

26 July 2023

Quarterly Activities Report for the Period Ended 30 June 2023

Highlights:

Comet Rare Earth Project:

- Aircore drilling (AC) program completed at the Comet Project in South Australia to test extensions of the Artemis Rare Earth (REE) Prospect and over other high priority REE targets.¹
- The drill program consisted of approximately 62 Aircore (AC) drillholes totalling approximately ~2,900m.²
- Drill samples lodged with Bureau Veritas Laboratories, with assay results pending.

Mabel Creek IOCG Project:

- Large, high-powered, electromagnetic survey (SQUID EM) was completed over priority copper-gold targets at the Mabel Creek Project.³
- The survey identified a conductive plate of significant dimensions on the eastern flank of a major gravity target, now called the Olympus Target.⁴
- Modelling of the conductive plate indicates it starts at approximately 600 metres vertical depth, is about 2 kilometres long and extends to at least 2 kilometres depth back towards the centre of the gravity target.

Woomera IOCG Project:

- Initial results received from a precision ground gravity survey over the Arcoona Tenement, identified several targets prospective for Copper-Gold.⁵
- Both Iron-Oxide Copper-Gold in the deep basement, and shallower sedimentary copper style gravity targets are evident in the survey data.⁶

Corporate:

- The Company held \$2.54M cash at the end of the period.
- \$425,000 Research and Development tax refund received in July after the reporting period.

¹ PTR Announcement – 25 May 2023 – Rare Earth Drilling Commences at the Comet Project

² PTR Announcement – 19 June 2023 – Comet Rare Earth Drilling Successfully Completed

³ PTR Announcement – 3 April 2023 – SQUID EM Survey Starts on Copper-Gold Targets

⁴ PTR Announcement – 22 May 2023 – SQUID EM Survey – Significant Copper-Gold Targets

⁵ PTR Announcement – 20 April 2023 – Gravity Survey Underway at Woomera Copper-Gold Project

⁶ PTR Announcement – 14 June 2023 – Woomera Gravity Survey Identifies Copper-Gold Targets

Company Summary

Petratherm Limited (ASX: PTR) (PTR or the Company) is pleased to present its Quarterly Activities Report for the period ended 30 June 2023 (**June Quarter**). The Company has built an enviable project portfolio in South Australia, focused on rare earths (REEs) in the Northern Gawler Craton and copper-gold in the World-Class Olympic Domain.

During the period PTR undertook air-core drilling at Artemis REE Prospect and over other high priority REE targets. Assay results are pending with initial results expected in mid to late August. These prospects are part of the Comet REE Project which has advanced Prospects and favourable logistics for potential future mining development.

PTR is advancing its significant copper-gold exploration holdings. The Company's Woomera Project is situated in the heartland of the world-class Olympic Copper-Gold Province. Results received during the period from a precision ground gravity survey over the Arcoona Tenement, identified several targets prospective for Copper-Gold.

Work has additionally been completed on a large, high-powered, electromagnetic survey (SQUID EM) over priority copper-gold targets on PTR's extensive Mabel Creek tenement package north of Coober Pedy, South Australia. This survey identified a conductive plate of significant dimensions on the eastern flank of a major gravity target, now called the Olympus Target. Drilling of the Olympus target is scheduled for the second half of the 2023 year.

The Company had exploration and evaluation costs of \$398,117 relating principally to the Comet Project drilling operations and the Woomera and Mabel Creek geophysical programs conducted during the period. Administration and corporate costs totalled \$324,153. The Company held \$2,539,464 cash at the end of the Period.

In July the Company received \$425,223 as a refundable tax offset for eligible research and development (R&D) expenditure conducted on its Comet Project Area. The R&D activities relate to the design & development of a low-cost technique to locate blind economic gold & critical mineral concentrations under transported cover.

In accordance with ASX Listing Rules Guidance Note 23, the aggregate number of payments to related parties of the Company and its associates disclosed under section 6.1 of the Appendix 5B totalled \$39,000 and comprised of Director's fees.

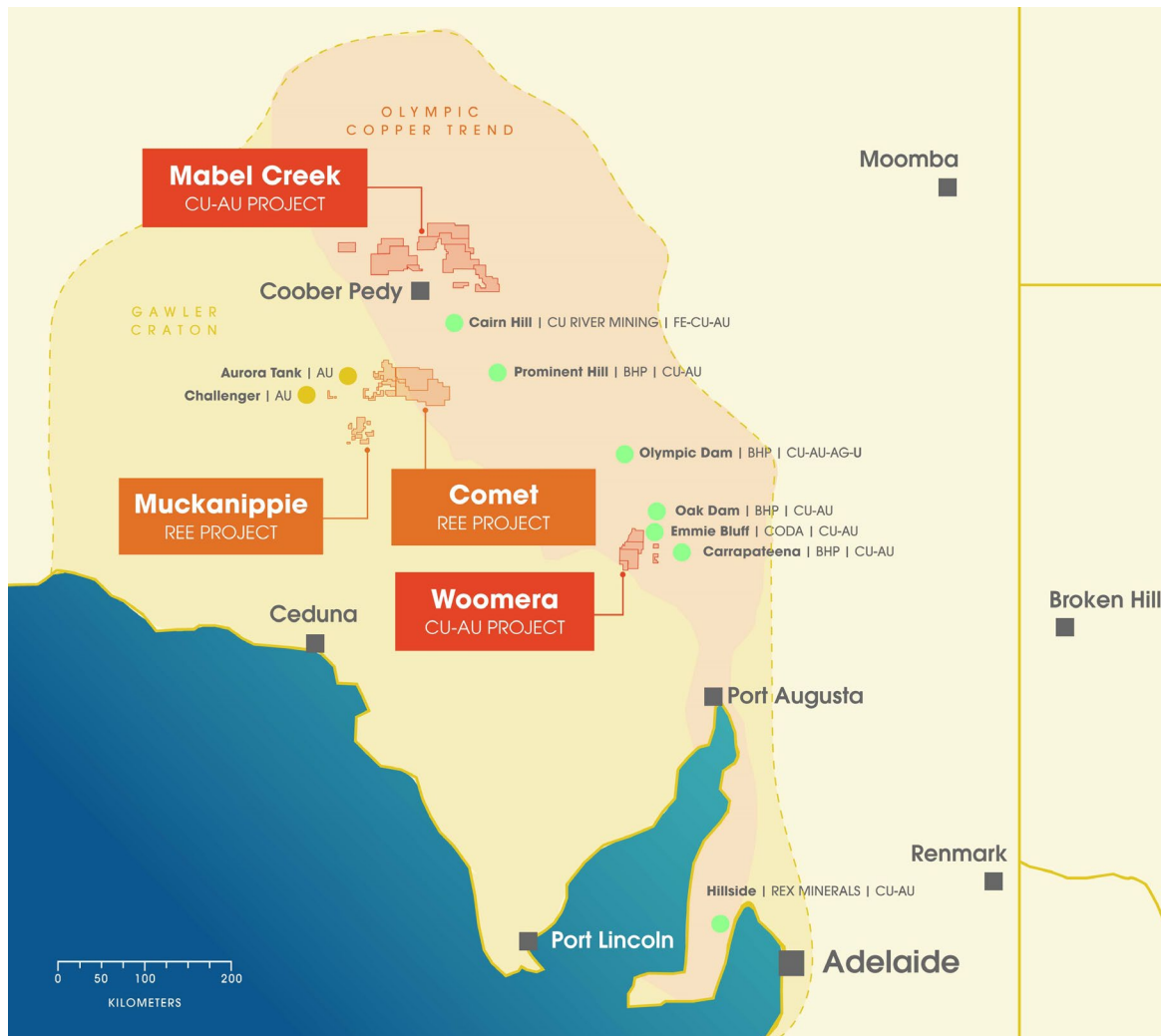


Figure 1: PTR Project Locations in South Australia

Comet Rare Earth Project

The Comet Project holds a significant ground position totalling 1,915km² in the Northern Gawler Craton of South Australia. It is historically noted for numerous gold occurrences, however in April 2022, the Company reported significant intercepts of Rare Earth Elements (REE) hosted in clays following a program of greenfield regional RAB drilling.

Artemis REE

Prospect REE mineralisation typically starts from a depth of 9 to 15 metres and the average intercept thickness is 17 metres across the prospect. The average TREO intercept grade is 973 ppm, which includes 222 ppm Magnet Rare Earth Oxide (MREO) (23% of TREO). The prospect area is approximately 1.5 kilometres by 800 metres and is open laterally in all directions.⁷

Meteor REE Prospect

REE mineralisation starts from a depth of 3 to 6 metres and the average intercept thickness⁸ is 11.5 metres across the prospect. The average TREO intercept grade is 936 ppm, which includes 242 ppm MREO (26% of TREO). The prospect area is approximately 2 kilometres by 1 kilometre and remains open in several directions. Due to the shallow nature of mineralisation, there is potential for

⁷ PTR Announcement – 24 February 2023 – Drilling Identifies Major New Rare Earth Prospect

⁸ PTR Announcement – 15 February 2023 – Meteor Prospect – Exceptional Rare Earth Drill Intersections

low-cost favourable free dig mining methods. PTR has begun beneficiation trials to increase head grade with leach optimisation work to follow.

Aircore Drilling Program

During the June Quarter, the Company successfully planned and completed a major Aircore (AC) drilling program at the Comet Rare Earth Project, totalling 62 holes for 2,900m. The focus of this drilling was to target extensions to the Artemis Prospect and other high priority target areas (Figure 2). The greenfield targeting work is based on recognition that the REE mineralisation is associated with highly differentiated mafic rock intrusive complexes unique to the local region and the program tested several of these in the central part of the Project, east of current known REE Prospects

Drill samples have been lodged with Bureau Veritas Laboratories, with initial tranche of assay results due mid-August. A second follow-up phase of drilling is planned once assay results have been received and evaluated.

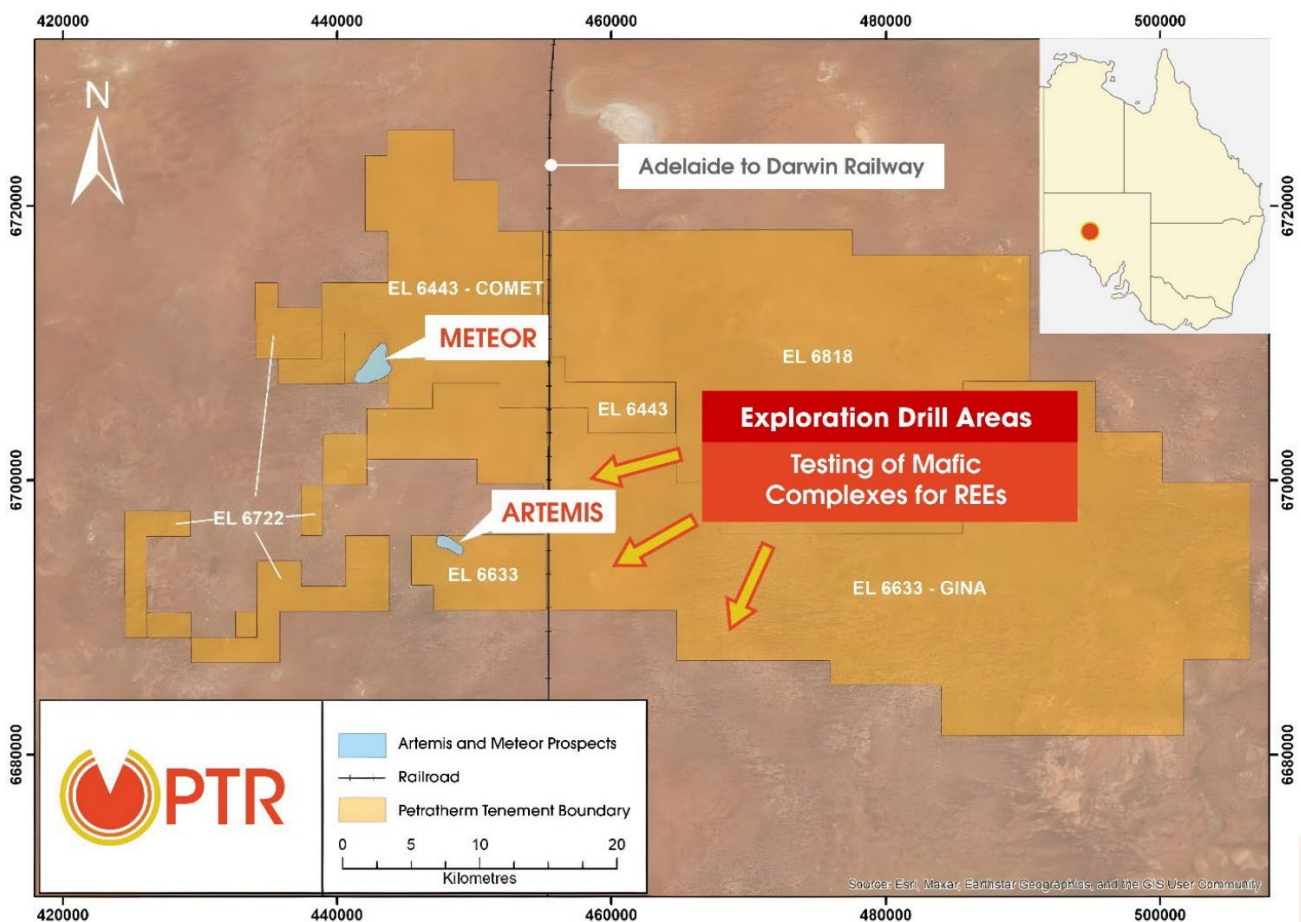


Figure 2: Comet Project Area showing Artemis and Meteor Rare Earth Prospects. Expansion drilling at Artemis and testing of several layered mafic intrusions has been completed in current round of drilling.

Mabel Creek IOCG Project

The Mabel Creek Project is located on the northern extent of the Olympic Copper-Gold Trend, but the region also has geological similarities to the Mt Isa Inlier in Queensland and is considered by PTR to be highly prospective for Tier 1 Copper-Gold deposits. The Mabel Creek Project has a significant land holding of 3,322 km², which is 100% owned by the Company.

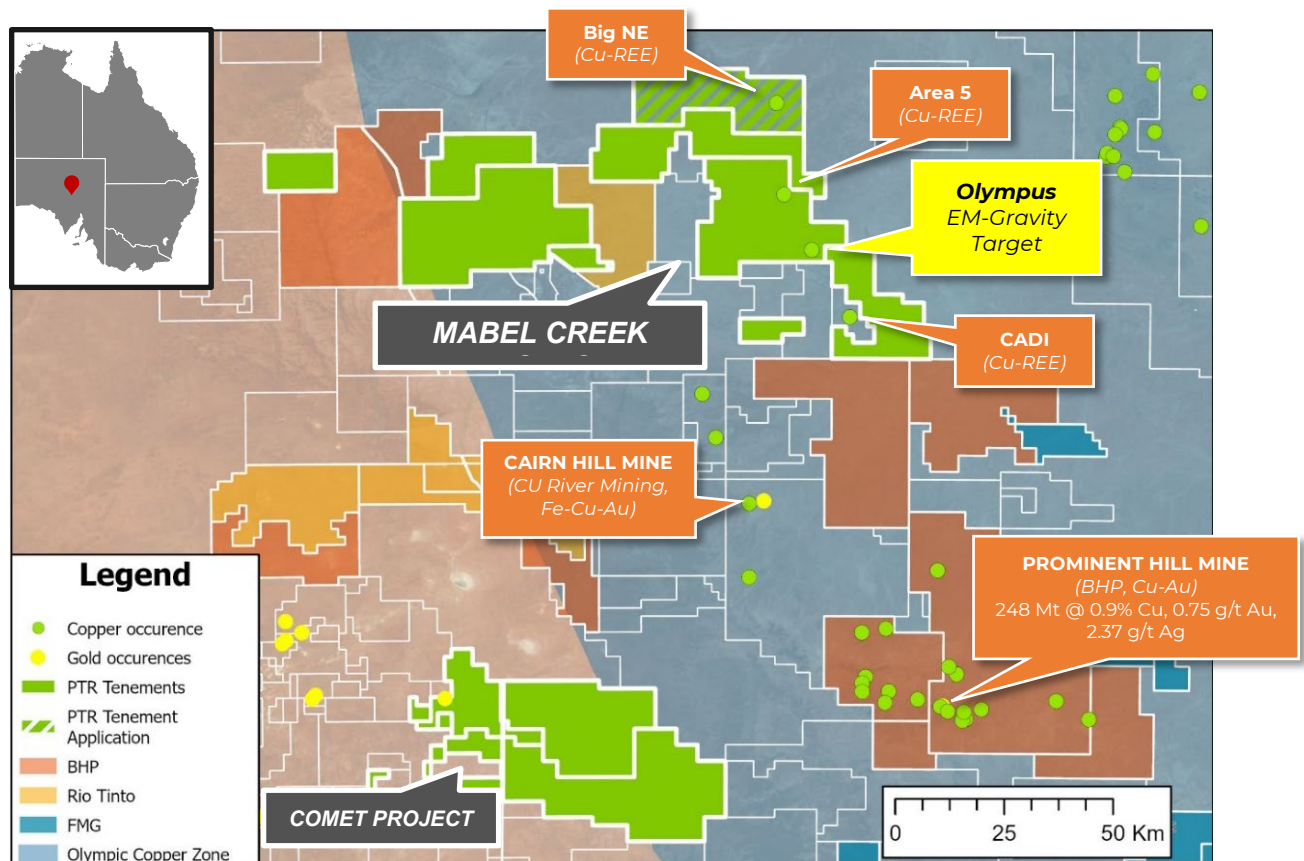


Figure 3: PTR's Mabel Creek Project, Major Company Tenement Holdings, Copper, and Gold Occurrences⁹

SQUID EM Survey

Following a region-wide structural and geological review of the Mabel Creek Project, PTR identified multiple key structures having the potential to be significant pathways for mineralising fluids. One of these, the Wirracanna Structure, is adjacent to the Cadi Copper-Rare Earth Prospect currently being investigated by Rifle Resources (Figure 4).

The Olympus target was selected as a discrete semi-coincident gravity and magnetic feature of >2-kilometre strike length on the edge of the Wirracanna structure (Figure 5). Olympus (formerly termed the Area 3 Target) is a significant discrete gravity feature of approximately 3 milligals and is comparable in extent and magnitude to the Prominent Hill copper-gold deposit gravity response¹⁰. SQUID EM surveys at Olympus identified a moderate conductive feature over three consecutive lines spaced 400m apart along the eastern flank of the gravity anomaly.

Modelling of the conductive response generates an approximate 2-kilometre-long conductive plate starting at approximately 600 metres below ground surface. The modelled feature dips back to the southwest and at depth is coincident with the gravity feature.

⁹ See Endnote - OZ Minerals Prominent Hill Mineral Resource and Ore Reserve Statement - ASX Release 21/12/2022.

¹⁰ Gravity Survey Identifies High Tenor Olympic Dam Style Targets – PTR ASX release 14/08/2019

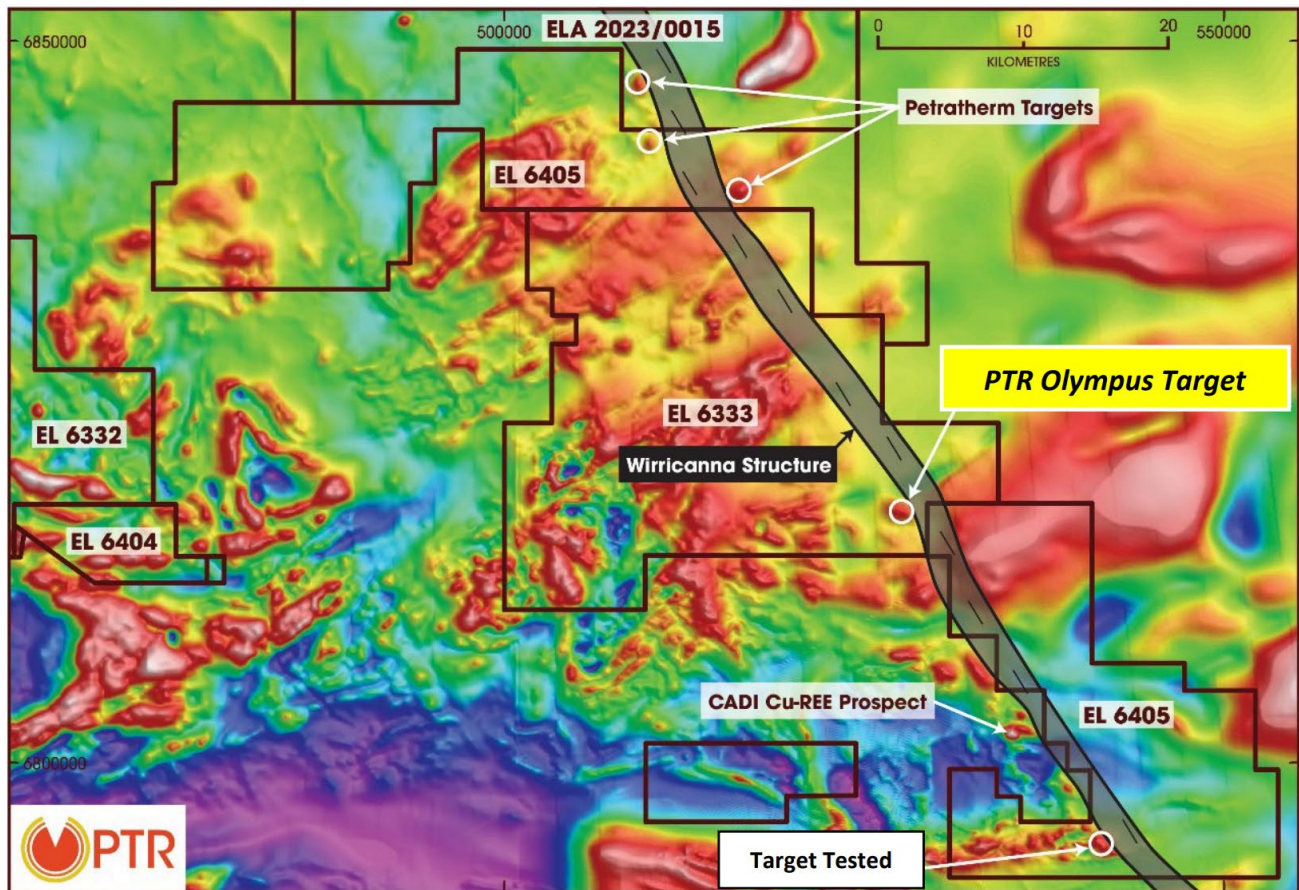


Figure 4: Location of Olympus Gravity/EM Target (and other PTR targets) on a magnetic image with respect to the Cadi Prospect and the Wirracanna Structure.

A single drill hole collared on the western slope of the Olympus gravity feature (Figure 5) was drilled by PTR in 2020 (MCA3-01) intersecting 247 metres (vertical thickness) of cover and then penetrated 40 metres into weakly hematite altered granite and gneiss, intruded by mafic and felsic dykes¹¹. Subsequent geophysical modelling using petrophysical readings from the drill core confirm that the drill hole did not penetrate deep enough to explain the gravity target.

Modelling of the new SQUID EM data indicates the hole was positioned several hundred metres west of the new conductive target, with this hole finishing at least 1 kilometre away from the conductive body.

¹¹ PTR Announcement – 12 May 2020 – Mabel Creek Drilling Results

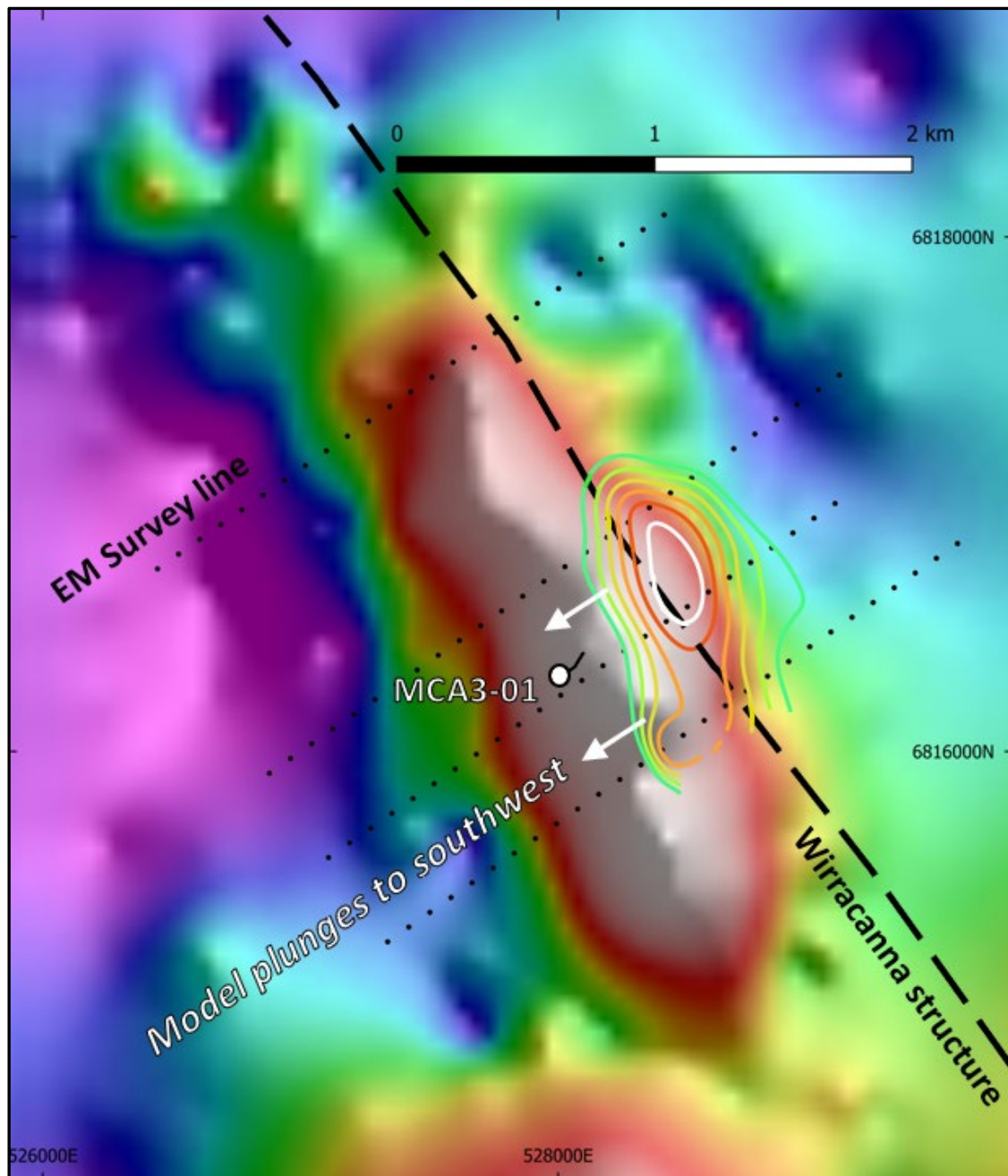


Figure 5: Olympus geophysical response. Coloured image is gravity data (1VD Bouguer) overlain by late time EM contours (X channel 32) showing the position of the conductive plate on the eastern flank of the gravity body which plunges steeply back to the southwest.

Woomera IOCG Project

The Woomera IOCG Project has a significant landholding of 668 km² and is strategically located in the World Class Copper-Gold Olympic Province of South Australia (Figure 6). It is close to BHP's Oak Dam West copper-gold discovery and newly operating Carrapateena Copper-gold mine. Other notable copper occurrences include Coda Mineral's Emmie IOCG discovery, and the sediment hosted copper-cobalt-silver mineral resource at Emmie Bluff in the overlying cover strata.

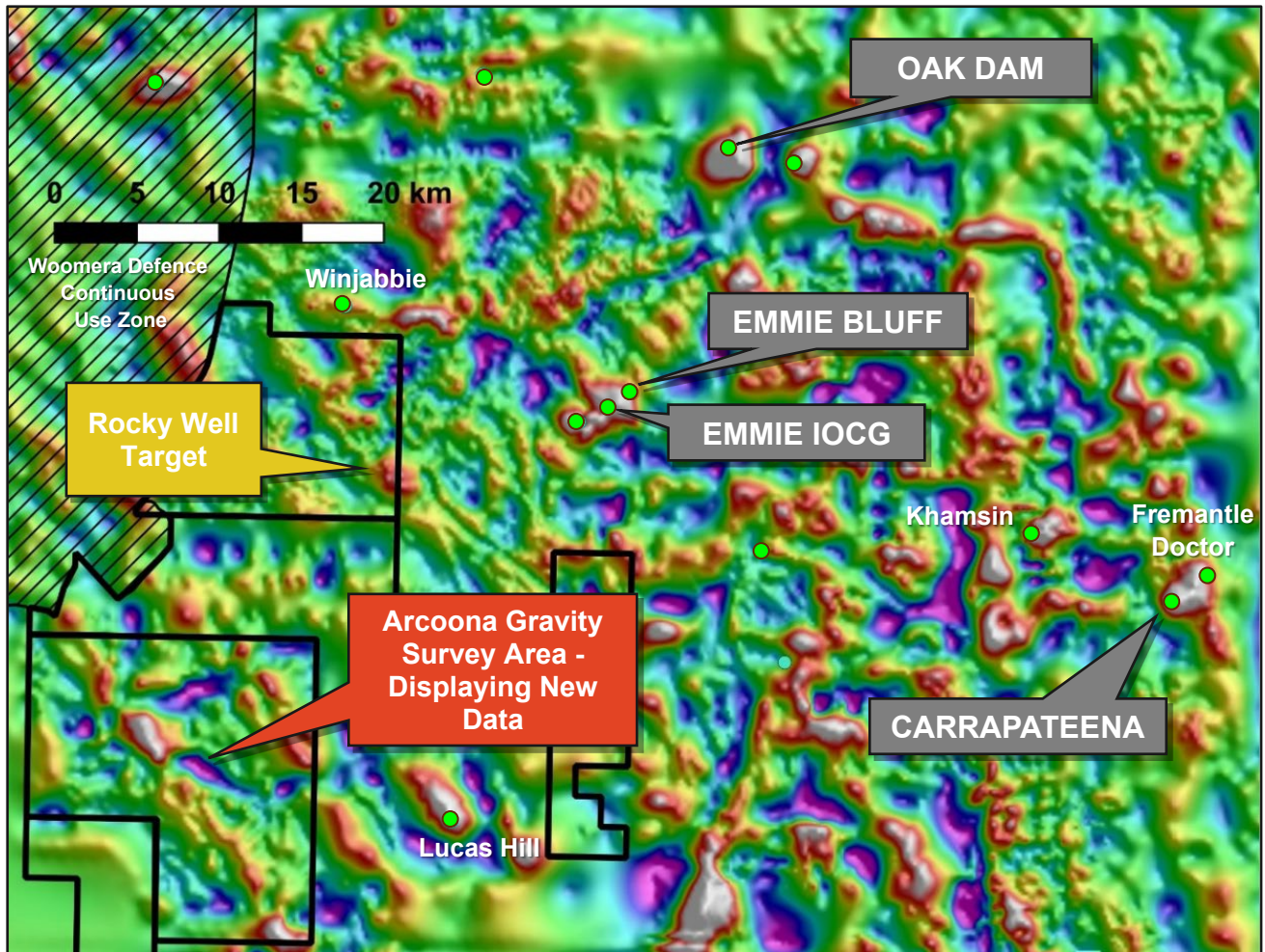


Figure 6: Central Olympic Province Gravity Image, PTR tenement outlines and Cu-Au Mines/Prospects. Several gravity features are evident in the Arcoona area which are undergoing further modelling to determine drill targets.

Ground Gravity Survey

During the June Quarter, the Company received initial gravity images from a tenement-wide gravity survey completed over the Arcoona Tenement (EL 6854). The regional gravity survey data highlighted multiple anomalous features.

The Arcoona Tenement area is characterised by major northwest trending structures (Figure 7), which are interpreted to be important in localising mineralisation. Modelling is underway to characterise the anomalies to determine which features may be indicative of a mineralised system.

Preliminary analyses indicate both deep basement bodies prospective for IOCG style copper sources and shallower flat bodies prospective for sedimentary copper in the cover may be present. The Company will report on geophysical targets identified for potential future drill testing once modelling work is complete.

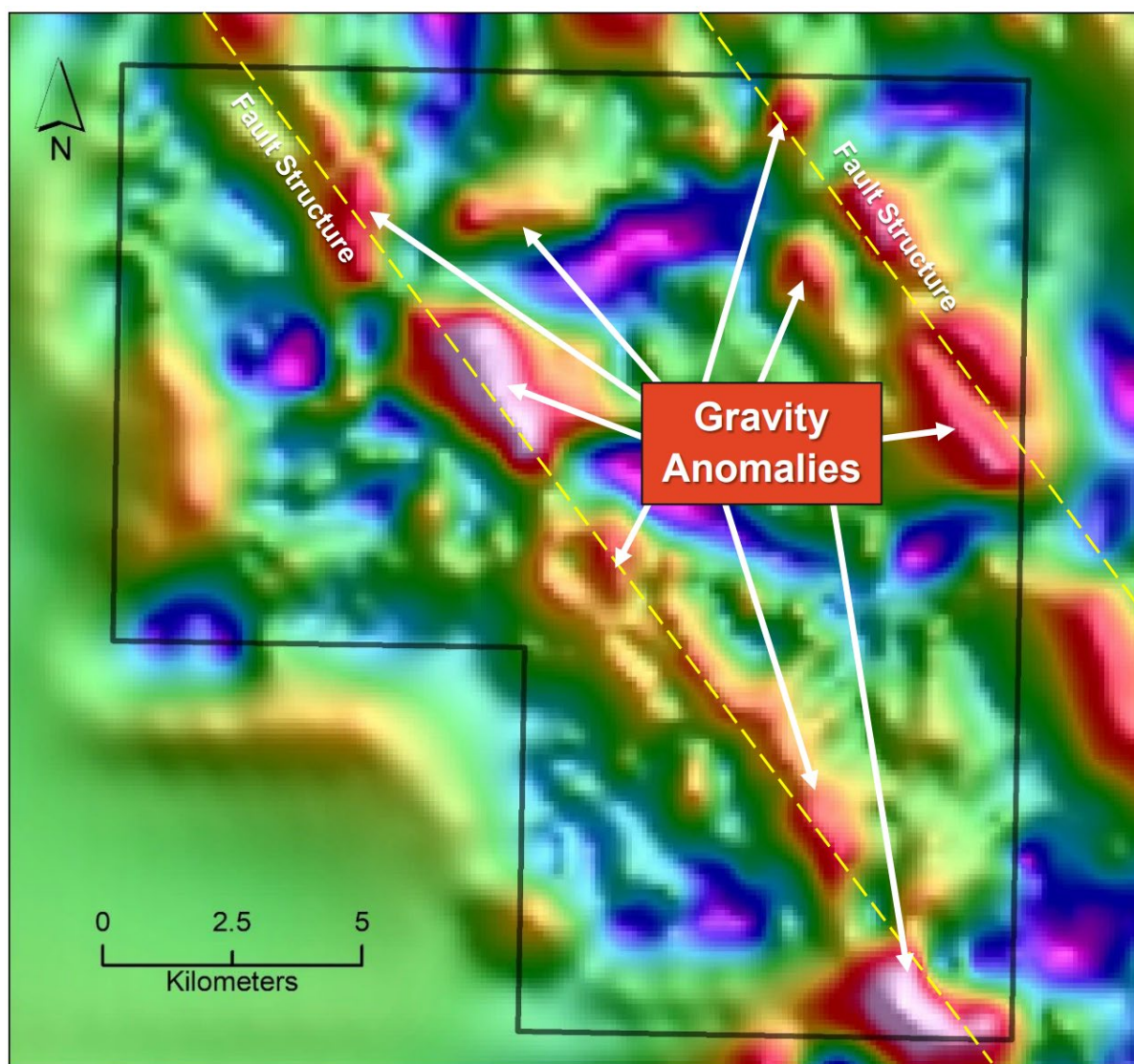


Figure 7: Arcoona Gravity Survey data which shows several gravity features undergoing further modelling.

June 2023 Quarter – ASX Announcements

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (2012 JORC Code). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the Company’s ASX platform:

Date of Release	Title of Release
19 June 2023	Comet Rare Earth Drilling Successfully Completed
14 June 2023	Woomera Gravity Survey Identifies Copper-Gold Targets
25 May 2023	Rare Earth Drilling Commences at the Comet Project
22 May 2023	SQUID EM Survey – Significant Copper-Gold Target
20 April 2023	Gravity Survey Underway at Woomera Copper-Gold Project
18 April 2023	Comet Rare Earth Project – Drilling Update
3 April 2023	SQUID EM Survey Starts on Copper-Gold Targets

These announcements are available for viewing on the Company's website petratherm.com.au/ under the investor tab. PTR confirms that is not aware of any new information or data that materially affects the information included in any original ASX Announcement.

-ENDS-

This announcement has been authorised for release on the ASX by the Company's Board of Directors.

For further information:

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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.

Endnote

OZ Minerals - Prominent Hill Mineral Resource and Ore Reserve Statement ASX Release 21/12/2022. BHP Group Limited is a producing entity. The purpose of Figure 3 is to illustrate the geographical proximity of the Mabel Creek Project to Major Company Tenement Holdings, Copper, and Gold Occurrences.

Project	Company	Total Resources & Reserves	Total Resource	Measured Resource	Indicated Resource	Inferred Resource	Total Reserve	Proved Reserve	Probable Reserve
Prominent Hill	BHP (formerly Oz Minerals)	248 Mt @ 0.9% Cu, 0.75 g/t Au, 2.37 g/t Ag	180Mt @ 0.9% Cu, 0.8 g/t Au, 2.4 g/t Ag	49Mt @ 1.2% Cu, 0.6 g/t Au, 3.0 g/t Ag	60Mt @ 0.7% Cu, 0.8 g/t Au, 2.2 g/t Ag	66Mt @ 0.8% Cu, 0.9 g/t Au, 2.3 g/t Ag	68Mt @ 0.9% Cu, 0.6 g/t Au, 2.3 g/t Ag	29Mt @ 1.2% Cu, 0.6 g/t Au, 2.9 g/t Ag	39Mt @ 0.7% Cu, 0.7 g/t Au, 1.9 g/t Ag

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PETRATHERM LIMITED

ABN

17 106 806 884

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 Months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(4)	(25)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(325)	(939)
1.3	Dividends received (see note 3)		
1.4	Interest received	2	51
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	67	215
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(260)	(698)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		(9)
	(d) exploration & evaluation	(398)	(1,429)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 Months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(398)	(1,438)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(17)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities		(17)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,197	4,692
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(260)	(698)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(398)	(1,438)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		(17)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 Months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,539	2,539

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,239	397
5.2	Call deposits	1,300	2,800
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,539	3,197

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	39
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(260)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(398)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(658)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,539
8.5 Unused finance facilities available at quarter end (item 7.5)	
8.6 Total available funding (item 8.4 + item 8.5)	2,539
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 July 2023



Authorised by:
Katelyn Adams, Company Secretary

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.