ended 30 June 2017

Name	Salary / fees	Post-employment benefits Superannuation	Share-based payments	Total
	$	$	$	$
Director				
D Berrie (appointed 28 October 2016)	45,572	4,323	459,680	509,575
D Richardson (appointed 28 October 2016)	35,238	3,348	1,514,240	1,552,826
M Norris (appointed 20 Dec 2016)	5,000	-	89,661*	94,661
R Komatsuzaki (appointed 28 Oct 2016, resigned 20 December 2016)	-	-	-	-
A Gibson (appointed 28 October 2016, resigned 25 November 2016)	-	-	-	-
Key Management Personnel				
I Hobson (appointed 20 January 2017)	63,900	-	41,842*	105,742
S Cranswick (28 October 2016, resigned 20 January 2017	51,095	-	-	51,095
	200,805	**7,671**	**2,105,423**	**2,313,899**

* Issued as an incentive at the time of IPO. There are no performance criteria attached to these options.

C Employment contracts/Consultancy agreements

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

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

Name	Term of agreement and notice period	Base salary (excl superannuation)	Termination payments
David Richardson *Managing Director*	2 years 3 months	$150,000	N/A
Ildiko Wowesny *CFO/Company Secretary*	2 years 3 months	$137,000	N/A

D Share-based compensation

There was no share based compensation given during the year ended 30 June 2018.

Key management personnel equity holdings

2018	Balance at beginning of year	Net movement during the year	Balance at the end of year
Ordinary shares			
Directors			
D Berrie	10,524,044	1,470,000	11,994,044
D Richardson	27,952,573	5,010,000	32,962,573
M Norris	-	-	-
Other Key management personnel			
I Wowesny (appointed 1 December 2017)	-	-	-
I Hobson (resigned 1 December 2017)	30,000	(30,000)	-

Options	Balance at beginning of year	Net movement during the year	Balance at the end of year
Directors			
D Berrie	-	244,375[2]	244,375
D Richardson	-	121,875[2]	121,875
M Norris	750,000	-	750,000
Other Key management personnel			
I Wowesny (appointed 1 December 2017)	-	-	-
I Hobson (resigned 1 December 2017)	350,000	5,000[2]	355,000
Performance shares			
Directors			
D Berrie	2,720,000	(1,360,000)[1]	1,360,000
D Richardson	8,960,000	(4,480,000)[1]	4,480,000
M Norris	-	-	-
Other Key management personnel			
I Wowesny (appointed 1 December 2017)	-	-	-
I Hobson (resigned 1 December 2017)	-	-	-

[1] *Class A Performance Shares that converted into fully paid ordinary shares upon completion of performance hurdles*

[2] Loyalty shares issued to all eligible shareholders in the IPO (in the 2017 financial year) that vested in July 2018

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

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

Transactions with Key Management Personnel
Mr David Richardson (Managing Director)
During the financial year the son of Mr Richardson provided casual administrative services to the Company to the value of $887.50. These services were provided on normal commercial terms and conditions.
Mr David Berrie (Non-Executive Chairman)

During the financial year, the daughter of Mr Berrie provided casual administrative services to the Company to the value of $3,506.25. Fees of $3,300 provided by Mr Berrie's related entity, Hylea Metals Limited were incurred during the year. All services were provided on normal commercial terms and conditions

Other than described above, there were no transactions with key management personnel during the financial year or the previous financial year

E Voting and comments made at the Company's 2017 Annual General Meeting

Magmatic Resources Ltd received more than 98% of "yes" votes on its remuneration report for the 2017 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of audited remuneration report.

Auditor's independence and non-audit services
Section 307C of the *Corporations Act 2001* requires our auditors, BDO Audit (WA) Pty Ltd to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 24 and forms part of this directors' report for the year ended 30 June 2018.

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

	Consolidated	
	2018	2017
	$	$
Assurance services		
BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	**33,765**	24,162
Total remuneration for audit services	**33,765**	24,162
Other services		
BDO Advisory (WA) Pty Ltd- Investigating Accountant's Report	**-**	28,478
Total auditor's remuneration	**33,765**	52,640

Proceedings on behalf of Company

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

Insurance of Directors and Officers

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

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

D Berrie
Chairman
PERTH, Western Australia

Dated: 20 September 2018

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

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

As lead auditor of Magmatic Resources Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

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

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

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 20 September 2018

Corporate Governance Statement

ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations – 3rd edition*
As at 30 June 2018 and approved by the Board

The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manager its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments.

A full copy of the Company's corporate governance charter and associated policies, protocols and related instruments is available on the Company's website at: www.magmaticresources.com.

The Company intends to follow the ASX CGC P&R in all respects other than as specifically provided below.

The independent director of the Company is Mr Norris. When determining the independent status of a Director the Board used the Guidelines detailed in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

	Recommendation	Current Practice
1.1	A listed entity should disclose: a. The respective roles and responsibilities of its board and management; and b. Those matters expressly reserved to the board and those delegated to management.	Satisfied. The functions reserved for the Board and delegated to senior executives have been established.
1.2	A listed entity should: a. Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b. Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director	Satisfied. Appropriate checks have been undertaken.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Satisfied. Agreements are in place.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with proper functioning of the board.	Satisfied. This practice is in place.
1.5	A listed entity should: a. Have a diversity policy; b. Disclose that policy or a summary of it; c. Disclose the measurable objectives for achieving gender diversity and the its progress towards achieving them; and d. The respective proportions of men and women.	 Satisfied. Satisfied, see corporate governance section of website. Not satisfied. The measurable objectives are yet to be set. Board – 100% men; Senior Executives – 50% men; whole organisation – 80% men.

1.6	A listed entity should: a. Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b. Disclose whether performance evaluations were undertaken.	Satisfied, see process in corporate governance policies. Not satisfied. No evaluations have been undertaken to date
1.7	A listed entity should: a. Have and disclose a process for periodically evaluating the performance of senior management; and b. Disclose whether performance evaluations were undertaken.	Satisfied, see process in corporate governance policies. Not satisfied. No evaluations have been undertaken to date.
2.1	A listed entity should have a nomination committee which: - Consists of at least 3 members, a majority of whom are independent directors; - Is chaired by an independent director; And disclose: - The charter of the committee; - The members of the committee - The number of times the committee met and individual attendance at those meetings If it does not have a nomination committee disclose that fact and the process it follows to address that role.	Not Satisfied. The board has not established a nomination committee as the company is not of sufficient size to warrant such a committee. The role of the committee is undertaken by the full board. To be developed as the Company's size increases
2.2	A listed entity should have and disclose a board skills matrix.	Satisfied. See corporate governance section of website.
2.3	A listed entity should disclose: - The names of the directors considered by the board to be independent directors and length of service. - If a director has an interest / association / relationship that meets the factors of assessing independence.	Satisfied. Mr Norris is the Non-Executive independent director as defined in ASX guidelines. N/A
2.4	A majority of the board should be independent directors.	Not satisfied, only one of the three directors is an independent director. The Company is not of sufficient size to warrant a larger board.
2.5	The chair should be an independent director. The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	Not Satisfied. Mr David Berrie is not an independent Non-Executive Director. Satisfied.
2.6	A listed entity should have a program for inducting new directors.	Not Satisfied. The board has not established this process due to the Company's size.
3.1	A listed entity should: - have a code of conduct; and - disclose the code or a summary of it.	Satisfied. The Code of Conduct is available at in the Corporate Governance Section on the Company's website.

4.1	The board of a listed entity should have an audit committee which: - Has at least three members all of whom are non-executive directors and a majority of independent directors; and - Is chaired by an independent chair, who is not chair of the board. Disclose: - The charter of the committee; - The relevant member qualifications; - The number of times the committee met and individual attendance at those meetings	Not Satisfied. The board has not established an audit committee as it would comprise the same 3 members. The role of the committee is undertaken by the full board. The audit committee charter is available at www.magmaticresources.com in the Corporate Governance Section.
4.2	The board should receive declarations for CEO & CFO in accordance with S.295A of corporations act before approving financial statements.	Satisfied.
4.3	A listed entity should ensure its external auditor attends its AGM.	Satisfied.
5.1	A listed entity should: - Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and - disclosure that policy or a summary of it.	Satisfied. Continuous disclosure policy is available at www.magmaticresources.com Satisfied - in the Corporate Governance Section.
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Satisfied. See www.magmaticresources.com in the Corporate Governance Section.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Satisfied. See www.magmaticresources.com in the Corporate Governance Section.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Satisfied. See communication policy at www.magmaticresources.com in the Corporate Governance Section.
6.4	A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.	Satisfied. See welcome pack to investors.
7.1	The board of a listed entity should have a committee to oversee risk, which: - Has at least three members all of whom are non-executive directors and a majority of independent directors; and - Is chaired by an independent chair, who is not chair of the board. Disclose:	The board has not established a risk committee as it would comprise the same 3 board members. The role of the committee will be undertaken by the full board. The company has established policies for the oversight and management of material business risks.

	- The charter of the committee; - The members of the committee; and - The number of times the committee met and individual attendance at those meetings If it does not have a risk committee disclose that fact and the process it follows to address that role.	Risk management program is available at www.magmaticresources.com in the Corporate Governance Section.
7.2	The board or a committee of the board should: - Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and - Disclose whether such a review has taken place.	Not satisfied.
7.3	A listed entity should disclose: - If has an internal audit function, how the function is structured and what role it performs; - If it does not have an internal audit function, disclose that fact and the process it follows to address that function.	Not satisfied. The entity does not have an internal audit function. The function is performed by the full board.
7.4	The entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages those risks.	The entity does not have material exposure in these areas.
8.1	The board of a listed entity should: - have a remuneration committee which has at least three members all of whom are non-executive directors and a majority of independent directors; and - Is chaired by an independent director; and Disclose: - The charter of the committee; - The members of the committee; and - The number of times the committee met and individual attendance at those meetings If it does not have a remuneration committee disclose that fact and the process it follows to address that role.	Not Satisfied. The board has not established a remuneration and nomination committee as it would comprise the same 3 board members. The role of the committee is undertaken by the full board.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Satisfied. The structure of Directors' remuneration is disclosed in the annual report.
8.3	A listed entity which has an equity-based remuneration scheme should: - Have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme; - Disclose that policy or a summary of it.	There is no broad policy.

Further information about the Company's corporate governance practices is set out on the Company's website at www.magmaticresources.com

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Note	Consolidated 2018 $	2017 $
Continuing Operations			
Other income	2	**225,608**	10,510
		225,608	10,510
Corporate administration expenses	3	**(1,138,923)**	(682,650)
Exploration expenditure incurred	3	**(1,620,554)**	(595,719)
Share based payment expense		**-**	(2,342,832)
Finance costs		**-**	(183,529)
		(2,759,477)	(3,804,730)
Loss before tax		**(2,533,870)**	(3,794,220)
Income tax	4	**-**	-
Net loss for the period		**(2,533,870)**	(3,794,220)
Other comprehensive income, net of tax			
Items that will not be classified subsequently to profit or loss		**-**	-
Items that may be reclassified subsequently to profit or loss		**-**	-
Total comprehensive loss for the year		**(2,533,870)**	(3,794,220)
Total comprehensive loss for the period attributable to the members of Magmatic Resources Limited:		**(2,533,870)**	(3,794,220)
Loss per share attributable to the members of Magmatic Resources Limited			
Loss per share (dollars)	5	**$0.031**	$0.066

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

Consolidated Statement of Financial Position as at 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Current Assets			
Cash and cash equivalents	7	**553,484**	3,080,365
Other receivables	8	**89,551**	84,737
Total Current Assets		**643,035**	3,165,102
Non-Current Assets			
Plant and Equipment	9	**75,419**	44,531
Security Bonds	10	**101,300**	71,300
Exploration assets	11	**2,043,350**	1,368,350
Total Non-Current Assets		**2,220,069**	1,484,181
Total Assets		**2,863,104**	4,649,283
Current Liabilities			
Trade and other payables	12	**531,015**	384,852
Total Current Liabilities		**531,015**	384,852
Non-Current Liabilities			
Trade and other payables	12	**126,527**	-
		126,527	-
Total Liabilities		**657,542**	384,852
Net Assets		**2,205,562**	4,264,431
Equity			
Issued capital	13	**5,838,182**	3,763,182
Reserves	14	**3,068,703**	4,668,702
Accumulated losses		**(6,701,323)**	(4,167,453)
Total Equity		**2,205,562**	4,264,431

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

Magmatic Resources Limited
ABN 32 615 598 322

Consolidated Statement of Changes in Equity for the year ended 30 June 2018

Consolidated	Issued capital $	Share Based Payments Reserved $	Capital Restructure Reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2016	250	-	-	(373,233)	(372,983)
Loss after income tax expense for the year	-	-	-	(3,794,220)	(3,794,220)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(3,794,220)	(3,794,220)
Transactions with owners recorded directly in equity					
Issue of ordinary shares	5,223,529	-		-	5,223,529
Capital raising expenses	(1,460,597)	-		-	(1,460,597)
Restructure reserve on acquisition of subsidiary	-	-	250	-	250
Options issued during the year	-	4,668,452	-	-	4,668,452
Total transactions with owners recorded directly in equity	3,762,932	4,668,452	250	-	8,431,634
Balance at 30 June 2017	3,763,182	4,668,452	250	(4,167,453)	4,264,431
Balance at 1 July 2017	**3,763,182**	**4,668,452**	**250**	**(4,167,453)**	**4,264,431**
Loss after income tax expense for the year	**-**	**-**	**-**	**(2,533,870)**	**(2,533,870)**
Other comprehensive income for the year, net of tax	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**-**	**(2,533,870)**	**(2,533,870)**
Transactions with owners recorded directly in equity					
Conversion of "A" Class Performance shares	**1,600,000**	**(1,600,000)**			**-**
Issue of ordinary shares	**475,000**	**-**	**-**	**-**	**475,000**
Total transactions with owners recorded directly in equity	**475,000**	**-**	**-**	**-**	**475,000**
Balance at 30 June 2018	**5,838,182**	**3,068,452**	**250**	**(6,701,323)**	**2,205,562**

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

Consolidated Statement of Cash Flows for the year ended 30 June 2018

	Note	Consolidated 2018 $	2017 $
Cash flows from operating activities			
Payments to suppliers and employees		**(876,134)**	(520,148)
Payments for exploration expenditure		**(2,796,915)**	(652,508)
Proceeds from earn-in partner		**1,482,965**	208,783
Interest received		**9,238**	4,780
Net cash used in operating activities	19(a)	**(2,180,846)**	(959,093)
Cash flows from investing activities			
Payments for property, plant & equipment		**(66,035)**	(31,781)
Tenement security bonds		**(30,000)**	(61,300)
Payment for tenements		**(250,000)**	-
Net cash used in investing activities		**(346,035)**	(93,081)
Cash flows from financing activities			
Proceeds from borrowings		**-**	973,220
Repayment of borrowings		**-**	(373,566)
Proceeds from the issue of shares		**-**	4,000,011
Payment of capital raising costs		**-**	(512,686)
Net cash from financing activities		**-**	4,086,979
Net increase/(decrease) in cash and cash equivalents		**(2,526,881)**	3,034,805
Cash and cash equivalents at the beginning of the year		**3,080,365**	45,560
Cash and cash equivalents at the end of the year	7	**553,484**	3,080,365

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

Notes to the consolidated financial statements for the year ended 30 June 2018

Note 1: Statement of significant accounting policies

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

(a) New, revised or amending Accounting Standards and Interpretations adopted

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

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

(b) Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(t).

(c) Going Concern

For the year ended 30 June 2018 the entity recorded a net loss of $2,533,870 (2017: $3,794,220), had net cash outflows from operating activities of $2,180,846, cash balance of $553,484 and future exploration commitments of $1,827,475 (Refer to Note 16). The ability of the entity to continue as a going concern is dependent on securing additional funding through capital raising or joint venture of projects to continue to fund its exploration and marketing activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements as at the date of this report. Subsequent to year end the entity received $994,365 (before costs) as a result of a renounceable rights issue.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business as the directors are confident the Group will raise funds through capital raising events or joint venture projects as and when required.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(d) Statement of compliance

The financial report was authorised by the Board of directors for issue on 19 September 2018.
The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

(e) Principles of consolidation

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

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

(f) Income tax

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

(g) Current and non-current classification

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

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

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

(h) Cash and cash equivalents

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

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

(i) Other receivables

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

(j) Plant and equipment

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

Plant and equipment	3-7 years

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

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

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

(k) **Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(l) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(m) Trade and other payables

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

(n) Fair value measurement

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

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

(o) Exploration expenditure

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

Impairment testing of exploration and evaluation expenditure

Exploration and evaluation expenditure is assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation expenditure is tested for impairment when any of the following facts and circumstances exist:

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

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

(p) Asset acquisition policy

The Group has determined that the acquisition of the Mt Venn project is not deemed a business acquisition. In assessing the requirements of IFRS 3 Business Combinations, the Group has determined that the asset acquired does not constitute a business. The asset acquired consists of a a granted mineral exploration tenement in the Mt Venn region of Western Australia. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired asset and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition.

(q) Issued capital

Ordinary shares are classified as equity.

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

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

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

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

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

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

(s) Deferred tax

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

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

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

(t) Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

Standards issued but not yet effective
A number of new standards, amendment of standards and interpretations have recently been issued but are not yet effective and have not been adopted by the Group as at the financial reporting date.

The Group has reviewed these standards and interpretations, and with the exception of the items listed below for which the final impact is yet to be determined, not of the new or amended standards will significantly affect the Group's accounting policies, financial position or performance.

Reference and title	Summary	Application date of standard*	Application date for Group *
AASB 9 *Financial Instruments*	AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting Changes in relation to the expected credit loss model for calculating impairment on financial assets does not have a material impact on the group's receivables as this is comprised principally of GST receivables and tenement bonds. Due to high credit quality these receivables default risk is deemed very low.	1 January 2018	1 July 2018
AASB 15 *Revenue from Contracts with Customers*	AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures regarding revenue are also introduced. Based on an initial impact assessment, the new standard is not expected to significantly impact revenue recognition as there is no revenue from customers being earnt at 30 June 2018.	1 January 2018	1 July 2018
AASB 16 *Leases*	This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The Group is yet to assess the impact of AASB16 at this stage.	1 January 2019	1 July 2019

* designates the beginning of the applicable annual reporting period

(t) Critical accounting estimates and judgements

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technica innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or solc will be written off or written down.

Impairment of Exploration and Evaluation Asset

Determining the recoverability of exploration and evaluation expenditure capitalised in accordance with the Group's accounting policy (refer Note 1(o)), requires judgements as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. If, after having capitalised the expenditure under accounting policy 1(o), a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the income statement in accordance with accounting policy 1(l). The carrying amounts of exploration and evaluation assets are set out in Note 11.

	Consolidated	
	2018	2017
	$	$
Note 2: Other income		
JV management fee	**100,370**	-
Interest income	**9,237**	-
Other	**116,001**	10,510
	225,608	10,510

Note 3: Expenses

Corporate and administration expenses		
Depreciation	**35,149**	14,275
Consulting Fees	**26,980**	84,463
Investor Relations	**6,338**	28,054
Legal Fees	**9,140**	56,274
Travel	**62,052**	78,650
Employee Expenses	**432,576**	214,412
Rental Expense	**117,257**	78,518
Other	**322,904**	128,004
Stamp Duty	**126,527**	
	1,138,923	682,650
Exploration and evaluation expenses		
Exploration expenses incurred	**2,858,131**	653,016
Less: reimbursement from JV partner	**(1,237,577)**	(57,297)
Net exploration and evaluation expense	**1,620,554**	595,719

Note 4: Income tax

(a) Income tax benefit

	Consolidated	
	2018	2017
	$	$
The prima facie income tax expense on pre-tax accounting result from operations reconciles to the income tax benefit in the financial statements as follows		
Accounting loss from continuing operations before income tax	**(2,533,870)**	(3,794,220)
Tax expense/(benefit) calculated at 27.5%	**(696,814)**	(1,043,411)
Add		
Non-deductible expenses	**-**	743,897
Deductible equity costs	**(24,691)**	(39,641)
Tax loss not brought to accounts	**721,505**	339,155
Income tax (benefit) reported in the statement of profit or loss and other comprehensive income	**-**	-

(b) Unrecognised deferred tax balances

The following deferred tax assets have not been brought to account		
Deferred tax assets comprise:		
Accruals	**6,188**	4,950
Employee entitlements	**13**	4,200
Share issue costs	**101,237**	134,983
Exploration expenditure	**18,407**	-
Losses available for offset against future income – revenue	**1,126,920**	436,435
	1,252,765	580,568
Deferred tax liabilities comprise:		
Prepayments	**732**	1,502
Capitalised expenditure deductible for tax purposes	**10,949**	-
	11,681	1,502
Net unrecognised deferred tax assets	**1,241,084**	579,066

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

As at 30 June 2018, the Consolidated Entity has $4,091,444 (2017: $1,587,038) of taxable losses that are available for offset against future taxable profits of the consolidated entity, subject to the loss recoupment requirements in the Income Tax Assessment Act 1997. No deferred tax assets have been recognised in the Statement of Financial Position in respect of the amount of these losses, as it is not presently probable future taxable profits will be available against which the company can utilise the benefit.

Note 5: Loss per share

	Consolidated	
	2018	2017
	$	$
Total basic loss per share	**0.031**	**0.066**
The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:		
Net loss for the period	**(2,533,870)**	**(3,794,220)**
The weighted average number of ordinary shares	**82,871,804**	**57,459,631**

The diluted loss per share is not reflected as the result is anti-dilutive.

Note 6: Segment information

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

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

Note 7: Cash and cash equivalents

	Consolidated	
	2018	2017
	$	$
Cash at bank and on hand	**553,484**	3,080,365
	553,484	3,080,365

(Refer to Note 15 (f) which contains risk exposure analysis for cash and cash equivalents)

Note 8: Other receivables

	Consolidated	
	2018	2017
	$	$
Goods and services tax receivable	**79,518**	79,276
Other	**10,033**	5,461
	89,551	84,737

No receivables are past their due date and therefore no impairment recognised.

Note 9: Property, plant and equipment

	Consolidated	
	2018	2017
	$	$
Office equipment		
- At cost	**10,241**	10,241
- Accumulated depreciation	**(6,259)**	(2,845)
Total office equipment	**3,982**	7,396
Information Technology		
- At cost	**65,103**	52,890
- Accumulated depreciation	**(33,480)**	(15,755)
Total Information Technology	**31,623**	37,135
Exploration equipment		
- At cost	**53,822**	-
- Accumulated depreciation	**(14,008)**	-
Total exploration equipment	**39,814**	-
Total property, plant and equipment	**75,419**	44,531

Movement in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year

2017 Consolidated	**Office equipment**	**Information Technology**	**Exploration equipment**
Balance at the beginning of the year	-	27,533	-
Acquisitions	10,241	21,540	-
Depreciation expense	(2,845)	(11,938)	-
Disposals	-	-	-
Carrying amount at the end of the year	**7,396**	**37,135**	**-**

2018 Consolidated	**Office equipment**	**Information Technology**	**Exploration equipment**
Balance at the beginning of the year	7,396	37,135	-
Acquisitions	-	12,214	53,822
Depreciation expense	(3,414)	(17,726)	(14,008)
Disposals	-	-	-
Carrying amount at the end of the year	**3,982**	**31,623**	**39,814**

Note 10: Security Bonds

	Consolidated	
	2018 $	2017 $
Office bond	**1,300**	1,300
Tenement bonds	**100,000**	70,000
	101,300	71,300

Note 11: Exploration project acquisition costs

	Consolidated	
	2018 $	2017 $
Opening balance	**1,368,350**	50
Project acquisition costs	**675,000**	1,368,300
Acquisition costs in respect of areas of interest in the exploration phase	**2,043,350**	1,368,350

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

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

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

Project acquisition costs
The project acquisition costs of $675,000 in the 2018 financial year were in relation to the acquisition of the Mt Venn tenement. In consideration for the acquisition of E38/2961 the Company has agreed the following payment structure with Montezuma (the seller):
Consideration
- Payment of A$250,000 in cash and A$425,000 in ordinary fully paid MAG shares on acquisition;

Contingent Consideration
- Should Magmatic define a JORC 2012 Mineral Resource of 20Mt @ >= 1% CuEq at E38/2961, Magmatic will pay to Montezuma A$350,000 in cash and A$350,000 in ordinary fully paid MAG shares;
- Should Magmatic make a Decision to Mine at E38/2961, Magmatic will pay to Montezuma A$350,000 in cash and A$350,000 in ordinary fully paid MAG shares;
- Montezuma will retain a 2.0% Net Smelter Royalty (“NSR”) on production at E38/2961. Magmatic has been granted a buyback option over the NSR which can be exercised at any time in return for an A$5,000,000 cash payment to Montezuma.
- Magmatic must expend a minimum of A$500,000 on exploration at E38/2961 within the first 18 months following acquisition. Should Magmatic not reach the required expenditure, Magmatic can elect to pay to Montezuma the difference between actual incurred expenditure and A$500,000 or Montezuma will regain tenure at E38/2961.

The above transaction was completed on 2 May 2018. The Company paid $250,000 in cash and satisfied the share based payment of A$425,000 MAG shares by the issue of 3,770,485 fully paid ordinary shares at $0.1124 per share. The number of issued shares was arrived at by calculation based on a 30-day Volume Weighted Average Price as per the Agreement and was agreed by both Magmatic and Montezuma. The contingent consideration is disclosed as a contingent liability as at reporting date as the achievement of these milestones are within the control of the entity and the probability of achievement is assessed as nil at reporting date. The minimum spend of A$500,000 has been disclosed within Note 16 as a commitment relating to exploration expenditure.

Note 12: Trade and other payables

Current Trade and other payables	Consolidated	
	2018	2017
	$	$
Trade creditors *	**160,301**	106,297
Other creditors	**75,527**	80,260
Other creditor – settled as share base payment	**-**	50,000
Goods and services tax payable	**4,412**	2,539
JOGMEC – Funds Received in Advance	**290,774**	145,756
	531,015	384,852

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

Non-Current Trade and other payables	Consolidated	
	2018	2017
	$	$
Stamp Duty Payable *	126,527	-
	126,527	**-**

***** Stamp Duty incurred on Mt Venn asset acquisition (refer to Note 11).

Note 13: Issued capital

	Consolidated	
(a) Ordinary shares issued	**2018**	2017
	$	$
92,020,485 (2017: 80,000,000) ordinary shares	**5,838,182**	3,763,182

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

(b) Movements in ordinary share capital:

Date	Details	Number of shares	$
Balance as at 30 June 2016		**500**	**250**
28 October 2016	Incorporation	500	250
11 May 2017	Share Split*	53,881,853	-
11 May 2017	Share Issue – IPO	20,000,000	4,000,011
11 May 2017	Conversion of loans	3,176,471	635,294
11 May 2017	Conversion of notes	2,941,176	588,235
	Capital raising expenses	-	(1,460,597)
Balance as at 30 June 2017		**80,000,000**	**3,763,182**
4 August 2017	Issue of shares	250,000	50,000
29 March 2018	Conversion of “A” class performance shares	8,000,000	1,600,000
2 May 2018	Issue of shares	3,770,485	425,000
Balance as at 30 June 2018		**92,020,485**	**5,838,182**

(c) Movements in Class A Performance shares

	Number of performance shares	
	2018	2017
Class A Performance shares		
Beginning of the financial year	**8,000,000**	-
Issued during the year	**-**	8,000,000
Converted to fully paid ordinary shares during year	**(8,000,000)**	-
Balance at end of financial year	**-**	8,000,000

(d) Movements in Class B Performance shares

	Number of performance shares	
	2018	2017
Class B Performance shares		
Beginning of the financial year	**8,000,000**	-
Issued during the year	**-**	8,000,000
Expired during year	**-**	-
Balance at end of financial year	**8,000,000**	**8,000,000**

(e) Movements in share options

	2018		2017	
	Number of Options	**Weighted average exercise price**	Number of Options	Weighted average exercise price
Listed Options to acquire ordinary fully paid shares at $0.30 on or before 17 May 2020:				
Beginning of the financial year	**10,000,000**	**0.30**	-	-
Issued during the year	**-**	**-**	10,000,000	0.30
Expired during the year	**-**	**-**	-	-
Balance at end of financial year	**10,000,000**	**0.30**	10,000,000	0.30

Unlisted Options to acquire ordinary fully paid shares at $0.30 on or before 17 May 2020:				
Beginning of the financial year	**9,500,000**	**0.30**	-	-
Issued during the year	**-**	**-**	9,500,000	0.30
Expired during the year	**-**	**-**	-	-
Balance at end of financial year	**9,500,000**	**0.30**	9,500,000	0.30

	2018		2017	
	Number of Options	**Weighted average exercise price**	Number of Options	Weighted average exercise price
*Unlisted Options to acquire ordinary fully paid shares on or before 11 May 2018:				
Beginning of the financial year	**2,500,000**	**0.20**	**-**	-
Issued during the year	**-**	**-**	2,500,000	0.20
Expired during the year	**(2,500,000)**	**0.20**	-	-
Balance at end of financial year	**-**	**-**	2,500,000	0.20
*Unlisted Options to acquire ordinary fully paid shares on or before 11 May 2019:				
Beginning of the financial year	**2,500,000**	**0.20**	-	-
Issued during the year	**-**	**-**	2,500,000	0.20
Expired during the year	**-**	**-**	-	-
Balance at end of financial year	**2,500,000**	**0.20**	2,500,000	0.20
*Unlisted Options to acquire ordinary fully paid shares on or before 11 May 2020:				
Beginning of the financial year	**2,500,000**	**0.205**	-	-
Issued during the year	**-**	**-**	2,500,000	0.205
Expired during the year	**-**	**-**	-	-
Balance at end of financial year	**2,500,000**	**0.205**	2,500,000	0.205

**Unlisted Options exercisable at a price which is the greater of $0.20 or a 5% discount to the 20 day volume weighted average price of shares on ASX. On the assumption that the Options will be exercised on expiry, a Monte Carlo simulation has been prepared in order to assess the higher of the 5% discount to the 20 VWAP or 20 cents for the Options at expiry for the Tranche I, Tranche 2 and Tranche 3 Options. The following exercise prices result:*
Tranche 1: 20 cents (20 cents was the higher of the two) Monte valuation =19.3 cents
Tranche 2: 20 cents (20 cents was the higher of the two) Monte valuation = 19.7 cents
Tranche 3: 20.5 cents (5% discount to the 20 Day VWAP was higher of the two)

Note 14: Reserves

	Consolidated 2018 $	2017 $
Capital Restructure reserve		
Opening balance	**250**	-
Expense for the year	**-**	250
Closing balance	**250**	**250**
Option reserve		
Opening balance	**4,668,452**	-
Share based acquisition cost	**(1,600,000)**	1,368,300
Share based expense for year	**-**	2,342,832
Share based capital raising costs	**-**	957,320
Closing balance	**3,068,452**	4,668,452

Nature of reserves:

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

(b) Option reserve
The option reserve represents share compensation used to record the value of equity benefits provided to consultants and directors as part of their remuneration and the cost of acquisition of tenements.

Note 15: Financial instruments

(a) Capital risk management

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

(b) Categories of financial instruments

The Group's principal financial instruments comprise of cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the year, the Group's policy that no trading in financial instruments shall be undertaken during the year.

(c) Financial risk management objectives

The Group is exposed to market risk (including interest rate risk and equity price risk), credit risk and liquidity risk. The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(d) Market risk

Equity price risk sensitivity analysis

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

(i) Interest rate risk management

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

Interest rate sensitivity analysis

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

At 30 June 2018, if interest rates had changed by + 50 basis points and all other variables were held constant, the Group's loss would have been $43 (2017: $1,500) higher as a result of higher interest income on cash and cash equivalents. If interest rates dropped on average – 50 basis points then the Group may not have earned any interest income which would have increased the Group's loss by $43 (2017: $1,500).

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

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

2018	**Weighted Average Interest Rate**	**Less than 1 month**	**1-3 months**	**3 months – 1 year r**	**5 + years**
Financial assets		**$**	**$**	**$**	**$**
Cash and cash equivalents – non - interest bearing	**n/a**	**75,525**	**-**	**-**	**-**
Cash and cash equivalents – interest bearing	**0.05%**	**477,959**	**-**	**-**	**-**
Trade and other receivables	**n/a**	**89,551**	**-**	**-**	**-**
		643,035	**-**	**-**	**-**
Financial liabilities					
Trade and other payables	**n/a**	**531,015**	**-**	**126,527**	**-**
		531,015	**-**	**126,527**	**-**
2017					
Financial assets		$	$	$	$
Cash and cash equivalents – non - interest bearing	n/a	167,170	-	-	-
Cash and cash equivalents – interest bearing	0.06%	2,913,195	-	-	-
Trade and other receivables	n/a	84,737	-	-	-
		3,165,102	-	-	-
Financial liabilities					
Trade and other payables	n/a	384,852	-	-	-
Borrowings	0%	384,852	-	-	-

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

Note 16: Commitments and contingencies

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligation of the Group are subject to the minimum expenditure commitments required as per the Mining Act 1978, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. Currently, the minimum expenditure commitment for the granted tenements are $1,827,475 (2017: $2,241,225) per annum. Of this amount $807,708 will be met by the Company's joint venture partner JOGMEC as part of their earn-in obligations.

	2018 **$**	**2017** **$**
Exploration Commitments:		
Within one year	1,827,475	2,241,225
After one year but not more than 5 years	-	-
More than 5 years	-	-
Lease Commitments – West Perth head office:		
Within one year	11,776	8,327
After one year but not more than 5 years	-	-
More than 5 years	-	-
	1,839,251	2,249,552

Contingent liabilities

From time to time the Company may be party to claims from suppliers and service providers arising from operations in the ordinary course of business.
As at the date of this report there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate, the Company's financial position or results from operations, other than as set out below.

Mt Venn project

Pursuant to the Purchase agreement (details refer Note 10), the Group has the following deferred consideration obligations with respect to the Mt Venn project:

Event	**Consideration**	**Relevant condition (if any)**
Performance hurdle 1	$350,000 cash; and $350,000 in ordinary fully paid Magmatic shares	Magmatic defining a JORC 2012 Mineral Resource of 20Mt @>= 1% CuEq
Performance hurdle 2	$350,000 cash; and $350,000 in ordinary fully paid Magmatic shares	Magmatic making a Decision to Mine
Royalty payment	2% Net Smelter Royalty (NSR) on production	Magmatic has been granted a buyback option over the NSR in return of a payment of $5,000,000

The consideration will become due and payable in the event that the relevant conditions are met. As at the reporting date, the conditions in respect of each of the items have not been met and therefore the amounts are recognised as contingent liabilities.

In order to maintain rights to tenure to its mineral tenements, the Company is required to complete minimum exploration expenditure, which if not completed in the calendar year then continued tenure to the projects could be in jeopardy.

Note 17: Key management personnel disclosures

(a) Directors

At the date of this report the directors of the Company are:
D Berrie – *Non-Executive Chairman*
D Richardson – *Managing Director*
M Norris – *Non executive Director*

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

(b) Key management personnel

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

I Wowesny (appointed 1 December 2017), Chief Financial Officer and Company Secretary
I Hobson (appointed 20 January 2017, resigned 1 December 2017)) Chief Financial Officer and Company Secretary

(c) Key management personnel compensation

	Consolidated	
	2018	2017
	$	$
Short-Term	**366,974**	200,805
Post-employment	**30,507**	7,671
Share-based payments	**-**	2,105,423
	397,481	2,313,899

Note 18: Subsidiaries

Detailed remuneration disclosures of directors and key management personnel are in pages 19 to 20 of this report.

Name of entity	**Country of incorporation**	**Class of shares**	**Equity holding**	
			2018	2017
			%	%
Modelling Resources Pty Ltd	**Australia**	**Ordinary**	100	100

There were no transactions between Magmatic Resources Limited and its controlled entity during the financial year other than intercompany loan funding to support operations of $2,420,000 (2017: $1,601,299).

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

Note 19: Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated	
	2018	2017
	$	$
a) *Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities*		
Net loss for the year after income tax	**(2,533,870)**	(3,794,220)
Share based payment expense	**50,000**	2,342,832
Finance cost (equity)	**-**	183,529
Share issue costs	**-**	9,399
Depreciation	**35,149**	14,783
Movements in working capital		
(Decrease in other receivables	**75,099**	66,937
(Increase) in prepayments	**(2,661)**	-
Increase in trade and other payables	**195,337**	217,647
Net cash outflows from operating activities	**(2,180,846)**	(959,093)

b) Non cash financing and investing activities

During the financial year ended 30 June 2018, the Group acquired the Mt Venn project for $250,000 cash and $425,000 in Magmatic Resources shares (as per note 10). The share consideration is not reflected in the statement of cashflows

Note 20: Parent Entity Disclosures

Financial position

	2018	2017
	$	$
Assets		
Current assets	**171,895**	2,864,955
Non-current assets	**5,392,112**	1,516,821
Total assets	**5,564,007**	4,381,776
Liabilities		
Current liabilities	**89,246**	117,345
Total liabilities	**89,246**	117,345
Net assets	**5,474,761**	4,264,431
Equity		
Issued capital	**5,837,932**	4,949,406
Reserves	**3,068,703**	3,482,227
Accumulated losses	**(3,431,874)**	(4,167,202)
Total equity	**5,474,761**	4,264,431

Financial performance

Loss for the year	**(717,448)**	(4,167,202)
Other comprehensive income/loss	**-**	-
Total comprehensive income/loss	**(717,448)**	(4,167,202)

Note 21: Events after the reporting date

On 30 July the Company issued a Renounceable Rights Issue Prospectus to raise up to $1.22m. The company announced on 28 August 2018 it has raised $994,366 (before costs) and is working with the Lead Broker to place the remaining Shortfall. There has been no other matter or circumstance that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Note 22: Auditor's remuneration

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

	Consolidated	
	2018	2017
	$	$
Assurance services		
BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	**33,765**	24,162
Total remuneration for audit services	**33,765**	24,162
Other services		
BDO Advisory (WA) Pty Ltd- Investigating Accountant's Report	**-**	28,478
Total auditor's remuneration	**33,765**	52,640

Note 23: Interest in jointly controlled operation

The Group entered into a Joint Venture (JV) with Japan Oil, Gas and Metals National Corporation (JOGMEC), which commenced effective 30 March 2017.

JOGMEC can earn up to a 51% interest in two exploration tenements, EL7427 and EL7676, owned by the Company, located in East Lachlan, NSW, Australia, known as the Parkes Project (Project) by funding up to $3,000,000 of exploration expenditure. The Parkes JV is only the fifth JV JOGMEC has in Australia. The Project is prospective for copper/gold porphyry.

Key terms of the JV are set out below:

- JOGMEC has the right to earn a 51% interest in the Parkes Project by funding $3,000,000 of exploration expenditure on the Project tenements over a period of up to 3 years.
- JOGMEC is required to spend a minimum of $300,000 before withdrawing from the Agreement.
- MAG to act as Operator of the project on behalf of the parties during the JV until JOGMEC becomes a majority owner at which point the Operator shall be appointed by JOGMEC.
- JOGMEC has the right to assign its interest in the agreement to Japanese company(s) (this is in line with JOGMEC's mission, which is to help source and de-risk opportunities for Japanese corporations).

Directors' declaration

1. In the opinion of the directors of Magmatic Resources Limited (the "Company"):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year then ended; and

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

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

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

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the year ended 30 June 2018.

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

D Berrie
Chairman

Perth, Western Australia

20 September 2018

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Magmatic Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Magmatic Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
At 30 June 2018 the carrying value of the capitalised exploration and evaluation assets was disclosed in Note 10. As the carrying value of the capitalised exploration and evaluation assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Verifying exploration and evaluation expenditure capitalised during the year against the supporting documentation and checking for compliance with the relevant accounting standards; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 11 to the Financial Statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

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

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

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

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 22 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Magmatic Resources Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO

Neil Smith

Director

Perth, 20 September 2018

Additional Shareholder Information

The following additional information is current as at 18 September 2018.

CORPORATE GOVERNANCE:

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

SUBSTANTIAL SHAREHOLDERS:

Holder Name	Holding	% IC
BILLINGUAL 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>	9,588,677	8.20%

Ordinary Shares:

Holdings Ranges	Holders	Total Units	%
1 - 1,000	10	3,409	0.00
1,001 - 5,000	24	98,764	0.08
5,001 - 10,000	104	964,227	0.82
10,001 - 100,000	174	7,486,524	6.41
100,001 -	74	108,326,702	92.68
Totals	**386**	**116,879,626**	**100.00**

There are 160 shareholders with less than a marketable parcel.

VOTING RIGHTS

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

THE TOP 20 HOLDERS OF ORDINARY SHARES ARE:

Ranking	Holder	Shares Held	%
1	BILLINGUAL SOFTWARE PTY LTD <LET'S GO INVESTMENT A/C>	32,188,823	27.54
2	GOLD FIELDS AUSTRALIA PTY LTDEX	17,600,000	15.06
3	DAVTHEA PTY LTD <DAVID BERRIE S/F A/C>	9,588,677	8.20
4	MR DAVID RICHARDSON + MRS RYOKO RICHARDSON <D&R RICHARDSON S/F A/C>	5,448,751	4.66
5	MR NEVRES CRLJENKOVIC	5,025,000	4.30
6	ELEMENT 25 LIMITED	3,770,485	3.23
7	DAVTHEA PTY LTD <DAVID BERRIE S/F A/C>	3,080,367	2.64
8	SERCA SUPERFUND PTY LTD <SERCA SUPER FUND A/C>	3,000,000	2.57
9	MR ALAN JOHN TATE	2,482,572	2.12
10	SANCOAST PTY LTD	1,490,431	1.28
11	EXECUTIVE RISK SOLUTIONS PTY LTD <F HOUSTON FAMILY A/C>	1,470,588	1.26
12	ATLANTIS MG PTY LTD <MG FAMILY A/C>	1,250,000	1.07
13	MELSHARE NOMINEES PTY LTD	1,229,850	1.05
14	MR CHRISTOPHER LINDSAY BOLLAM	1,160,852	0.99
15	THOMAS ASSET DISCOVERY LIMITED	1,107,059	0.95
16	GECKO RESOURCES PTY LTD	1,000,000	0.86

17	GOSOJO PTY LTD	1,000,000	0.86
18	MR ALAN GOODFELLOW	900,000	0.77
19	MR GABRIEL HEWITT	831,367	0.71
20	ERIC MCKENZIE NOMINEES PTY LTD <PETER WILSON FAMILY A/C>	784,313	0.67
	Total	**94,409,135**	**80.77**
	Total remaining holders	**22,470,491**	**19.23**

LISTED OPTIONS EXERCISABLE AT $0.30 EXPIRING 17 MAY 2020:

Holdings Ranges	Holders	Total Units	%
1 - 1,000	0	0	0.00
1,001 - 5,000	104	517,500	6.10
5,001 - 10,000	25	174,059	2.05
10,001 - 100,000	105	3,142,892	37.06
100,001 -	19	4,646,162	54.79
Totals	**253**	**8,480,613**	**100.00**

THE TOP 20 HOLDERS OF LISTED OPTIONS EXPIRING 17 MAY 2020 ARE:

	Holder	Holding	%
1	SERCA SUPERFUND PTY LTD <SERCA SUPER FUND A/C>	750,000	8.84
2	MELSHARE NOMINEES PTY LTD	587,500	6.93
3	MR PETER ALAN LAWSON	300,000	3.54
4	GOSOJO PTY LTD	250,000	2.95
5	HANWOOD LODGE PTY LTD	250,000	2.95
6	MR ALAN SCHWARTZ	250,000	2.95
7	WYTHENSHAWE PTY LTD <MINJAR A/C>	250,000	2.95
8	DAVTHEA PTY LTD <DAVID BERRIE S/F A/C>	244,375	2.88
9	MR MIRKO ANDREW NIZICH	240,000	2.83
10	MR ALAN GOODFELLOW	225,000	2.65
11	ACTIVEST CAPITAL PTY LTD	200,000	2.36
12	T T NICHOLLS PTY LTD <SUPERANNUATION ACCOUNT>	186,372	2.20
13	MR IAN STUART FISHER	173,215	2.04
14	MR CONSTANTINE DIFFERDING + MRS TONIE MAREE DIFFERDING <DIFFERDING SUPER FUND A/C>	125,000	1.47
15	LIGHTFRAME HOLDINGS PTY LTD	125,000	1.47
16	MR TREVOR JOHN PITCHER + MRS FAY ROSEMARY PITCHER	125,000	1.47
17	MS SHIRLEY ELEANOR IN'T VELD	125,000	1.47
18	MR DAVID RICHARDSON + MRS RYOKO RICHARDSON <D&R RICHARDSON S/F A/C>	121,875	1.44
19	POT OF GOLD ENTERPRISES PTY LTD <IDDON FAMILY A/C>	117,825	1.39
20	MR BEN BARTLETT + MRS HOLLY MARIE BARTLETT	100,000	1.18
	Total	**4,746,162**	**55.96**

Magmatic Resources Limited
ABN 32 615 598 322

LISTED OPTIONS EXERCISABLE AT $0.10 EXPIRING 30 AUGUST 2021:

Holdings Ranges	Holders	Total Units	%
1 - 1,000	10	3,409	0.00
1,001 - 5,000	24	98,764	0.08
5,001 - 10,000	103	955,440	0.82
10,001 - 100,000	174	7,524,022	6.44
100,001 -	74	108,297,991	92.66
Totals	**385**	**116,879,626**	**100.00**

THE TOP 20 HOLDERS OF LISTED OPTIONS EXPIRING 30 AUGUST 2021 ARE:

	Holder	Holding	%
1	BILLINGUAL SOFTWARE PTY LTD <LET'S GO INVESTMENT A/C>	32,188,823	27.54
2	GOLD FIELDS AUSTRALIA PTY LTD	17,600,000	15.06
3	DAVTHEA PTY LTD <DAVID BERRIE S/F A/C>	9,588,677	8.20
4	MR DAVID RICHARDSON + MRS RYOKO RICHARDSON <D&R RICHARDSON S/F A/C>	5,448,751	4.66
5	MR NEVRES CRLJENKOVIC	5,025,000	4.30
6	ELEMENT 25 LIMITED	3,770,485	3.23
7	DAVTHEA PTY LTD <DAVID BERRIE S/F A/C>	3,080,367	2.64
8	SERCA SUPERFUND PTY LTD <SERCA SUPER FUND A/C>	3,000,000	2.57
9	MR ALAN JOHN TATE	2,482,572	2.12
10	SANCOAST PTY LTD	1,490,431	1.28
11	EXECUTIVE RISK SOLUTIONS PTY LTD <F HOUSTON FAMILY A/C>	1,470,588	1.26
12	ATLANTIS MG PTY LTD <MG FAMILY A/C>	1,250,000	1.07
13	MELSHARE NOMINEES PTY LTD	1,229,850	1.05
14	MR CHRISTOPHER LINDSAY BOLLAM	1,160,852	0.99
15	THOMAS ASSET DISCOVERY LIMITED	1,107,059	0.95
16	GECKO RESOURCES PTY LTD	1,000,000	0.86
17	GOSOJO PTY LTD	1,000,000	0.86
18	MR ALAN GOODFELLOW	900,000	0.77
19	MR GABRIEL HEWITT	831,367	0.71
20	ERIC MCKENZIE NOMINEES PTY LTD <PETER WILSON FAMILY A/C>	784,313	0.67
	Total	**94,409,135**	**80.77**

Magmatic Resources Limited
ABN 32 615 598 322

UNQUOTED EQUITY SECURITIES

Number	Number of Holders	+Class	Escrow Period	Holders of more than 20%
54,484,118	3	Ordinary shares	19 May 2019	Billingual Software Pty Ltd (32,188,823shares)
8,000,000	3	Class B performance shares	19 May 2019 (7,440,000)	Billingual Software Pty Ltd (4,480,000) Gold Fields Aust. Pty Ltd (1,600,000)
9,500,000		Unlisted options*	19 May 2019 (8,750,000)	Melshare Nominees Pty Ltd (2,000,000 options)
5,000,000		Unlisted options**	19 May 2019	Gold Fields Aust. Pty Ltd (5,000,000 options)

*Exercisable at 30 cents and expiring 17 May 2020

**Exercisable at a price which is the greater of $0.20 or a 5% discount to the 20 day volume weighted average price of shares on ASX and expiring in three tranches as follows:
2,500,000 options expiring 11 May 2019;
2,500,000 options expiring 11 May 2020

Use of Funds

The entity has used the cash and assets in a form readily convertible into cash in a way that is consistent with its business objectives.

There is no current buy-back.

Tenement Listing

Project Area	Tenement Details	% Held
Wellington North	EL6178	100
Myall	EL6913	100
Parkes	EL7424	100 (subject to 51% JV earn in)
Wellington North	EL7440	100
Moorefield	EL7675	100
Parkes	EL7676	100 (subject to 51% JV earn in)
Wellington North	EL8357	100
Moorefield	EL8669	100
Yamarna	E38/2918	100
Mt Venn	E38/2961	100