



30 July 2018

Dear Optionholder

**Magmatic Resources Limited - pro-rata renounceable rights issue**

As announced on 30 July 2018 Magmatic Resources Limited (ACN 615 598 322) (the **Company**) is undertaking a 1 for 3 pro rata renounceable rights issue (**Rights Issue** or **Offer**) of approximately 30,673,495 fully paid ordinary shares (**New Share**) to raise approximately \$1,226,939. The price of New Shares under the Offer is \$0.04 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 30 July 2018.

The funds raised will be used to advance the Company's gold targets at Moorefield and Wellington North and for general working capital.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 3 August 2018, whose registered address is in Australia, New Zealand or Japan.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 30,673,495 New Shares resulting in total Shares on issue of approximately 122,693,980.

**Optionholders**

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be entered on the Company's register of members on or before 5:00pm (WST) on 3 August 2018 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at Level 1, 11 Lucknow Place, West Perth, WA.

- (a) A notice of exercise of options (attached to this letter);

- (b) An option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) Payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Magmatic Resources Limited – Share Application Account".

To ensure that your new shares are allotted prior to the Record Date, the above must be received by Magmatic Resources Limited **no later than** 2 August 2018. If received after this date, allotment of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, please contact your financial adviser or Ildiko Wowesny, the Company Secretary on +61 8 6102 2709.

Yours sincerely

**David Richardson**

**Managing Director**