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Body

[Magmatic Resources Ltd \(ASX:MAG\)](#) has garnered strong support from one of the biggest names in Australian mining, executing a farm-in and joint venture agreement with FMG Resources Pty Ltd, a subsidiary of [Fortescue Ltd \(ASX:FMG\)](#).

Under the agreement, **Fortescue** will commit \$14 million over a six-year period to earn up to a 75% interest in the Myall Project.

At Myall, MAG is exploring for copper and gold, having already generated a resource estimate containing 293,000 tonnes of copper, 237,000 ounces of gold and 2.8 million ounces of silver for the Corvette and Kingswood Prospects.

Magmatic subsidiary Modeling Resources Pty Ltd will remain the operator of the project during the initial period of the farm-in for up to four years.

Fortescue has also opted to become a cornerstone investor in Magmatic, buying almost 76 million shares for \$3.17 million (a 10% premium) to hold a 19.9% stake in the company.

Signatures of a Tier-1 deposit

"We are excited to joint venture and partner with **Fortescue** to advance our exploration efforts across the Myall Project area," Magmatic Resources executive chair David Richardson said.

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"Myall has many of the signatures of a Tier 1 copper-gold deposit and Magmatic has recognised the need to partner with a major to further advance the project following the maiden resource.

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

The proceeds from **Fortescue**'s stock purchase will go to exploration at the Wellington North and Parkes Projects, which surround Alkane Resources' Boda-Kaiser deposits with a mineral resource of 15.7 million ounces gold equivalent.

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