

ASX ANNOUNCEMENT

30 April 2020

Quarterly Activities Statement – March 2020

Summary

- Mabel Creek drilling operations have been successfully completed with 4 gravity targets tested, each with a single drill hole to planned depths. Initial results due early May.
- Geochemical surveys identify 6 high magnitude and extensive area, arsenic soil anomalies on Yuengroon (EL6891), which may be an indication of gold mineralisation in the bedrock below. Targets are drill ready.
- The company held \$2,701,000 cash at the end of the quarter.

Review of Operations

During the quarter, Petratherm Limited (“the Company/ Petratherm”) focused on the Mabel Creek Drilling, which tested 4 gravity targets for Olympic Dam Style copper and gold mineralisation. The drilling operations were successfully completed, just after the current reporting period, on time and on budget. Initial geological findings and geochemical results are expected in early May. In Victoria, the Company advanced its Yuengroon Gold Project (EL 6897) with soil geochemical surveys over shallow cover areas identifying 6 high magnitude and extensive area, arsenic soil anomalies which may be an indication of gold mineralisation in the bedrock below. These targets are now drill ready.

The Company had exploration and evaluation costs of \$324,000 relating principally to the Mabel Creek Project drilling operations and Yuengroon soil survey work. Administration and corporate costs totalled \$117,000, whilst a Research and Development Tax refund of \$109,000 was credited relating to the final closure works completed in the previous financial year at the Paralana Geothermal Project. The Company held \$2,701,000 cash at the end of the quarter. No groundwork was undertaken on the Walparuta Project (EL 6250) or Comet (EL6443) during the quarter.

In accordance with ASX Listing Rules Guidance Note 23, the aggregate amount of payments to related parties of the entity and their associates disclosed under section 6.1 of the Appendix 5B totalled \$33,000 and comprised of Director’s fees.

Mabel Creek Project – Drilling Operations Successfully Completed

Drilling operations have been successfully completed with each of the 4 Stage-1 gravity targets tested, each with a single drill hole to planned depths (refer to PTR ASX release 10/02/2020 for target descriptions). The Eastern Mabel Creek Ridge, approximately 50 km northeast of Coober Pedy in South Australia, is considered prospective for Olympic Dam Style Copper-Gold (IOCG) mineralised systems and related magnetite skarn copper and high value rare-earth (Figure1). The Mabel Creek Ridge is an ENE trending zone of shallow covered basement rock, which displays high magnetic and gravity relief along the eastern margin of the Gawler Craton.

The drilling was completed in good time and within budget expectations. Drilling involved a rotary mud method through, softer cover sediment to the top of the basement rock and then changed to diamond coring to the end of the hole (refer to Table 1 and PTR 9/04/20 ASX release for details). The core has subsequently undergone further geological assessment and cutting with samples dispatched to the laboratory for geochemical analysis. It is envisaged initial results will be available in early May for reporting.

Table 1: Summary Table of Drill Hole Details

Hole ID	Prospect	East	North	Elevation (Metres)	Collar dip (Deg)	Collar azimuth (Deg)	Down hole depth to basement (Metres)	End of hole depth (Metres)
MCDA2-01	Area 2	518500	6815600	110	70	200	112	296
MCDA3-01	Area 3	528000	6816300	102	60	050	267	310
MCDA5-01	Area 5 North	517100	6827200	121	62	130	152	406
MCDA5-02	Area 5 South	516880	6824500	124	60	090	143	256



Drilling Operations at the Mabel Creek Area 5 Target Site (March 2020). Drill rig in the central background provides some sense of scale to the “Mars like” like landscape of the Stony Plains Area northeast of Coober Pedy, South Australia.

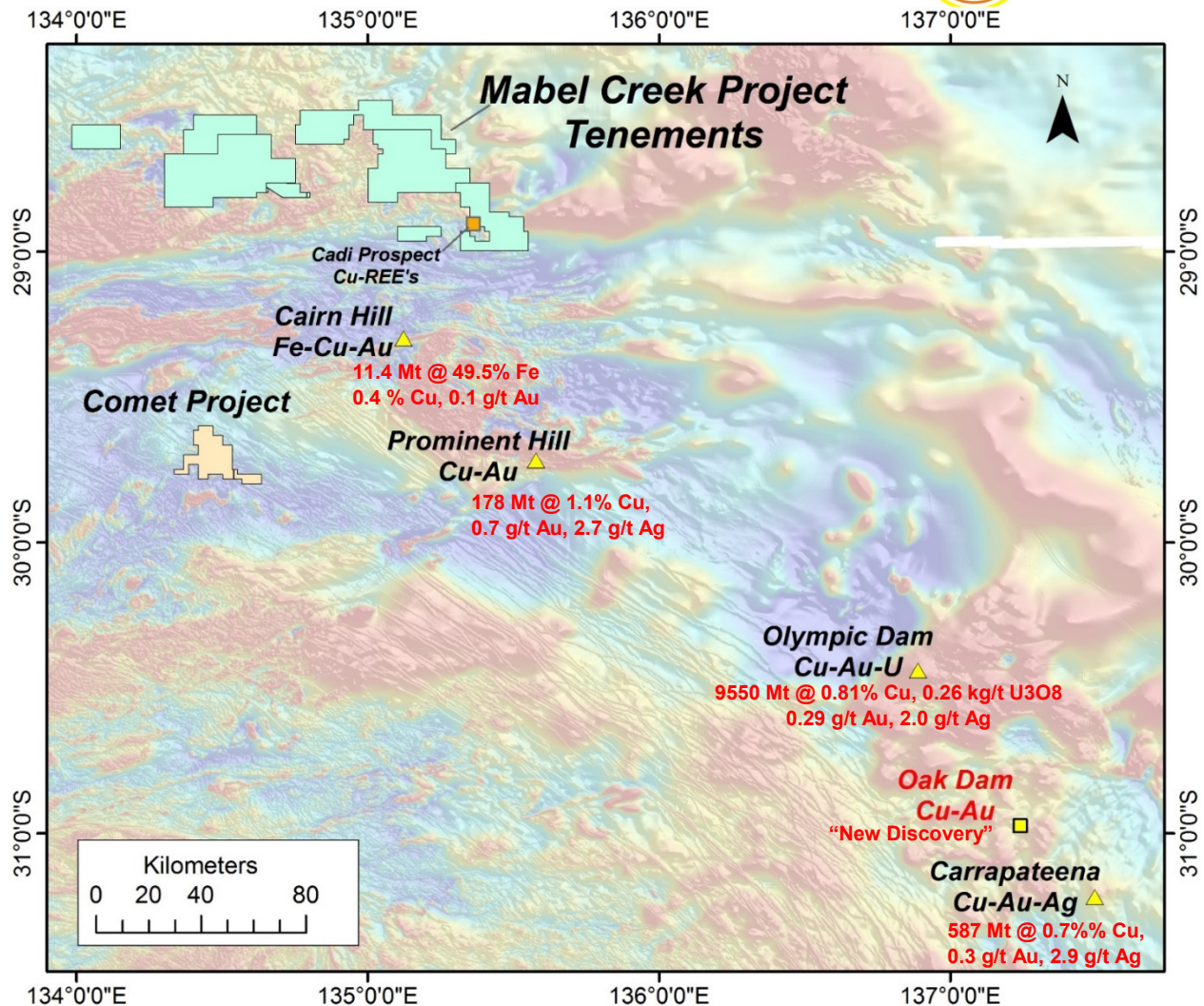


Figure 1- Location map of Mabel Creek Project Tenements, IOCG mines and related prospects, overlying a regional reduced to pole aeromagnetic image (compiled from Sth. Aust. Government data).

Yuengroon (EL 6897) - Victoria Gold Pathfinder Anomalies Defined

In March results from a soil geochemical sampling program defined six high tenor arsenic (As) soil anomalies over the eastern portion of the Yuengroon Gold Project. Yuengroon (EL6897) is a large licence area of 683 km² over a portion of the Bendigo Zone, covering the historic northern Wedderburn Goldfield and extends westwards over several important historical gold occurrences (Figure 2). The tenement area is blanketed mostly by shallow cover sediment concealing the prospective basement rocks and consequently has only been lightly explored.

Arsenic anomalism in soil is derived from the breakdown of the sulphide mineral arsenopyrite which is found to occur with gold mineralisation in the underlying bedrock. It is principal path finder element used to locate primary gold mineralisation in the Victorian Goldfields.

To date 1248 samples have been collected over a regular grid (refer to PTR 27/03/20 ASX release for details) and analysed for As content using a portable handheld XRF. The surveys were undertaken over areas of shallow cover beyond the limits of historical shallow mining (Figure 3). This work has identified several coherent As anomalies of considerable magnitude. Typically, arsenic values in excess of 50 ppm are considered anomalous warranting further investigation. Each of the new targets defined have coherent As trends well in excess of 100 ppm extending for several hundred metres and include several exceptionally high As values (refer to Figure 3).

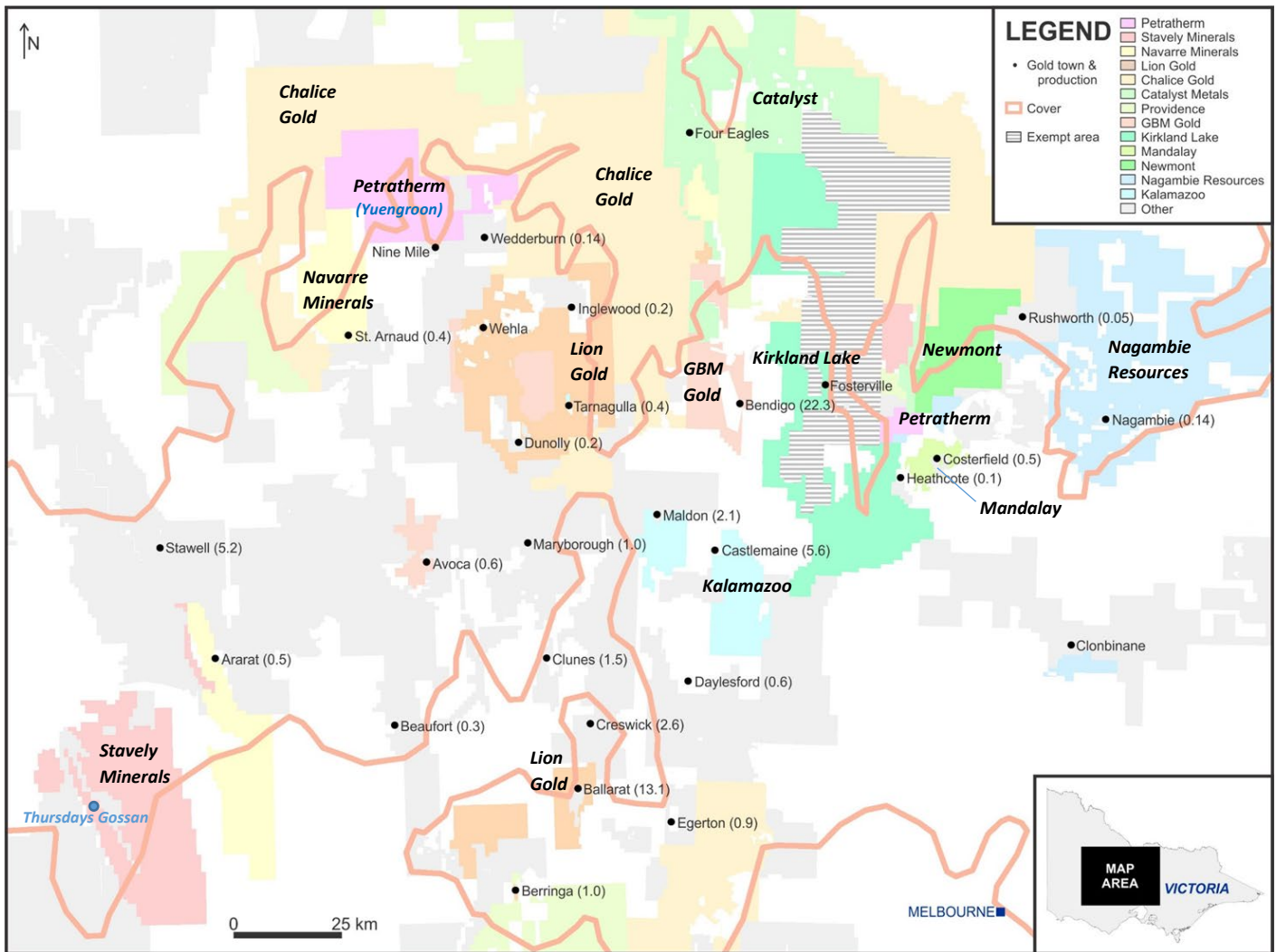


Figure 2- Regional Location map of Petratherm's Victorian Gold Tenement Holdings and other major Tenement Holders.

The newly defined prospects are (refer to Figure 3):

- **Shellback Prospects** - The north eastern portion of the survey area has identified 3 prominent As trends and a fourth zone to the South which is a likely extension of this trend (Shellback Extended). The northern prospects trend up to 1 kilometre in length, with strong anomalies at the northern and southern end separated by a saddle (Mosquito Creek) which may be masking the As trend through this middle area. South of these anomalies, the Shellback Extended trend to the south has been identified and records a peak As value of 3089 ppm and may link up to the northern areas through the cover of an unnamed creek.
- On the western side of the survey area two prominent As targets have been identified and have been termed the Peep O'Day and Lincoln Reef Extension Prospects. The Lincoln/Peep O'Day trend is 1.4 kilometres long. South of this trend the historic Lincoln Reef, line of workings which extend approximately 600 metres in length occur and comprise a series of shallow shafts sunk to the water table, at about 20 metres depth. The Lincoln line of workings have not undergone any modern systematic exploration and have never been drill tested.

The Company intends to drill test these targets, but at this stage is uncertain of the timing of when this will occur, due to the deeply unfortunate circumstances around the current Coronavirus Pandemic.

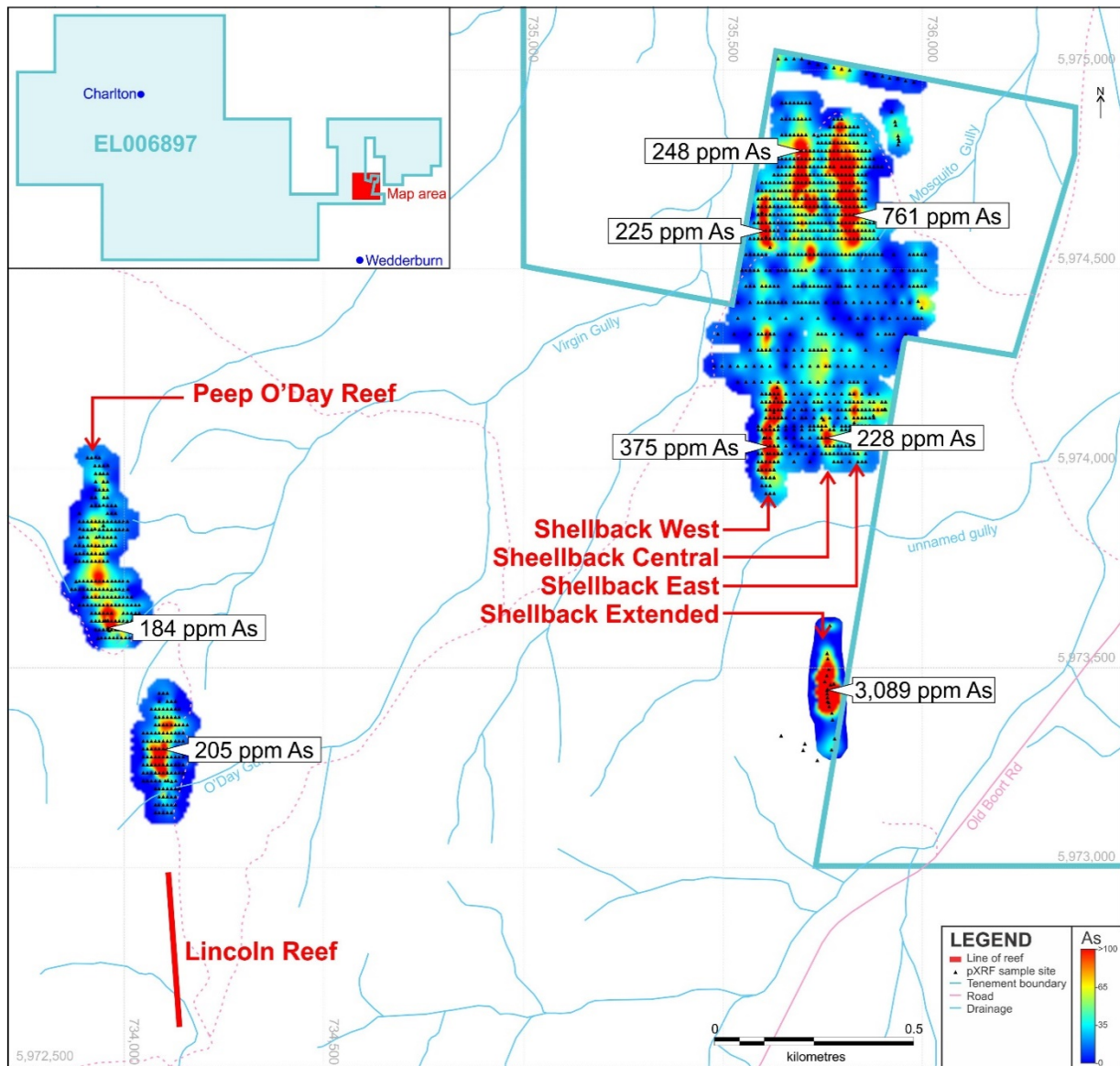


Figure 3 – EL6897 (Yuengroon) East Location Map, showing the historical Lincoln Reef site and extent and magnitude of newly defined arsenic soil anomalies.

This ASX announcement has been approved by Petratherm's Board of Directors and authorised for release by Petratherm's Chairman Derek Carter

For further information please contact:

Peter Reid
Exploration Manager
Tel: (08) 8133 5000

Competent Persons Statement: The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Peter Reid, who is a Competent Person, and a Member of the Australian Institute of Geoscientists. Mr Reid is not aware of any new information or data that materially affects the historical exploration results included in this report. Mr Reid is an employee of Petratherm Ltd. Mr Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.