PETRATHERM LIMITED

ACN 106 806 884

PROSPECTUS

For the offer of 100,000,000 ordinary Shares at an
offer price of $0.04 each to raise $4,000,000.

Oversubscriptions of up to a further 25,000,000 ordinary Shares at an
offer price of $0.04 each to raise up to a further $1,000,000 may be
accepted.

This Prospectus is a re-compliance prospectus for the purposes of satisfying
Chapters 1 and 2 of the
ASX Listing Rules and to satisfy ASX requirements
for re-listing following a change to the nature
and scale of the Company's activities.

Important Information

This document provides important information to assist prospective investors in deciding whether or not to invest in the Company. It should be read in its entirety. If you do not understand it, you should consult your professional advisers.

THE SHARES OFFERED UNDER THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

This is a Replacement Prospectus dated 26 February 2018. It replaces a Prospectus dated 14 February 2018 relating to Shares of Petratherm Limited.

IMPORTANT NOTICES

Change In Nature and Scale - Re-Compliance with Chapters 1 and 2 of the ASX Listing Rules

The Company has historically operated as a geothermal and oil and gas exploration company with tenement interests in South Australia, Spain and Tasmania.

Petratherm has divested its interests in the Spanish and Tasmanian projects, and Petratherm and its joint venture partner Beach Energy Limited (ASX Code: BPT) (**Beach Energy**) resolved in June 2016 to plug and abandon the Paralana 2 geothermal well and complete surface rehabilitation before undertaking a formal surrender of Petratherm's Paralana Geothermal Energy Licence (GEL 156). Beach Energy completed planning studies to undertake the plugging and abandonment of the Paralana 2 geothermal well and surface rehabilitation of the site, but at the date of this Prospectus, the remediation work has not been initiated.

On 25 May 2017, Petratherm's securities were suspended from quotation on the ASX as Petratherm's operations were, in ASX's opinion, not sufficient to warrant the continued quotation of Petratherm's securities and its continued listing on the ASX. Petratherm's securities have remained suspended since that date.

However, as announced to ASX on 15 December 2017 and 27 December 2017 respectively, the Company has entered into:

- a Letter Agreement (which has since been formalised by a Mining Farm-In and Joint Venture Agreement) to acquire up to a 75% interest in a silver, lead and zinc prospective tenement, EL 5497 (**MGV Tenement**), from Musgrave Minerals Limited ACN 143 890 671 (ASX Code: MGV) (**Musgrave**); and
- a Tenement Purchase Agreement to acquire two gold and base-metal prospective tenements, EL 5306 and EL 5717 (**SAEX Tenements**), from SAEX Pty Ltd ACN 154 922 728 (**SAEX**).

In addition, as disclosed in the Company's Notice of Extraordinary General Meeting dated 25 January 2018, the Company has applied for ELA 2017/250 (**Gilles Downs Tenement**) in respect of an area in Gilles Downs, South Australia which adjoins the MGV Tenement.

The acquisition of the abovementioned interests in the MGV Tenement, the SAEX Tenements and the Gilles Down Tenement (together, the **Project Acquisition**) will result in a significant change to the nature and scale of the Company's activities which requires approval of its Shareholders under Chapter 11 of the ASX Listing Rules.

The Company has convened a general meeting of its Shareholders to be held on or about 28 February 2018 to seek Shareholder approval for, amongst other approvals, the change in nature and scale of the Company's activities and the Consolidation of the Company's Shares. A copy of the notice of meeting is available on ASX's website.

The Offer made under this Prospectus and the issue of Shares pursuant to this Prospectus are subject to and conditional upon Shareholders passing Resolutions 1 to 10 (inclusive) at the meeting to be held on or about 28 February 2018, the satisfaction of the conditions referred to in those resolutions and the satisfaction or waiver of the conditions precedent in the Mining Farm-In and Joint Venture Agreement and the Tenement Purchase Agreement. If Resolutions 1 to 10 are not passed, the conditions referred to in those resolutions are not satisfied or the conditions precedent in the Mining Farm-In and Joint Venture Agreement or the Tenement Purchase Agreement are not satisfied or waived, this Offer will not proceed, no Shares will be allotted pursuant to this Prospectus and the Company will repay all money received from Applicants without interest.

The Company must comply with ASX requirements to re-list on ASX, which include re-complying with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

This is a replacement prospectus issued by Petratherm Limited (**Company** or **Petratherm**) dated 26 February 2018 (**Prospectus**) and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. It replaces a prospectus dated 14 February 2018 (**Original Prospectus**) and lodged with ASIC on that date. Neither ASIC nor ASX Ltd (**ASX**) takes any responsibility for the contents of this Prospectus. The Original Prospectus was subject to an exposure period of seven days from the date of lodgment of the Original Prospectus with ASIC. ASIC has extended the exposure period for the Original Prospectus for a further period of seven days. This Prospectus is not subject to an exposure period due to ASIC Corporations (Exposure Period) Instrument 2016/74. No Shares will be issued on the basis of this Prospectus later than 13 months

after the date of this Prospectus. The Directors of and advisers to the Company do not guarantee the success of the Company, repayment of capital, payment of dividends or the price at which Shares will trade on ASX.

The principal differences between the Original Prospectus and this Prospectus may be summarised as follows. This Prospectus now includes:

- enhanced disclosure in the Key Issues Summary section of this Prospectus of the expenditure requirements that must be met in order for the Company to earn an interest in the MGV Tenement;
- amended details of the strengths of the Company and the highlights of the Project Acquisition in both Section 1.5 and the Key Issues Summary section of this Prospectus;
- enhanced disclosure of the key risks associated with an investment in the Company in Sections 1.7 and 4 and the Key Issues Summary section of this Prospectus;
- enhanced disclosure of how the Company will use its funds (including those raised under this Offer) in Section 1.13 of this Prospectus; and
- enhanced disclosure of the results of the Airborne electromagnetic survey conducted by Marathon Resources Limited (ASX Code: MTN) on the Walparuta Project in Section 3.3 of this Prospectus.

Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed on the internet at www.petratherm.com.au. The Offer of Shares pursuant to the paper form or electronic Prospectus is only available to persons receiving this Prospectus in Australia. The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company by email at admin@petratherm.com.au.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Consolidation of Capital

Unless otherwise stated, all references to securities of the Company as set out in this Prospectus are on the basis that the proposed Consolidation (on a two-for-one basis) of the Company's capital (proposed for Shareholder approval at the general meeting of Shareholders to be held on or about 28 February 2018) has been implemented.

Foreign Jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to persons to whom, it would not be lawful to make an offer. Distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 1.7 and Section 4 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

Forward Looking Statements

This Prospectus may contain forward looking statements or information. Forward-looking statements can be identified by the use of words such as 'may', 'should', 'will', 'expect', 'anticipate', 'believe', 'estimate', 'intend', 'scheduled' or 'continue' or similar expressions. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in such forward looking statements or information. Whilst the Company considers the expectations reflected in any perceived forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined in Section 1.7 and in Section 4 of this Prospectus, as well as other matters as not yet known to the

Company or not currently considered material by the Company, may cause actual events to be materially different from those expressed, implied or projected in any perceived forward looking statements or information. Any forward looking statements or information contained in this Prospectus is qualified by this cautionary statement.

Website Address

The Prospectus can be downloaded from www.petratherm.com.au.

Photographs and Diagrams

Items and undertakings depicted in photographs and diagrams in this Prospectus are not assets of the Company, unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

Definitions

Throughout this Prospectus abbreviations and defined terms are used. Abbreviations and legal terms are contained in the Definitions in Section 12 of this Prospectus. Technical terms are defined in the Independent Geologist's Report included in Section 7 of this Prospectus. Defined terms are generally identified by the uppercase first letter.

Conditions Precedent

The Offer made under this Prospectus and the issue of Shares pursuant to this Prospectus are subject to and conditional upon Shareholders passing Resolutions 1 to 10 (inclusive) at the meeting to be held on or about 28 February 2018, the satisfaction of the conditions referred to in those resolutions and the satisfaction or waiver of the conditions precedent in the Mining Farm-in and Joint Venture Agreement and the Tenement Purchase Agreement, details of which are set out in Section 9.1 of this Prospectus. If Resolutions 1 to 10 are not passed, the conditions referred to in those resolutions are not satisfied or if the conditions precedent in the Mining Farm-in and Joint Venture Agreement or the Tenement Purchase Agreement are not satisfied or waived, this Offer will not proceed, no Shares will be allotted pursuant to this Prospectus and the Company will repay all money received from Applicants without interest.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus that is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

Key Offer Information

Key Dates

Lodgement of this Replacement Prospectus with ASIC and ASX	26 February 2018
General Meeting of Petratherm's Shareholders	28 February 2018
Opening Date of the Offer	1 March 2018
Expected Closing Date of the Offer	15 March 2018
Issue of Shares under this Prospectus	22 March 2018
Despatch of holding statements	29 March 2018
Expected Date for re-quotation of Shares on ASX	29 March 2018

Note: This timetable is indicative only. Unless otherwise indicated, all times are in Adelaide Time. The Company and the Lead Manager reserve the right to vary the dates and times of the Offer, including to close the Offer early or to accept late Applications, either generally or in particular cases, without notification. Investors are encouraged to submit their Applications as soon as possible.

Key Offer Statistics

Company Name	Petratherm Limited (ACN 106 806 884)
ASX Code	PTR
Securities Offered	Fully paid ordinary shares
Issue Price per Offer Share	$0.04 per Share
Minimum number of Shares available under the Offer	100,000,000 Shares
Gross proceeds from the Offer based on the Minimum Subscription being raised (and before exercise of any Options)	$4,000,000
Total number of Shares and Options on issue at Completion of the Offer based on Minimum Subscription	151,403,752 Shares 14,570,188 Options
Total number of Shares available under the Offer based on the Maximum Subscription being raised	125,000,000 Shares
Gross proceeds from the Offer based on the Maximum Subscription being raised	$5,000,000
Total number of Shares and Options on issue at Completion of the Offer based on Maximum Subscription (and before exercise of any Options)	176,403,752 Shares and 15,320,188 Options

How to Invest

Applications for Shares can only be made by completing and lodging the Application Form included in or accompanying this Prospectus.

Instructions on how to apply for Shares are set out in Section 2.6 of this Prospectus.

CONTENTS

Corporate Directory

Current Directors
Simon Thomas O'Loughlin - Non-Executive Chairman (To be Non-Executive Director post Reinstatement)
Donald Clinton Stephens - Non-Executive Director (To be Non-Executive Director post Reinstatement)
Andrew John Haythorpe - Non-Executive Director (To resign post Reinstatement)

Incoming Director (to be appointed post Reinstatement)
Derek Carter – To be Non-Executive Chairman post Reinstatement

Company Secretary
Donald Clinton Stephens

Registered Office
HLB Mann Judd (SA) Pty Ltd
Level 1, 169 Fullarton Road
Dulwich SA 5065
Email: admin@petratherm.com.au
Website: www.petratherm.com.au

Share Registrar
Computershare Investor Services Pty Limited
Level 5
115 Grenfell Street
ADELAIDE SA 5000
Website: www.computershare.com/au

Solicitors to the Company
O'Loughlins Lawyers
Level 2, 99 Frome Street
Adelaide SA 5000

Investigating Accountant and Auditor
Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000

Lead Manager
Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide SA 5000

Independent Geologist
Metalzoic
PO Box 224
Unley BC SA 5061

LETTER FROM THE CHAIRMAN

26 February 2018

Dear Investor,

On behalf of the Directors of Petratherm Limited ACN 106 806 884 (**Petratherm** or the **Company**), it is my pleasure to introduce this Prospectus to you and invite you to become a shareholder of the Company.

This Prospectus has been issued by Petratherm to enable the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules and for the offer of 100,000,000 new Shares at $0.04 per Share to raise $4,000,000 (up to a further 25,000,000 Shares at $0.04 per Share may be accepted as oversubscriptions to raise up to a further $1,000,000) (**Offer**).

Petratherm was incorporated on 24 October 2003 and has historically operated as a geothermal and oil and gas company with tenement interests in Spain, South Australia and Tasmania. Petratherm has divested its interests in the Spanish and Tasmanian projects, and Petratherm and its joint venture partner Beach Energy Limited (ASX Code: BPT) (**Beach Energy**) resolved in June 2016 to plug and abandon the Paralana 2 geothermal well and complete surface rehabilitation before undertaking a formal surrender of Petratherm's Paralana Geothermal Energy Licence (GEL 156). Beach Energy completed planning studies to undertake the plugging and abandonment of the Paralana 2 geothermal well and surface rehabilitation of the site, but at the date of this Prospectus, the remediation work has not been initiated.

On 25 May 2017, Petratherm's securities were suspended from quotation on the ASX as Petratherm's operations were, in ASX's opinion, not sufficient to warrant the continued quotation of Petratherm's securities and its continued listing on the ASX. Petratherm's securities have remained suspended since that date.

However, as announced to ASX on 15 December 2017 and 27 December 2017, the Company has now moved into an exciting new phase of its development by entering into a Letter Agreement (which has since been formalised by a Mining Farm-in and Joint Venture Agreement) to acquire up to a 75% interest in a silver, lead and zinc prospective tenement, EL 5497 (**MGV Tenement**), from Musgrave Minerals Limited ACN 143 890 671 (ASX Code: MGV) (**Musgrave**) and a Tenement Purchase Agreement to acquire two gold and base-metal prospective tenements (EL 5306 and EL 5717 (**SAEX Tenements**)) from SAEX Pty Ltd ACN 154 922 728 (**SAEX**).

In addition, as disclosed in Petratherm's Notice of Extraordinary General Meeting dated 25 January 2018, Petratherm has applied for ELA 2017/250 (**Gilles Downs Tenement**) in respect of an area in Gilles Downs, South Australia which adjoins the MGV Tenement.

The Company will be well capitalised following the minimum $4 million equity raising comprising this Offer. Existing and new funds will be primarily directed to exploration expenditure and working capital.

The acquisition of interests in the MGV Tenement, the SAEX Tenements and the Gilles Down Tenement (together, the **Project Acquisition**) will result in a significant change to the nature and scale of the Company's activities and as such requires approval of its Shareholders under Chapter 11 of the ASX Listing Rules. The Company has convened a general meeting of its Shareholders to be held on or about 28 February 2018 to seek Shareholder approval for, amongst other approvals, the change in nature and scale of the Company's activities and the Consolidation of the Company's Shares.

Further details of the Mining Farm-In and Joint Venture Agreement and the Tenement Purchase Agreement are contained in Section 9.1 of this Prospectus.

The restructured Board that will be in place post Reinstatement has the necessary background to ensure there is focus on sound development of the Company's business targets whilst seeking to build shareholder wealth in the process. Further details on each of the Company's current and proposed Directors are contained in Section 1.15 of this Prospectus.

The Directors believe that the decision to complete the Project Acquisition will deliver a significant opportunity to create increased value for current and future shareholders. The Board believe the main drivers of value from the Project Acquisition and Capital Raising are:

- Allowing the Company's securities to be reinstated to quotation on the ASX.
- Likely increased liquidity in the securities of the Company, both due to the ability for investors to recommence trading in the Company's securities and due to anticipated increased investor interest in the Company having regard to the sparse trading of its securities prior to its suspension from quotation.
- The Project Acquisition provides current and future shareholders of the Company with exposure to mineral exploration opportunities, and the Company will be well capitalised following the successful completion of the Offer and intends to direct existing and new funds to developing the Company's interests in the Projects.

The Company will seek to divest its remaining interest in the Paralana 2 geothermal well once the plugging and rehabilitation of the site has been complete and will focus on the mineral exploration opportunities presented by the Project Acquisition. This Prospectus, having been prepared on the basis that the Company will shortly seek to finalise the divestment of that interest, does not therefore contain detailed reporting of the Company's geothermal exploration project.

The Petratherm Board believes the proposed Project Acquisition and change of business are both very positive and in the best interests of current and future shareholders.

However, as with any investment, there are risks associated with investing in the Company. The key risks are identified in Section 1.7 of this Prospectus, and other risks are identified in Section 4 of this Prospectus. The key risks include:

- Mineral exploration is inherently associated with risk and there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.
- The Company's Directors and incoming Director have significant experience in the mining exploration industry, and initially, the Company will rely heavily on the experience of its Directors. The loss of the services of certain personnel could have an adverse effect on the Company and its activities.
- Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations, including as a result of world demand for particular commodities, the level of production costs in major commodity producing regions and expectations regarding inflation, interest rates and exchange rates. Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and its financial position.
- The funds raised by the Capital Raising will be used to carry out work on the Company's Projects. If the Company incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. The Company may require additional funding to carry out further exploration, undertake feasibility studies, develop mining operations and/or acquire

new projects. Any additional financing through share issues will dilute existing shareholdings. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.

These key risks are discussed in further detail in Section 1.7 of this Prospectus.

This Prospectus contains detailed information about Petratherm and its business, subject to the Project Acquisitions completing, and includes an Independent Geologist's Report. Please read this Prospectus carefully before you make a decision to invest and, where necessary, consult with your professional advisers.

Yours sincerely

Simon O'Loughlin
Non-Executive Chairman

Key Issues Summary

The information set out in this Section is intended to be a summary only and should be read in conjunction with the more detailed information elsewhere in this Prospectus. In deciding whether to apply for Shares under the Offer, you should read this Prospectus carefully and in its entirety and consult your professional advisers.

Question	Answer	More information
Introduction and overview of the Company and the Project Acquisition		
What is the business of the Company?	Upon completion of the Offer and the Project Acquisition, the Company will hold the following interests: • the right to earn up to a 75% interest in a silver, lead and zinc prospective tenement, EL 5497 (**MGV Tenement**), from Musgrave Minerals Limited ACN 143 890 671 (ASX Code: MGV) ; • two gold and base-metal prospective tenements, EL 5306 and EL 5717; and • ELA 2017/250 (**Gilles Downs Tenement**) in respect of an area in Gilles Downs, South Australia which adjoins the MGV Tenement. The Company intends to operate in the mineral exploration business, and will focus on exploring and developing its interests in the Projects.	Section 1.2, 1.3 Section 3.2, 3.3
How does Petratherm generate its income and what are its key costs?	Petratherm does not currently derive any income from mineral exploration activities, and does not anticipate any such income in the immediate future. Petratherm's key costs are anticipated to be the costs of the Offer, exploration expenditure and working capital, and administrative and compliance costs.	Sections 3.2, 3.3 and 3.4
Who are Petratherm's customers?	Petratherm does not currently have any customers, and does not anticipate achieving any sales to customers in the immediate future.	Section 3.2
Where are Petratherm's operations located?	Petratherm's registered office is located at Level 1, 169 Fullarton Road, Dulwich SA 5065. The Projects are located in Corunna, Gilles Downs and Walparuta, South Australia.	Section 3
Who are Petratherm's competitors?	Petratherm will compete in the highly competitive mineral exploration market with its competitors including listed and unlisted companies of various sizes.	Section 3.2, Section 4.3

Question	Answer	More information
What is Petratherm's strategy?	The Company's business strategy (post Project Acquisition) centres on the following key elements: • the conduct of exploration on the Projects and, if warranted, the development of mining operations; • The active pursuit of other opportunities, both in Australia and overseas, with the aim of creating value for the Company's shareholders.	Section 3.3
Directors and key management		
Who are the current and incoming Directors of the Company and what is their experience?	Post Reinstatement, the Board will be comprised of three independent Directors, all of whom are highly experienced ASX listed company directors. The current and incoming Directors are as follows: Current Directors 1. Simon O'Loughlin –Non-Executive Chairman 2. Donald Stephens – Independent Non-Executive Director 3. Andrew Haythorpe - Non-Executive Director Directors (post Reinstatement) 1. Derek Carter – Independent Non-Executive Chairman 2. Simon O'Loughlin –Non-Executive Director 3. Donald Stephens – Independent Non-Executive Director See Section 1.15 for more information on the Company's Directors and Proposed Director and their experience. Donald Stephens will continue to act as the Company Secretary.	Section 1.15
Who will be the leadership team of the Company post Reinstatement and what is their expertise?	The Company's operations will be led by its Directors, headed by Derek Carter. **Derek Carter BSc, MSc, FAusIMM(CP) – Non-executive Chairman (post Reinstatement)** Mr Carter has over 40 years' experience in exploration and mining geology and management. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Gold NL in 1993. He is the Chairman of Highfield Resources Ltd, former Chairman of Petratherm Limited (resigned 31 March 2014) and Minotaur Exploration Ltd (resigned November 2016), and a former board member of Intrepid Mines Ltd (resigned November 2015) and Mithril Resources Ltd (resigned December 2014), all ASX listed companies. Mr Carter is a former President of the South Australian Chamber of Mines and Energy, former board member of the Australian Gold Council, is a member of the South Australian Minerals and Petroleum Experts Group and the Minerals and Energy Advisory	Section 1.15

Question	Answer	More information
	Council, and a former Chairman of the Minerals Exploration Advisory Group. He was awarded AMEC's Prospector of the Year Award (jointly) in 2003 and is a Centenary Medallist. See Section 1.15 for more information on the Company's leadership team, post Reinstatement.	
Overview of the Offer and the Project Acquisition		
Who is the issuer of this Prospectus?	Petratherm Limited ACN 106 806 884 (ASX Code: PTR)	Section 2.2
The Project Acquisition	The Company has entered into: • a Mining Farm-In and Joint Venture Agreement to acquire up to a 75% interest in a silver, lead and zinc prospective tenement, EL 5497 (**MGV Tenement**), from Musgrave Minerals Limited ACN 143 890 671 (**Musgrave**) (ASX Code: MGV); and • a Tenement Purchase Agreement to acquire two gold and base-metal prospective tenements, EL 5306 and EL 5717, from SAEX Pty Ltd ACN 154 922 728. The Company's acquisition of an interest in the MGV Tenement under the Mining Farm-In and Joint Venture Agreement is depended upon meeting certain expenditure requirements. Pursuant to the Mining Farm-In and Joint Venture Agreement, the Company can earn: • a 51% legal and beneficial interest in the MGV Tenement (and associated rights and information) by expending a total of $500,000 on exploration on the MGV Tenement (**Stage One Commitment**), within the period of 18 months commencing on the date of satisfaction or waiver of the last of the Conditions Precedent to the Mining Farm-In and Joint Venture Agreement (as detailed in section 9.1(b) of this Prospectus); and • a further 24% legal and beneficial interest in the MGV Tenement (and associated rights and information), for a total 75% interest, by completing the Stage One Commitment and expending a further $500,000 on exploration on the MGV Tenement within a further 12 months commencing on the date the Company notifies Musgrave of its intention to earn the further 24% interest (which must be within 30 days after providing Musgrave with evidence verifying that the Company has spent the Stage One Commitment). In addition, the Company has applied for ELA 2017/250 in respect of an area in Gilles Downs, South Australia which	Section 1.3 Section 3.2 Section 9.1

<table>
<tr><th>Question</th><th>Answer</th><th>More information</th></tr>
<tr><td></td><td>adjoins the MGV Tenement.

Details of the Mining Farm-In and Joint Venture Agreement and the Tenement Purchase Agreement are contained in Section 9.1 of this Prospectus and details of Petratherm's business and the Projects are contained in Section 3 of this Prospectus.</td><td></td></tr>
<tr><td>What is the Offer?</td><td>An offer of new Shares at an Offer Price of $0.04 per Share to raise a minimum of $4 million (Minimum Subscription), with the ability to receive oversubscriptions of $1 million to raise a maximum of $5 million (Maximum Subscription).

The purpose of the Offer is to facilitate an application by the Company for re-admission of the Company to the official list of ASX and to raise at least $4,000,000.

The Company is seeking to satisfy Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

The Offer is for fully paid ordinary shares in the capital of the Company ranking equally with existing Shares on issue.

For details relating to the rights and liabilities of the Shares, refer to Section 10.4.</td><td>Section 1.8
Section 1.10
Section 2.2

Section 10.4</td></tr>
<tr><td>What happens if the Minimum Subscription is not received?</td><td>The Minimum Subscription for the Offer to proceed is $4 million. If the Minimum Subscription is not obtained within four months after the date of this Prospectus (or any longer period permitted by law), the Company will repay all Application Money in full without interest as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Money in full without interest. In this circumstance, the Project Acquisition will not occur and trading in the Company's Shares on ASX will remain suspended.</td><td>Section 2.2</td></tr>
<tr><td>What is the Company's Share Capital Structure on Completion of the Offer?</td><td>The Company's indicative share capital structure at the various levels of subscription will be:

<table><tr><th></th><th>Minimum Subscription $4 million</th><th>Maximum Subscription $5 million</th></tr><tr><td>Existing shares on issue (pre Consolidation)</td><td>100,307,503</td><td>100,307,503</td></tr><tr><td>Existing shares on issue (post Consolidation)</td><td>50,153,752</td><td>50,153,752</td></tr><tr><td>Issued to SAEX (post Consolidation)</td><td>1,250,000</td><td>1,250,000</td></tr></table></td><td>Section 1.11</td></tr>
</table>

Question	Answer	More information
	Shares issued under this Prospectus (post Consolidation) 100,000,000 125,000,00 **Total Shares on issue at Reinstatement (post Consolidation) 151,403,752 176,403,752**	
What is the proposed use of proceeds received in connection of with the Offer?	The Company's primary use of funds will be to pay for: • Costs of the Offer; • Capital Raising fees; and • Exploration expenditure / working capital.	Section 1.13
How is the Offer structured? And where will the Offer be made?	The Offer presented in this Prospectus is open to investors who have a registered address in Australia. No action has been taken to register or qualify the Shares, or, otherwise permit a public offering of the Shares the subject of this Prospectus, in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.	Section 2.12
Is the Offer underwritten?	The Offer is not underwritten.	Section 2.14
Who is the Lead Manager?	Taylor Collison Limited has been appointed as the Lead Manager.	Section 9.3
What fees and costs are payable to the Lead Manager?	The Company will pay the Lead Manager a fee equal to 1% the total proceeds raised under the Offer, and a selling fee of 5% of funds raised by the Lead Manager, for its role in managing the Offer. In addition, the Company will issue to the Lead Manager that number of Options equating to 5% of the issued capital of the Company (calculated post completion of the Issue) on the terms set out in Section 10.5(a) of this Prospectus. In addition, the Company will reimburse the Lead Manager for all reasonable out of pocket expenses incurred by the Lead Manager and legal fees capped at $15,000.	Section 9.3
When will the Shares be quoted?	The Company applied to ASX on 21 February 2018 for quotation of the Shares issued pursuant to this Prospectus. Quotation of the Shares is expected to occur on 29 March 2018 (this date is subject to change). If approval for Quotation of the Shares is not granted within three months after the date of this Prospectus (or any longer period permitted by law), the Company will withdraw the Offer and refund all Application Money received without interest as soon as practicable in accordance with the requirements of the Corporations Act or issue a supplementary or replacement	Section 2.10

Question	Answer	More information
	prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Money in full without interest.	
Are there any restrictions on the disposal of Shares?	Upon Completion of the Offer and subject to the ASX Listing Rules, the Shares issued under this Prospectus will not be subject to any restrictions on disposal. It is expected that the Shares to be issued to SAEX pursuant to the Tenement Purchase Agreement, and the Options to be issued to the Directors and Taylor Collison will be subject to escrow requirements imposed by ASX.	Section 1.21 Section 10.2(b)
What is the allocation policy?	The allocation of Shares will be determined by the Lead Manager and the Directors in their sole discretion.	Section 2.7 Section 2.8
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.	Section 2.9
What are the tax implications of investing in the Shares?	The taxation consequences of an investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company.	Section 1.19
How can I apply?	Applications for Shares can only be made by completing and returning the Application Form attached to this Prospectus, together with payment in full for the quantity of Shares being applied for. Applications must be for a minimum of 50,000 Shares ($2,000) and thereafter in multiples of 5,000 Shares ($200). To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable. See Section 2.6 for further information on how to apply.	Section 2.6
When will I receive confirmation that my Application is successful?	The Company expects that holding statements confirming Applicants' allocations under the Offer will be sent to successful Applicants by regular post about seven days after the Closing Date.	Section 2.7
CHESS and Issuer Sponsorship	The Company participates in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.	Section 2.11

Question	Answer	More information
When are the Shares expected to commence trading?	It is expected that shares will commence trading on ASX on a normal settlement basis on or about 29 March 2018. After re-quotation, Shareholders and other investors may buy or sell Shares at the prevailing market price. There may or may not be a liquid market for Shares, and the Shares may trade above or below the Offer Price. It is the responsibility of each Applicant to confirm their holding before trading Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Section 2.10
Can the Offer be withdrawn?	Yes. The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 2.6, Section 2.7
Is there a cooling off period?	No.	Section 2.6
Where can I find more information about this Prospectus or the Offer?	If you would like more information or have any questions relating to the Offer, please call the Company on (08) 8133 5000 (within Australia) or +61 8 8133 5000 (outside Australia). An electronic copy of the Prospectus can be downloaded at www.petratherm.com.au. If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	Section 2.15

Question	Answer	More information
Key strengths and key risks		
What are the key strengths of the Company and the Project Acquisition?	The key strengths of the Company and the Project Acquisition are: • The Company's continuing Directors and Incoming Director have significant experience in the mineral exploration industry, and have collectively served as directors of various other ASX listed entities including companies in the mineral exploration industry. • The Project Acquisition provides current and future shareholders of the Company with exposure to mineral exploration projects which are considered by the Company to be prospective for a range of deposit types and styles including silver, lead, zinc, gold, base metals, lithium, rare earth elements, uranium and phosphate. The Company will be well capitalised following the successful completion of the Offer and intends to direct existing and new funds to developing the Company's interests in the Projects.	Section 1.5, Section 1.15, Section 3.3, Section 7 (Independent Geologist's Report)
What are the key risks?	The key risks are: • Mineral exploration is inherently associated with risk and there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource. • The Company's Directors and incoming Director have significant experience in the mining exploration industry, and initially, the Company will rely heavily on the experience of its Directors. The loss of the services of certain personnel could have an adverse effect on the Company and its activities. • Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations, including as a result of world demand for particular commodities, the level of production costs in major commodity producing regions and expectations regarding inflation, interest rates and exchange rates. Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and its financial position.	Section 1.7, Section 4.2

Question	Answer	More information
	• The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration or obtain production tenements. In applying for certain production tenements, the Company must observe the provisions of Native Title legislation (where applicable) and Aboriginal Heritage legislation which protects Aboriginal sites and objects of significance. • In certain circumstances the consent of registered Native Title claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the terms of registered Native Title agreements may restrict the Company's ability to gain access to its tenements and conduct exploration, development and mining operations, or that the conditions imposed by Native Title claimants on such consent may be on terms unacceptable to the Company. • The Company's right to earn-in to the MGV Tenement is subject to the Company meeting the minimum expenditure requirements further detailed in Section 9.1(b) of this Prospectus. If the Company fails to meet the minimum expenditure requirements, it will not earn the maximum 75% interest it is entitled to in the MGV Tenement and it may not qualify to earn any interest at all. In addition, any tenements the Company acquires pursuant to the Tenement Purchase Agreement with SAEX Pty Ltd, the grant of the Gilles Downs Tenement or otherwise will be subject to minimum expenditure requirements which, if not met, may result on forfeiture or relinquishment of the tenements. • The funds raised by the Capital Raising will be used to carry out work on the Company's Projects. If the Company incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. The Company may require additional funding to carry out further exploration, undertake feasibility studies, develop mining operations and/or acquire new projects. Any additional financing through share issues will dilute existing shareholdings. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.	
Significant interests of key people		

<table>
<tr><th>Question</th><th>Answer</th><th>More information</th></tr>
<tr><td>Who are the significant shareholders of the Company and what is their interest in the Company upon completion of the Offer and the Project Acquisition?</td><td>The key Shareholders in Petratherm Limited are currently as follows, and their Shareholding upon Reinstatement at the various levels of subscription are noted below:
<table><tr><th>Shareholder</th><th>Shares Held</th><th>% Ownership as at date of this Prospectus</th><th>% Ownership at Minimum Subscription*</th><th>% Ownership at Maximum Subscription*</th></tr><tr><td>Ouro Pty Ltd</td><td>2,750,000</td><td>5.48%</td><td>1.82%</td><td>1.56%</td></tr><tr><td>Greenslade Holdings Pty Ltd</td><td>2,739,638</td><td>5.46%</td><td>1.81%</td><td>1.55%</td></tr><tr><td>Calama Holdings Pty Ltd</td><td>2,666,442</td><td>5.32%</td><td>1.76%</td><td>1.51%</td></tr><tr><td>Total</td><td>8,156,080</td><td>16.26%</td><td>5.39%</td><td>4.62%</td></tr></table>*Assumes the issue of the Consideration Shares has taken place, no Options are exercised after the date of this Prospectus and before Reinstatement, and the Shareholders do not participate in the Offer.</td><td>Section 1.12</td></tr>
<tr><td>What significant benefits are payable to Directors and the other persons connected with the Company or the Offer and what significant interests do they hold?</td><td>Messrs Simon O’Loughlin and Donald Stephens will each be paid a director’s fee of $36,000 per annum (inclusive of statutory superannuation). The Company’s incoming Non-executive Chairman will be paid a director’s fee of $50,000 per annum (inclusive of statutory superannuation). Directors are also entitled to be reimbursed for travelling and other expenses reasonably incurred in attending to the business of the Company.

The maximum interests that the Directors will hold in the Company upon Reinstatement at the Minimum Subscription and Maximum Subscription is noted below (on a post-Consolidation basis):
<table><tr><th></th><th>Shares beneficially held</th><th>% Ownership on Completion (Minimum Subscription) *</th><th>% Ownership on Completion (Maximum Subscription) *</th><th>Options beneficially held**</th></tr><tr><td>Derek Carter</td><td>1,311,167[1]</td><td>0.87%</td><td>0.74%</td><td>1,000,000</td></tr><tr><td>Simon O’Loughlin</td><td>1,691,963[2]</td><td>1.12%</td><td>0.96%</td><td>1,625,000</td></tr><tr><td>Donald Stephens</td><td>1,332,733[3]</td><td>0.88%</td><td>0.76%</td><td>1,625,000</td></tr><tr><td>Andrew Haythorpe</td><td>2,750,000[4]</td><td>1.82%</td><td>1.56%</td><td>2,250,000</td></tr><tr><td>Total</td><td>7,085,863</td><td>4.68%</td><td>4.02%</td><td>6,500,000</td></tr></table>[1]Assumes that Derek Carter (or his associates) is issued 500,000 Shares under the Capital Raising, per resolution 5 of the Company’s Notice of Meeting dated 25 January 2018

[2]Assumes that Simon O’Loughlin (or his associates) is issued 500,000 Shares under the Capital Raising, per resolution 3 of the Company’s Notice of Meeting dated 25 January 2018

[3]Assumes that Donald Stephens (or his associates) is issued 500,000 Shares under the Capital Raising, per resolution 4 of the Company’s Notice of Meeting dated 25 January 2018</td><td>Section 1.16</td></tr>
</table>

Question	Answer	More information
	[4]Shares held by Ouro Pty Ltd, an associate of Mr Haythorpe *Assumes the issue of the Consideration Shares has taken place and no Options are exercised after the date of this Prospectus. **Includes the issue of 1,000,000 Options to each of Messrs O'Loughlin, Stephens and Carter on the assumption that their issue is approved at the general meeting of the Company's Shareholders to be held on or about 28 February 2018.	

Section 1: Investment overview

1.1 Important

The Shares offered by this Prospectus are of a speculative nature. Prospective investors should carefully consider the risk factors outlined in Section 4 of this Prospectus.

The information in this Section 1 is a high level summary only and is not intended to provide comprehensive details of the Offer. Prospective investors should read the full text of this Prospectus and, if in any doubt, consult with their professional advisers before deciding whether to apply for Shares. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

1.2 The Company

Petratherm Limited was incorporated on 24 October 2003 and has been listed on the Australian Securities Exchange (ASX Code: PTR) since 27 July 2004.

On 25 May 2017, Petratherm's securities were suspended from quotation on the ASX as Petratherm's operations were, in ASX's opinion, not sufficient to warrant the continued quotation of Petratherm's securities and its continued listing on the ASX. Petratherm's securities have remained suspended since that date.

1.3 The Project Acquisition

The Company has entered into:

- a Mining Farm-In and Joint Venture Agreement to acquire up to a 75% interest in a silver, lead and zinc prospective tenement, EL 5497 (**MGV Tenement**), from Musgrave Minerals Limited ACN 143 890 671 (ASX Code: MGV); and
- a Tenement Purchase Agreement to acquire two gold and base-metal prospective tenements, EL 5306 and EL 5717, from SAEX Pty Ltd ACN 154 922 728.

In addition, the Company has applied for ELA 2017/250 in respect of an area in Gilles Downs, South Australia which adjoins the MGV Tenement.

Details of the Mining Farm-In and Joint Venture Agreement and the Tenement Purchase Agreement are contained in Section 9.1 of this Prospectus and details of Petratherm's proposed business and the Projects are contained in Section 3 of this Prospectus.

Subject to the satisfaction or waiver of the conditions precedent in the Mining Farm-In and Joint Venture Agreement and the Tenement Purchase Agreement, the approval of Petratherm's application in respect of ELA 2017/250 and the passing of Resolutions 1 to 10 (inclusive) at the general meeting of Petratherm's Shareholders on or about 28 February 2018, the Company will acquire the Projects.

If the Project Acquisition proceeds:

(a) Petratherm will acquire the Projects;

(b) the Consideration Shares will be issued to SAEX (or its nominee) in consideration of the acquisition of the SAEX Tenements;

(c) Derek Carter will be appointed as non-executive Chairman of the Board, whilst Simon O'Loughlin and Donald Stephens will remain as non-executive Directors and Andrew Haythorpe will resign as a Director of the Company; and

(d) Petratherm will apply to ASX for the re-admission of the Company to the official list of ASX.

1.4 The Company's Objectives

The Company's main objective, post Completion, is to explore and develop its interests in the Projects, with the aim of creating value for the Company's current and future shareholders. The Projects are further discussed in Section 3 of this Prospectus.

1.5 Investment Highlights

The main highlights of Petratherm's business and the proposed Project Acquisition are as follows:

- The Company's continuing Directors and Incoming Director have significant experience in the mineral exploration industry, and have collectively served as directors of various other ASX listed entities including companies in the mineral exploration industry.
- The Project Acquisition provides current and future shareholders of the Company with exposure to mineral exploration projects which are considered by the Company to be prospective for a range of deposit types and styles including silver, lead, zinc, gold and base metals. The Company will be well capitalised following the successful completion of the Offer and intends to direct existing and new funds to developing the Company's interests in the Projects.

1.6 Summary Financial Information

Historical Profit and Loss Statement

	Audited	Audited	Reviewed
	Year ended 30 June 2016 $	Year ended 30 June 2017 $	Half year ended 31 December 2017 $
Loss before income tax	**(606,983)**	**(627,772)**	**(181,775)**
Income tax expense	(1,941)	(13,013)	-
Loss for the period	**(608,924)**	**(640,785)**	**(181,775)**
Total comprehensive income for the period	**(608,924)**	**(640,785)**	**(181,775)**

Refer to Section 5: Financial information for further details on the Historical Profit and Loss Statement

Statement of Financial Position

	Statement of financial position Minimum $	Statement of financial position Maximum $
Current Assets		
Cash assets	4,229,895	5,168,320
Total Assets	**4,297,096**	**5,235,521**
Total Liabilities	**275,733**	**275,733**
Net Assets	**4,021,363**	**4,959,788**

For an explanation of the adjustments made, see the notes to the Historical Statements of Financial Position in Section 5 (Financial Information) of this Prospectus.

1.7 Key Risks

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Set out below are the key risks which the Directors consider are associated with an investment in the Company. Further risks associated with an investment in the Company are outlined in Section 4 of this Prospectus:

- **Mineral Exploration**

  Mineral exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

- **Reliance on Key Personnel**

  The Company's Directors and incoming Director have significant experience in the mining exploration industry. If growth objectives are to be met, this will depend on the ability of the Directors to implement the current exploration strategies and to adapt, where necessary, to accommodate and manage any unforeseen difficulties. Initially, the Company will rely heavily on the experience of its Directors. The loss of the services of certain personnel could have an adverse effect on the Company and its activities.

- **Commodity and Currency Price Volatility**

  Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Just some of these influencing factors include:

  - world demand for particular commodities;
  - the level of production costs in major commodity producing regions;
  - expectations regarding inflation, interest rates and exchange rates.

  Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and its financial position.

- **Additional Requirements for Capital**

  The funds raised by the Capital Raising will be used to carry out work on the Company's Projects. If the Company incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. The Company may require additional funding to carry out further exploration, undertake feasibility studies, develop mining operations and/or acquire new projects. Any additional financing through share issues will dilute existing shareholdings. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.

- **Failure to meet Minimum Expenditure Requirements**

  The Company's right to earn-in to the MGV Tenement is subject to the Company meeting the minimum expenditure requirements further detailed in Section 9.1(b) of this Prospectus. If the Company fails to meet the minimum expenditure requirements, it will not earn the maximum 75% interest it is entitled to in the MGV Tenement and it may not qualify to earn any interest at all. In addition, any tenements the Company acquires pursuant to the Tenement Purchase Agreement with SAEX Pty Ltd, the grant of the Gilles Downs Tenement or otherwise will be subject to minimum expenditure requirements which, if not met, may result on forfeiture or relinquishment of the tenements.

- **Native Title and Aboriginal Heritage**

The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration or obtain production tenements. In applying for certain production tenements, the Company must observe the provisions of Native Title legislation (where applicable) and Aboriginal Heritage legislation which protects Aboriginal sites and objects of significance.

In certain circumstances the consent of registered Native Title claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the terms of registered Native Title agreements may restrict the Company's ability to gain access to its tenements and conduct exploration, development and mining operations, or that the conditions imposed by Native Title claimants on such consent may be on terms unacceptable to the Company.

1.8 The Offer

The Company is offering 100,000,000 Shares for subscription at an Offer Price of $0.04 per Share to raise $4,000,000. Oversubscriptions of up to a further 25,000,000 Shares may be accepted to raise up to a further $1,000,000. The Minimum Subscription is 100,000,000 Shares. The key information relating to the Offer and references to further details are set out below.

1.9 Indicative Timetable for the Offer

Event	Date
Lodgement of this Prospectus with ASIC and ASX	26 February 2018
General Meeting of Petratherm's Shareholders	28 February 2018
Opening Date of the Offer	1 March 2018
Expected Closing Date of the Offer	15 March 2018
Issue of Shares under this Prospectus	22 March 2018
Despatch of holding statements	29 March 2018
Expected Date for re-quotation of Shares on ASX	29 March 2018

The above dates are indicative only and may vary, subject to the requirements of the ASX Listing Rules and the Corporations Act.

1.10 Purpose of the Offer

The purpose of the Offer is to facilitate an application by the Company for re-admission of the Company to the official list of ASX and to raise at least $4,000,000.

The Company is seeking to satisfy Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

The Company aims to achieve the objectives set out above, the completion of the Project Acquisition and the exploration and development of the Company's interest in the Projects, as described in this Prospectus.

1.11 Capital Structure

Following completion of the proposed Project Acquisition and the Offer, the capital structure of the Company on a post-Consolidation basis will be as set out in the table below (assuming that Resolutions 1 to 10 (inclusive) are passed at the general meeting of Shareholders to be held on or about 28 February 2018 and the Project Acquisition is completed). References to 'Resolutions' in the tables below are to the resolutions contained in the notice convening the above meeting, a copy of which

notice is available on the Company's website.

(a) Minimum Subscription

	Shares	% Total Shares	Options
Current issued capital **(pre Consolidation)**	100,307,503		7,000,000
Total issued capital **(post Consolidation)** assuming none of the current issued Options are exercised before the Consolidation **(Resolution 10)**[1]	50,153,752		3,500,000
Issued to SAEX **(post Consolidation)**[2]	1,250,000	0.83%[4]	
Issued pursuant to Capital Raising **(Resolution 2)**[3]	100,000,000	66.05%	
Issued to Taylor Collison **(Resolution 6)**[5]			7,570,188
Issued to Directors **(Resolutions 7, 8 and 9)**[6]			3,000,000
Total issued capital on Reinstatement (assuming none of the current issued Options are exercised before Reinstatement)[3]	**151,403,752**		**14,070,188**

[1.] Subject to rounding up of existing holdings.

[2.] Assumes that Completion occurs pursuant to the Tenement Purchase Agreement.

[3.] Assumes that, pursuant to Resolution 2, the minimum number of 100,000,000 Shares are issued and includes the 500,000 Shares to be issued to each of existing Directors Simon O'Loughlin and Donald Stephens and proposed Director Derek Carter pursuant to Resolutions 3, 4 and 5.

[4.]Assumes that SAEX does not participate in the Offer and that no Options are exercised between the date of this Prospectus and the date of Reinstatement.

[5.] Options to be issued to Taylor Collison Ltd (or its nominee) pursuant to the terms of its mandate letter entered into with Petratherm Limited in respect of the Capital Raising.

[6.] Excludes Shares to be issued to Directors as part of the Capital Raising, pursuant to Resolutions 3, 4 and 5.

(b) Maximum Subscription

	Shares	% Total Shares	Options
Current issued capital **(pre Consolidation)**	100,307,503		7,000,000
Total issued capital **(post Consolidation)** assuming none of the current issued Options are exercised before the Consolidation **(Resolution 10)**[1]	50,153,752		3,500,000
Issued to SAEX **(post Consolidation)**[2]	1,250,000	0.71%[4]	
Issued pursuant to Capital Raising **(Resolution 2)**[3]	125,000,000	70.86%	
Issued to Taylor Collison **(Resolution 6)**[5]			8,820,188
Issued to Directors **(Resolutions 7, 8 and 9)**[6]			3,000,000

	Shares	% Total Shares	Options
Total issued capital on Reinstatement (assuming none of the current issued Options are exercised before Reinstatement)[3]	**176,403,752**		**15,320,188**

1. Subject to rounding up of existing holdings.

2. Assumes that Completion occurs pursuant to the Tenement Purchase Agreement.

3. Assumes that, pursuant to Resolution 2, the maximum number of 125,000,000 Shares are issued and includes the 500,000 Shares to be issued to each of existing Directors Simon O'Loughlin and Donald Stephens and proposed Director Derek Carter pursuant to Resolutions 3, 4 and 5.

4. Assumes that SAEX does not participate in the Offer and that no Options are exercised between the date of this Prospectus and the date of Reinstatement.

5. Options to be issued to Taylor Collison Ltd (or its nominee) pursuant to the terms of its mandate letter entered into with Petratherm Limited in respect of the Capital Raising.

6. Excludes Shares to be issued to Directors as part of the Capital Raising, pursuant to Resolutions 3, 4 and 5.

Rights attaching to the Shares are summarised in Section 10.4 of this Prospectus. Terms and conditions of the Options are summarised in Section 10.5 of this Prospectus.

1.12 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue at the date of this Prospectus on a pre Consolidation basis are:

Shareholder	Shares	%
Ouro Pty Ltd	5,500,000	5.48%
Greenslade Holdings Pty Ltd	5,479,276	5.46%
Calama Holdings Pty Ltd	5,332,883	5.32%

Upon Reinstatement (assuming no existing substantial Shareholder subscribes for and receives additional Shares pursuant to the Offer and no Options are exercised prior to reinstatement), the interests of the Shareholders referred to above (on a post Consolidation basis) will be:

Shareholder	Shares	% Minimum[1]	% Maximum[2]
Ouro Pty Ltd[3]	2,750,000	1.82%	1.56%
Greenslade Holdings Pty Ltd	2,739,638	1.81%	1.55%
Calama Holdings Pty Ltd	2,666,442	1.76%	1.51%
TOTAL	**8,156,080**	**5.39%**	**4.62%**

[1] Assumes that the minimum number of 100,000,000 Shares are issued.
[2] Assumes that the maximum number of 125,000,000 Shares are issued.
[3] Shareholder associated with Director Andrew Haythorpe.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer and the Acquisition) prior to the Shares commencing trading on ASX.

1.13 Use of Funds

The proposed application of funds (exclusive of GST*) over two calendar years from the date on which the Shares allotted under this Prospectus are quoted on the ASX is as follows:

(a) Minimum Subscription

Use of Funds (A$)	Notes	Funds Available Post Completion of the Offer	Post-Completion of the Offer / Year 1 Spend	Year 2 Spend	Total Spend
Pre-offer Cash	1	$632,233			
Total Funds Raised Under The Offer		$4,000,000			
Total Funds Available		**$4,632,233**			
Expenses of the Offer	2	$162,338	-	-	$162,338
Capital Raising Fees	2	$240,000	-	-	$240,000
Exploration expenditure	3	$2,145,000	$845,000	$1,300,000	$2,145,000
Environmental rehabilitation expenditure	4	$241,000	$241,000	-	$241,000
Working Capital/Capital available to manage growth	5	$797,895	$398,948	$398,947	$797,895
Secretarial, professional and consultancy fees		$400,000	$200,000	$200,000	$400,000
Directors Fees	6	$246,000	$123,000	$123,000	$246,000
Administration expenditure	7	$400,000	$200,000	$200,000	$400,000
Total Funds Applied		**$4,632,233**	**$2,007,948**	**$2,221,947**	**$4,632,233**

Notes:

* The Company anticipates that it will be entitled to a refund of GST input tax credits paid on the expenditure outlined in the use of funds table above. As such, the figures in this table are shown exclusive of GST. The Company has sufficient working capital to cover the delay between paying the supplier invoice and receiving the refund of input tax credits from the Australian Taxation Office.

1. Represents cash on hand as at 31 December 2017, (actual cash levels at the date of the Completion of the Issue will likely differ from the above).
2. Refer to section below which details the expenses of the Offer.
3. Budgeted expenditure relates to the MGV Tenement and the SAEX Tenements only. The use of development expenditure and working capital is more fully described in Section 3.4 of this Prospectus.
4. Budgeted expenditure for environmental rehabilitation of the Paralana 2 Geothermal Well as agreed by the Company and Joint Venture Partner, Beach Energy Limited.
5. The use of development expenditure and working capital is more fully described in Section 3 of this Prospectus.
6. Refer to section 1.16 of this Prospectus.
7. Administration expenditure includes audit fees, share register maintenance, listing fees, and other expenses from ordinary activities.

(b) Maximum Subscription

Use of Funds (A$)	Notes	Funds Available Post Acquisition	Post Completion of the Offer / Year 1 Spend	Year 2 Spend	Total Spend
Pre-offer Cash	1	$632,233			
Total Funds Raised Under The Offer		$5,000,000			
Total Funds Available		**$5,632,233**			
Expenses of the Offer	2	$163,913	-	-	$163,913
Capital Raising Fees	2	$300,000	-	-	$300,000
Exploration expenditure	3	$2,615,000	$1,012,000	$1,603,000	$2,615,000
Environmental rehabilitation expenditure	4	$241,000	$241,000	-	$241,000
Working Capital/Capital available to manage growth	5	$1,266,320	$633,160	$633,160	$1,265,320
Secretarial, professional and consultancy fees		$400,000	$200,000	$200,000	$400,000
Directors Fees	6	$246,000	$123,000	$123,000	$246,000
Administration expenditure	7	$400,000	$200,000	$200,000	$400,000
Total Funds Applied		**$5,632,233**	**$2,409,160**	**$2,759,160**	**$5,632,233**

Notes:

* The Company anticipates that it will be entitled to a refund of GST input tax credits paid on the expenditure outlined in the use of funds table above. As such, the figures in this table are shown exclusive of GST. The Company has sufficient working capital to cover the delay between paying the supplier invoice and receiving the refund of input tax credits from the Australian Taxation Office.

1. Represents cash on hand as at 31 December 2017, (actual cash levels at the date of the Completion of the Issue will likely differ from the above).
2. Refer to section below which details the expenses of the Offer.
3. Budgeted expenditure relates to the MGV Tenement and the SAEX Tenements only. The use of development expenditure and working capital is more fully described in Section 3 of this Prospectus.
4. Budgeted expenditure for environmental rehabilitation of the Paralana 2 Geothermal Well as agreed by the Company and Joint Venture Partner, Beach Energy Limited.
5. The use of development expenditure and working capital is more fully described in Section 3 of this Prospectus.
6. Refer to section 1.16 of this Prospectus
7. Administration expenditure includes audit fees, share register maintenance, listing fees and other expenses from ordinary activities.

1.14 Expenses of the Offer

The estimated expenses (exclusive of GST) connected with the Offer and the Project Acquisition which are payable by the Company, based on the Minimum Subscription and Maximum Subscription amounts of $4,000,000 and $5,000,000 respectively, are as follows:

Expenses of the Offer – Cash costs	**Minimum Subscription (A$)**	**Maximum Subscription (A$)**
Independent Limited Assurance Report	6,750	6,750
Legal Expenses	100,000	100,000
Independent Geologist's Report	9,600	9,600
ASX and ASIC fees	12,338	13,913
Capital Raising Fees	240,000	300,000
Other including accounting, printing, marketing and distribution	33,650	33,650
Total – cash costs	**402,338**	**463,913**
Non cash items		
Fair value of Options to be issued to the Lead Manager	302,455	352,397
Total expenses of the offer (cash and non cash)	**704,793**	**816,310**

The above tables are statements of current intentions at the date of the lodgement of this Prospectus with ASIC. As with any budget or estimate, intervening events (including market success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied in these circumstances.

The Directors are satisfied that, upon completion of the Issue, the Company will have sufficient funds to meet its stated objectives for a period of at least two years.

1.15 Directors and Key Personnel

The Company's Board post Reinstatement possesses a broad range of technical, commercial and financial skills with significant experience in the mineral exploration sector. Profiles of the current and proposed new directors are set out below.

CURRENT DIRECTORS

Simon O'Loughlin BA (Acc), Law Society Certificate in Law
Non-Executive Chairman
(Non-Executive Director post Reinstatement)

Simon O'Loughlin is the founder of O'Loughlins Lawyers, an Adelaide based, specialist commercial law firm. He has extensive experience in the corporate and commercial law fields while practising in Sydney and Adelaide, and also holds accounting qualifications.

Mr O'Loughlin is the non-executive chairman of Arc Exploration Limited, Chesser Resources Limited and Bod Australia Limited .

Mr O'Loughlin has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and back-door listing of numerous companies on the ASX. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).

Donald Stephens BA (Acc), FCA
Non-Executive Director
(Non-Executive Director post Reinstatement)

Donald Stephens is a Chartered Accountant and corporate advisor with over 25 years' experience in the accounting, mining and services industries, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants. He is a Chartered Accountant and corporate adviser specialising in small cap ASX listed entities.

Mr Stephens is a director of Mithril Resources Limited and Gooroo Ventures Limited. Additionally, he is Company Secretary of Highfield Resources Limited, Gooroo Ventures Limited, Duxton Water Limited, Duxton Broadacre Farms Limited and Mithril Resources Limited and various other unlisted public companies.

Andrew Haythorpe
Non-Executive Director
(Will resign post Reinstatement)

Andrew Haythorpe has 30 years' experience in the mining industry and has over 18 years of experience in the management of public companies listed on ASX and TSX. His recent directorships include Managing Director of Crescent Gold Limited, where he assisted to grow the company from an $8m explorer to a $240m producer in 3 years. Since 1999, Mr Haythorpe has been involved in over A$250m worth of mergers and acquisitions and capital raisings in resources and technology. Mr Haythorpe is a Member of the Australasian Institute of Mining & Metallurgy and the Australian Institute of Company Directors.

PROPOSED DIRECTOR TO BE APPOINTED POST REINSTATEMENT

A profile of the proposed new director to be appointed post Reinstatement is as follows:

Derek Carter BSc, MSc, FAusIMM(CP)

Derek Carter has over 40 years' experience in exploration and mining geology and management. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Gold NL in 1993. He is the Chairman of Highfield Resources Ltd, former Chairman of Petratherm Limited (resigned 31 March 2014) and Minotaur Exploration Ltd (resigned November 2016), and a former board member of Intrepid Mines Ltd (resigned November 2015) and Mithril Resources Ltd (resigned December 2014), all ASX listed companies.

Mr Carter is a former President of the South Australian Chamber of Mines and Energy, former board member of the Australian Gold Council, is a member of the South Australian Minerals and Petroleum Experts Group and the Minerals and Energy Advisory Council, and a former Chairman of the Minerals Exploration Advisory Group. He was awarded AMEC's Prospector of the Year Award (jointly) in 2003 and is a Centenary Medallist.

1.16 Disclosure of Interests

Each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate maximum remuneration for all non-executive Directors is currently $300,000 (inclusive of superannuation) per annum.

For the financial year ending 30 June 2018, it is expected that Petratherm's Directors' remuneration (inclusive of superannuation) will be as follows:

Director	Remuneration (year ending 30 June 2018)*	Remuneration From 1 April 2018 (per annum)
Simon O'Loughlin	$33,638	$36,000
Donald Stephens	$29,484	$36,000
Andrew Haythorpe	$20,455	Nil
Derek Carter	$12,500	$50,000

*Fees have been apportioned for the period from 1 July 2017 to 30 June 2018 . In particular, Mr Haythorpe intends to resign as a Director of the Company post Reinstatement, and his fees have been apportioned for that period. The annual fee for the Proposed Director Mr Carter (to be appointed post Reinstatement) has also been apportioned accordingly.

The Company has agreed to pay Proposed Director, Derek Carter $50,000 per annum (inclusive of superannuation) when he commences in the position as non-executive chairman of Petratherm post Reinstatement.

The remuneration of the Directors of Petratherm as outlined above is current as at the date of this Prospectus, but is subject to adjustment in the ordinary course of business. All Directors are entitled to be paid all travelling and other expenses properly incurred by them in attending, participating in and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the Company's business.

Mr Simon O'Loughlin is a Consultant to O'Loughlins Lawyers which has acted as the solicitors to the Company in relation to the Offer. Details of the amounts paid to O'Loughlins Lawyers are set out in Section 10.8 of this Prospectus.

The Company maintains Directors' and Officers' Liability Insurance on behalf of the Directors and officers of the Company.

The direct and indirect interests of the current Directors in the securities of the Company as at the date of this Prospectus (on a post-Consolidation basis) are as follows:

Current Director	Shares			Options	
	Direct	Indirect	% Total Shares	Direct	Indirect
Simon O'Loughlin	225,063	966,900	2.38%	Nil	625,000
Donald Stephens	Nil	832,733	1.66%	Nil	625,000
Andrew Haythorpe	2,750,000	Nil	5.48%	Nil	2,250,000
Total	2,975,063	1,799,633	**9.52%**	-	**3,500,000**

The direct and indirect interests of Proposed Director Derek Carter in the securities of the Company as at the date of this Prospectus (on a post-Consolidation basis) are as follows:

Proposed Director	Shares			Options	
	Direct	Indirect	% Total Shares	Direct	Indirect
Derek Carter	448,000	363,167	1.62%	Nil	Nil

Assuming all resolutions are passed at the general meeting of Shareholders to be held on or about 28 February 2018 and that the Project Acquisition is completed:

(a) The maximum direct and indirect interests (post Consolidation) of the current Directors in the securities of the Company will be as follows:

Director	Shares				Options	
	Direct	Indirect	% Total Shares (Minimum Subscription)[1]	% Total Shares (Maximum Subscription)[2]	Direct	Indirect[4]
Simon O'Loughlin[3]	225,063	1,466,900	1.12%	0.96%	Nil	1,625,000
Donald Stephens[3]	Nil	1,332,733	0.88%	0.76%	Nil	1,625,000
Andrew Haythorpe	2,750,000	Nil	1.82%	1.56%	Nil	2,250,000
Total	**2,975,063**	**2,799,633**	**3.82%**	**3.28%**	Nil	**5,500,000**

[1] Assumes that, pursuant to Resolution 2, the minimum number of 100,000,000 Shares are issued such that the Company has total issued capital on Reinstatement of 151,403,752 Shares (assuming none of the current issued Options are exercised before Reinstatement and Completion of the Project Acquisition has occurred).

[2] Assumes that, pursuant to Resolution 2, the maximum number of 125,000,000 Shares are issued such that the Company has total issued capital on Reinstatement of 176,403,752 Shares (assuming none of the current issued Options are exercised before Reinstatement and Completion of the Project Acquisition has occurred).

[3] Assumes that Messrs O'Loughlin and Stephens (and/or their associates) each apply for and are issued 500,000 Shares under the Capital Raising, as per Resolutions 3 and 4.

[4] Assumes that each of Messrs O'Loughlin and Stephens (and/or their associates) are issued 1,000,000 Options, as per Resolutions 7 and 8.

(b) The maximum direct and indirect interests (post-Consolidation) of proposed Director Derek Carter in the securities of the Company will be as follows:

Proposed Director	Shares	Options

	Direct	Indirect	% Total Shares (Minimum Subscription)[1]	% Total Shares (Maximum Subscription)[2]	Direct	Indirect[4]
Derek Carter	448,000	863,167	0.87%	0.74%	Nil	1,000,000

[1] Assumes that, pursuant to Resolution 2, the minimum number of 100,000,000 Shares are issued such that the Company has total issued capital on Reinstatement of 151,403,752 Shares (assuming none of the current issued Options are exercised before Reinstatement and Completion of the Project Acquisition has occurred).
[2] Assumes that, pursuant to Resolution 2, the maximum number of 125,000,000 Shares are issued such that the Company has total issued capital on Reinstatement of 176,403,752 Shares (assuming none of the current issued Options are exercised before Reinstatement and Completion of the Project Acquisition has occurred).
[3] Assumes that Mr Carter (and/or his associates) applies for and is issued 500,000 Shares under the Capital Raising, as per Resolution 5.
[4]Assumes that Mr Carter (and/or his associates) is issued 1,000,000 Options, as per Resolution 9.

1.17 Agreements with Directors or Related Parties

The Company's policy in respect of related party arrangements is:

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

Legal Costs Agreement – Simon O'Loughlin

Simon O'Loughlin is a Consultant to O'Loughlins Lawyers which has acted as the solicitors to the Company in relation to the Offer and the Acquisition. The Company and O'Loughlins Lawyers have entered into a costs agreement under which the Company has agreed to pay fees calculated on a time costing basis at O'Loughlins Lawyers' usual hourly rates. Details of the amounts paid to O'Loughlins Lawyers are set out in Section 10.8 of this Prospectus.

Indemnity, Insurance and Access Deeds

The Company has entered into an Indemnity, Insurance and Access Deed with each of Messrs Simon O'Loughlin, Donald Stephens and Derek Carter. Pursuant to the Deed the Directors are indemnified by the Company against any liability incurred in their capacity as an officer of the Company to the maximum extent permitted by law subject to certain exclusions.

The Company must keep a complete set of company documents until the later of the date which is seven years after the Director ceases to be an officer of the Company and the date after a final judgment or order has been made in relation to any hearing, conference, dispute, enquiry or investigation in which the Director is, or has reason to believe will become, involved as a party, witness or otherwise because the Director is or was an officer of the Company (**Relevant Proceedings**).

The Director has the right to inspect and/or copy a company document in connection with Relevant Proceedings during the period referred to above.

The Company must use its best endeavours to ensure that so far as is practical (having regard to the cost of coverage and its availability) it maintains an insurance policy insuring the Director against liability as a director and officer of the Company while the Director is an officer of the Company and until the later of the date which is seven years after the Director ceases to be an officer of the Company and the date any Relevant Proceedings commenced before the date referred to above have been finally resolved.

1.18 Corporate Governance

To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 10.2(a) of this Prospectus.

In addition, the Company's full Corporate Governance Plan is available from the Company's website http://petratherm.com.au).

1.19 Taxation

The Australian taxation consequences of any investment in Shares will depend upon an investor's particular circumstances. It is an obligation of investors to make their own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course of action you should take, you should consult your professional advisers.

1.20 Dividend Policy

The Company does not yet have a dividend policy. The Company has no immediate intention to declare or distribute dividends. Payment of future dividends will depend upon the future profitability and financial position of the Company.

1.21 Restricted Securities

Subject to the Company being re-admitted to the Official List, certain of the Shares and Options issued in conjunction with the Offer and/or the Project Acquisition (**Escrowed Securities**), are likely to be classified by ASX as restricted securities and will be required to be held in escrow for the period imposed by ASX under the ASX Listing Rules (**Escrow Period**).

Under the Tenement Purchase Agreement, SAEX has agreed to execute such form of restriction agreement in respect of the Consideration Shares as may be required by ASX.

Further details are set out in Section 10.2(b) of this Prospectus.

Section 2: Details of the Offer

2.1 Introduction

The information set out in this Section is not comprehensive and should be read together with the entire context of this Prospectus.

2.2 The Offer and Subscription

The Company is offering 100,000,000 Shares for subscription at an Offer Price of $0.04 per Share to raise $4,000,000. Oversubscriptions of up to a further 25,000,000 Shares may be accepted to raise up to a further $1,000,000. The Minimum Subscription is 100,000,000 Shares.

All Shares issued pursuant to this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the Shares already on issue. The rights attaching to the Shares are summarised in Section 10.4 of this Prospectus.

If the Minimum Subscription for the Offer is not achieved within four months after the date of this Prospectus, the Company will repay all money received from Applicants, without interest, as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Money in full without interest.

2.3 Offer Period

The Offer will open on the Opening Date and will remain open until 4.30 pm (Adelaide Time) on the Closing Date. The Company reserves the right to either open or close the Offer at an earlier time or date or to extend the time or date without prior notice. Applicants are encouraged to submit their Applications as early as possible.

2.4 Conditions Precedent

The Company has convened a general meeting of its Shareholders to be held on or about 28 February 2018 to seek Shareholder approval for, amongst other approvals, the change in nature and scale of the Company's activities and the Consolidation of the Company's Shares. A copy of the notice of meeting is available on the Company's website.

The Offer made under this Prospectus and the issue of Shares pursuant to this Prospectus are subject to and conditional upon Shareholders passing Resolutions 1 to 10 (inclusive) at the meeting to be held on or about 28 February 2018, the satisfaction of the conditions referred to in those resolutions and the satisfaction or waiver of the conditions precedent in the Tenement Purchase Agreement and the Mining Farm-In and Joint Venture Agreement, details of which are set out in Section 9.1 of this Prospectus. If Resolutions 1 to 10 (inclusive) are not passed, the conditions referred to in those resolutions are not satisfied or the conditions precedent in the Tenement Purchase Agreement and the Mining Farm-In and Joint Venture Agreement are not satisfied or waived, this Offer will not proceed, no Shares will be allotted pursuant to this Prospectus and the Company will repay all money received from Applicants without interest.

2.5 No Exposure Period

In accordance with Chapter 6D of the Corporations Act the Original Prospectus is subject to an exposure period of seven days from the date of lodgement with ASIC. This period may be extended by ASIC for a further period of up to seven days. ASIC has extended the exposure period for the Original Prospectus for a further period of seven days. The purpose of the exposure period is to enable the Original Prospectus to be examined by market participants prior to the raising of funds. If the Original Prospectus is found to be deficient, Applications received during the exposure period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the

expiration of the Exposure Period will not be processed until after the exposure period. In accordance with ASIC Corporations (Exposure Period) Instrument 2016/74 this Replacement Prospectus is not subject to an additional Exposure Period.

2.6 How to Apply

Applications must be for a minimum of 50,000 Shares ($2,000) and thereafter in multiples of 5,000 Shares ($200) and can only be made by completing the Application Form attached to this Prospectus. The Company reserves the right to reject any Application or to allocate any investor fewer Shares than the number for which the Applicant has applied.

Applications under the Offer may be made, and will only be accepted, in one of the following forms:

- on the relevant Application Form accompanying this Prospectus; or
- on a paper copy of the relevant electronic Application Form which accompanies the electronic version of this Prospectus, both of which can be found at and can be downloaded from www.petratherm.com.au.

Application Forms must be accompanied by a personal cheque or a bank draft, payable in Australian dollars, for an amount equal to the number of Shares for which you wish to apply multiplied by the Application Price of $0.04 per Share. Cheques or bank drafts should be made payable to 'Petratherm Limited – Share Offer' and crossed 'Not Negotiable'. No brokerage or stamp duty is payable by Applicants. The amount payable on Application will not vary during the period of the Offer.

Applicants should ensure that cleared funds are available at the time the Application is lodged, as dishonoured cheques will result in the Application being rejected. Application monies will be held in trust in a subscription account established and controlled by the Company until allotment has taken place.

Completed Application Forms should be mailed to:

Petratherm Limited
C/- Computershare Investor Services Pty Limited
GPO Box 1326
ADELAIDE SA 5001

Application Forms must be received by the Share Registrar no later than 4.30 pm (Adelaide Time) on the Closing Date.

Detailed instructions on how to complete paper Application Forms are set out on the reverse of those forms. You are not required to sign the Application Form. The Company reserves the right to reject any Application (including where an Application Form has not been correctly completed) or allocate any person fewer Shares than that person applied for, or vary the dates and times of the Offer without prior notice and independently of other parts of the Offer. The Company reserves the right not to proceed with the Offer at any time prior to issuing Shares to successful Applicants. Where the Offer is withdrawn, Applications are rejected or fewer Shares are allotted than applied for, surplus Application Money will be refunded. No interest will be paid on any Application Money refunded.

An Application may not be withdrawn after lodgement unless the Applicant is permitted to withdraw the Application in accordance with the Corporations Act.

2.7 Allocation and Allotment of Shares

Subject to ASX granting approval for quotation of the Shares issued pursuant to this Prospectus, the allotment of Shares will occur as soon as practicable after the Offer closes. All Shares issued pursuant to the Offer will rank pari passu in all respects with the existing Shares of the Company. Holding statements will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in Shares.

The Directors reserve the right to reject any Application or to allot a lesser number of Shares than subscribed for in an Application Form. If the number of Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest.

2.8 Lead Manager

Taylor Collison Limited has agreed to act as Lead Manager to the Offer. Details of the terms of appointment of the Lead Manager, including fees payable, are set out in Section 9.3 of this Prospectus.

2.9 Brokerage and Handling Fees

No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.

2.10 Stock Exchange Listing

Application was made to ASX on 21 February 2018 for Quotation of the Shares issued pursuant to this Prospectus. If approval for Quotation of the Shares is not granted within three months after the date of this Prospectus, the Company will not allot or issue any Shares pursuant to the Offer and will repay all Application Money without interest as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Applications and be repaid their Application Money in full without interest.

2.11 Clearing House Sub-Register Systems CHESS and Issuer Sponsorship

The Company participates in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under this system, the Company will not issue certificates to investors in relation to their Shares. Instead, Shareholders will receive a statement of their shareholdings in the Company.

If an investor is broker sponsored, ASX Settlement Pty Limited will send them CHESS statements. The CHESS statements will set out the number of Shares allotted to each investor under this Prospectus, give details of the Shareholder's holder identification number (**HIN**) and give the participant identification number of the sponsor.

Alternatively, if an investor is registered on the issuer sponsored sub register, the statements will be dispatched by the Share Registrar and will contain the number of Shares allotted under this Prospectus and the Shareholder's security holder reference number (**SRN**).

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time, however a charge may be made for additional statements.

2.12 Overseas Investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Lodgement of a duly completed Application Form will be taken by the Company as to constitute a representation that there has been no breach of such laws.

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

The Offer pursuant to the paper form or electronic Prospectus is only available to persons receiving this Prospectus within Australia.

2.13 Privacy Act

The Company collects information about each Applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this Prospectus and may disclose it for those purposes to the Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), ASX, ASIC and other regulatory authorities.

If an Applicant becomes a Shareholder of the Company, the Corporations Act requires the Company to include information about the Shareholder (name, address and details of the Shares held) in its public registers. This information must remain in the registers even if that person ceases to be a Shareholder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. Successful Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

2.14 No Underwriting

The Offer is not underwritten.

2.15 Investor Enquiries

This document is important and should be read in its entirety. Persons in doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

Additional copies of this Prospectus can be obtained from the Share Registrar by telephone on 1300 783 611 (within Australia) or (+61 3) 9415 4240 (outside Australia).

Questions relating to the Offer or further advice on how to complete the Application Form can be directed to the Company by telephone on (08) 8133 5000 (within Australia) or +61 8 8133 5000 (outside Australia).

Section 3: Overview of the Company, the Project Acquisition and the Projects

3.1 Introduction

Petratherm Limited was incorporated on 24 October 2003 and has been listed on the Australian Securities Exchange (ASX Code: PTR) since 27 July 2004.

On 25 May 2017, Petratherm's securities were suspended from quotation on the ASX as Petratherm's operations were, in ASX's opinion, not sufficient to warrant the continued quotation of Petratherm's securities and its continued listing on the ASX. Petratherm's securities have remained suspended since that date.

3.2 Company Overview

Petratherm has historically operated as a geothermal and oil and gas exploration company with tenement interests in South Australia, Spain and Tasmania.

Petratherm has divested its interests in the Spanish and Tasmanian projects, and Petratherm and its joint venture partner Beach Energy Limited (ASX Code: BPT) (**Beach Energy**) resolved in June 2016 to plug and abandon the Paralana 2 geothermal well and complete surface rehabilitation before undertaking a formal surrender of Petratherm's Paralana Geothermal Energy Licence (GEL 156). Beach Energy completed planning studies to undertake the plugging and abandonment of the Paralana 2 geothermal well and surface rehabilitation of the site, but at the date of this Prospectus, the remediation work has not been initiated.

The Company will seek to divest its remaining interest in the Paralana 2 geothermal well once the plugging and rehabilitation of the site has been complete and will focus on the mineral exploration opportunities presented by the Project Acquisition. This Prospectus, having been prepared on the basis that the Company will shortly seek to finalise the divestment of that interest, does not therefore contain detailed reporting of the Company's geothermal exploration project.

Petratherm now intends to focus on mineral exploration, and as announced to ASX on 15 December 2017 and 27 December 2017, Petratherm has entered into:

- a Letter Agreement (which has since been formalized by a Mining Farm-In and Joint Venture Agreement) to acquire up to a 75% interest in a silver, lead and zinc prospective tenement, EL 5497 (**MGV Tenement**), from Musgrave Minerals Limited ACN 143 890 671 (ASX Code: MGV); and
- a Tenement Purchase Agreement to acquire two gold and base-metal prospective tenements, EL 5306 and EL 5717, from SAEX Pty Ltd ACN 154 922 728.

In addition, the Company has applied for ELA 2017/250 in respect of an area in Gilles Downs, South Australia which adjoins the MGV Tenement.

Details of the Mining Farm-In and Joint Venture Agreement and the Tenement Purchase Agreement are contained in Section 9.1 of this Prospectus.

3.3 The Projects

The exploration property assets in which the Company may acquire an interest pursuant to the Agreements and application referred to below, Corunna and Walparuta, are located in two distinct geological provinces of South Australia, the Gawler Craton and Curnamona Province respectively (Figure 1). A comprehensive summary of the regional and local geology, historical exploration and tenement prospectivity is contained in the Independent Geologist's Report in Section 7 of this Prospectus. A comprehensive summary of the status of the tenements can be found in the Solicitors' Report on Tenements in Section 8 of this Prospectus. A glossary of technical terms used in this Section can be found at the end of the Independent Geologist's Report in Section 7 of this Prospectus.

Following completion of the Offer and the satisfaction of certain conditions precedent, the Company may acquire up to a 75% interest in EL 5497 (Corunna) from Musgrave Minerals Ltd (MGV), subject to meeting the terms of the Mining Farm-In and Joint Venture Agreement (a summary of which is contained in Section 9.1(b) of this Prospectus). In addition, the Company has applied for an adjoining area (ELA 2017/250) which will be 100% beneficially owned by the Company upon granting. The Company has also entered into a Tenement Purchase Agreement (a summary of which is contained in Section 9.1(a) of this Prospectus) to acquire 100% of the Walparuta Project (EL 5306 and EL 5717) from SAEX Pty Ltd (SAEX), subject to completion of the Offer and the satisfaction of certain conditions precedent.

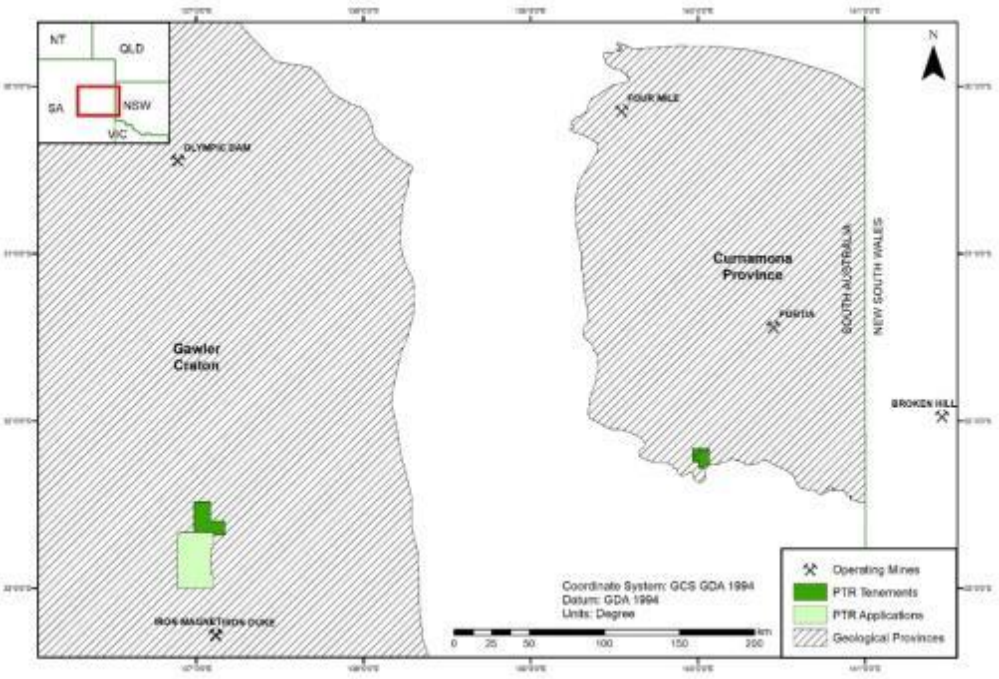

Figure 1 Petratherm tenements and outline of geological provinces

The Corunna Project is considered by the Company to be prospective for epithermal-style Ag-Pb-Zn and volcanogenic Pb-Zn-Ag skarn/carbonate replacement bodies, which are linked to the Hiltaba Event. The Hutchinson Group is also prospective for metasomatic sedimentary-hosted Pb-Zn-Ag-Cu deposits, and there is also significant outcropping Corunna Conglomerate in the project area, which is considered prospective for Hiltaba aged epithermal Au and U mineralisation.

The Walparuta Project is considered by the Company to be prospective for a range of deposit types and styles. The main exploration focus is Broken Hill Type exhalite hosted Pb-Zn-Ag and various styles of Cu-Au mineralisation including: shear hosted, magnetite skarn, and strataform/stratabound mineralisation. There is in addition recognised potential for Co associated with Cu-Au mineralisation,

Li-REE-U and phosphate within mapped pegmatites across the basement inlier and graphite within favourable metasedimentary sequences.

Details of the Corunna and Walparuta Project tenements are presented below.

Table 1 Petratherm Tenements

Project	Tenement Name	Licence Nos.	Current Holder	Area (Km^2)	Status	Grant Date	Expiry Date
Corunna Project	Corunna North	EL 5497	Musgrave Minerals	260	Granted	13/10/2014	12/10/2018
	Gilles Downs	ELA 2017/250	Petratherm	721	Application	TBA	TBA
Walparuta Project	Whey Whey Creek	EL 5306	SAEX	26	Granted	18/07/2013	17/07/2018
	Walparuta	EL 5717	SAEX	52	Granted	21/06/2015	20/06/2019

Corunna Project

The Corunna Project comprises one granted tenement (EL 5497) and one adjoining tenement application (ELA 2017/250), located in the southeast Gawler Craton, within the Cleve Subdomain. The northern most extent of the project area is fringed by the southern margin of the Lower Gawler Range Volcanics (GRV).

The Cleve Subdomain is a belt of Palaeoproterozoic metasediments, which includes clastic shallow marine sediments, iron formations, carbonates, mafic volcanics and minor felsic volcanics, which collectively make up the Hutchison Group. The main exploration focus for the Corunna project is epithermal-style Ag-Pb-Zn, volcanogenic skarn/carbonate replacement Pb-Zn-Ag and metasomatic sedimentary-hosted Pb-Zn sulphides associated with Hutchison Group metasediments. There is also recognised potential for epithermal Au-Ag (Pb-Zn) within the Corunna Conglomerate.

Noted examples of this style of mineralization in the local region include the following:

- Paris epithermal Ag-Pb-Zn deposit - Mineral Resource Estimate (JORC 2012) containing total Indicated and Inferred Resources of 9.3 Mt for 42,000,000 ounces of Ag and 55 Kt of Pb (ASX: IVR 24th August, 2017).

- Menninnie Dam volcanogenic carbonate replacement Pb-Zn-Ag deposit - consists of two main mineralised zones (Menninnie Central and Viper), which have a combined Inferred Resource Estimate (JORC 2004) of 7.7Mt @ 3.1% Zn, 2.6% Pb and 27g/t Ag at a 2.5% Pb+Zn cut-off (ASX: TZN 1st March 2011).

- Parkinson Dam epithermal Au-Ag-Pb-Zn mineralisation - extends over an area of ~4km^2 and the best intersection includes 21m at 21g/t Au and 83g/t Ag.

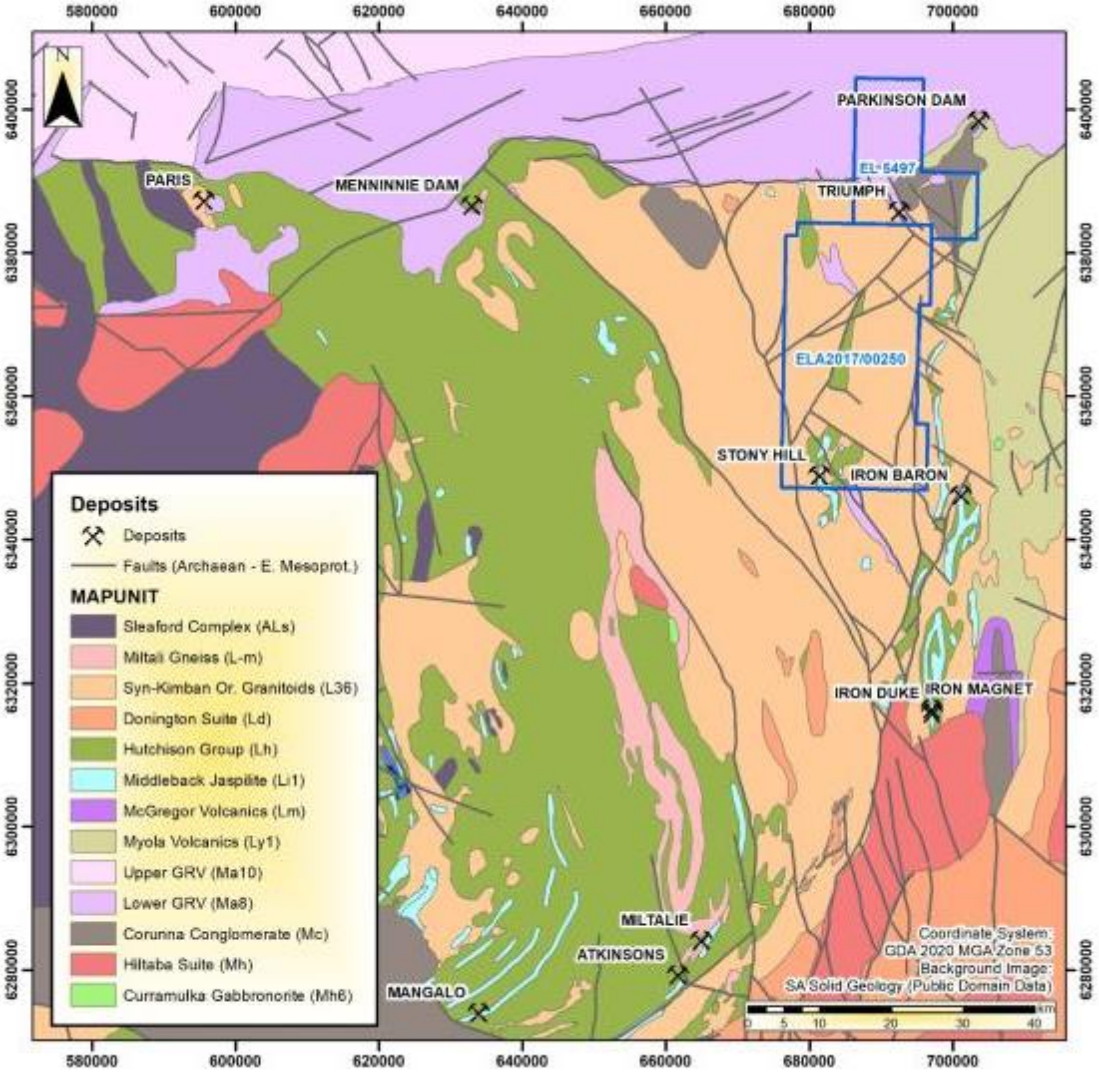

Figure 2 Corunna Project solid geology, tenements and analogous regional mineralisation.

Epithermal and skarn/carbonate replacement mineralisation identified to date, occurs proximal to the margin of the Lower GRV and the major Uno Fault, whereas metasomatic Pb-Zn-Ag-Cu mineralisation has been identified much further to the south (~110km).

In low sulphidation epithermal systems, the mineralisation and corresponding alteration is confined to major structures. Epithermal alteration is magnetite destructive (i.e. advanced argillic alteration), so for this reason linear magnetic lows are primary targets for epithermal Ag-Pb-Zn. The primary focus for exploration at Corunna Project, is along faults in zones of structural complexity where a secondary fault intersects a major structure. A structural and geochemical review completed by MGV in 2017, highlighted a spatial correlation between these structures and anomalous geochemistry. Initial desktop review studies of the historical aero-magnetic data over ELA 2017/250 has highlighted several potential areas of faulting and magnetite destruction. These focus areas will undergo regional and infill geochemical soil sampling, ahead of potential drill testing.

The Corunna Project area contains numerous historic early stage mineral prospects, which demonstrate anomalous Ag-Pb-Zn and are summarised in the independent geologist report. The most advanced and recent and work undertaken by MGV identified several new areas of anomalous silver in soil following regional and infill soil geochemistry grid survey work. MGV also reviewed the best analytical methods for low level Ag detection and determined that Terra Leach Digest TL1 (Intertek

Genalysis) with an ICP-MS and AAS finish combination to be the most effective technique to apply. This advancement of soil sampling analysis methods, renders most historic sampling ineffective. As such, first past soil geochemical surveying will form an important component of the early exploration campaign to define drill targets.

Follow-up shallow air-core drilling undertaken in August 2015 by MGV at its Area 1 Prospect, intersected anomalous silver, lead and zinc (Figure 3). Best intercepts include:

- CAOC17 - 11m @ 1.0% Pb, 0.5% Zn and 4.2g/t Ag from 19m
- CAOC18 - 6m @ 1.0% Pb, 0.2% Zn and 8.2g/t Ag from 14m
- CAOC19 - 13m @ 0.6% Pb, 0.4% Zn and 7.2g/t Ag from 32m
- CAOC21 - 22m @ 0.5% Pb, 0.2% Zn and 13.2g/t Ag from 17m

The silver-lead-zinc anomalism is present in five drill holes over a strike length of 300 m and is open to both the north and south (refer to MGV 27th August 2015 ASX release for further details). No basement drilling into the fresh rock at depth has been completed to date beneath target Area 1, which will be priority for follow up drill testing.

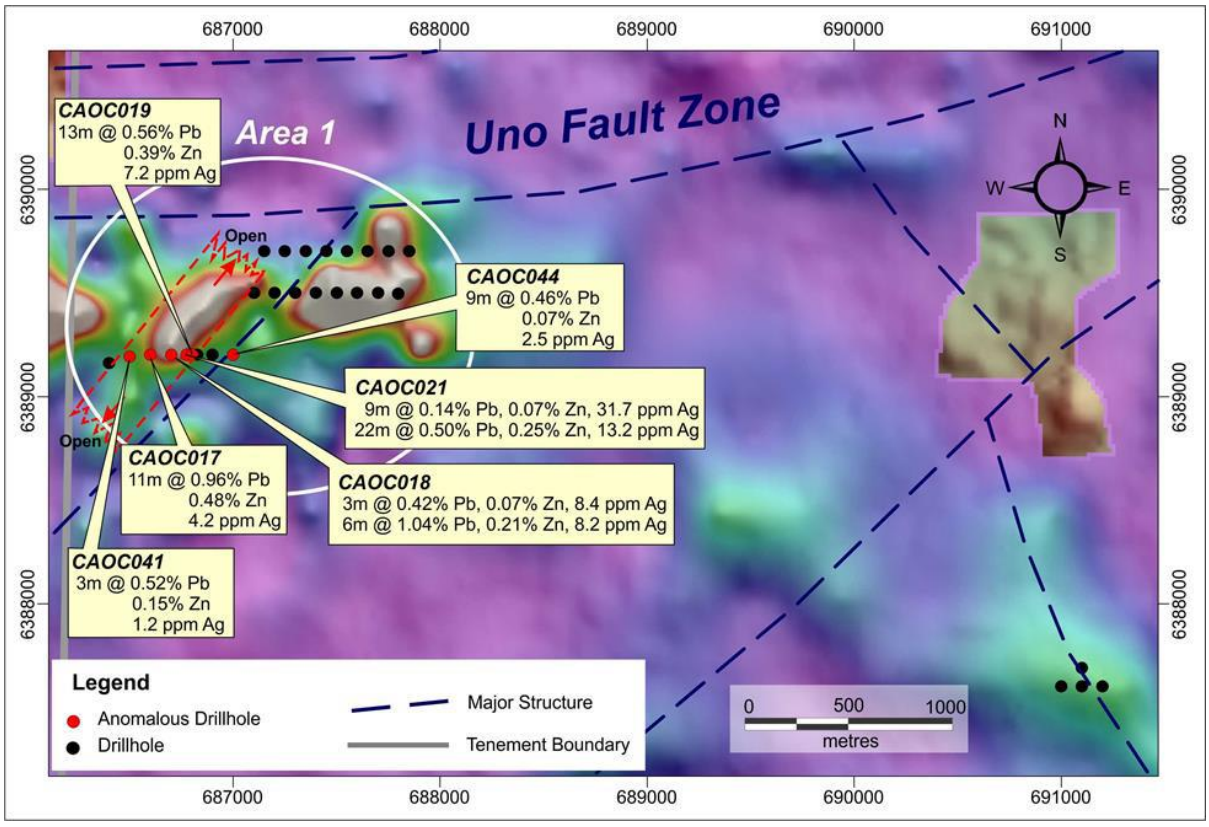

Figure 3 Pseudo-colour image of silver in soils, showing areas of high silver (red to white colours) and drill hole collar locations.

The Company believes the Corunna Project warrants further prospect targeting work and drilling, given the presence of the highly prospective Hutchison Group (i.e. host rock to Paris and Menninnie Dam), the prospective Corunna Conglomerate (i.e. host rock to Parkinson Dam), multiple surficial Ag occurrences (spatially associated with structures) and the advancement of soil sampling analysis methods.

For further information on the Corunna Project please see Section 3 of the Independent Geologist's Report in Section 7 of this Prospectus.

Walparuta Project

The Walparuta Project is located 30 kilometres north of Mannahill, and covers strata of the Curnamona Province of South Australia (Figure 4). The Curnamona Province contains widespread base-metal, gold and uranium occurrences and several commercial mines, most notably the world-class Broken Hill Ag-Pb-Zn deposit and more recently Havilah Resources Limited's operating Portia Gold Mine. The project comprises two tenements totalling 78 km^2 and includes several historic prospects for Au-Cu and Ag-Pb-Zn (Figure 4).

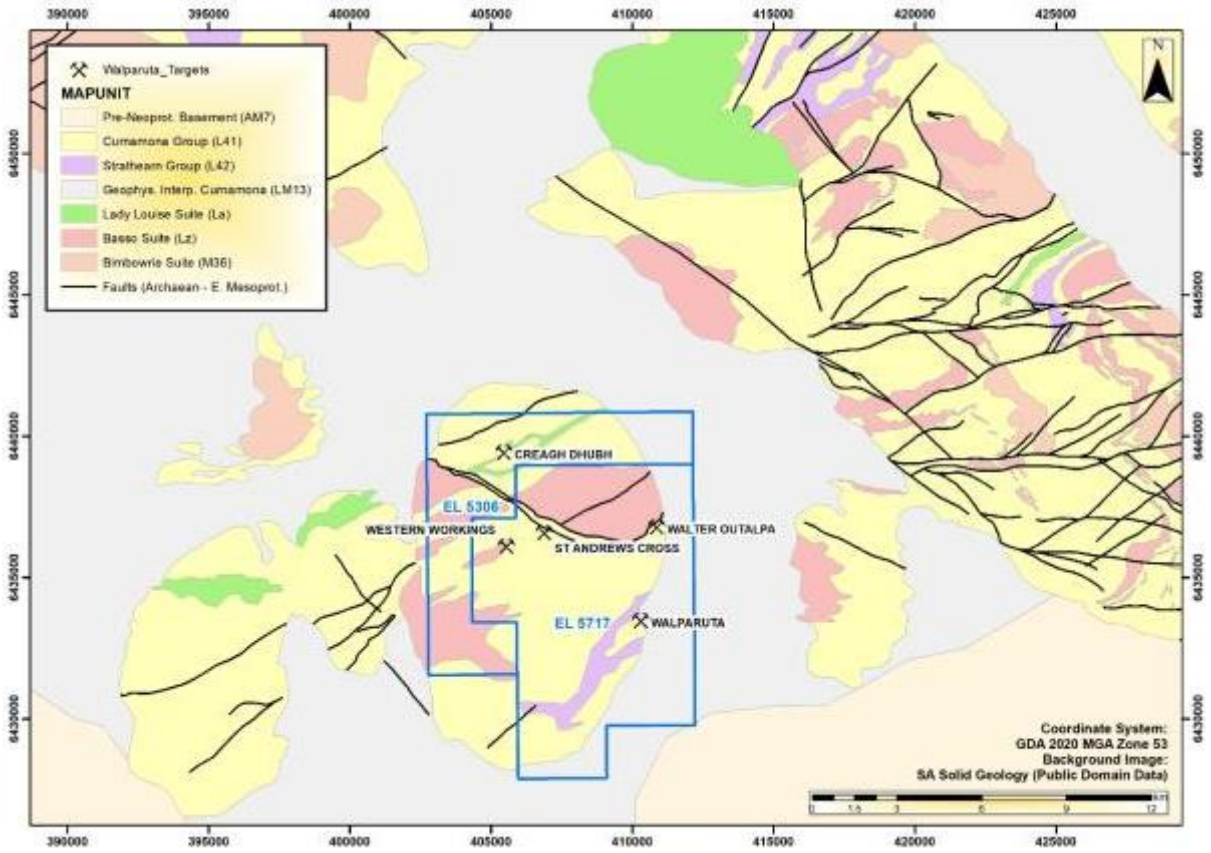

Figure 4 Walparuta Project solid geology, tenements and prospect locations.

The, historic Walparuta Au-Cu Prospect, has been the subject of irregular small scale prospector mining between 1894-1953. Production figures from government records reported 23.9 tonnes of treated ore, yielding 11.6 g/t gold, and no figure for copper ore production was determined. Previous drilling beneath the main workings by other explorers in the 1960's and early 1970's, comprised seven angled drill holes to test the depth extent of mineralisation. A table summarising the drilling intercepts is presented below.

Table 2 Walparuta Cu-Au Prospect – Historical Drilling

Hole ID	Easting	Northing	Dip (Deg)	Azimuth (Deg)	EOH Depth (m)	Cu-Au Drill Interception
WP 1	409672	6433678	-50	315	113.4	135.1 – 146.3 (11.2m)
						@ 0.34% Cu and 0.35g/t Au
						Including 137.2 – 138.7m (1.5m) @ 1% Cu and 1.2g/t Au
WP 2	409972	6433398	-55	315	78.5	18.3– 29.0m (10.7m)
						@ 0.41%Cu and 0.2g/t Au
						Including 21.3 – 24.4 (3.1m)
						@ 0.64% Cu and 0.37g/t Au
WP 3	410022	6433378	-50	305	196.3	48.8 – 65.5m (16.7m)
						@ 0.44% Cu and 0.17g/t Au
						Including 57.9 – 64.0 (6.1m)
						@ 0.64% Cu and 0.31g/t Au
WP 4	410022	6433278	-50	305	228.24	132.6 – 161.5m (28.9m)
						@ 0.3% Cu and 0.16g/t Au
						Including 135.6 – 141.7m (6.1m) @ 0.47% Cu and 0.52g/t Au
WPP 1	409672	6433378	-60	?	230	-
WP01	410465	6433347	-50	315	179	58 - 86m (28m)
						@ 0.25% Cu and 0.4g/t Au
						Including 82 – 84m (2m)
						@ 0.6% Cu and 1.15g/t Au
WP02	410630	6433531	-55	315	167	114 - 116m (2m)
						@ 0.17% Cu and 1.15g/t Au
WP03	410965	6433487	-60	315	100	-

(Please note supporting information for the historical drilling is contained in the Independent Geologist's Report in Section 7 of this Prospectus)

These drill intersections were all in sulphide mineralisation and below any likely zone of secondary enrichment. The mineralisation is open at depth and along strike. Also of note in the Walparuta geochemistry were moderately elevated Co values. Historic assays recorded a peak value of 760ppm which is around 50-100 x background. Many of the other Cu-Au and Cu occurrences in the area have associated anomalous Co.

The Creagh Dhubh (Gaelic for black crag) prospect is a prominent manganese stained hill of banded Mn-grunerite metachert (Figure 5). This Mn-rich chemical sediment is interpreted to be an exhalite related to mafic volcanism and may be similar to the manganiferous exhalites seen associated with the Broken Hill mineralisation. Marathon Resources Limited (MTN) completed an Airborne electromagnetic (EM) survey (REPTEM Helicopter TDEM) across the Creagh Dhubh prospect (ASX: MTN announcement, 30th April 2014), which defined a significant EM anomaly on the western margins of the Creagh Dhubh prospect starting at approximately 250 m depth. Later mapping however was unable to establish any association with the surface geology and the isolated location of the EM anomaly. Due to the significant depth of the single anomaly, along with the associated logistical and regulatory requirements, MTN chose not to undertake any further exploration of this anomaly.

As part of the audit process for the Independent Geologist's Report contained in Section 7 of this Prospectus, the historic EM data was reviewed. The review found that the previously modelled conductor at depth beneath a thin conductive cover was more likely an artefact caused by an unrealistic decay (elevated noise) in channels 13-16.

The REPTEM system used in the MTN survey is a low-power / high-noise system compared with many other helicopter-borne TEM systems. It is not an ideal system for resolving bedrock conductors at depth. As such, this target warrants further ground EM surveying to determine if a bedrock conductor

can been found within the exhalite. There is in addition, some surficial geochemical evidence to support the exploration model with rock chips returning peak values of 1200 ppm Zn, 500ppm Cu, 10g/t Ag, 235ppm Ni, 250ppm Co, 180ppm As and 11.2% Mn with up to 0.29g/t Au.

Figure 5 The Creagh Dhubh Prospect - Outcropping manganiferous exhalite. Photo courtesy DPC Resources & Energy Group, SA.

During the recent EM review process a number of other potential bedrock conductors were identified (Figure 6) that require follow-up. Given the REPTEM system is a relatively low power / high noise system, these anomalies are considered tenuous and require validation with a deep exploration

airborne EM system or ground EM.

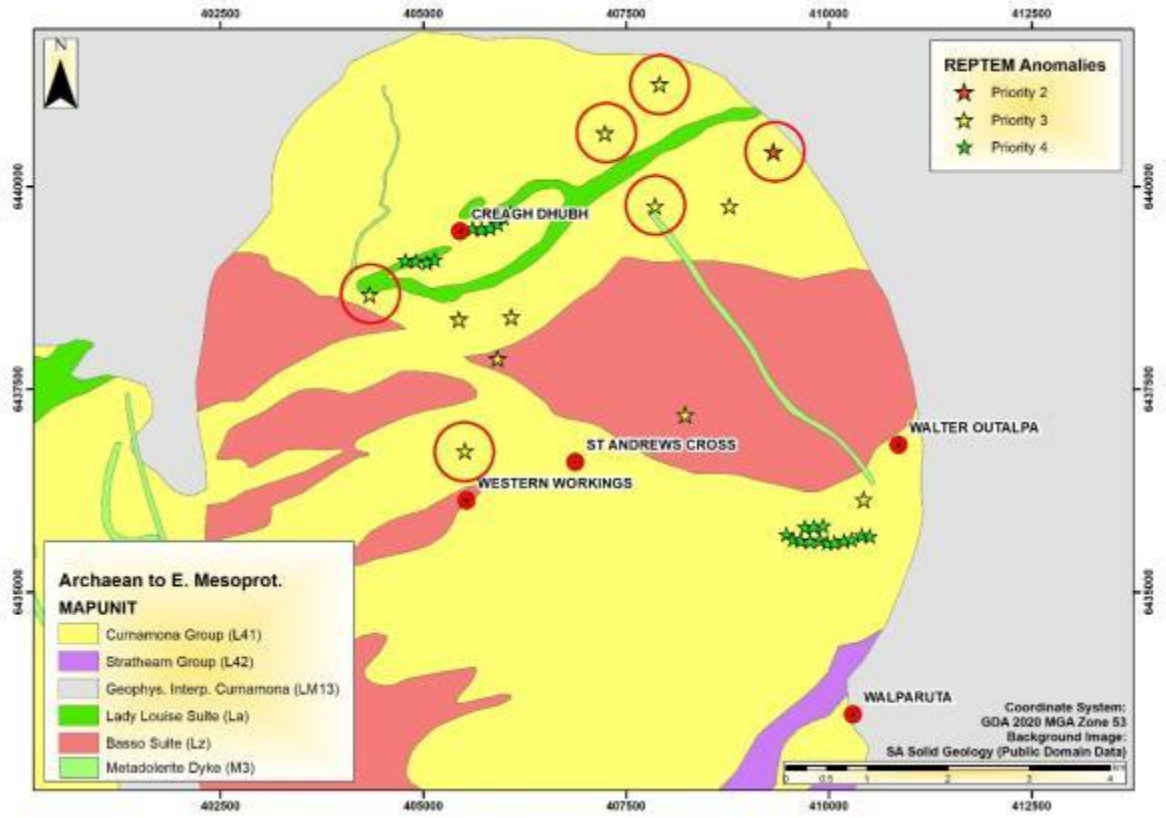

Figure 6 Prioritised EM anomalies

Of significant interest in the southern airborne EM survey was a UTEM conductor, which could potentially represent a large graphite body, with dimensions similar to Archer Exploration Limited's (ASX: AXE 6th December 2012) Campoona graphite deposit. Field reconnaissance by SAEX located graphite bearing schist at the site of the EM anomaly but did not undertake any further analytical work. The recent EM review as part of the IGR report, found that the previously modelled conductor was weaker than would be expected from a high-grade graphite source. Given the REPTEM system used to acquire the data is not ideal (as outlined previously), follow up investigation with a higher powered system is warranted.

There are numerous pegmatite dykes across the tenure containing rare earth minerals in the form of Samarskite, which also have the potential to host lithium in minerals such as spodumene, uranium minerals such as alanite, and phosphate minerals such as apatite. The project area contains numerous other historic early stage mineral prospects and summary details can be found in the IGR. The Walparuta Project presents an opportunity to follow up with ground geophysical methods (principally EM and magnetics) several highly prospective base and precious metal targets.

For further information on the Walparuta Project please see section 4 of the Independent Geologist's Report in Section 7 of this Prospectus.

3.4 Project and Development Programmes

The main initial focus for the Company post Completion will be to explore and develop its interests in

the Projects, with the aim of creating value for the Company's current and future shareholders.

The majority of the Company's planned expenditure over the next two years will be applied to the following:

Corunna Project

- Undertake RC and/or diamond drilling of the basement strata beneath the Corunna Area 1 Prospect
- Undertake shallow AC drill testing of other defined Ag in soil targets on the Corunna North Tenement
- Undertake regional and infill soil geochemical surveys
- Trial ground geophysical surveys over defined prospects to aid drill targeting
- Complete Native Heritage Surveys over new target areas and undertake test drilling.

Walparuta Project

- Ground geophysical surveys at Creagh Dhubh and Walparuta Prospects to aid drill targeting
- Complete Native Title Agreement and Heritage Surveys to allow drilling of prospects
- Drill testing at Creagh Dhubh and Walparuta Prospects
- Reconnaissance mapping and sampling of pegmatites
- Drill testing of graphite target

Generative

- Pursue new projects and opportunistic acquisitions in the resource sector in various jurisdictions to create additional Shareholder value.

The Company proposes to fund its intended activities as outlined in the table below from the proceeds of the Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken. This will involve an ongoing assessment of the Company's project interests and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the following budgets are proposed which takes into account the proposed expense over the next 2 years to complete initial exploration of the Tenements.

Funds (net of costs) raised from this Offer will be used as follows, contemplating a minimum raising:

Table 3 Exploration Activities Budget – Years 1 & 2 (Minimum Subscription: $4 million)

Expenditure Activity	Year 1 ($)	Year 2 ($)	Total ($)
CORUNNA PROJECT			
Geophysics - surveys, processing and interpretation	$ 25,000	$ 120,000	$ 145,000
Geological Studies - research, exploration planning, management and reporting	$ 85,000	$ 135,000	$ 220,000
Soil geochemistry surveys	$ 120,000	$ 60,000	$ 180,000
Drilling - air core, reverse circulaton and diamond	$ 270,000	$ 420,000	$ 690,000
Rehabilitation	$ 21,000	$ 18,000	$ 39,000
Native Title	$ 25,000	$ 30,000	$ 55,000
Field costs and tenement administration	$ 44,000	$ 63,000	$ 107,000
CORUNNA - TOTAL	$ 590,000	$ 846,000	$ 1,436,000
WALPARUTA PROJECT			
Geophysics - surveys, processing and interpretation	$ 75,000	$ 60,000	$ 135,000
Geological Studies - research, exploration planning, management and reporting	$ 85,000	$ 85,000	$ 170,000
Soil and rock chip geochemistry surveys	$ 6,000	$ 2,000	$ 8,000
Drilling - reverse circulaton and diamond		$ 240,000	$ 240,000
Rehabilitation		$ 8,000	$ 8,000
Native Title	$ 70,000	$ 25,000	$ 95,000
Field costs and tenement administration	$ 19,000	$ 34,000	$ 53,000
WALPARUTA - TOTAL	$ 255,000	$ 454,000	$ 709,000
EXPLORATION - TOTAL	$ 845,000	$ 1,300,000	$ 2,145,000

***Note**: Exploration budget above covers only the granted tenements*

Maximum Subscription - Contemplating a maximum raising ($5 million) the additional funds will be used for follow up drilling of Prospects which return positive drilling results and for additional pre-drill surface exploration activities to define additional targets.

Funds (net of costs) raised from this Offer will be used as follows, contemplating a maximum raising:

Table 4 Exploration Activities Budget – Years 1 & 2 (Maximum Subscription: $5 million)

Expenditure Activity	Year 1 ($)	Year 2 ($)	Total ($)
CORUNNA PROJECT			
Geophysics - surveys, processing and interpretation	$ 55,000	$ 120,000	$ 175,000
Geological Studies - research, exploration planning, management and reporting	$ 125,000	$ 175,000	$ 300,000
Soil geochemistry surveys	$ 120,000	$ 90,000	$ 210,000
Drilling - air core, reverse circulaton and diamond	$ 300,000	$ 520,000	$ 820,000
Rehabilitation	$ 23,000	$ 23,000	$ 46,000
Native Title	$ 35,000	$ 40,000	$ 75,000
Field costs and tenement administration	$ 53,000	$ 77,000	$ 130,000
CORUNNA - TOTAL	$ 711,000	$ 1,045,000	$ 1,756,000
WALPARUTA PROJECT			
Geophysics - surveys, processing and interpretation	$ 75,000	$ 75,000	$ 150,000
Geological Studies - research, exploration planning, management and reporting	$ 125,000	$ 125,000	$ 250,000
Soil and rock chip geochemistry surveys	$ 9,000	$ 4,000	$ 13,000
Drilling - reverse circulaton and diamond	-	$ 270,000	$ 270,000
Rehabilitation	-	$ 8,000	$ 8,000
Native Title	$ 70,000	$ 35,000	$ 105,000
Field costs and tenement administration	$ 22,000	$ 41,000	$ 63,000
WALPARUTA - TOTAL	$ 301,000	$ 558,000	$ 859,000
EXPLORATION - TOTAL	$ 1,012,000	$ 1,603,000	$ 2,615,000

***Note**: Exploration budget above covers only the granted tenements*

Section 4: Risks

4.1 Introduction

The risks contained both in Section 1.7 and this Section 4 should be considered carefully by potential investors

The Shares offered under this Prospectus should be considered speculative because of the nature of the commercial activities of the Company. Potential investors should be aware that an investment in the Company involves risks, which may be higher than the risks associated with an investment in other companies.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's activities and its proposed involvement in the mineral exploration industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed activities of the Company.

Persons considering whether or not to invest in the Company should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate, before any decision is made to apply for Shares. Prospective investors should consider whether the Shares offered are a suitable investment for them having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. If in any doubt, prospective investors should consult with their professional advisers before deciding whether to apply for Shares.

The following, which is not exhaustive, identifies some of the major risks associated with an investment in the Company, of which potential investors need to be aware before making a decision on whether or not to invest in the Company's Shares.

4.2 Key Risks

The Key Risks identified in Section 1.7 of the Prospectus are as follows:

- ***Mineral Exploration***

  Mineral exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

- ***Reliance on Key Personnel***

  The Company's Directors and incoming Director have significant experience in the mining exploration industry. If growth objectives are to be met, this will depend on the ability of the Directors to implement the current exploration strategies and to adapt, where necessary, to accommodate and manage any unforeseen difficulties. Initially, the Company will rely heavily on the experience of its Directors. The loss of the services of certain personnel could have an adverse effect on the Company and its activities.

- ***Commodity and Currency Price Volatility***

  Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Just some of these influencing factors include:

  - world demand for particular commodities;
  - the level of production costs in major commodity producing regions;

- expectations regarding inflation, interest rates and exchange rates.

Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and its financial position.

- ***Additional Requirements for Capital***

  The funds raised by the Capital Raising will be used to carry out work on the Company's Projects. If the Company incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. The Company may require additional funding to carry out further exploration, undertake feasibility studies, develop mining operations and/or acquire new projects. Any additional financing through share issues will dilute existing shareholdings. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.

- ***Failure to meet Minimum Expenditure Requirements***

  The Company's right to earn-in to the MGV Tenement is subject to the Company meeting the minimum expenditure requirements further detailed in Section 9.1(b) of this Prospectus. If the Company fails to meet the minimum expenditure requirements, it will not earn the maximum 75% interest it is entitled to in the MGV Tenement and it may not qualify to earn any interest at all. In addition, any tenements the Company acquires pursuant to the Tenement Purchase Agreement with SAEX Pty Ltd, the grant of the Gilles Downs Tenement or otherwise will be subject to minimum expenditure requirements which, if not met, may result on forfeiture or relinquishment of the tenements.

- ***Native Title and Aboriginal Heritage***

  The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration or obtain production tenements. In applying for certain production tenements, the Company must observe the provisions of Native Title legislation (where applicable) and Aboriginal Heritage legislation which protects Aboriginal sites and objects of significance.

  In certain circumstances the consent of registered Native Title claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the terms of registered Native Title agreements may restrict the Company's ability to gain access to its tenements and conduct exploration, development and mining operations, or that the conditions imposed by Native Title claimants on such consent may be on terms unacceptable to the Company.

4.3 Risks

The future performance of the Company and the future investment performance of the Shares may be influenced by a range of factors. Some of these factors can be mitigated. However, many are outside the control of the Board and the Company. Prior to making any decision to accept the Offer, investors should carefully consider the following general and specific risk factors applicable to the Company:

(a) Specific Risk Factors

There are a range of specific risks associated with the Projects and Petratherm's proposed involvement in the mineral exploration industry. The following list of specific risk factors ought not to be taken as exhaustive. The risk factors referred to in this Section 4, and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of the Shares to be offered under this Prospectus.

- ***Resource Estimations***

  Resources estimates are inherently imprecise as they are expressions of judgement at a particular time based on available information, interpreted using experience and resource modelling techniques. The estimates, while made by qualified professionals, may change over time as other

information becomes available which differs from information known or predicted by past drilling, sampling and geological interpretation. Estimates remain subject to change which may adversely affect the Company's operations or the commercial viability of its projects.

- ***Tenure and Access***

  Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved or that current exploration tenement applications will be granted.

  Tenements are subject to numerous State-specific legislation conditions. The renewal of the term of a granted tenement (and grant of tenement applications) is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions either during the term of a tenement or upon renewal, or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

- ***Development and Mining***

  Possible future development of mining operations at any of the Projects is also subject to numerous risks. The Company's operations may be delayed or prevented as a result of weather conditions, mechanical difficulties, shortage of technical expertise or equipment. There may be difficulties with obtaining government and/or third party approvals, operational difficulties encountered with extraction and production activities, unexpected shortages or increase in the price of consumables, plant and equipment, cost overruns or lack of access to required levels of funding.

  If the Company commences production, its operations may be curtailed or disrupted by a number of risks beyond its control such as environmental hazards, industrial accidents and disputes, technical failures, unusual or unexpected geological conditions, adverse weather conditions, fires, explosions and other accidents.

  The Company's operations may be adversely affected by higher than anticipated ore treatment costs, worse than anticipated metallurgical conditions, fluctuations in base and metal prices or lack of availability of smelter capacity.

  No assurance can be given that the Company will achieve commercial viability through development of any of its projects.

- ***Compulsory Work Obligations***

  Tenements are subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. These commitments may be varied on application by the tenement holder but any such variation is at the sole discretion of the Minister administering the relevant State mining legislation. If no variation is approved, and there is failure to meet the commitments, this could lead to forfeiture of the tenement.

- ***Environmental***

  The Company's projects are subject to both the relevant State and also Commonwealth laws and regulations relating to environmental matters. Should the Company proceed to development of one or more mines, it could be expected that such developments would have numerous environmental impacts which would require various statutory approvals to be put in place. There is no guarantee that such approvals would be granted. The Company intends to conduct its operations in an environmentally responsible manner and in accordance with relevant legislation. However, the Company is unable to predict the effect of future changes to environmental legislation or policy and the cost effect of such changes on its operations and financial position.

- ***Non-granting of Gilles Downs ELA***

  There is no guarantee the Company's application for the Gilles Downs ELA will be successful or that the Company will be granted an EL or other exploration rights as a result of that application.

- ***Joint Ventures***

  The Company may wish to undertake future projects through joint venture arrangements (and, if it earns an interest in the MGV Tenement, its interest in that tenement and activities in respect of it will be governed by and subject to the Mining Farm-In and Joint Venture Agreement). Any joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.

- ***Government Policies and Legislation***

  The Company may be affected by changes to government policies, legislation and taxation. Changes in Government policies, legislation and taxation can have a significant influence on a business' prospects and return to investors. The Company's products could be subject to government regulation, and the regulatory approval and maintenance process for such products may be expensive, time-consuming, and uncertain both in timing and in outcome.

- ***Insurance Risks***

  The Company insures its business and operations. However, the Company's insurance may not be of a nature or level to provide adequate insurance cover to insure against the occurrence of all events that may impact on the operations of the Company. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial conditions and results of the Company.

  Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

- ***Competition Risk***

  The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

- ***Litigation***

  The Company may in the ordinary course of business be involved in possible disputes. These disputes could give rise to litigation. While the extent of any disputes and litigation cannot be ascertained at this time, any dispute or litigation may be costly and may adversely affect the operational and financial results of the Company.

(b) **General Risk Factors**

- ***Share Market Conditions***

Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as general economic outlook, movements in, or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors, press newspaper and other media reports and the demand for, and supply of, capital. Investors should recognise that once the Shares are re-listed on ASX, the price of the Shares may fall as well as rise. Many factors will affect the price of the Shares including those listed above.

- ***Accounting Standards***

Changes in accounting standards and subjective assumptions, estimates, and judgements by management related to complex accounting matters could significantly affect the Company's financial results or financial position.

- ***Taxation Risks***

Tax policies in the countries where Petratherm operates from time to time may change so as to

adversely affect the profitability of Petratherm's operations, and where Petratherm trades internationally, it will be exposed to operational and financial risks associated with taxation in multiple jurisdictions.

- ***Operational Risks***

The Company is exposed to a number of risks beyond its control, such as industrial actions and disputes or unusual or unexpected events such as fires or other accidents.

There may be difficulties with obtaining government and/or third party approvals, unexpected shortages or increase in the price of consumables, plant and equipment.

The Company's operations may be adversely affected by higher than anticipated costs or worse than anticipated fluctuations in prices and currencies.

No assurance can be given that the Company will achieve commercial viability through development of any of its Projects.

- ***Economic Conditions Risk***

The performance of Petratherm is likely to be affected by changes in economic conditions. Profitability of the business may be affected by some of the matters listed below:

1. future demand for minerals;
2. general financial issues which may affect policies, exchange rates, inflation and interest rates;
3. deterioration in economic conditions, possibly leading to reductions in spending and other potential revenues which could be expected to have a corresponding adverse impact on Petratherm's operating and financial performance;
4. the strength of the equity and share markets in Australia and throughout the world;
5. financial failure or default by any entity with which Petratherm may become involved in a contractual relationship;
6. industrial disputes in Australia and in countries in which Petratherm may trade or operate from time to time;
7. changes in investor sentiment towards particular market sectors;
8. the demand for, and supply of, capital; and
9. terrorism or other hostilities.

- ***Other General Risks***

Other general risks associated with investment in the Company may include:

  - fluctuation of the price at which the Company's shares trade due to market factors; and
  - price volatility of the Company's shares in response to factors such as:
    - additions or departures of key personnel;
    - litigation and legislative change;
    - press newspaper or other media reports; and
    - actual or anticipated variations in the Company's operating results.

Summary

This investment is regarded as highly speculative. Neither the Company nor its Directors nor any other party to be associated with the preparation of this Prospectus represents or warrants that any specific objective of the Company will be achieved or that any particular targets of the Company will be achieved.

Section 5: Financial Information

5.1 OVERVIEW

This section contains a summary of the Historical Financial Information and Pro Forma Historical Financial Information (collectively referred to as the Financial Information) in relation to Petratherm Limited ('**Petratherm**' or the '**Company**') which the Directors consider relevant to investors.

Investors are referred to Section 3 of the Prospectus for an overview of Petratherm' corporate structure.

Historical Financial Information

The Historical Financial Information comprises the following:

a) the Audited Historical Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016 (**FY16**) and 30 June 2017 (**FY17**);

b) the Reviewed Historical Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2017 (**1HY18**);

c) the Audited Historical Statement of Cash Flows for the year ended 30 June 2016 and 30 June 2017;

d) the Reviewed Historical Statement of Cash Flows for the half year ended 31 December 2017; and

e) the Reviewed Historical Statement of Financial Position as at 31 December 2017.

Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information comprises the following:

a) the Pro Forma Consolidated Statement of Financial Position as at 31 December 2017; and

b) selected notes to the Pro Forma Consolidated Statement of Financial Position.

(the Historical Financial Information and Pro Forma Historical Financial Information together form the **Financial Information**).

The Financial Information should be read in conjunction with the risk factors associated with an investment in Petratherm set out in Section 4, the Independent Limited Assurance Report in Section 6 and the other information contained in this Prospectus. Investors should note the scope and limitations of the Independent Limited Assurance Report.

Investors should be aware that past performance is not an indication of future performance.

5.2 BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

The Directors of the Company are responsible for the preparation and presentation of the Financial Information contained in this Prospectus. The Financial Information is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of the Company.

The Company's significant accounting policies are set out in Note 5.7.

The Financial Information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with Australian Accounting Standards and the Corporations Act. In the view of the Directors of the Company, the omitted disclosures would provide no further relevant information to potential investors.

All amounts disclosed in this section are presented in Australian Dollars.

Historical Financial Information

The Historical Statement of Profit or Loss and Other Comprehensive Income and the Historical Statements of Cash Flows for FY16 and FY17 have been extracted from the audited financial statements. The financial statements for FY16 and FY17 were audited by Grant Thornton Audit Pty Ltd who issued unqualified opinions. An emphasis of matter paragraph outlining a material uncertainty related to going concern was included in the FY17 Independent Auditor's Report citing Petratherm's net loss of $640,785 and net cash outflows from operating and investing activities totalling $459,098 for the year ended 30 June 2017.

The Historical Statement of Profit or Loss and Other Comprehensive Income, the Historical Statement of Cash Flows for 1HY18 and Historical Statement of Financial Position as at 31 December 2017 have been extracted from the reviewed financial statements. The financial statements for 1HY18 were reviewed by Grant Thornton Audit Pty Ltd who issued an unmodified review conclusion thereon.

Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information of Petratherm has been compiled from the reviewed financial information of Petratherm as at 31 December 2017, after adjusting for certain pro forma transactions as outlined in Section 5.4.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards other than that it includes adjustments that reflect the impact of the Offer as if it occurred as at 31 December 2017.

Due to its nature, the ProForma Financial Information does not represent the Company's actual or prospective financial position.

5.3 SUMMARY OF HISTORICAL FINANCIAL PERFORMANCE AND CASH FLOWS

Set out below is the Historical Financial Information for Petratherm.

The basis of preparation of the Historical Financial Information is set out in Section 5.2. The accounting policies are set out in Section 5.7.

Historical Statement of Profit or Loss and Other Comprehensive Income

	Audited Year ended 30 June 2016	Audited Year ended 30 June 2017	Reviewed Half Year ended 31 December 2016	Reviewed Half Year ended 31 December 2017
	$	$	$	$
Revenue	9,465	11,785	4,533	7,173
Other income	-	4,648	-	-
Impairment of exploration assets	(182,120)	-	-	-
Employee benefits expense	(107,317)	(323,538)	(93,237)	(48,139)
Share based payments	-	-	(130,034)	-
Foreign exchange gains	15,458	-	-	-
Other expenses	(342,469)	(320,667)	(245,056)	(140,809)
Loss before income tax	**(606,983)**	**(627,772)**	**(463,794)**	**(181,775)**
Income tax benefit	(1,941)	(13,013)	(13,013)	-
Loss for the period	**(608,924)**	**(640,785)**	**(476,807)**	**(181,775)**
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**(608,924)**	**(640,785)**	**(476,807)**	**(181,775)**

Historical Statement of Cash Flows

	Audited Year ended 30 June 2016 $	Audited Year ended 30 June 2017 $	Reviewed Half Year ended 31 December 2016 $	Reviewed Half Year ended 31 December 2017 $
Cash flows from operating activities:				
Payments to suppliers and employees	(398,638)	(475,531)	(328,144)	(208,614)
Other income received	-	4,648	-	-
Interest received	9,464	11,785	4,533	7,173
Net cash used in operating activities	(389,174)	(459,098)	(323,611)	(201,441)
Cash flows from investing activities:				
Payments for exploration activities	(91,415)	-	-	-
Net cash used in investing activities	(91,415)	-	-	-
Cash flows from financing activities:				
Proceeds from issue of shares	735,591	676,500	676,500	-
Payment of transactions costs	(67,308)	(47,320)	(47,320)	-
Net cash provided by financing activities	668,283	629,180	629,180	-
Net increase/(decrease)in cash and cash equivalents held	187,694	170,082	305,569	(201,441)
Cash and cash equivalents at beginning of period	475,898	663,592	663,592	883,674
Cash and cash equivalents at end of period	663,592	883,674	969,161	632,233

5.4 PRO FORMA FINANCIAL INFORMATION

Set out below is the Pro Forma Financial Information for Petratherm.

The basis of preparation of the Pro Forma Financial Information and details of the Pro Forma adjustments made are set out in Section 5.5.

Pro Forma Consolidated Statement of Financial Position

	Refer	Reviewed Petratherm 31 December 2017 $	Pro Forma Minimum Subscription $	Pro Forma Maximum Subscription $
CURRENT ASSETS				
Cash and cash equivalents	5.6.1	632,233	4,229,895	5,168,320
Trade and other receivables		7,941	7,941	7,941
Other current assets		9,323	9,323	9,323
TOTAL CURRENT ASSETS		**649,497**	**4,247,159**	**5,185,584**
NON CURRENT ASSETS				
Exploration assets	5.6.2	-	50,000	50,000
TOTAL NON CURRENT ASSETS		**-**	**50,000**	**50,000**
TOTAL ASSETS		**649,497**	**4,297,159**	**5,235,584**
CURRENT LIABILITIES				
Trade and other payables		34,733	34,733	34,733
Provisions		241,000	241,000	241,000
TOTAL CURRENT LIABILITIES		**275,733**	**275,733**	**275,733**
TOTAL LIABILITIES		**275,733**	**275,733**	**275,733**
NET ASSETS		**373,764**	**4,021,426**	**4,959,851**
SHAREHOLDERS EQUITY				
Issued capital	5.6.3	34,760,564	38,179,311	39,063,012
Reserves	5.6.3	130,034	552,349	602,291
Accumulated losses	5.6.3	(34,516,834)	(34,710,235)	(34,705,452)
		373,764	**4,021,426**	**4,959,851**

5.5 ASSUMPTIONS USED IN PREPARING THE PRO FORMA HISTORICAL FINANCIAL INFORMATION

The Pro Forma Historical Statements of Financial Position presented in Section 5.4 reflect the following pro forma adjustments:

(a) Consolidation of Shares and Options

Subject to Shareholders' approval, the Company will consolidate its Shares and Options on issue as at 28 February 2018 on a two to one basis (rounded up to the nearest whole number) (**Consolidation**), such that the number of Shares in the Company immediately following the Consolidation will be 50,153,752 and the number of Options on issue will be 3,500,000.

(b) Assuming Minimum Subscription

The issue of 100,000,000 Offer Shares at an issue price of $0.04 per share to raise $4,000,000, less associated capital raising costs estimated to be $402,338 (excluding the issue of share options to the lead manager outlined in (f)) of which $328,798 has been directly off-set against raised capital, and $73,540 has been expensed in accordance with Australian Accounting Standards.

(c) Acquisition of Tenements

On 20 December 2017, Petratherm signed an agreement with Saex Pty Ltd to acquire two exploration licences subject to conditions precedent (refer Section 9.1(a)). As the consideration for the acquisition, Petratherm will issue that number of fully paid ordinary shares in the Company with a value of $50,000 based on $0.04 per share (calculated to be 1,250,000 shares).

(d) Issue of Options to Directors

The Non-Executive Directors are to be issued a total of 3,000,000 unlisted options with an exercise price of $0.04 and an expiry date of the third anniversary of the date of issue. The total fair value of these options is $119,860 and this amount has been expensed.

(e) Assuming Maximum Subscription

The issue of an additional 25,000,000 Offer Shares upon Maximum Subscription at an issue price of $0.04 per share to raise an additional $1,000,000, less additional capital raising costs (excluding the issue of share options to the lead manager outlined in (f)) estimated to be $61,575. Total capital raising costs associated with the Maximum Subscription are estimated to be $463,913 of which $395,155 has been directly off-set against raised capital, and $68,758 has been expensed in accordance with Australian Accounting Standards.

(f) Issue of Share Options to the Lead Manager

Assuming the Minimum Subscription, 7,570,188 share options with a total fair value of $302,455 are to be issued to the Lead Manager, Taylor Collison in accordance with their Mandate Letter (refer to Section 9.3).

Assuming the Maximum Subscription, an additional 1,250,000 share options with a total fair value of $49,942 would be issued to the Lead Manager.

5.6 NOTES TO THE FINANCIAL INFORMATION

5.6.1. Cash and cash equivalents

	Minimum Subscription	Maximum Subscription
	$	$
Balance at 31 December 2017 (Reviewed)	632,233	632,233
Proforma adjustments		
Issue of Shares pursuant to this Prospectus – Refer Section 5.5(b) and (e)	4,000,000	5,000,000
Costs of the offer – Refer Section 5.5(b) and (e)	(402,338)	(463,913)
Proforma cash and cash equivalents	4,229,895	5,168,320

5.6.2. Exploration assets

	Minimum Subscription	Maximum Subscription
	$	$
Balance at 31 December 2017 (Reviewed)	-	-
Proforma adjustments		
Acquisition of tenements – Refer Section 5.5(c)	50,000	50,000
Proforma exploration assets	**50,000**	**50,000**

5.6.3. Consolidated Statement of Changes in Equity

	Issued Capital	Reserves	Accumulated Losses	Total
	$	$	$	$
Balance at 31 December 2017 (Reviewed)	34,760,564	130,034	(34,516,834)	373,764
Pro forma transactions				
Share Consolidation on a two to one basis	-	-	-	-
Issue of 100,000,000 Offer Shares in the Company pursuant to this Prospectus – Minimum Subscription – Refer 5.5(b)	4,000,000	-	-	4,000,000
Expenses of the offer– Refer Section 5.5(b)	(328,798)	-	(73,540)	(402,338)
Acquisition of tenements pursuant to agreement – Refer 5.5(c)	50,000	-	-	50,000
Fair value of share options to Lead Manager on successful capital raise pursuant to their Mandate Letter – Refer 5.5(f)	(302,455)	302,455	-	-
Fair value of 3,000,000 share options to Directors – Refer 5.5(d)	-	119,860	(119,860)	-
Pro forma balance - Minimum Subscription	**38,179,311**	**552,349**	**(34,710,234)**	**4,021,426**
Issue of an additional 25,000,000 Offer Shares in the Company pursuant to this Prospectus – Maximum Subscription Refer 5.5(e)	1,000,000	-	-	1,000,000
Additional expenses of the offer– Refer Section 5.5(e)	(66,357)	-	4,782	(61,575)
Fair value of additional share options to Lead Manager on successful capital raise pursuant to their Mandate Letter – Refer 5.5(f)	(49,942)	49,942	-	-
Pro forma balance - Maximum Subscription	**39,063,012**	**602,291**	**(34,705,452)**	**4,959,851**

5.6.4 Issued capital

	Minimum Subscription		Maximum Subscription	
	No. of Shares	$	No. of Shares	$
Issued Capital at 31 December 2017	**100,307,503**	**34,760,564**	**100,307,503**	**34,760,564**
Proforma adjustments				
Share consolidation	(50,153,751)	-	(50,153,751)	-
Capital Raising pursuant to the offer	100,000,000	4,000,000	125,000,000	5,000,000
Offer costs (cash)	-	(328,798)	-	(395,155)
Fair value of options issued to the Lead Manager	-	(302,455)	-	(352,397)

	Minimum Subscription		Maximum Subscription	
	No. of Shares	$	No. of Shares	$
Consideration shares for acquisition of tenements	1,250,000	50,000	1,250,000	50,000
Total Shares issued post transaction and Offer	**151,403,752**	**38,179,311**	**176,403,752**	**39,063,012**

5.6.5. Share Options

Based on the Maximum Subscription, the following options are to be issued in accordance with the offer:

Allottee	Number of options	Exercise period	Exercise price	Vesting criteria
Lead Manager*	8,820,188	3 years from date of issue	$0.04	Not applicable
Directors	3,000,000	3 years from date of issue	$0.04	Not applicable

*At the Minimum Subscription, a total of 7,570,188 options will be issued to the Lead Manager

The options have been valued using the Black-Scholes valuation method with the following assumptions:

Fair value of shares at grant date:	$0.04
Strike price:	$0.04
Expiry date	31 December 2020
Volatility rate:	373.73%
Risk free rate:	2.57%

5.7 SIGNIFICANT ACCOUNTING POLICIES

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.

- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) Research and development tax incentive

Research and development tax incentive income is recognised at fair value when there is reasonable assurance that the income will be received. Income from research and development tax incentives is recognised as an offset against income tax expense or benefit.

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets at fair value through profit or loss (FVTPL);
- available-for-sale financial assets (AFS); and
- held-to-maturity investments (HTM).

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

All financial assets of the company are loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities' depending on the purpose for which the liability was acquired.

The Company's financial liabilities include trade and other payables which are measured subsequently at amortised cost using the effective interest method.

(g) Exploration assets

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

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.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost of closure and rehabilitation activities is recognised in property, plant and equipment and depreciated accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense which is recognised in finance costs. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology discounted to their present value.

Any changes in the estimates for the costs are accounted on a prospective basis in the consolidated statement of profit or loss and other comprehensive income. In determining the costs of site restoration, there is an uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that restoration will be completed within one year of abandoning the site.

(h) Equity

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.

Section 6: Independent Limited Assurance Report

Grant Thornton

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13 February 2018
PRIVATE AND CONFIDENTIAL

Dear Directors

Independent Limited Assurance Report on the Historical and Pro Forma Financial Information

Introduction

We have been engaged by Petratherm Limited ("Petratherm" or the "Company") to report on the historical and pro forma financial information of the Company for inclusion in the prospectus (the "Prospectus") to be dated on or about 14 February 2018, and to be issued by Petratherm in respect of the Offer.

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Scope

You have requested Grant Thornton Audit Pty Ltd to review the following Historical Financial Information of the Company included in the Prospectus:

Historical Financial Information

The Historical Financial Information, as set out in the Prospectus comprises the:

- audited consolidated historical statements of profit or loss and other comprehensive income for the years ending 30 June 2016 (FY2016) and 2017(FY2017);
- reviewed historical statements of profit or loss and other comprehensive income for the six months ending 31 December 2016 (1HY17) and 2017(1HY18);
- audited consolidated historical statements of cash flows of Petratherm for FY2016 and FY2017;
- reviewed consolidated historical statements of cash flows for the six months ending 31 December 2016(1HY17) and 2017(1HY18);
- reviewed consolidated historical statement of financial position as at 31 December 2017; and
- pro forma consolidated statement of financial position of Petratherm as at 31 December 2017, which assumes completion of the transactions outlined in Section 5.5 of the "Financial Information" section (which include the Offer) (the "Pro Forma Transactions") as though they had occurred on that date.

(Hereafter the "Historical Financial Information").

The Historical Financial Information other than the Pro Forma Transactions and the results of the associated adjustments to the consolidated pro forma statement of financial position has been extracted from the audited or reviewed financial statements for FY2016, 1HY17, FY2017 and 1HY18 which were audited/reviewed by Grant Thornton Audit Pty Ltd. Grant Thornton Audit Pty Ltd issued unqualified audit opinions in respect of FY2016 and FY2017 with an emphasis of matter for the material uncertainty relating to going concern in FY2017. Unmodified review reports were issued in relation to 1HY17 and 1HY18.

The stated basis of preparation is the recognition and measurement principles contained under Australian Generally Accepted Accounting Principles ("AGAAP") and Petratherm adopted accounting principles applied to the Historical and Pro forma Financial Information.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the Corporations Act 2001.

This report has been prepared for inclusion in the Prospectus. Grant Thornton Audit Pty Ltd disclaim any assumption of responsibility for any reliance on this report or on the Historical Financial Information to which this report relates for any purpose other than the purposes for which it was prepared. This report should be read in conjunction with the Prospectus.

Directors' Responsibility

The Directors of Petratherm are responsible for the preparation and presentation of the Historical Financial Information. The Directors are also responsible for the determination of the Pro Forma Transactions and the basis of preparation of the Historical Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Historical Financial Information that are free from material misstatement.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: *"Assurance Engagements involving Corporate Fundraisings and/or Prospective Historical Financial Information"* and ASAE 3420: *"Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information* Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Historical and Pro Forma Financial Information. These procedures are substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently do not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

Our engagement did not involve updating or reissuing any previously issued audit reports on any historical financial information used as a source of the Historical Financial Information.

Conclusion

Historical Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The Historical Financial Information as described in the "Financial Information" section of the Prospectus does not present fairly the:
  - audited consolidated historical statement of profit or loss and other comprehensive income of Petratherm for FY2016 and FY2017;
  - reviewed consolidated historical statement of profit or loss and other comprehensive income for 1HY17 and 1HY18;
  - audited consolidated historical statement of cash flows of Petratherm for FY2016 and FY2017;
  - reviewed consolidated historical statement of cash flows for 1HY17 and 1HY18;
  - audited consolidated historical statement of financial position of Petratherm as at 30 June 2016 and 30 June 2017;
  - reviewed consolidated historical statement of financial position as at 31 December 2017; or
  - pro forma consolidated historical statement of financial position of Petratherm as at 31 December 2017;
- The pro forma consolidated statement of financial position of Petratherm as at 31 December 2017 has not been properly prepared on the basis of the Pro Forma Transactions or the Pro Forma Transactions do not set out a reasonable basis for it;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements under AGAAP.

Restriction on Use

Without modifying our conclusion, we draw attention to the "Financial Information" section of the Prospectus, which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information may not be suitable for use for another purpose.

Consent

Grant Thornton Audit Pty Ltd consents to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of Grant Thornton Audit Pty Ltd is limited to the inclusion of this report in the Prospectus. Grant Thornton Audit Pty Ltd makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

Grant Thornton Audit Pty Ltd does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Audit Pty Ltd will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Yours faithfully
GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Justin Humphrey
Partner

Tim Goodman
Partner

Section 7: Independent Geologist's Report

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INDEPENDENT GEOLOGISTS REPORT

PETRATHERM LIMITED

GAWLER CRATON & CURNAMONA PROVINCE
SOUTH AUSTRALIA

JANUARY 2018

EXECUTIVE SUMMARY

Overview

Petratherm Limited (PTR) is an Australian Public Company, Limited By Shares, which listed on the Australian Securities Exchange in 2004 as an explorer and developer of geothermal energy. PTR is in the process of being restructured as a mineral focused exploration company.

In December 2017, PTR signed a Letter Agreement to acquire up to 75% interest in Exploration Licence 5497 from Musgrave Minerals Ltd (MGV). The Letter Agreement (and subsequent formal Mining Farm-In and Joint Venture Agreement also signed in December 2017) are subject to PTR raising at least $4 million via a Prospectus and PTR obtaining all shareholder and other approvals required under the Corporations Act 2001 and ASX Listing Rules in order for its ordinary shares to be re-instated to quotation on ASX, together with Mining Act approvals.

During December 2017 PTR also entered into a Tenement Purchase Agreement with SAEX Pty Ltd (SAEX) for Exploration Licences 5306 and 5717 and submitted Exploration Licence Application 2017/00250. The Prospectus will be submitted for a combined South Australian tenement holding including the 3 Exploration Licences and 1 Exploration Licence Application outlined above.

PTR will seek re-listing on the Australian Securities Exchange (ASX) as a mineral explorer in or about March 2018. Metalzoic Geological Consulting (MGC) were commissioned by PTR to provide an Independent Geologists Report (IGR) for the exploration properties as required by ASX for the Prospectus.

The IGR has been prepared independently and in accordance with the JORC Code and the VALMIN Code[1] and the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111 and 112, to the extent that they are relevant to the scope of work. The VALMIN Code provides a set of fundamental principles (Competence, Materiality and Transparency), mandatory requirements and supporting recommendations, accepted as representing good professional practice to assist in the preparation of relevant Public Reports on any Technical Assessment or Valuation of Mineral Assets (in this case an Independent Geologists Report).

The IGR has been prepared by Specialist, Ms Christine G Lawley, Exploration Geologist, MGC who is a member of the Australian Institute of Geoscientists and a member of the Australasian Institute of Mining and Metallurgy. The IGR has been peer reviewed and authorised by Dr Justin Gum, Principal Geologist, MGC who is a member of the Australian Institute of Geoscientists.

[1] The Australasian Code for the Public Reporting of Technical Assessments and Valuations of Minerals Assets for Independent Geologists Reports, the VALMIN Code 2015 Edition, Prepared by the VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG), with the participation of the Minerals Council of Australia (MCA) and other key stakeholder representatives. The VALMIN Code provides guidance on matters that may be subject to Australian regulations, other provisions of law and the published policies and guidance of the Australian Securities and Investments Commission (ASIC) and the Listing Rules of the Australian Securities Exchange (ASX) or of other relevant securities exchanges. The VALMIN Code is written from a Minerals perspective and uses terminology consistent with the JORC Code (2012).

Description

The IGR contains, and is based on, information provided by PTR, and on publicly available reports that have been obtained from literature reviews and from the SA Department of Premier and Cabinet (SARIG database). MGC has no reason to believe that the information provided by PTR is materially misleading, incomplete or contains errors that would materially affect the opinion made by MGC concerning the prospectivity of PTR's exploration properties. The views, statements, opinions and conclusions expressed by MGC are based on the assumption that all data provided by PTR are complete, factual and correct to the best of PTR's knowledge.

MGC have audited the technical information that has been provided and established that the information has been prepared according to industry standards and is based on data of acceptable quality and reliability.

In letters relating to MGC's engagement, PTR has agreed to comply with the obligations of the Commissioning Entity under the VALMIN Code, and has stated that to the best of its knowledge and understanding, complete, accurate and true disclosure of all relevant material information has been made.

Tenement Status

MGC carried out an independent review of the status of the above tenements using the South Australian Resources Information Gateway (SARIG). MGC found all the tenements, at the time of review, to be in good standing with no material issues.

Exploration Properties

The properties in which PTR holds (or will hold) an interest are described in detail in the body of the IGR.

Subject to completion of the above-mentioned Agreements and grant of the ELA, PTR will hold approximately 1059 km^2 of tenements in the highly prospective Gawler Craton and Curnamona Province in South Australia. PTR will hold interests in a total of three Exploration Licences (ELs) and currently holds one Exploration Licence Application (ELA). The ELA and one of the ELs are located within the Gawler Craton and the remaining two ELs are located within the Curnamona Province.

The Gawler Craton tenements fall under one Native Title Claim and Determination (Barngarla) and two ILUAs (Cultana Expansion Area and Middleback Ranges SA), and ELA 2017/00250 also falls within one Native Title Determination (Gawler Ranges) and three additional ILUAs (Gawler Ranges Mineral Exploration, Gawler Ranges Native Title Claim Settlement and Lake Gilles Conservation Park).

EL 5497 overlaps the Watarka and Corunna Pastoral Stations and ELA 2017/00250 overlaps the Corunna, Gilles Downs, Katunga and Cooyerdoo Pastoral Stations.

The south-east portion of EL 5497 and the north-east corner of ELA 2017/00250 overlap the Corunna Range Geological Monument.

PTR has signed a Letter of Agreement (and formal Mining Farm-In and Joint Venture Agreement) to acquire up to a 75% interest of EL 5497 from Musgrave Minerals Ltd, subject to successful re-listing and capital raising via a prospectus (and other conditions as referred to above). ELA 2017/00250 was submitted in December 2017.

Tenements within the Curnamona Province fall under three Native Title Claims, Wilyakali # 2, Adnyamathana No. 1 and Ngadjuri Nation.

Both tenements overlap the Weekeroo Pastoral Station and in addition EL 5717 overlaps the Outalpa Pastoral Station.

The western margin of EL 5306 overlaps the Weekeroo Geological Monument

PTR has entered into a Tenement Purchase Agreement to acquire 100% of EL 5306 and EL 5717 from SAEX Pty Ltd.

The Gawler Craton

The Gawler Craton is considered highly prospective for a spectrum of mineral deposits including IOCG, ISCG, Pb-Zn, Au and Ag, which are temporally linked to the Hiltaba Suite and Gawler Range Volcanics (GRV) magmatic event (1595-1570Ma). These include the epithermal Ag-Pb-Zn deposit at Paris and the volcanogenic carbonate-replacement Pb-Zn-Ag deposit at Menninnie Dam within the Palaeoproterozoic Hutchison Group and the Mesoproterozoic Corunna Conglomerate hosted epithermal Au-Ag-Pb-Zn deposit at Parkinson Dam (DPC website, 2018).

There is also demonstrated potential for metasomatic sedimentary hosted Pb-Zn-Ag-Cu within the Hutchison Group such as the historic Miltalie Mine, Mangalo Mine and Atkinsons Find (DPC website, 2018).

Paris is currently held by Investigator Resources and has a Mineral Resource Estimate (JORC 2012) containing total Indicated and Inferred Resources of 9.3 Mt for 42,000,000 ounces of Ag and 55 Kt of Pb (ASX: IVR 24th August, 2017).

Menninnie Dam is currently held by Terramin Australia Limited and consists of two main mineralised zones (Menninnie Central and Viper), which have a combined Inferred Resource Estimate (JORC 2004) of 7.7Mt @ 3.1% Zn, 2.6% Pb and 27g/t Ag at a 2.5% Pb+Zn cut-off (ASX: TZN 1st March 2011).

The Parkinson Dam mineralisation extends over an area of ~4km^2 and the best intersection includes 21m at 21g/t Au and 83g/t Ag (SARIG).

The Gawler Craton, in general, also has demonstrated potential for additional deposit styles including (DPC website, 2018):

- Intrusion-related Au (Central Gawler Au Province, e.g. Tarcoola, Tunkillia Prospect, Barns Prospect, Weednanna Prospect)
- Orogenic Au (e.g. Challenger)
- Shear-hosted Cu, Au, U (e.g. Cairn Hill)
- Shear to unconformity-related U (e.g. Driver River in central Eyre Peninsula)
- Iron ore including supergene enriched (e.g. Iron Monarch, Iron Duke, Wilgerup), BIF (e.g. Middleback Range, Bungalow Prospect, Hawks Nest, Skylark) and skarn/replacement (Peculiar Knob, Snaefell, Wilcherry Hill)

Mineral prospects and occurrences for other mineralisation styles have also been identified within the Gawler Craton, which include (DPC website, 2018):

- VHMS deposits (Hall Bay Volcanics, Oakdale prospect southern Eyre Peninsula)

- Late Archaean komatiitic and magmatic intrusive-hosted Ni-Cr-PGE (Lake Harris Greenstone Belt, Aristarchus Prospect)
- Magmatic Ni-Cr-Cu sulphides and PGE (Fowler and Christie Domains)
- Unconformity and Palaeochannel U and Au (e.g. Corunna Conglomerate)
- Diamondiferous kimberlite
- Intrusion-related W and Sn (e.g. Moonbi W prospect, Zealous Sn prospect)
- Fe-Ti-V styles (e.g. Malbooma Anorthosite Complex, Wigetty prospect)

There has been a significant amount of recent exploration success along the southern margin of the Lower GRV, within the Gawler Craton. Although a reasonable amount of historical exploration has been undertaken in this region in the past, the improvement in soil sampling technology for detection of low-level Ag anomalism and the improved understanding of structural controls on mineralisation, creates an opportunity to revisit a prospective region, which has been subjected to very little 'effective' exploration in the past.

The Curnamona Province

The Curnamona Province is considered prospective for a range of deposit styles including:

- Broken Hill type (BHT) Pb–Zn–Ag deposits
- Iron oxide Cu Au (IOCG) deposits
- Shear-hosted Cu-Au (Co)
- Schist-hosted graphite
- Pegmatite hosted U, REE, Li and phosphates
- Stratabound, shale-hosted Zn–Pb–Ag (Mount Isa- McArthur Basin style)

Broken Hill was discovered in 1883 and is considered a "world class" Pb-Zn-Ag ore deposit. The pre-mining size of this orebody has been estimated to have been in the order of 280 million tonnes containing 28 million tonnes of Pb, 24 million tonnes of Zn, 1 billion ounces of Ag and 1.2 million ounces of Au (Silver City Minerals Limited website, 2018).

Havilah Resources currently hold the Kalkaroo, North Portia and Mutooroo Cu-Au projects and Portia Au project, containing total JORC 2012 Measured, Indicated and Inferred resources of 278,987,000 Mt for 1,432,000 tonnes of Cu and 3,642,200 ounces of Au (Havilah website, 2018).

MGC's findings concerning PTR's tenements are summarised below.

EL 5497 & ELA 2017/00250 (Gawler Craton)

A significant amount of historic exploration work has been completed across the Gawler Craton tenements, however not all of this exploration should be considered effective. Extensive surface sampling was assayed using older techniques with much higher detection limits. If the older techniques had been applied when exploring for Paris, the explorers would have missed the orebody.

Much of the historic drilling has been limited to shallow RAB and AC. There have only been three deep basement drillholes (>500m) completed on ELA 2017/00250 to test conceptual porphyry targets and other moderately deep basement drillholes (>100m) were focussed on the Triumph epithermal Ag prospect on EL 5497 and Stony Hill iron ore (BIF) prospect in the south-west corner of ELA 2017/00250. Government (SADME, 1979) drillholes included two stratigraphic diamond holes

drilled proximal to the Triumph prospect. Other more recent government datasets include the Corunna HyMap Survey (2015) and the Uno and Roopena 100K Mapsheets published in 2017.

The most recent work in the region, by explorer Musgrave Minerals (2017), comprised of a reinterpretation of structures and the application of improved geochemical analytical techniques.

The potential for epithermal and volcanogenic carbonate-replacement is supported by the presence of significant mineralisation along strike, in the same stratigraphic position (i.e. at the base of the Lower GRV, within Hutchison Group metasediments, in close proximity to the Uno Fault). Furthermore, multiple Ag, Pb and Zn occurrences are located throughout the tenure.

In addition, the Corunna Conglomerate outcrops extensively within the tenure and is known to host the Parkinson Dam epithermal deposit located ~17km along strike from the Triumph prospect and adjacent to the Uno Fault.

The Corunna project presents the opportunity to explore structural intersections proximal to the highly prospective Uno Fault, which have been previously untested (or ineffectively tested) with surface geochemistry or drilling. There is also the opportunity to revisit historic regional geochemical sampling with improved sampling technology to define areas of low-level Ag anomalism, which may have been previously overlooked.

Significant exploration work is warranted on EL 5457 and ELA 2017/00250.

EL 5306 & EL 5717 (Curnamona Province)

Very little systematic exploration has been completed across the Curnamona Province tenure, despite 85% of the area being comprised of exposed basement outcrop. Only nine hardrock drillholes have been completed, over two prospects within the 78km^2 area to date and the vast majority of the tenure remains unexplored. The *Broken Hill Exploration Initiative* (BHEI) commenced in 1994 and included a regional magnetic survey at 100m spaced lines, an invaluable exploration data set, which covered the full extent of the project area (Gibson, 1998).

The potential for multiple deposit styles exists, including Broken Hill Type Pb-Zn-Ag and various styles of Cu-Au mineralisation including: shear hosted, IOCG, magnetite skarn, strataform/ stratabound and supergene enrichment. There is also demonstrated potential for schist-hosted graphite and Li-REE-U-phosphate bearing pegmatites (Gibson, 1998 & Johnson, 1955).

The Broken Hill Type exploration model is supported by the presence of an extensive outcrop of Mn-rich chemical sediment, which correlates with the mineralised Broken Hill Domain stratigraphy and occurs coincident with anomalous multi-element geochemistry. There are also a number of EM anomalies located adjacent and along strike from the Mn-rich horizon outcrops.

Shear-hosted Cu-Au mineralisation is evident at the historic Walparuta Mine, Walter Outalpa mine and supergene enrichment at the Western Workings, all of which occur coincident with major structures on tenure. There is also subtle Co anomalism associated with the Cu-Au mineralisation and a number of Cu-Co prospects in the region.

Graphite potential is supported by the presence of graphitic schist outcrops.

There are numerous pegmatite dykes across the tenure containing REE in the form of Samarskite (Kings & Johnson, 1955), which also have the potential to host lithium in minerals such as spodumene, uranium minerals such as alanite and phosphate minerals such as apatite.

The Walparuta project presents an opportunity to drill test multiple geophysical anomalies. Although historic EM anomalies could not be verified during a recent geophysical review, elongate zones of high magnetic susceptibility associated with magnetite-rich alteration related to Cu-Au mineralisation at the historic Walparuta mine remain untested. With 85% basement outcrop across the project area, the ground is suitable for regional surface geochemical sampling, which could define additional anomalies warranting follow up.

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1. INTRODUCTION

1.1 Engagement and Scope

Petratherm Limited (PTR) listed on the Australian Securities Exchange (ASX) in 2004 as a geothermal energy company. PTR is in the process of being restructured as a mineral focused exploration company and have put together a combined South Australian tenement holding, which upon completion of the Agreements referred to above, will include three Exploration Licences and one Exploration Licence Application.

PTR will seek re-listing on the Australian Securities Exchange (ASX) as a mineral explorer in or about March 2018. Metalzoic Geological Consulting (MGC) were commissioned by PTR to provide an Independent Geologists Report (IGR) for the exploration properties as required for the Prospectus.

1.2 Preparation of the IGR

The IGR has been prepared independently and in accordance with the VALMIN Code and the Australian Securities and Investment Commission (ASIC) Regulatory Guides 111 and 112, to the extent that they are relevant to the scope of work. The VALMIN Code provides a set of fundamental principles (Competence, Materiality and Transparency), mandatory requirements and supporting recommendations accepted as representing good professional practice to assist in the preparation of relevant Public Reports on any Technical Assessment or Valuation of Mineral Assets.

1.3 Information Sources

PTR has provided MGC with technical information relating to these exploration properties. MGC have audited the technical information and established that the information has been prepared according to industry standards and is based on data of acceptable quality and reliability. This audit includes an independent verification of the historic geophysical anomalies presented by PTR and an inspection of historic drill core and cuttings at the South Australia Drill Core Reference Library. Additional background information has been obtained from publicly available reports that have been obtained from literature reviews and from the SA Department of Premier and Cabinet (SARIG database).

The IGR contains, and to a large extent is based on information provided by PTR. After due enquiry, MGC have no reason to believe that the information is materially misleading, incomplete or erroneous. The views, statements, opinions and conclusions expressed by MGC are based on the assumption that all data provided by PTR are complete, factual and correct to the best of PTR's knowledge.

1.4 Site Visits

MGC have not conducted a site visit for any of the exploration properties reviewed in this IGR. MGC is of the opinion that a site visit would not likely reveal any new information that is material to the assessment of the exploration properties for the following reasons:

Corunna Project

- The Corunna Project properties are considered as early stage exploration projects.
- The author has previously undertaken exploration field work within the Corunna Project area (2015).

Walparuta Project

- MGC completed an inspection of historic drill core and cuttings at the South Australia Drill Core Reference Library as part of the technical audit for the IGR.
- Historic mining operations on the Walparuta Project properties are well documented and photographed in reputable literature produced by the Geological Survey of South Australia.
- The only historic drill hole associated with the Creagh Dhubh prospect (NEWP1) has been subsequently re-located and surveyed in the field and the drill chips have been re-logged at the South Australian Core Library by W.R. Leyh in 2011.
- The re-discovered workings (Western Workings) which have no record in SARIG, have been verified using Google Earth.

1.5 Contributors to the IGR

The IGR has been prepared by

- Specialist, Ms Christine G Lawley, MSc (Ore Deposit Geology), MAIG, MAusIMM, who is an Exploration Geologist with MGC. Christine has over 12 years' experience working in the exploration and mining industry.

The IGR has been peer reviewed and authorised by, Dr Justin Gum, PhD (Exploration Geology), MAIG, MGC, Principal Geologist with over 30 years' experience working in mineral exploration and geological research.

2. BACKGROUND

2.1 PTR Exploration Property Assets

PTR's exploration property assets are located with the Curnamona Province and Gawler Craton of South Australia.

The granted exploration properties that are the subject of this IGR are ELs 5306, 5717 and 5497.

An exploration property application, ELA 2017/00250 is also included in the IGR.

PTR has signed a Letter Agreement to acquire up to a 75% interest EL 5497 from Musgrave Minerals Ltd (ASX Code: MGV). The Letter Agreement (and subsequent formal Mining Farm-In and Joint Venture Agreement) set out the terms and conditions by which PTR may acquire a 51% interest in the Tenement from MGV and, having acquired a 51% interest, may acquire a further 24% interest in the Tenement.

The Letter Agreement is subject to PTR re-listing on the ASX as a mineral explorer before 31 March 2018 (or such later date as the parties may agree) and PTR raising at least $4 million via a Prospectus.

PTR has entered in to a Tenement Purchase Agreement to acquire 100% of EL 5306 and EL5717 from SAEX Pty Ltd (December 2017).

The property assets in which PTR will hold an interest (**PTR's tenements**) are detailed in **Table 1** and **Table 2**. The total tenement holding covers an area of 1059 km^2 within South Australia.

2.2 Status of PTR Tenements

MGC completed an independent review of the status of PTR's tenements through the South Australian Resources Information Gateway (SARIG) website. MGC found all the tenements to be in good standing with no material issues.

Table 1: PTR Tenement Details

Granted Exploration Licences					
Tenement Name	**Number**	**Area (km^2)**	**Location**	**Grant Date**	**Holder**
Corunna North	EL 5497	260	Gawler Craton	13/10/2014	MGV
Whey Whey Creek	EL 5306	26	Curnamona Province	18/07/2013	SAEX
Walparuta	EL 5717	52	Curnamona Province	21/06/2015	SAEX
	Total Area	338			

Table 2 Cont.: PTR Tenement Details

Exploration Licence Applications					
Tenement Name	**Number**	**Area (km²)**	**Location**	**Grant Date**	**Holder**
Gilles Downs	ELA 2017/00250	721	Gawler Craton	TBA	PTR
	Total Area	721			

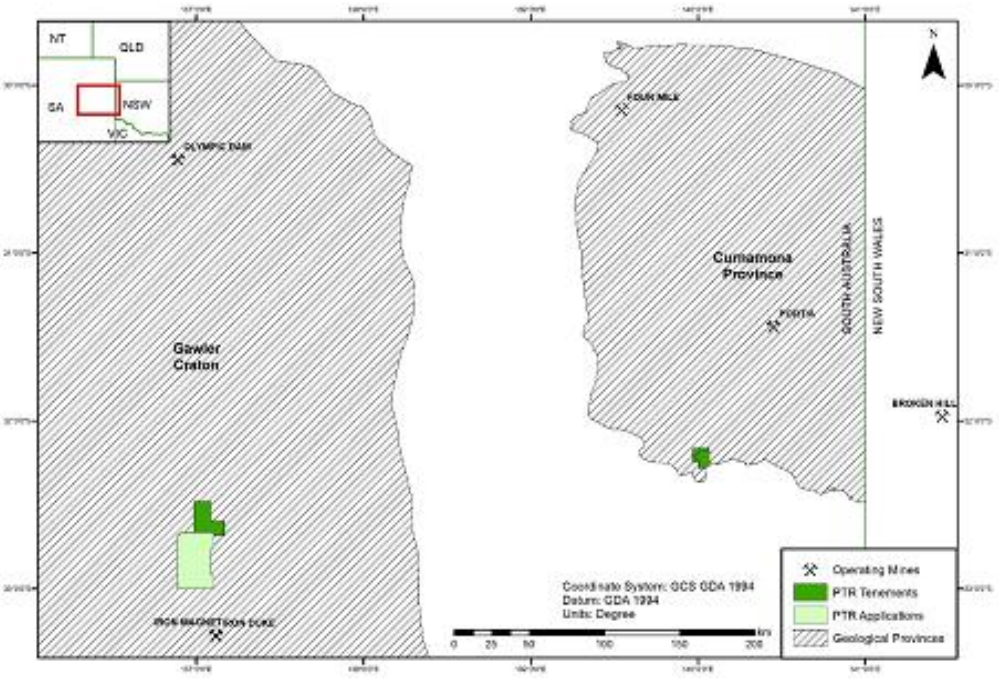

Figure 1: PTR Exploration Properties.

2.3 PTR Exploration Programmes and Budget

The total proposed PTR expenditure, for the first two years of exploration is in excess of A$2 Million.

2.3.1 EL 5497 (Gawler Craton)

The expenditure requirement for EL 5497 is as follows. There is no expenditure requirement for ELA 2017/00250 until the tenement is granted.

Table 3: EL 5497 Expenditure Requirements

Tenement	Period From	Period To	Expenditure Requirement
EL 5497	13/10/2016	12/10/2018	$110,000

The proposed exploration programme includes, but is not limited to the following activities:

Table 4: Corunna Project Proposed Exploration Programme and Budget

Minimum $4 Million Subscription - Expenditure Activity	Year 1 ($)	Year 2 ($)	Total ($)
Geophysics - surveys, processing and interpretation	$ 25,000	$ 120,000	$ 145,000
Geological Studies - research, exploration planning, management and reporting	$ 85,000	$ 135,000	$ 220,000
Soil geochemistry surveys	$ 120,000	$ 60,000	$ 180,000
Drilling - air core, reverse circulation and diamond	$ 270,000	$ 420,000	$ 690,000
Rehabilitation	$ 21,000	$ 18,000	$ 39,000
Native Title	$ 25,000	$ 30,000	$ 55,000
Field costs and tenement administration	$ 44,000	$ 63,000	$ 107,000
CORUNNA - TOTAL	**$ 590,000**	**$ 846,000**	**$ 1,436,000**
Maximum $5 Million Subscription - Expenditure Activity	**Year 1 ($)**	**Year 2 ($)**	**Total ($)**
Geophysics - surveys, processing and interpretation	$ 55,000	$ 120,000	$ 175,000
Geological Studies - research, exploration planning, management and reporting	$ 125,000	$ 175,000	$ 300,000
Soil geochemistry surveys	$ 120,000	$ 90,000	$ 210,000
Drilling - air core, reverse circulation and diamond	$ 300,000	$ 520,000	$ 820,000
Rehabilitation	$ 23,000	$ 23,000	$ 46,000
Native Title	$ 35,000	$ 40,000	$ 75,000
Field costs and tenement administration	$ 53,000	$ 77,000	$ 130,000
CORUNNA - TOTAL	**$ 711,000**	**$ 1,045,000**	**$ 1,756,000**

2.3.2 ELs 5306 & 5717 (Curnamona Province)

The expenditure requirements for ELs 5306 and 5717 are as follows.

Table 5: EL 5306 and E 5717 Expenditure Requirements

Tenement	Period From	Period To	Expenditure Requirement
EL 5306	18/07/2017	17/07/2018	$35,000
EL 5717	21/06/2017	20/06/2019	$140,000

The proposed exploration programme includes, but is not limited to the following activities:

Table 6: Walparuta Project Proposed Exploration Programme and Budget

Minimum $4 Million Subscription - Expenditure Activity	Year 1 ($)	Year 2 ($)	Total ($)
Geophysics - surveys, processing and interpretation	$ 75,000	$ 60,000	$ 135,000
Geological Studies - research, exploration planning, management and reporting	$ 85,000	$ 85,000	$ 170,000
Soil and rock chip geochemistry surveys	$ 6,000	$ 2,000	$ 8,000
Drilling - reverse circulation and diamond	-	$ 240,000	$ 240,000
Rehabilitation	-	$ 8,000	$ 8,000
Native Title	$ 70,000	$ 25,000	$ 95,000
Field costs and tenement administration	$ 19,000	$ 34,000	$ 53,000
WALPARUTA - TOTAL	**$ 255,000**	**$ 454,000**	**$ 709,000**
Maximum $5 Million Subscription - Expenditure Activity	**Year 1 ($)**	**Year 2 ($)**	**Total ($)**
Geophysics - surveys, processing and interpretation	$ 75,000	$ 75,000	$ 150,000
Geological Studies - research, exploration planning, management and reporting	$ 125,000	$ 125,000	$ 250,000
Soil and rock chip geochemistry surveys	$ 9,000	$ 4,000	$ 13,000
Drilling - reverse circulation and diamond	-	$ 270,000	$ 270,000
Rehabilitation	-	$ 8,000	$ 8,000
Native Title	$ 70,000	$ 35,000	$ 105,000
Field costs and tenement administration	$ 22,000	$ 41,000	$ 63,000
WALPARUTA - TOTAL	**$ 301,000**	**$ 558,000**	**$ 859,000**

2.4 PTR Management, Technical Staff and Corporate Consideration

PTR has an experienced management team which, in MGC's opinion, is suitably qualified to effectively manage exploration programs to industry standards when funds become available.

The management team post re-instatement on ASX will include:

Mr Derek Carter – Non-Executive Chairman (BSc, MSc, FAusIMM (CP))
Mr Carter has over 40 years' experience in exploration and mining geology and management. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Gold NL in 1993. He is the Chairman of Highfield Resources Ltd, former Chairman of Minotaur Exploration Ltd, and a former board member of Intrepid Mines Ltd and Mithril Resources Ltd, all ASX listed companies.

Mr Donald Stephens – Non-Executive Director and Company Secretary (BA (Acc.), FCA)
Mr Stephens is a Chartered Accountant and corporate advisor with over 25 years' experience in the accounting, mining and services industries, including 14 years as partner of HLB Mann Judd (SA), a firm of Chartered Accountants. Mr Stephens specialises in small cap ASX listed entities.

Mr Simon O'Loughlin – Non-Executive Director (BA (Acc.), Law Society Certificate in Law)
Mr O'Loughlin is the founder of O'Loughlin's Lawyers, an Adelaide based, specialist commercial law firm. He has extensive experience in the corporate and commercial law fields while practising in Sydney and Adelaide, and also holds accounting qualifications.

Mr Peter Reid – Exploration Manager (BSc Hons, MAIG)
Mr Reid is an exploration geologist with 25 years' experience. He has held senior roles with several ASX junior exploration companies and was the founder of Petratherm Limited, a specialist engineered geothermal explorer and developer. He has a geological consultancy service and is involved in several mineral exploration start-up ventures.

3. EXPLORATION PROPERTIES – GAWLER CRATON

3.1 Regional Geology – Gawler Craton

The Gawler Craton comprises a Meso- to Neoarchaean core enclosed by Palaeoproterozoic to Mesoproterozoic rocks, which cover an area of 440,000 km^2 in central South Australia (**Figure 2**). The Mesoarchaean history of the Craton is dominated by felsic magmatism, the Neoarchaean to Palaeoproterozoic by sedimentation and bimodal volcanism and the Mesoproterozoic by felsic volcanism (DPC website, 2018).

The southern boundary of the Craton coincides with the continental margin, the Torrens Hinge Zone and Adelaide Geosyncline separate the Gawler Craton from the Curnamona Province to the east and the Officer Basin separates the Gawler Craton from the Musgrave Province in the north and the Coompana Province in the west. The eastern, northern and western boundaries are all poorly constrained due to the extensive cover sequences in the region (DPC website, 2018).

The Gawler Craton preserves a complex tectonic history spanning from 3400Ma to 1450Ma and the age of all the major events has been summarised below (DPC website, 2018).

- Felsic magmatism of the Cooyerdoo Granite and underlying tonalite-trondhjemite-granodiorite (TTG) basement (~3400 - 3150 Ma)
- Felsic magmatism of the Coolanie Gneiss (~2820 Ma)
- Bimodal magmatism and sedimentation of the Sleaford and Mulgathing Complexes (~2560 – 2470 Ma)
- Sleaford Orogeny (~2480 – 2420 Ma)
- Felsic magmatism of the Miltalie Gneiss and equivalents (~2000 Ma)
- Sedimentation and bimodal magmatism (~2000 – 1730 Ma) including Hutchison Group, Broadview Schist and Myola Volcanics, Moonabie Formation and McGregor Volcanics, Wallaroo Group, Peake Metamorphics, Price Metasediments, and unnamed sediments in the Nawa and Fowler Domains and Mt Woods inlier
- Cornian Orogeny (~1855 – 1845 Ma); metamorphism and felsic magmatism of the Donington Suite
- Kimban Orogeny (1730 – 1690 Ma); metamorphism and felsic magmatism of the Middlecamp Granite and equivalents and Moody Suite, synchronous with sedimentation of the Eba and Labyrinth Formations
- Sedimentation of the Tarcoola Formation and Corunna Conglomerate (1680 – 1640 Ma) and felsic magmatism of the Tunkillia Suite (~1690 – 1680 Ma)
- Felsic magmatism (1620 – 1570 Ma) comprising the Nuyts Volcanics, St Peter Suite and Gawler Range Volcanics and Hiltaba Suite, synchronous with metamorphism and shear zone formation
- Kararan Orogeny (1570 – 1540 Ma); shear zone formation
- Coorabie Orogeny (1470 – 1450 Ma); shear zone formation

The Corunna Project is located in the southeast Gawler Craton, within the Cleve Subdomain. The Cleve Subdomain is bounded by the Coulta Subdomain to the west and the Moonta Subdomain to the east and the northernmost extent of the project area is fringed by the southern margin of the Lower Gawler Range Volcanics (GRV) (Drexel et. al., 1993).

The Cleve Subdomain is a belt of Palaeoproterozoic metasediments, which includes clastic shallow marine sediments, iron formations, carbonates, mafic volcanics and minor felsic volcanics, which

collectively make up the Hutchison Group (Drexel et. al., 1993). The Hutchison Group overlies the Archaean to Early Proterozoic Sleaford Complex and has been intruded extensively by syn-Kimban Orogeny granitoids (formerly the Lincoln Complex). The Kimban Orogeny was followed by a period of extension (1680-1640 Ma), leading to local sedimentation, including fluvial conglomerate, sandstone and siltstone of the Mesoproterozoic Corunna Conglomerate (DPC website, 2018).

The Hutchison Group is the primary focus of current exploration activities and is considered highly prospective for epithermal-style Ag-Pb-Zn (e.g. Paris) and volcanogenic Pb-Zn-Ag (e.g. Menninnie Dam) with demonstrated potential for metasomatic sedimentary-hosted Zn-Pb deposits (e.g. Miltalie Mine).

In addition, this report also reviews the exploration potential for epithermal Au (e.g. Parkinson Dam), given the presence of extensive Corunna Conglomerate outcrops across the project area.

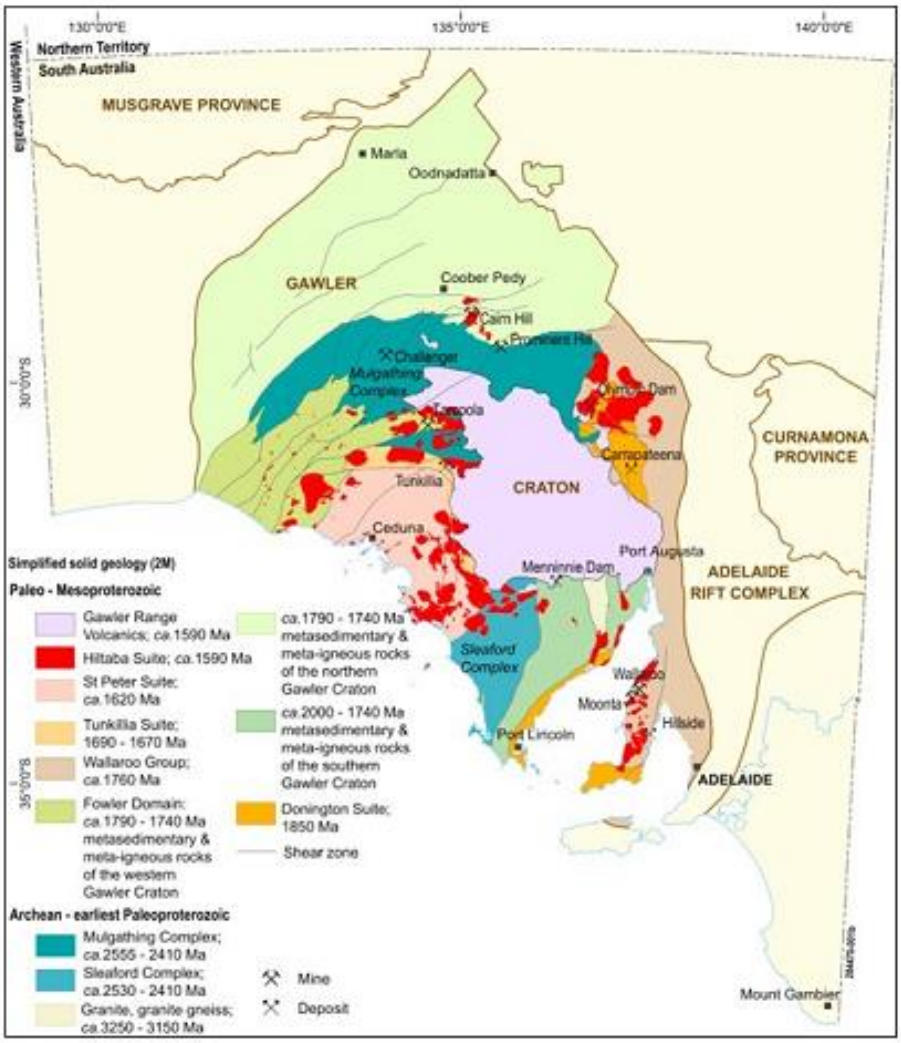

Figure 2: Simplified solid geology interpretation of the Gawler Craton, South Australia (Halpin & Reid, 2016).

3.2 Exploration Strategy – Gawler Craton

Hutchison Group metasediments of the Gawler Craton are the primary exploration focus within the Corunna project area (**Figure 3**). This includes epithermal-style Ag-Pb-Zn (e.g. Paris) and volcanogenic carbonate-replacement Pb-Zn-Ag bodies (e.g. Menninnie Dam), which are linked to the Hiltaba Event (**Figure 3**). The Hutchinson Group is also prospective for metasomatic sedimentary-hosted Pb-Zn-Ag-Cu deposits (e.g. Miltalie Mine, Mangalo Mine and Atkinson's Find), which are related to regional metamorphism, which may have either occurred during Kimban Orogeny or the subsequent Hiltaba Event (**Figure 3**). However, the known metasomatic occurrences are far less significant than the epithermal and volcanogenic carbonate-replacement style mineralisation seen to date.

There is also significant Corunna Conglomerate outcrop in the project area (**Figure 3**), which is also considered prospective for Hiltaba-aged epithermal Au (e.g. Parkinson Dam) and uranium mineralisation (DPC website, 2018).

In low sulphidation epithermal systems, the mineralisation and corresponding alteration is confined to major structures (Hoschke, 2011). Epithermal alteration is magnetite destructive (i.e. advanced argillic alteration), so for this reason linear magnetic lows are primary targets for epithermal Ag-Pb-Zn. In cases where there is mineralised outcrop or sub-crop, coincident potassium responses in radiometric imagery could also reflect the presence of alteration minerals adularia and illite (Hoschke, 2011). IP is not useful for direct targeting of mineralisation, due to veins being narrow and low in sulphide, however it can be useful in detecting the broader clay-pyrite alteration footprint (Hoschke, 2011).

In the case of the Corunna Project, the primary focus for exploration should be along faults in zones of structural complexity where a secondary NW–SE or NE–SW fault intersects a major structure (**Figure 5**) (Blundell, 2017). This includes the Uno Fault, a parallel splay to the north of the Uno Fault, and a major structure extending NNE from the South Triumph prospect (Blundell, 2017). A structural and geochemical review completed by Musgrave Minerals (ASX:MGV) in 2017, highlighted a spatial correlation between these structures and anomalous geochemistry. MGV also reviewed historic geochemistry and determined that the Terra Leach Digest TL1 (Intertek Genalysis) with an ICP-MS and AAS finish combination to be the most effective analytical method to apply in this area (Blundell, 2017).

This structural interpretation should be extended south to cover the full extent of ELA 2017/00250 (**Figure 5**) and compared with areas of anomalous geochemistry. One consideration when reviewing the geochemistry on ELA 2017/00250 is that with increased distance from the Lower GRV outcrop (topographic high), the basement geochemical response is likely to become more obscured due to increased cover thickness. The transported sediments may also produce false positives (i.e. elevated Ag in transported material will not necessarily reflect mineralisation at depth). For this reason, it would be unwise to target geochemical anomalies in isolation, without the presence of coincident structural targets.

The Corunna Conglomerate outcrops extensively within the south-east portion of EL 5497. The Parkinson Dam Prospect is located along strike from the project area at the base of the Lower GRV, adjacent to the Uno Fault, and is hosted within Corunna Conglomerate. Conglomerates form favourable host rock for hydrothermal fluids, due to their relatively high porosity and permeability. Access to the main outcrop (topographic high) would be difficult, due to heritage exclusion and

Geological Monument status, but extensions of the unit which are sub-cropping or undercover, occurring coincident with the same structural regime outlined by Blundell (2017) would be worthwhile investigating.

Volcanogenic carbonate-replacement and sediment-hosted massive Pb-Zn sulphide bodies tend to have a broad geometry, which extends over a significant strike length. There are a number of contrasting physical rock properties that allow them to be discriminated from the Hutchison Group host rocks

- Moderate conductivity, which can be detected using EM.
- High density, which can be targeted with detailed gravity.
- Moderate strength magnetic signature, which (subject to the magnetic properties of the host rock) can stand out as either a subtle high (i.e. within carbonates) or a subtle low (i.e. within magnetic granites e.g. Burkitt granite).

Structural offsets associated with tectonic deformation that occurred pre- and post-mineralisation need to be taken into consideration during geophysical interpretations, given that they are likely to add complexities to the geophysical response.

In the case of Menninnie Dam, the deposit was discovered through the drill testing of aeromagnetic anomalies (Roache, 1996). Whereas, Paris was discovered through soil geochemistry after drill testing a large (1200m x 200-400m), coherent zone of anomalous Ag (ASX: IVR 21st July 2011). Parkinson Dam mineralisation was found in outcrop, after following up a calcrete Au anomaly. In all three cases, low cost methods lead to straight forward drill testing and exploration success.

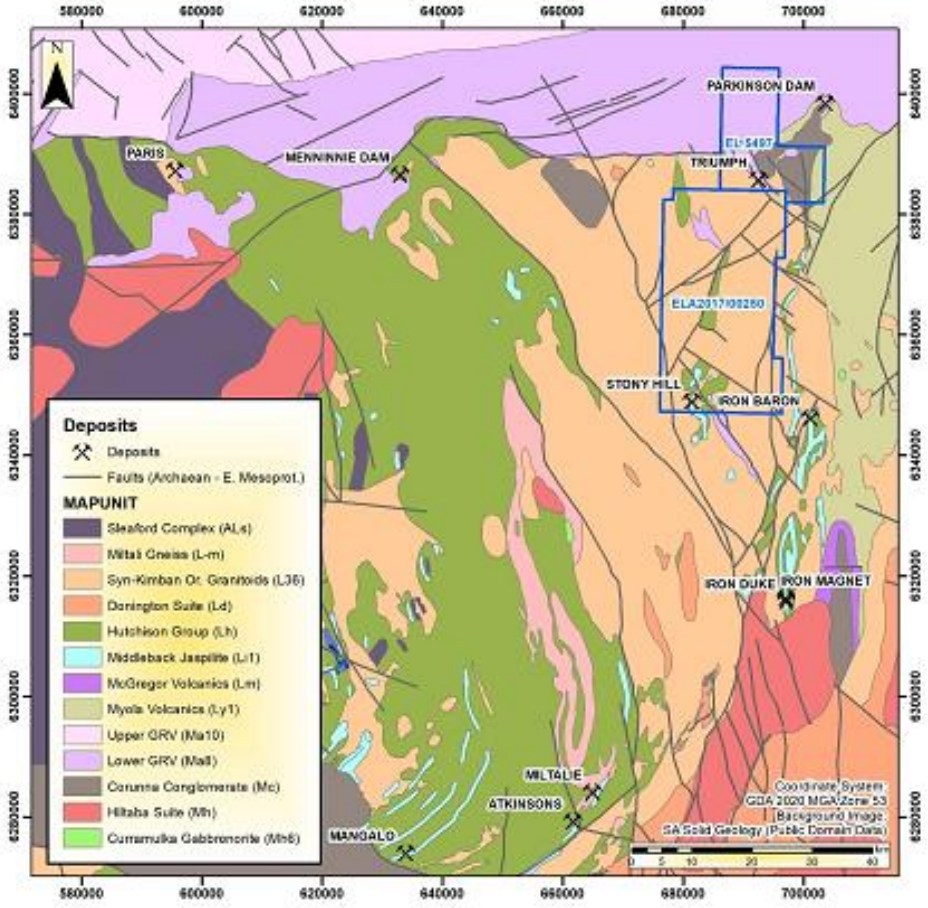

Figure 3: Corunna Project solid geology, tenements and analogous regional mineralisation.

3.3 EL 5497 & ELA 2017/00250 (Corunna Project)

3.3.1 Description – EL 5497 & ELA 2017/00250

EL 5497 is held by MGV and covers 260 km^2 and is located approximately 70 km west-south-west of Pt Augusta. The applicant for ELA 2017/00250 is PTR (100%). ELA 2017/00250 covers 721 km^2 and is located approximately 55 km west-north-west of Whyalla.

The main exploration focus for the Corunna project is epithermal-style Ag-Pb-Zn, volcanogenic carbonate-replacement Pb-Zn-Ag and metasomatic sedimentary-hosted Pb-Zn sulphides associated with Hutchison Group metasediments. There is also recognised potential for epithermal Au-Ag (Pb-Zn) within the Corunna Conglomerate. Epithermal and volcanogenic carbonate-replacement mineralisation identified to date, occurs proximal to the margin of the Lower GRV and the major Uno

Fault, whereas metasomatic Pb-Zn-Ag-Cu mineralisation has been identified much further south (~110km). Regional examples of the mineralisation styles being targeted are summarised in **Table 6**.

Table 7: Regional examples of mineralisation (locations are relative to the Triumph Prospect).

Occurrence	Type	Host Rock	Geochemistry	Location
Paris	Epithermal	Hutchison Group	Ag-Pb-Zn	~100km west
Menninnie Dam	Volcanogenic Carbonate-Replacement	Hutchison Group	Pb-Zn-Ag	~60km west
Parkinson Dam	Epithermal	Corunna Conglomerate	Au-Ag-Pb-Zn	~15km north-east
Miltalie, Mangalo & Aitkinson's Find	Metasomatic	Hutchison Group	Pb-Zn-Ag-Cu	~110km south-south-west

According to GSSA's solid geology interpretation, the basement geology across ELA 2017/00250 is dominated by Kimban Orogeny granitoids (formerly Lincoln Complex), which have extensively intruded Hutchison Group metasediments leaving only thin north-south trending remnants with associated Iron Formations (Middleback Jaspilite) (**Figure 3**). Contrary to this, historic drillholes confirm the presence of significantly more Hutchison Group within the tenure. The interpreted Kimban Orogeny granitoids extend north into the adjacent tenement (EL 5497), however the basement geology beyond this is dominated by Lower GRV (**Figure 3**). The Uno Fault, a major east-west structure, separates the Lower GRV from the underlying Hutchison Group metasediments. The south-east portion on EL 5497 contains extensive Corunna Conglomerate and the eastern most portion of the tenement incorporates the boundary between the Cleve Domain and the Spencer Domain, marked by the presence of the Myola Volcanics (**Figure 3**).

Basement outcrops are sparse on ELA 2017/00250 and the surface geology is dominated by Pleistocene gravel, clay, silt and sand with soft carbonate, overlying nodular/tabular calcrete. Playa sediments and gypsiferous dunes and lunettes, associated with Lake Gilles dominate the cover in the north-west portion of the ELA. There are sporadic small granite outcrops across this tenure, which concentrate in the north-east corner of the tenement and continue north into the adjacent tenement (EL 5497). Contrary to the solid geology interpretation, the surface geology highlights the presence of earlier Archaean granites amongst the Kimban granitoids. There are extensive exposures of Eucarro Rhyolite (Lower GRV) in the north and Corunna Conglomerate in the south-east on EL 5497, both of which are fringed by extensive colluvium. Holocene alluvium is concentrated around the centre of the project area (i.e. across the tenement boundary) and there are also a number of undifferentiated quartz veins and bodies concentrated in the same area. During field reconnaissance undertaken by the author in 2015, it was noted that, in some cases, the mapped quartz veins were actually brecciated barite veins (**Figure 4**).

Figure 4: Brecciated epithermal barite veins on EL 5497 (photograph taken by Lawley, 2015).

Much of the pre-1980s work conducted within the project area focussed on uranium exploration. Stratiform base metal exploration, within the Hutchison Group metasediments became the focus in the 1980s and this lead to the discovery of Menninnie Dam by Shell (1981), which is located 60km west of the project area (Biggins, 2014). Shell continued their base metal exploration east across the project area from 1982 to 1986 through airborne magnetics, ground magnetics and RAB drilling. This resulted in the identification of the Triumph Ag prospect (**Figure 5**) (Biggins, 2014).

The Triumph prospect was discovered by Billiton from the location of two prospector's pits within BIF of the Hutchison Group rocks. Billiton completed mapping, soil geochemistry, SIROTEM, and ground magnetic surveys before drilling several RC and RAB holes along the edge of a volcanic outcrop into the Hutchison Group basement rocks. Two of the strongest SIROTEM anomalies were tested with RC drilling. The first hole intersected dolomite, pyritic black shales, and biotite schists of Hutchison Group. The black shales were thought to be the conductor and contained some elevated base metals up to 300ppm. The second hole intersected Corunna Conglomerate, gneiss and Gawler Range Volcanics (GRV), granitic gneiss, and dolerite. The best base metals results were associated with the dolerite and contained up to 0.26% Pb and 0.60% Zn (Blundell, 2017). Aberfoyle completed follow up work on the Triumph prospect and concluded that the mineralisation was either associated with a NNW-trending GRV dyke or with E–W faults, which may intersect the dyke, which acted as a conduit for the mineralising fluids (Blundell, 2017)

The Triumph prospect occurs adjacent to the Uno Fault. The Uno Fault continues to the northeast where it is interpreted to align with the Tasman Resources Parkinson's Dam prospect (Blundell, 2017), further highlighting the significance of this structure in acting as a major fluid conduit for the

formation of base and precious metal deposits. Triumph South includes a 9g/t Ag and 2.85% Pb rock chip and multiple RAB intersections with > 1g/t Ag, 0.1% Pb and 0.1% Zn (**Figure 5**).

Centrex had an iron ore focus on Middleback Jaspilite haematite BIFs on the Stony Hill prospect located in the south-west corner of the project area (**Figure 5**). The Stony Hill prospect is marked by a low hill of Palaeoproterozoic BIF located ~20km west of Middleback Range (i.e. Iron Baron). Reconnaissance drilling (Centrex, identified magnetite-bearing BIF, grade ~30%Fe, 1 sample for DTR (i.e. Davis Tube) test work gave favourable results (SARIG, 2018).

Intermet Resources completed a gravity survey in 2006 in pursuit of IOCG targets and three subsequent diamond drillholes (RDD002, LED001 and SCD001) were drilled to test the gravity anomalies defined in the survey. The anomalies are referred to as the Lake Gilles, Salt Creek and Red Dam prospects (Biggins, 2014).

At the Red Dam Prospect (**Figure 5**), RDD002 intersected a breccia zone over the depth interval 401-420 m which contained extensive sericite alteration and quartz veining, with abundant sericite alteration from 413 to 439m. This zone included disseminated pyrite and arsenopyrite with slightly elevated Cu and Zn, averaging 153ppm and 298ppm respectively from 410 to 422m. The Lake Gilles Project (**Figure 5**) drill hole LED001 intersected magnetite-rich, coarse grained granodiorite. No significant assay results were returned. Salt Creek Prospect (**Figure 5**) drill hole SCD001 intersected Burkitt granite containing minor sulphides from 70-120m, including 36m @ 0.1% Zn from 80m (Biggins, 2014).

Currie Resources completed soil sampling and identified the Jack's Dam Prospect (**Figure 5**), a 4.5km x 2.5km 200ppb Ag geochemical anomaly in the south-east corner of the project area (Biggins, 2014).

Recent AC drilling by Musgrave Minerals (ASX: MGV announcement, August 2015) reported anomalous Pb, Zn and Ag results on EL 5497.

Results included:

- 11m @ 1% Pb, 0.5% Zn and 4.2g/t Ag from 19m (drill hole COAC017).
- 6m @ 1% Pb, 0.2% Zn and 8.2g/t Ag from 14m (drill hole COAC018)
- 13m @ 0.6 % Pb, 0.4% Zn and 7.2g/t Ag from 32m (drill hole COAC019)
- 22m @ 0.5% Pb, 0.2% Zn and 13.2g/t Ag from 17m (drill hole COAC021).

In addition, Musgrave Minerals completed a structural re-interpretation and an assessment of geochemical methods. The structural review highlighted a spatial correlation between anomalous geochemistry and secondary NW–SE or NE–SW fault intersections with major structures (**Figure 5**). MGV also reviewed the best analytical methods for low level Ag and determined that the Terra Leach Digest TL1 (Intertek Genalysis) with an ICP-MS and AAS finish combination to be the most effective technique to apply (Blundell, 2017).

Recent government datasets, which greatly assist mineral explorers, include the Corunna HyMap Survey (2015) and the Uno and Roopena 100K Mapsheets (published in 2017).

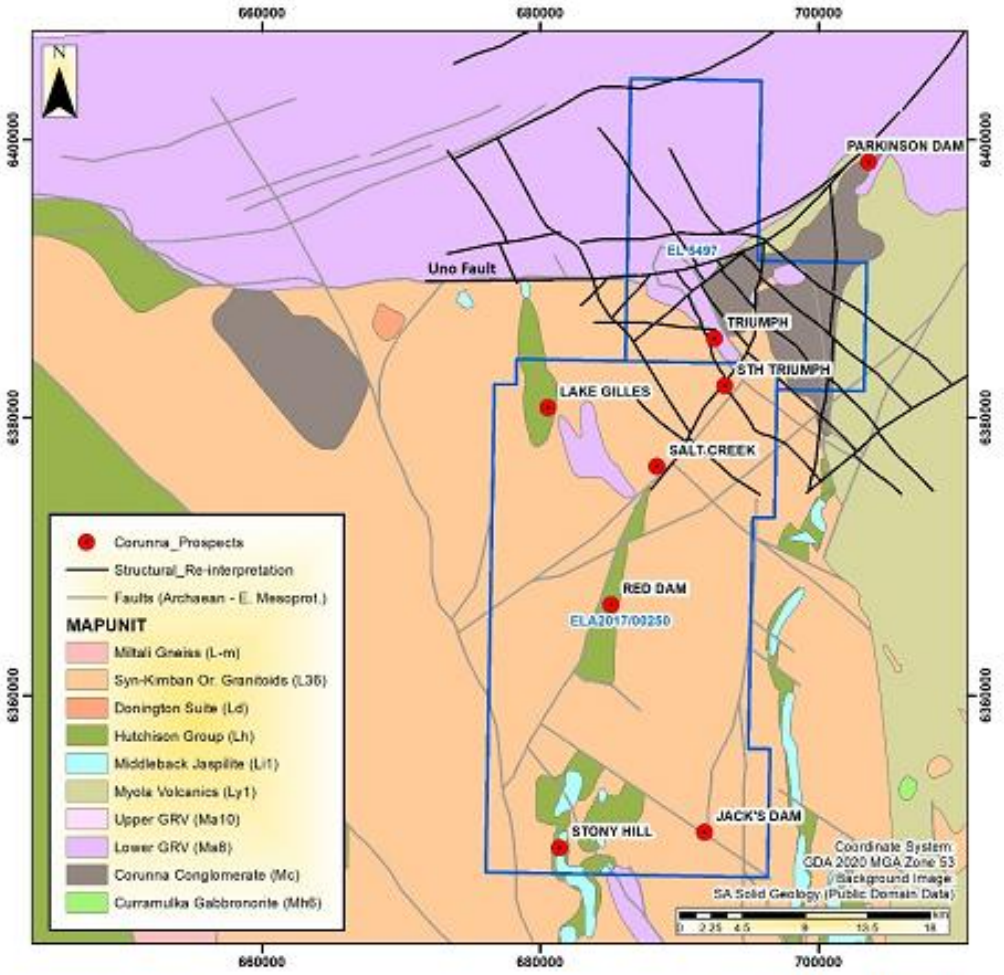

Figure 5: Revised structural interpretation, prospects and regional geology (Blundell, 2017).

3.3.2 MGC Opinion – EL 5497 & ELA 2017/00250

Although the Corunna project area has been subject to extensive soil sampling, much of the earlier work may not have been effective. The Paris Ag deposit was identified using extremely low detection limits, possible only with the advancement of soil sampling techniques and laboratory analysis methods, which weren't available at the time much of the historic sampling was completed.

There appears to be a spatial correlation between anomalous Ag and major structures across the project area including the Uno Fault. The Uno Fault is a major structure, which runs through the project area near base of the Lower GRV. This fault may be important in the emplacement of intrusive rocks and possibly acts as a major conduit for fluid flow, which is important for the formation of base and precious metals deposits. Within the project area, the Uno Fault appears to swing from a dominantly E–W orientation to a NE orientation and intersects a north-westerly

trending fault that runs adjacent to the Triumph prospect (Blundell, 2017). The intersection of these major faults presents an interesting structural target for epithermal style deposits, or porphyry and skarn deposits at depth. The Gairdner dykes are offset by the Uno Fault in this area, indicating reactivation of the fault over a protracted period of time. The Uno Fault continues to the northeast where it is interpreted to align with the Parkinson's Dam deposit (Blundell, 2017).

Given the presence of the highly prospective Hutchison Group (i.e. host rock to Paris and Menninnie Dam), the prospective Corunna Conglomerate (i.e. host rock to Parkinson Dam), multiple surficial Ag occurrences (spatially associated with structures), multiple structural targets with no surface geochemistry, the advancement of soil sampling analysis methods (i.e. rendering most historic sampling ineffective) and the limited RC/Diamond drilling completed across the tenements to date, it is MGC's opinion that the project area is highly prospective and further work is warranted on EL 5497 and ELA 2017/00250.

4. EXPLORATION PROPERTIES – CURNAMONA PROVINCE

4.1 Regional Geology – Curnamona Province

The Curnamona Province is a large, near-circular region of Palaeo- to Mesoproterozoic rocks (**Figure 7**), which cover an area of ~55,000 km² in the northeast of South Australia and west of New South Wales (DPC website, 2018).

Deposition of the sedimentary protolith occurred between 1720-1640 Ma within an extensive late Palaeoproterozoic basin complex, along the eastern margin of the Australian Precambrian Craton, which contains giant Pb-Zn orebodies such as Broken Hill, Mount Isa and McArthur River. These sediments were subsequently lithified to form a series of siltstones, sandstones, ironstone and minor limestones (Leyh, 2009). Later metamorphism resulted in the formation of greenschist to granulite facies metasediments including gneisses, schists, migmatites, and granitoids with lesser occurrences of mineralised calc-silicates and meta-chemical sediments. These rocks are collectively referred to as the Willyama Supergroup (Leyh, 2009). Contemporaneous with sedimentation was an episode of bimodal magmatism and felsic volcanism, resulting in intrusion into and intercalation with, respectively, the Willyama Supergroup sediments (Gibson, 1998).

Distinctive variations in the volcanic, tectonic, metamorphic and sedimentary facies characteristics, provide for the division of seven representative domains across the Curnamona Province. These include the Olary Domain in the southwest (location of the Walparuta Project), Broken Hill Domain in the east (largely in NSW but extending a short distance into SA), the Mulyungarie Domain in the centre and straddling the state border, and Moolawatana Domain in the northwest. The Mudguard Domain of Mesoproterozoic volcanic rocks overlies the central portion of the Province; these volcanic rocks occupy a shallow subsurface ridge, the Benagerie Ridge, which separates two deeply buried portions of the Province, the Erudina Domain in the west and Quinyambie Domain in the east (DPC website, 2018).

The margins of Curnamona Province are unconformably overlain by Neoproterozoic and Palaeozoic mobile belts, which obscure the true extent of the province (**Figure 7**). The Curnamona Province lies east of the Archaean to Mesoproterozoic Gawler Craton, separated by Neoproterozoic (Adelaidean) to Cambrian rift and sag basin complex (Adelaide Geosyncline).

The Curnamona Province is largely obscured by younger sediments, with outcrops restricted to a series of inliers, known collectively as the Willyama Inliers, in the Olary – Broken Hill region and the Mount Painter and Mount Babbage Inliers in the northwest corner of the Province (DPC website, 2018).

The Curnamona Province preserves a tectonic history spanning from 1720Ma to 490Ma including sedimentation, bimodal magmatism and felsic volcanism and two major tectonic events; the Olarian Orogeny (1620-1580Ma) and Delamerian Orogeny (510-490Ma).

The Olarian Orogeny, involved major crustal shortening accompanied by high-temperature low-pressure metamorphism, increasing in grade from greenschist facies in the centre of the Curnamona Province to granulite facies at Broken Hill in the southeast (DPC website, 2018). The marginal zones of the province were affected by deformation and low-grade metamorphism during the Cambrian Delamerian Orogeny (DPC website, 2018).

The age of all the major events has been summarised in chronological order below (DPC website, 2018).

Age of Major Events

- Willyama Supergroup deposition ~1720-1640 Ma
- Broken Hill Pb-Zn-Ag mineralisation ~1685 Ma
- Olarian Orogeny deformation and metamorphism ~1620-1580 Ma
- Ninnerie Supersuite felsic intrusions and volcanism ~1590-1580 Ma
- Radium Creek Group deposition ~1590-1580 Ma
- Moolawatana Suite felsic intrusions ~1560-1550 Ma
- Adelaide Geosyncline deposition ~830-510 Ma
- Delamerian Orogeny ~510-490 Ma
- Palaeozoic Mount Painter uranium mineralisation
- Mesozoic weathering and marine sedimentation
- Cenozoic palaeochannels, terrestrial sedimentation, uranium mineralisation

There are two key mineralisation styles, which are the current focus of exploration:

(1) The Olary Domain stratigraphic equivalent (Raven Hill Subgroup, **Figure 6**) to the mineralised Broken Hill Group of the Broken Hill Domain, given the potential to host further BHT Pb-Zn-Ag ore bodies (i.e. exhalite hosted). The presence of mafic source rock for the Cu metal component of the mineralisation is considered important for this model i.e. Lady Louise Suite (Gibson, 1998).

(2) Various styles of Cu-Au mineralisation including: shear hosted, IOCG, magnetite skarn, strataform/stratabound and supergene enrichment in weathering zones above low-grade sulphide mineralisation. **Note:** elevated Co associated with Cu-Au mineralisation is also being assessed.

In addition, this report also reviews the potential for economic accumulations of graphite within graphitic schists (previously overlooked) and Li-REE-U-phosphate potential within numerous pegmatite dykes across tenure.

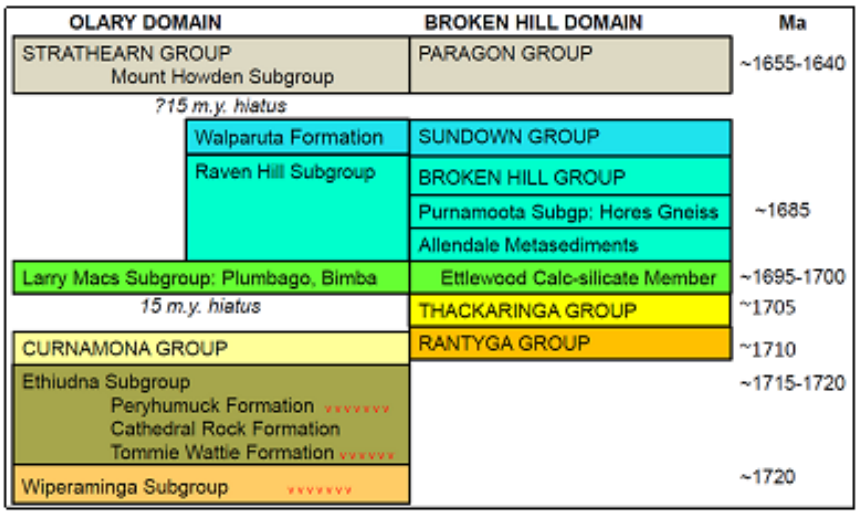

Figure 6: Willyama Supergroup: Correlation of the Olary Domain and Broken Hill Domain Stratigraphy (Reid & Preiss, 2015).

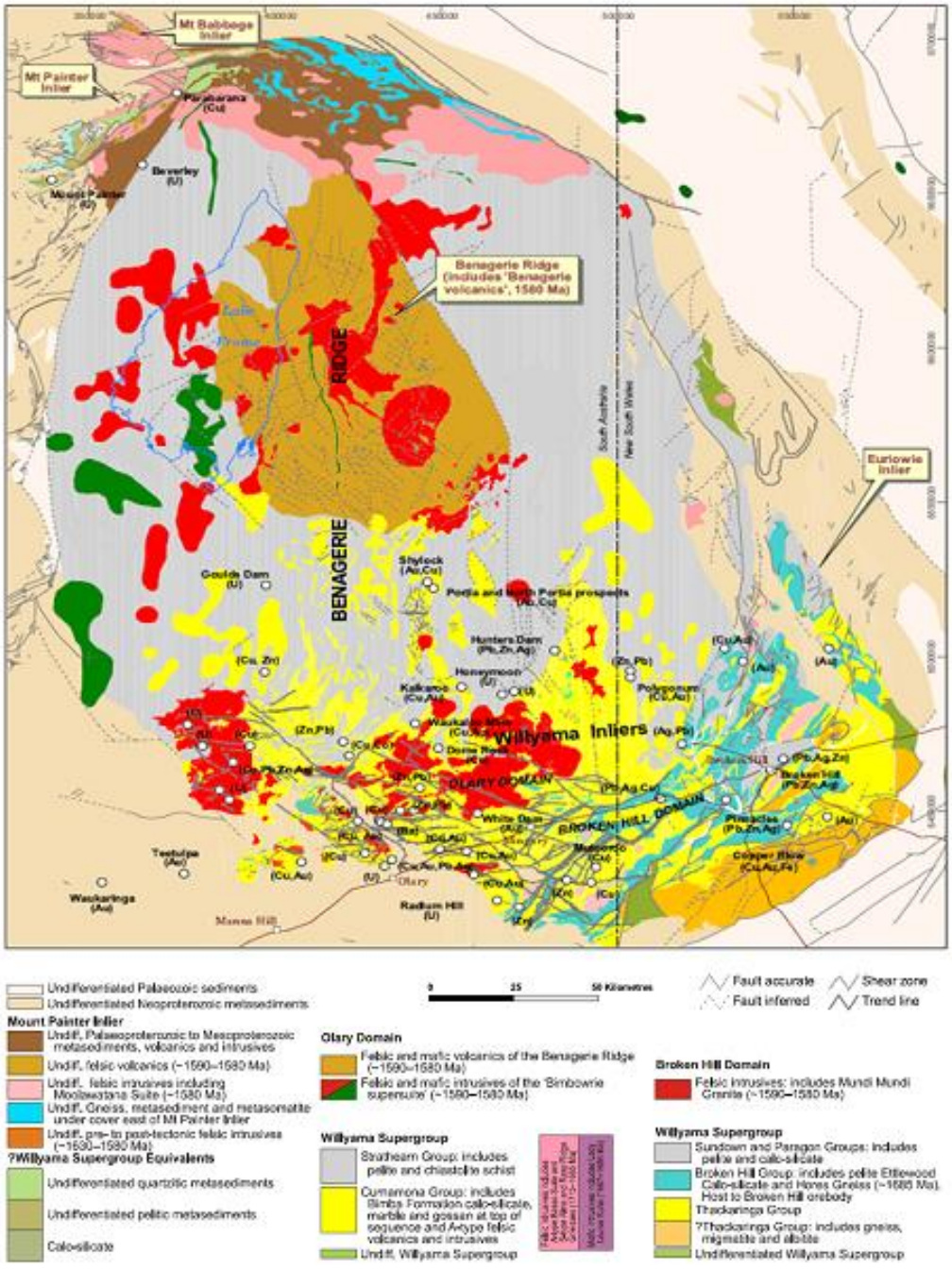

Figure 7: Curnamona Province solid geology interpretation (Burtt et. al., 2004).

4.2 Exploration Strategy – Curnamona Province

There are two key exploration models being investigated within the Walparuta Project tenements.

Within EL 5306, the exploration focus is on Broken Hill Type Pb-Zn-Ag mineralisation within the Upper Willyama Supergroup, Olary Domain stratigraphic units (i.e. Raven Hill Subgroup), which are stratigraphic equivalents to the mineralised Broken Hill Domain stratigraphy (i.e. Broken Hill Group) (**Figure 8**).

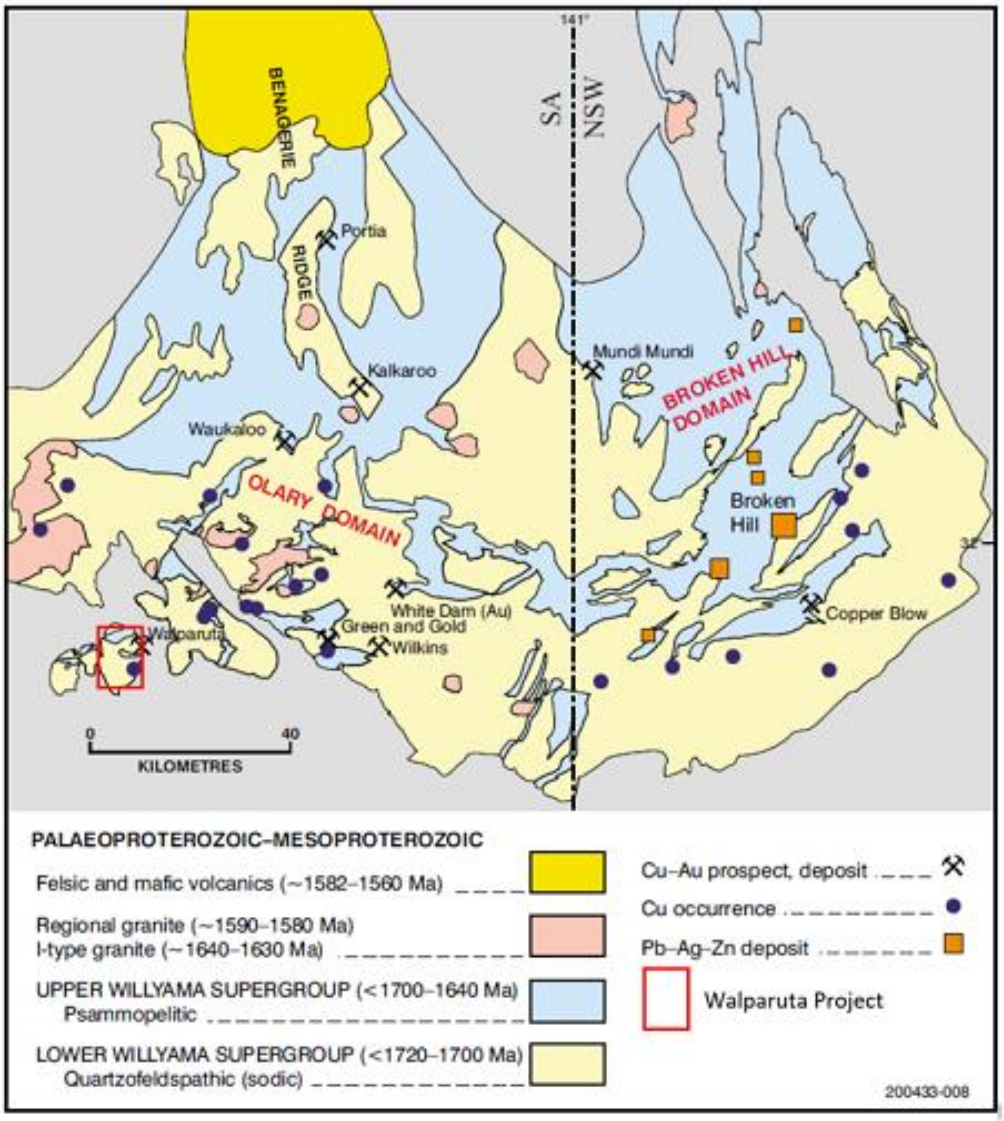

Figure 8: Location of Walparuta Project with respect to Cu-Au mineralisation in the southern Curnamona Province (Skirrow & Ashley, 2000).

Mafic intrusives of the Lady Louise Suite (Olary Domain) (**Figure 9**) are of similar age to the Hores Gneiss (Broken Hill Domain), which are considered to be the source of the Cu metal component (and a portion of the Zn component) for the Pb-Zn-Cu Broken Hill mineralisation (Gibson, 1998).

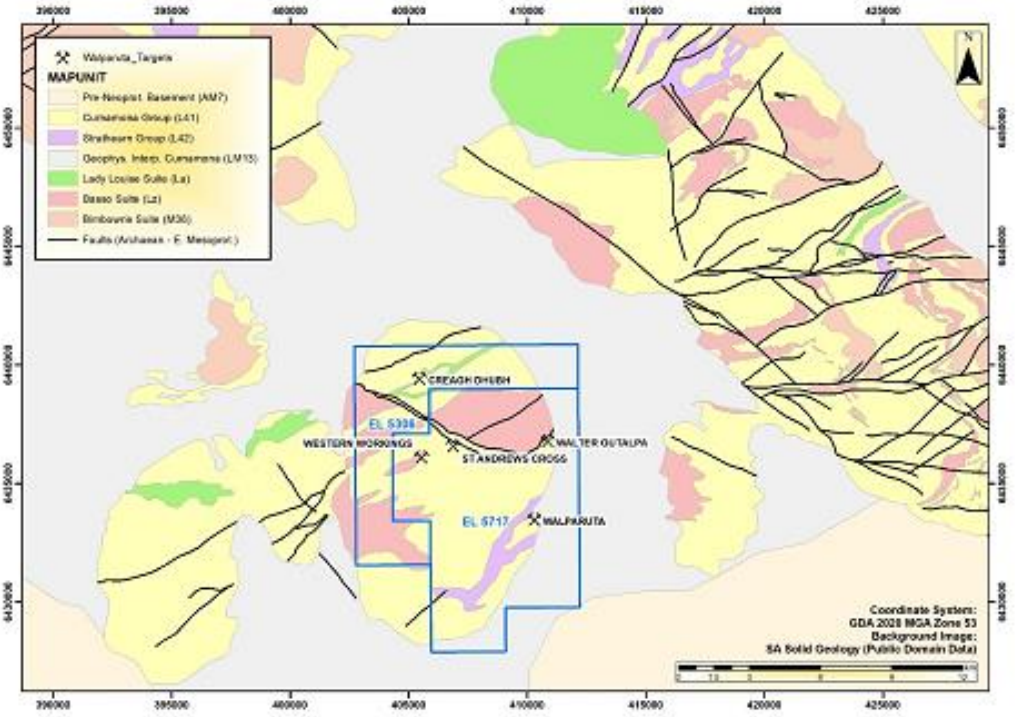

Figure 9: Walparuta project solid geology, tenements and prospect locations.

Large geophysical anomalies, with a broad geometry, over an extensive strike length are typical of strataform/stratabound massive sulphide deposits (i.e. BHT). The contrasting physical properties of massive Pb-Zn sulphides, which enable them to be discriminated from typical host rocks include: high density, low magnetic susceptibility and moderate conductivity. For example, the density of galena is > 7 Mg m^{-3}, whereas typical host rocks are < 3 Mg m^{-3} (Milsom and Eriksen, 2011) This creates an opportunity to locate dense Pb-Zn deposits using micro gravity. Pb-Zn sulphides are magnetically quiet, so in many host rocks would stand out as having low magnetic susceptibility (**Figure 10**). Moderate strength, broad EM bedrock conductors are common for Pb-Zn sulphides. Galena is a moderately strong conductor, whereas Sphalerite is relatively subtle. Structural offsets and folding associated with the Olarian Orogeny need to be taken into consideration during geophysical interpretations, given that they are likely to add significant complexity to the geophysical response.

The exploration strategy on EL 5717 has a focus on various styles of Cu-Au mineralisation including: shear hosted, IOCG, magnetite skarn, strataform/stratabound, and supergene enrichment in weathering zones above low-grade sulphide mineralisation.

Attempts by previous explorers to located mineralisation using EM and IP have been unsuccessful in the area surrounding the historic Walparuta Cu-Au mine, given the conductive nature of the host rocks in the area (pyritic and graphitic schists). Pyritic and graphitic schists can produce strong

bedrock responses, creating false-positives when targeting massive sulphides. However, should the graphite content in the schist be significantly high over a broad geometry, it would be worthwhile investigating the potential for Campoona-style graphite mineralisation (readily detectable with EM).

The mineralisation at Walparuta mine is associated with potassic alteration, which includes a magnetite – biotite – K-feldspar alteration assemblage. The spatial footprint of the potassic alteration is likely to extend well beyond that of the Cu-Au mineralisation. For this reason, the alteration would be much easier to target (i.e. Walparuta Mine extensions and new targets), than trying to directly target the mineralisation using electrical methods.

Potassic alteration has a geophysical signature which includes elevated zones of magnetic susceptibility. Walparuta Mine corresponds with a magnetic high (**Figure 10**), so detailed ground magnetics could discriminate zones of potassic alteration from the surrounding host rocks. A secondary function of detailed magnetics is to accurately define the position of regional and local-scale fault structures that are potential conduits for metal-bearing fluids. Historical open file reports have records of detailed magnetics being undertaken across the Walparuta mine by Newmont Pty Ltd at 50m spaced lines i.e. magnetic contour plans (Dickson, 1975 & Carthew, 1989). The magnetic contour plans show a positive correlation between the mineralised horizon and zones of elevated magnetic susceptibility. The original data (non-digital) was included in the Open Files, so reprocessing is a possibility.

In the case of near surface alteration, zones of elevated potassium (K) can be located using radiometric survey data (**Figure 11**). Remote sensing techniques including hyperspectral (HyMap) and multispectral (Advanced Spaceborne Thermal Emission Radiometer – ASTER) have the potential to identify zones of elevated biotite, K-feldspar and associated supergene mineralisation.

Also of note is the geochemical association of Bi with Cu and Au at the supergene enriched Western Workings. Given this association, Bi could potentially be used as a pathfinder element to locate further Cu-Au mineralisation.

There is also demonstrated potential for IOCG mineralisation within the Curnamona Province, through the discovery of prospects including Portia, North Portia, White Dam and Kalkaroo (Burtt et. al., 2004) (**Figure 8**).

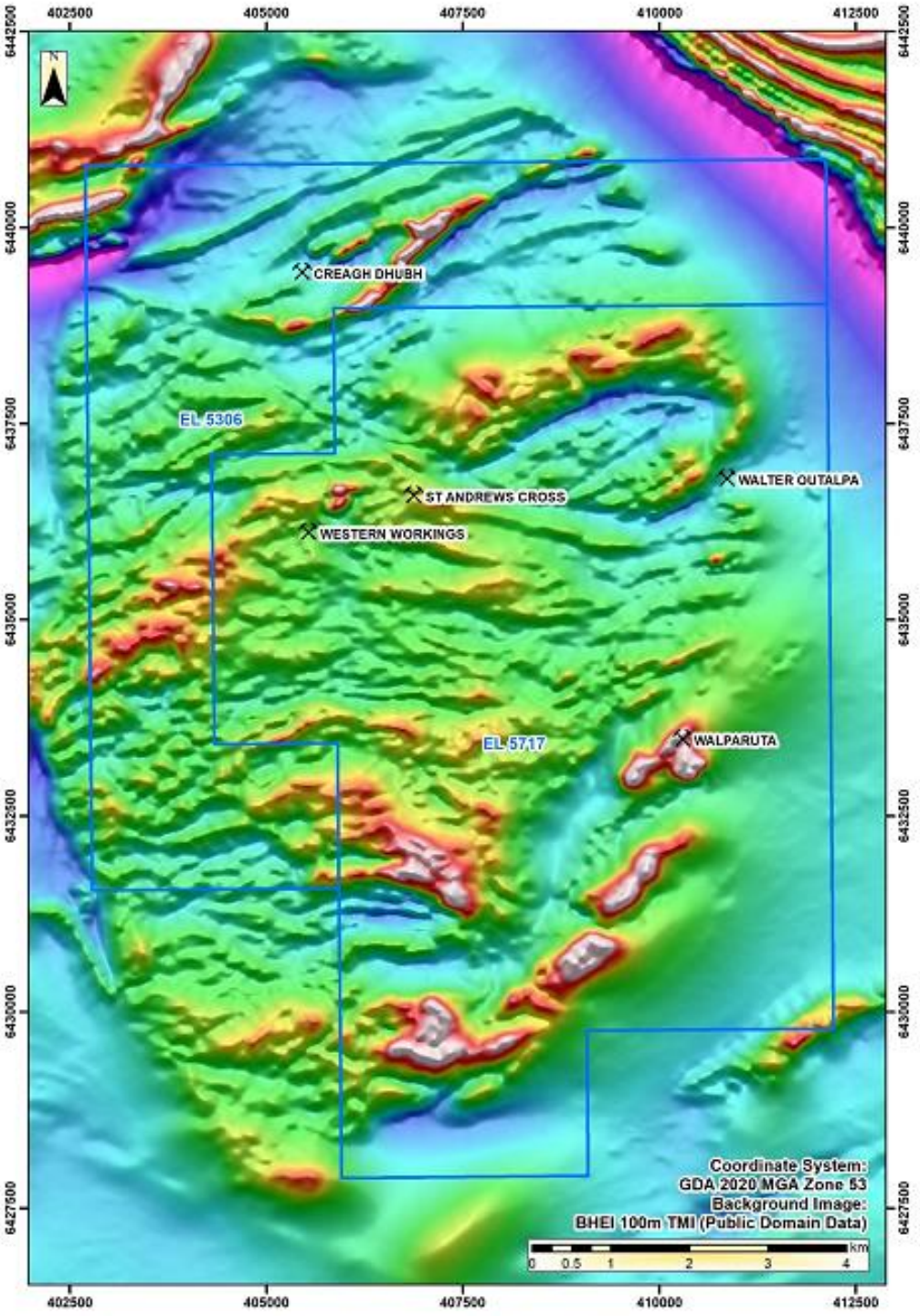

Figure 10: Walparuta project BHEI Magnetic Survey (100m) TMI and prospect locations.

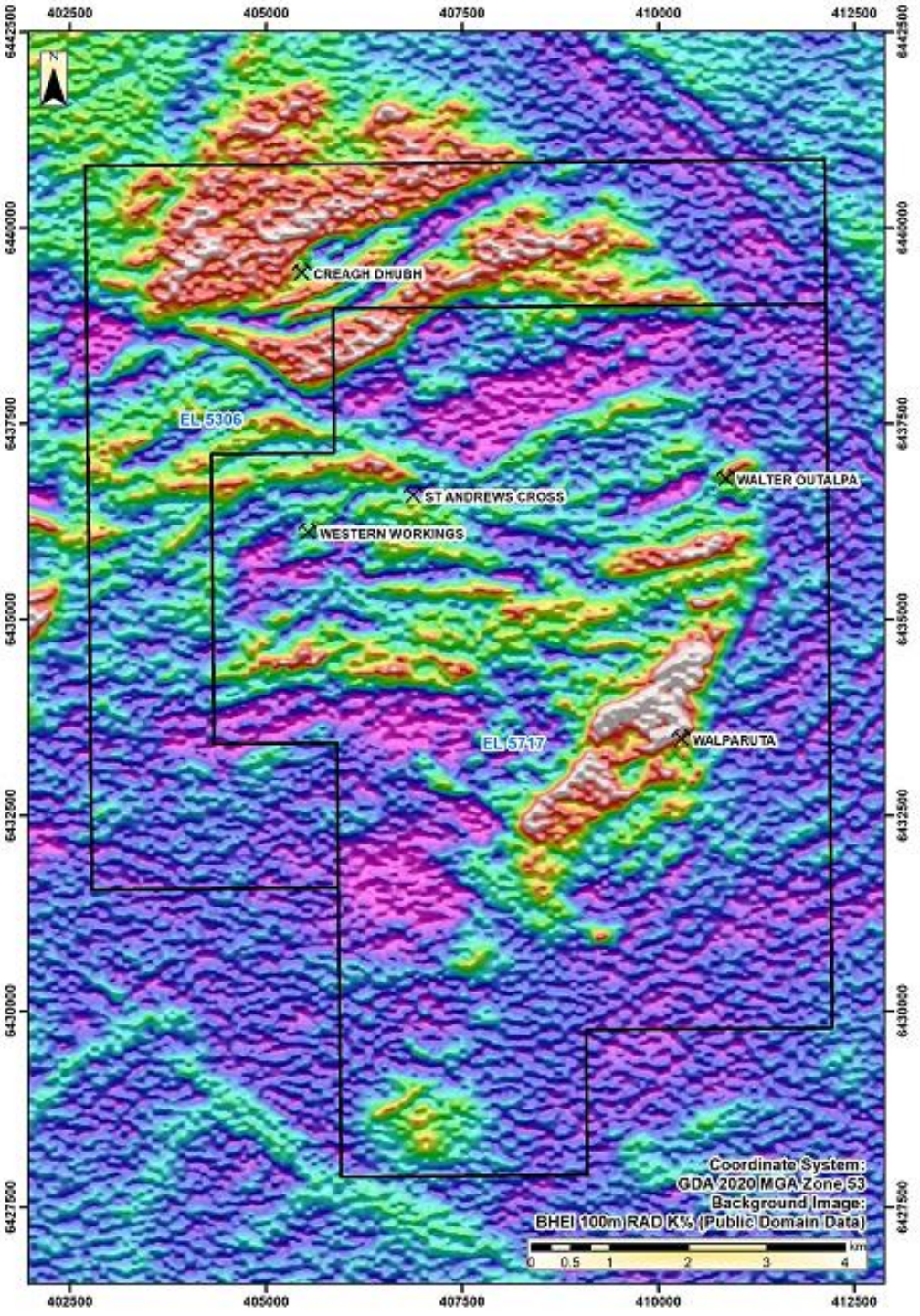

Figure 11: Walparuta project BHEI Radiometric Survey (100m) K % and prospect locations.

4.3 EL 5306 & EL 5717 (Walparuta Project)

4.3.1 Description – EL 5306 & EL 5717

EL 5306 and EL 5717 are currently held by SAEX Pty Ltd and are collectively referred to as the Walparuta project. EL 5306 covers 26 km^2 and is located approximately 35 km west-north-west of Olary and EL 5717 covers 52 km^2 and is located approximately 30 km west of Olary (**Figure 9**).

The main exploration focus for the Walparuta project is Broken Hill Type exhalite hosted Pb-Zn-Ag and various styles of Cu-Au mineralisation including: shear hosted, IOCG, magnetite skarn, strataform/stratabound and supergene enrichment in weathering zones above low-grade sulphide mineralisation.

There is also recognised potential for Co associated with Cu-Au mineralisation and Li, REE, U and phosphate within mapped pegmatites across and along strike from tenure. Graphite potential is also being assessed given the presence of graphitic schist outcrop and the intersection of a strongly graphitic shear zone in historic Mines Exploration Pty Ltd drill holes at Walparuta Mine.

According to the GSSA 100K geological mapping, there is approximately 85% exposed basement outcrop across the project area. Outcrop is dominated by the Palaeoproterozoic Willyama Supergroup metasedimentary sequences including the Curnamona Group (65%) and lesser Strathearn Group (5%) and igneous suites including Basso Suite meta-granitoids and felsic volcanics (22.5%) and Lady Louise Suite (2.5%) metamorphosed mafic intrusive sills and dykes. Younger NW trending Mesoproterozoic meta-dolerite (amphibolite) dykes cross-cut the Palaeoproterozoic stratigraphy.

The eastern margin of the project area is unconformably overlain by Neoproterozoic Adelaidean sediments including Torrensian aged Skillogalee Dolomite, Auburn Dolomite Member and Saddleworth Formation and the Sturtian aged Belair Subgroup.

Geological mapping and geophysical imagery show a number of regional to local-scale fault structures that are potential conduits and focusing mechanisms for metal-bearing fluids.

Creagh Dhubh Anomaly

The Creagh Dhubh (Gaelic for black crag) prospect is a prominent manganese stained hill of banded Mn-grunerite metachert (Conor & Fricke, 2009) (**Figure 9**). This Mn-rich chemical sediment is interpreted to be an exhalite related to mafic volcanism of the Montstephen Meta-basalt Member (Conor & Fricke, 2009) which forms the northern limb of an overturned antiformal syncline.

In 1982, Esso Exploration drilled the only drillhole (NEWP 1) completed on EL 5306. The rotary percussion hole was drilled to a depth of 180m and targeted a UTEM anomaly associated with the Creagh Dhubh prospect. Drill hole samples were analysed for Cu, Pb, Zn and Co at 1m intervals between 61-122m but no anomalous values were encountered.

Detailed mapping in the proximity of the original drill collar, combined with accurate re-location of the collar position, revealed that the drill hole failed to intersect the south-west strike extension of the coincident exhalite package and UTEM anomaly being targeted (Leyh, 2009). The collar position provided in government records (GDA94: 405322E, 6438978N) had a difference of -256m in the

Easting and +134m in the Northing to the re-surveyed collar location (GDA94: 405066E, 6439112N) (Leyh, 2009).

In addition, drill chips stored at the South Australian Core Library were re-logged in detail (Leyh, 2009) and no conductive source (i.e. graphite, sulphides or magnetite), which could explain the UTEM anomaly was evident. The original logging report referred to an interval of increased pyrite with minor pyrrhotite and chalcopyrite between 116-120m and suggested that it could be the source of the conductor (Clarke, 1983). Re-logging confirmed the presence of very fine grained disseminated sulphides (<0.5%) (Leyh, 2009), however disseminated sulphides in these quantities is unlikely to produce a strong conductor.

The original logging made mention of there being 'some graphite in places' between 99–108m (Clarke, 1983). Graphite is an excellent conductor and only a small amount can account for a strong discrete bedrock conductor. Graphite is easy to identify when sieving drill chips, because it creates a sheen on the surface of logging water. However, after the chips have been sieved, fine grained graphite is much harder to identify. For this reason, it is possible that the graphite was missed during the re-logging process and that this graphite could account for the conductor.

Given the uncertainty surrounding the discrepancies between logging and the significance of graphite as a conductive source, the drill chips were viewed as part of the audit process for the IGR. No graphite was identified during the inspection. Instead, fine grained sericite (non-conductive) was identified.

Marathon Resources completed an Airborne EM survey (REPTEM Helicopter TDEM) across the Creagh Dhubh prospect (ASX: MTN announcement, January 2014), which defined a significant EM anomaly within psammitic and chemical metasediments of the Toraminga Formation.

REPTEM is a relatively low powered, high noise EM system and is well suited to high-resolution mapping of near surface geology. REPTEM is not ideal for resolving bedrock conductors at depth, due to late-time responses being obscured by noise. For this reason, it is difficult to differentiate between locally thicker regolith and possible bedrock conductors (Blundell, 2018).

A preliminary interpretation by G. Boyd (Geosolutions) identified a weak, early-time conductor over several lines and a stronger more discrete late-time conductor with a projected depth of 250m to the top of the anomaly (Kwitko, 2014a). Late time anomalies represent bedrock conductors, commonly in the form of graphite, sulphides or magnetite. Geological reconnaissance was undertaken by consultant geologist C. Conor to ground truth the potential surface expression of the anomaly. Conor concluded that the airborne EM anomaly could represent a metalliferous body at depth and warranted further investigation (Kwitko, 2014a). This is supported by favourable host rocks of the Willyama Supergroup, including mafic volcanics and manganiferous exhalites, similar to the rocks associated with Broken Hill lodes. There is some surficial geochemical evidence to support the exploration model (Kwitko, 2014a) with rock chips returning peak values of 1200ppm Zn, 500ppm Cu, 10g/t Ag, 235ppm Ni, 250ppm Co, 180ppm As and 11.2% Mn with up to 0.29g/t Au (Leyh, 2009).

As part of the audit process for the IGR, the historic EM data was reviewed (Blundell, 2018). The review found that the previously modelled conductor at depth beneath a thin conductive cover was more likely an artefact caused by an unrealistic decay (elevated noise) in channels 13-16 (Blundell, 2018). During the review process, a number of additional local mid-time anomalies were identified. These anomalies are considered tenuous because they are only marginally above the noise levels of the REPTEM system.

From a geological perspective, some of the newly defined EM anomalies are positioned favourably (**Figure 12**). For example, the highest ranked anomaly is positioned on the eastern side of the project area, close to the margin of the Neoproterozoic Burra Group (**Figure 12**). This is a zone of structural complexity and considered prospective for remobilised base and precious metals. A number of anomalies are located along strike from the Creagh Dhubh Mn-gossanous horizon including one anomaly located 750m to the south-west and two anomalies located 1.5km and 2.5km to the north-east (**Figure 12**). All three of these anomalies are located in magnetically quiet zones, one of which is offset only 230m north-west of the Mn-gossanous horizon (central anomaly). In addition, there exists an anomaly located 600m north of the Western Workings, within the same unnamed geological unit and another anomaly, which appears to be associated with a Mesoproterozoic mafic dyke (**Figure 12**).

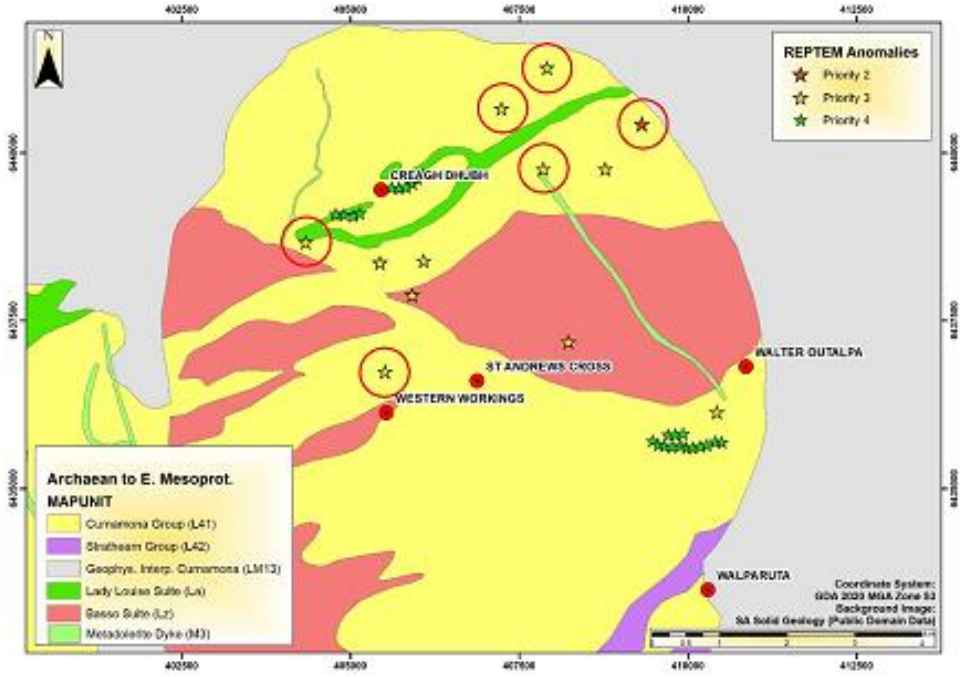

Figure 12: Prioritised EM anomalies (Blundell, 2018).

St Andrews Cross Skarn

The REPTEM survey also covered the St Andrews Cross Skarn and the historic Walparuta Cu-Au mine which is known to contain disseminated sulphides (Kwitco, 2014b) (**Figure 9**). No significant EM response was recorded on either feature and the only strong conductor identified during the survey was later attributed to graphitic schist after ground truthing.

St Andrews Cross Prospect was originally targeted as skarn-like garnet-epidote body representing part of the aureole of a large mineralised body (Kwitko, 2014b). The prospect exhibits an intense magnetic bulls-eye proximal to the intersection of major structures, including the Walter-Outalpa Shear Zone known to have associated Cu-Au mineralisation (Kwitko, 2014b). However, Cu-Au

mineralisation was found to be low grade and sporadic and the skarn-like material was spatially restricted (Kwitko, 2014b). Consultant geologist C. Conor suggested that the mineralisation relates to retrograde deformation during the Delamerian Orogeny, which reactivated the Walter-Outalpa Shear Zone system (Kwitko, 2014b).

Historic Walparuta Cu-Au Mine

The Walparuta Cu-Au mineralisation (**Figure 9**) is associated with magnetite-biotite-K-feldspar alteration (i.e. potassic alteration) in veins and the matrix of a brecciated quartz-albite granofels (Burtt, et. al., 2004). Conor and Fricke (2009) describe the host rock as biotite-magnetite-sulphide matrix breccia within alkali-feldspar granofels within the Peryhumuck Formation. The granofels is interpreted to have formed due to alteration of a calc-metasiltstone with a possible volcanic component. A Mesoproterozoic pink granite intrudes the host rocks and has barite filled crackle veins and breccia along it's margin (Conor and Fricke, 2009).

Descriptions from two petrology samples of samples taken from the Walparuta Cu-Au Mine indicated the host rock is an albite rock containing abundant dispersed magnetite and schistose biotite layers (Pontifex, 1990). The mineralisation observed in the petrology includes coarse chalcopyrite (yellow) and pyrite (white) and rare grains of gold (**Figure 13**) (Pontifex, 1990). Other ore minerals including galena and possibly cobaltite were also noted in the petrological descriptions.

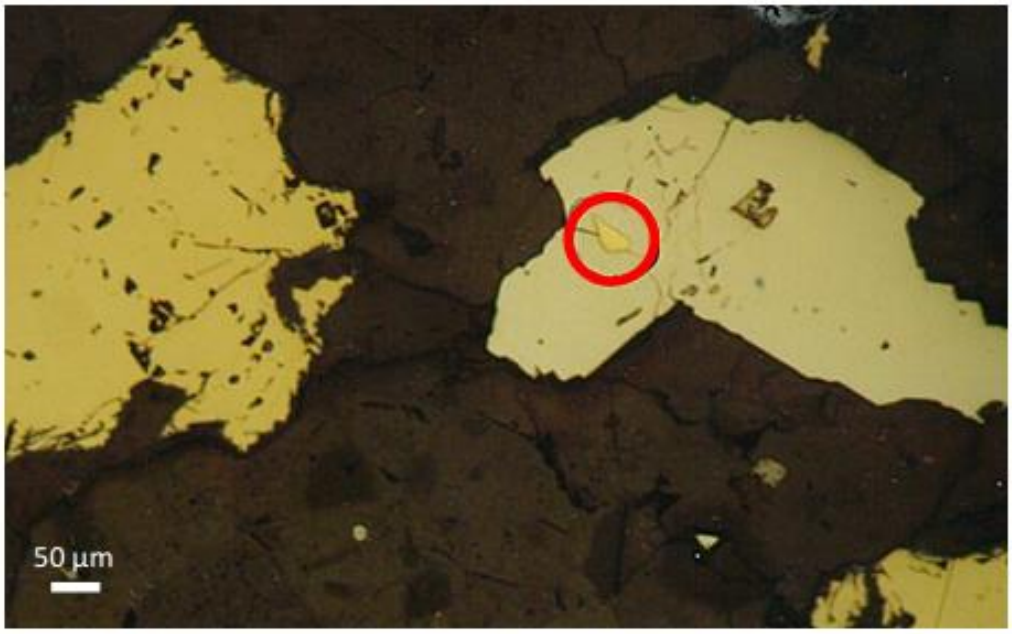

Figure 13: Photomicrograph from Walparuta Cu-Au Mine. Yellow Mineral = Chalcopyrite, White Mineral = Pyrite and Red Circle = Au (25x50µm) (Pontifex, 1990).

Drill core (Newmont, WP4) were viewed as part of the audit process for the IGR. This included checking mineral associations, contact relationships and verification of copper grades using a portable XRF (pXRF). The association of magnetite, biotite and k-feldspar with mineralisation was observed, with the potassic alteration being controlled by fractures and the weak foliation which it also destroyed on emplacement. In addition, the best mineralisation was found to occur within metasediments on the margin of the intruding granite. The pXRF validated the presence of Cu

(>0.25%) and also highlighted elevated pathfinder elements including Bi and Mo. Also of interest, were the presence of numerous vughs after carbonate, which were found throughout the sulphides (some with remanent carbonate). Whether the presence of the carbonate played a role in the mineralising process is unknown (i.e. increased the pH of the mineralising fluids, thereby triggering metal precipitation).

According to SARIG, the Walparuta Cu-Au mine was discovered in 1894 and recorded production was 66 tonnes, including 24 tonnes for 277gm Au at 12g/t Au. The depth extent of mineralisation has been tested with seven drill holes completed by Mines Exploration Pty Ltd (WP1-3, 1965), Newmont Pty Ltd (WP4, 1974), Esso Exploration (WPP 1, 1982) and Amona Exploration (WP01-02, 1991) (**Table 7, Figure 14 and Figure 15**).

Intersections from the main mineralised zone are presented in **Table 7**.

Table 8: Walparuta historical drillhole details (Coordinates: GDA 94, Z54)

Hole ID	Easting	Northing	Dip	Azimuth	EOH Depth	Cu-Au Drill Interception
WP 1	409672	6433678	-50	315	113.4	135.1 – 146.3 (11.2m) @ 0.34% Cu and 0.35g/t Au
						Including 137.2 – 138.7m (1.5m) @ 1% Cu and 1.2g/t Au
WP 2	409972	6433398	-55	315	78.5	18.3– 29.0m (10.7m) @ 0.41%Cu and 0.2g/t Au
						Including 21.3 – 24.4 (3.1m) @ 0.64% Cu and 0.37g/t Au
WP 3	410022	6433378	-50	305	196.3	48.8 – 65.5m (16.7m) @ 0.44% Cu and 0.17g/t Au
						Including 57.9 – 64.0 (6.1m) @ 0.64% Cu and 0.31g/t Au
WP 4	410022	6433278	-50	305	228.24	132.6 – 161.5m (28.9m) @ 0.3% Cu and 0.16g/t Au
						Including 135.6 – 141.7m (6.1m) @ 0.47% Cu and 0.52g/t Au
WPP 1	409672	6433378	-60	?	230	-
WP01	410465	6433347	-50	315	179	58 - 86m (28m) @ 0.25% Cu and 0.4g/t Au
						Including 82 – 84m (2m) @ 0.6% Cu and 1.15g/t Au
WP02	410630	6433531	-55	315	167	114 - 116m (2m) @ 0.17% Cu and 1.15g/t Au
WP03	410965	6433487	-60	315	100	-

The intersections were within fresh sulphide, below any supergene enrichment zones. Follow up exploration is warranted along strike (Carthew, 1989).

Note: Newmont re-sampled and assayed WP1 for Au and Cu and WP2 & WP3 for Au. Coordinates for WP01 – 03 were taken from a georeferenced image (original report only provided local grid coordinates).

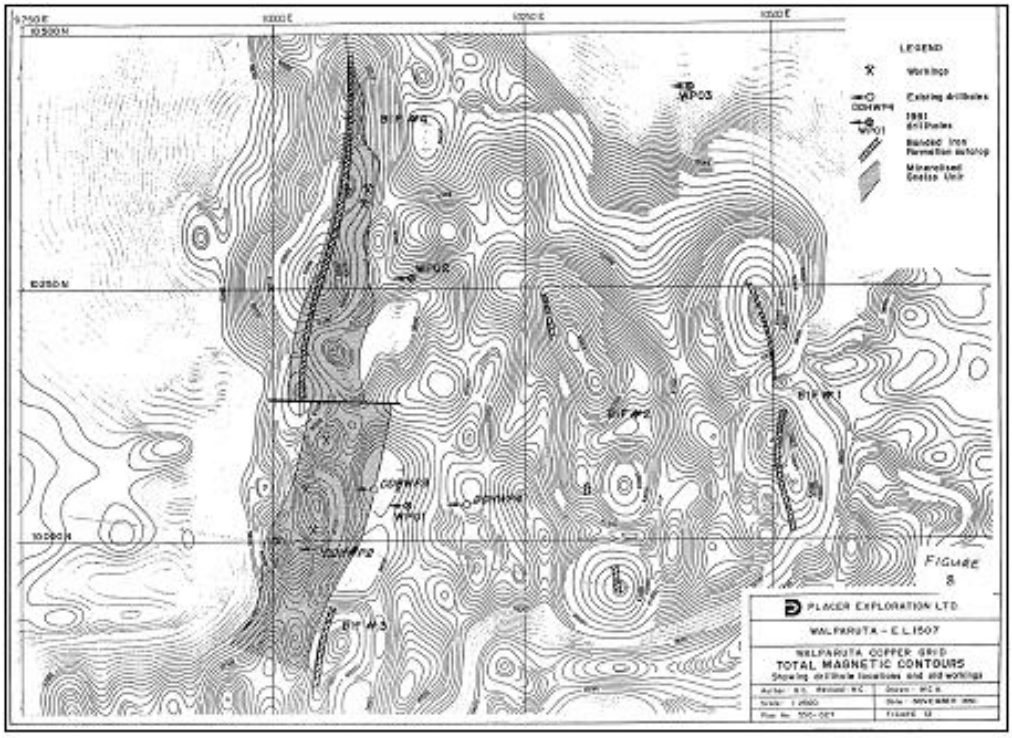

Figure 14: Walparuta historic drillhole plan (Carthew, 1989).

No significant assay results were returned from WPP 1, which was targeting a UTEM anomaly, the source of which was a pyrite-graphite schist.

Also of note in the Walparuta geochemistry, were moderately elevated Co values. Historic assays recorded a peak value of 760ppm which is around 50-100 x background (Rutter, 2011). Many of the other Cu-Au and Cu occurrences in the area have associated anomalous Co. According to a review on the Olary Domain Cu-Au deposits, Cu mineralisation anomalous in Co may represent epigenetic overprinting of pre-tectonic sulphide mineralisation (Skirrow and Ashley, 2000). Furthermore, a recent review by Renascor Resources (ASX: RNU announcement, November 2017) highlighted the presence of elevated Co in historic drill holes from the Olary Domain Short's Dam prospect including 1m at 0.64% Co from 32m (SP04) and Bulloo Creek prospect including 2m at 0.14% Co from 2m (RC028).

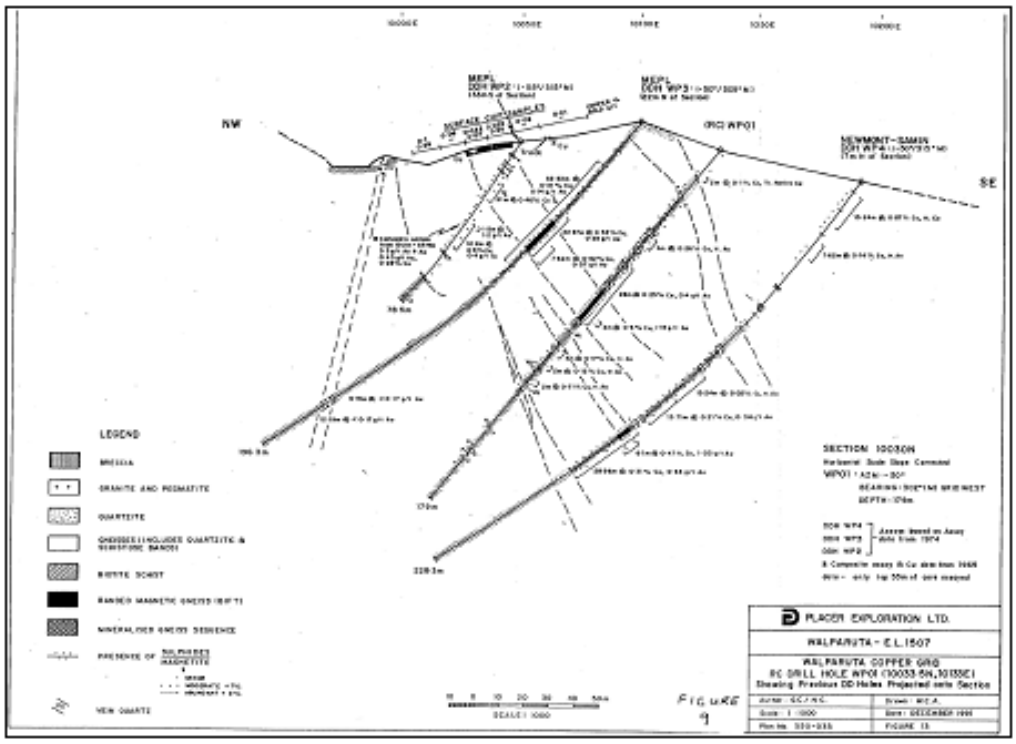

Figure 15: Walparuta historic drillhole cross section (Carthew, 1989).

Note: There are some data discrepancies between drill assays and the results displayed on the Walparuta drilling cross section (**Figure 15**). These discrepancies relate to an incorrect conversion from Dwt/Short Ton (original assayed units) into Grams/Tonne. A Short Ton is 2000 lb, which is equivalent 907.18kg. A Dwt (pennyweight) is equivalent to 0.64301g. The incorrect conversion assumed a Short Ton was 1000kg and used DWT (deadweight) which is equivalent to 1.555g. This cross section is not a true representation of the mineralisation, as many of the drillholes are significantly offset from the section line.

Graphite Potential

Of significant interest in the southern airborne EM survey was a larger EM conductor, which could potentially represent a large graphite body, with dimensions similar to Archer Exploration's (ASX: AXE 6th December 2012) Campoona graphite deposit. The potential for the conductor to represent a graphite deposit is further supported by the presence of a strongly graphitic shear zone in historic Mines Exploration Pty Ltd drill holes at Walparuta Mine (Valentine, 1994).

As part of the audit process for the IGR, the historic EM data was reviewed (Blundell, 2018). The review found that the previously modelled subcropping conductor was weaker than would be expected from a high-grade graphite source. Given the REPTEM system used to acquire the data is not ideal (as outlined previously), follow up investigation with a higher powered system is warranted.

Historic Walter Outalpa Mine

The Walter Outalpa mine was developed in 1895 along 150m of strike length of poddy, fractured, vuggy vein-quartz carrying minor Cu mineralisation within a granitic host rock (SARIG, 2018). There are no production records for Walter Outalpa, however assays between 60-220g/t Au were reported and visible chrysocolla has been identified at surface (SARIG, 2018).

The Walter Outalpa mineralisation is structurally hosted in north-south and north-north-east trending faults and shear zones (**Figure 8**). A close spaced RAB drilling program was completed by Placer Exploration in 1991 (53 holes) to test for bedrock geochemical anomalies away from the main mineralised zone (Campbell, 1992). However, no significant mineralisation was discovered away from the main shear, which supports the structurally hosted Au model.

Western Workings

Geological reconnaissance by SAEX identified historical diggings with no previous record in the government database. These historical diggings were named the Western Workings (**Figure 8**) and comprise a shaft (GDA94:0405437E, 6436461N) and a pit (GDA94: 0405401E, 6436459N) on exposed, malachite stained, schistose gneiss. **Note:** these workings are visible on google earth.

Eight rock chip samples from the Western Workings returned exceptionally anomalous (>1000 x background) Au, Cu & Bi assays with peak values of 6.4g/t Au, 8.4% Cu and 0.8% Bi (Rutter, 2011). In addition, moderately anomalous (10-100 x background) Ag, La and Mo assays were returned with peak values of 8.7g/t Ag, 1810ppm La and 164ppm Mo (Rutter, 2011). This type of metal association would be considered a polymetallic, possibly intrusion related mineralisation style.

La (Lanthanum) is a light rare earth element (REE). Elevated La is common in IOCG deposits including Olympic Dam (IOCG-U), Carapateena (IOCG-REE) and the Vulcan Project (IOCG-U). Numerous pegmatite dykes are present in the western portion of EL 5717, some of which have been found to contain Samarskite, an REE bearing mineral (King & Johnson, 1955). Pegmatites bearing REE mineralisation also have potential to host Li minerals such as spodumene, U minerals such as alanite and phosphate minerals such as apatite.

4.3.2 MGC Opinion – EL 5306 & EL 5717

MGC considers the presence of surficial geochemical anomalism (Zn-Cu-Ag-Ni-Co-As-Mn-Au) at the Creagh Dhubh prospect very significant. The fact that so many elements are anomalous suggests that multiple mineralising events or at least a single, complex, multi-stage event may have occurred (common in larger deposits).

The original model for an EM anomaly associated with Creagh Dhubh was not replicated (verified) during the IGR audit process. However, given the EM anomaly was identified using a sub-optimal system, validation with a deep exploration airborne EM system or ground EM is required. The additional EM anomalies identified during the audit process should also be investigated.

To date, the use of electrical methods (EM and IP) has been ineffective for targeting Cu-Au mineralisation around the historic Walparuta Mine, due to the presence of pyritic and graphitic schists (host rocks) in the area creating false positives. Geological logging indicates the mineralisation is associated with potassic alteration (magnetite - biotite - K-feldspar) and is structurally controlled. A detailed magnetic survey could be a better targeting technique to define

discrete magnetic zones associated with mineralisation and accurately define structures. There are numerous magnetic anomalies evident in the regional magnetics, which are located along strike, with no previous drilling (**Figure 10**). Radiometrics (K %), Hyperspectral (HyMap) and multispectral (ASTER) remote sensing techniques have the potential to identify zones of alteration minerals and/or supergene mineralisation at surface.

Supergene Cu-Au mineralisation, encountered in rock chips taken from the re-discovered historic occurrence, Western Workings (i.e. not recorded in SARIG), provides a high priority area for follow up exploration. Although there is some chance the Western Workings mineralisation is limited to shallow supergene enrichment without significant depth extent, MGC considers this prospect to be similar to the Walparuta Mine and therefore likely to continue at depth, into primary sulphide Cu-Au mineralisation.

With the current interpretation of the St Andrews Cross Prospect, this feature is considered low priority for follow up and does not warrant drilling until further geochemical, geological and geophysical support can provide justification.

There is also some support for further investigation of the Co, Li, REE, U and phosphate potential on tenure. Many of the Cu-Au and Cu occurrences in the area have associated anomalous Co and there are numerous pegmatite dykes located along the western margin of EL 5717 and ~10km east of tenure, some of which contain elevated Li, REE, U and phosphate minerals.

Given the presence of the highly prospective Broken Hill Group equivalent host rocks (including exhalites), with coincident elevated multi-element geochemistry and potential bedrock EM anomalies, the Creagh Dhubh prospect on EL 5306 warrants further investigation. EL 5717 is considered even more prospective given the presence of multiple Cu-Au occurrences, strong indications of potassic alteration along strike from the historic Walparuta Cu-Au Mine (which remain untested), supergene Cu-Au at the Western Workings, which have not been tested for primary sulphide mineralisation at depth. In all, there has been relatively limited exploration completed across the tenure to date (i.e. only nine deep exploration drill holes across a 78km^2 area), for this reason and those outlined above, it is MGC's opinion that further work is warranted on EL 5306 and EL 5717.

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JORC COMPLIANCE STATEMENT

All of the exploration properties assessed in this IGR are considered by MGC to be early stage exploration projects. It is uncertain whether further exploration work will result in any Exploration Targets or Mineral Resources, as defined by the JORC Code, being identified.

No mineral resource estimates have been made for any of the exploration properties that are the subject of this IGR. Exploration results are reported for the four South Australian properties (Appendix B).

The information in this IGR that relates to exploration results for the tenements is based on information compiled by Ms Christine G Lawley, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists.

Ms Lawley is an independent geological consultant and Principal of Metalzoic Geological Consulting (MGC). MGC was commissioned by Petratherm Limited under a services agreement. Ms Lawley has no relationship with Petratherm Limited, or any employees or directors of Petratherm Limited. Ms Lawley is not a shareholder of Petratherm Limited. Ms Lawley has no beneficial interest in any of the exploration properties or agreements related to the exploration properties that are the subject of this IGR.

Ms Lawley 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'. Ms Lawley consents to the inclusion in the IGR of the matters based on her information in the form and context in which it appears.

6. QUALIFICATIONS, STATEMENT OF INDEPENDENCE AND SIGNATORIES

Metalzoic Geological Consulting is an independent consulting group whose activities include the preparation of due diligence reports and reviews on mining and exploration projects for equity and debt funding and for public reports.

The contributors to this report were:

- Specialist, Ms Christine G Lawley, MSc (Ore Deposit Geology), MAusIMM, MAIG, MGC, Exploration Geologist with over 12 years' experience in mining and exploration geology, who jointly prepared this report.
- Specialist, Dr Justin Gum, PhD (Exploration Geology), MAIG, MGC, Principal Geologist with over 30 years' experience working in mineral exploration and geological research, who peer reviewed and authorised this report.

MGC have no:

- Previous consulting contracts with PTR.
- Interest in any of the companies participating in the formation of PTR.
- Present or contingent interest in PTR's Mineral Asset(s), nor is there any association with the Commissioning Entity or related parties that is likely to lead to bias.
- Pecuniary interest, association or employment relationship with PTR.

MGC are being paid a fee according to its normal per diem rates and out of pocket expenses incurred in the preparation of this report through the contract arranged by MGC with PTR. The fee is not contingent on the outcome of any transaction that may be considered and for which this report may be relevant.

Consent

MGC consent to the inclusion of this report in a Prospectus dated on or about February 2018 offering for subscription of ordinary shares to raise capital. Neither the IGR, nor any part of it, may be used for any other purpose without MGC's prior written consent.

Reliance on Report

To the extent permitted by law, MGC accept no liability whatsoever, whether in contract, in tort or negligence or otherwise, for any loss or damage (including consequential or economic loss or damage) arising as a result of any person other than the named addressees acting or refraining from acting in reliance on any information, option or advice contained in the IGR.
No person (including those who commissioned the IGR) is entitled to use or rely on this document and its contents at any time at which fees (or reimbursement of expenses) due to MGC are outstanding and, in those circumstances, MGC may require the return to it by any person of all copies of the IGR and any part of it in their possession.

6.1 Author and Reviewer Signatures

Specialist:
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Authorised By:
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Appendix A: Glossary

Adelaidean	A geological era lasting from 850 to 570 million years ago.
Air Core (AC) Drilling	A drilling method which uses a steel or tungsten blade to bore into unconsolidated sediments. The drill rods contain an inner tube and the drill cuttings are removed by injection of compressed air, which pushes the cuttings up between the inner tube and the drill rod.
Aeromagnetic	Refers to measurements of magnetic qualities of rocks using an aircraft mounted instrument.
Ag (Silver)	A chemical element with the symbol Ag and atomic number 47.
Alluvium	Alluvium is a mineral deposit consisting of recent surficial water lain sediments, breccia of rock composed of angular rock fragments.
Amphibolite Facies	Any schistose rock formed under conditions of intermediate temperature (500-700°C) and moderate pressures (3-12 Kbars).
Anomaly	Zone or point in the soil or underlying rock determine by exploration methods to be different from its general surroundings.
Archaean	The Archaean is a geological period 4,000 – 2,500 million years ago.
As (Arsenic)	A chemical element with the symbol As and an atomic number of 33. Often used as a pathfinder element by geochemists.
ASIC	Australian Securities and Investments Commission
Alteration	A process which changes the chemical composition or crystallography of minerals. Often related heated waters (i.e. hydrothermal alteration).
ASX	Australian Securities Exchange
Au (Gold)	A chemical element with the symbol Au and atomic number 79.
Basement or Bedrock	Refers to older cratonic rocks below sedimentary basins or soil.
Banded Iron Formation (BIF)	Banded Iron Formations are a unit of sedimentary rock which consist of repeated thin layers of iron oxide bands (magnetite or haematite) alternating with bands of iron poor sedimentary layers (i.e. shales).
Bedrock Conductors	Geophysical anomalies which highlight rocks with conductive properties i.e. sulphides, graphite
Bi (Bismuth)	A chemical element with the symbol Bi and atomic number 83.
Bimodal	Eruption or intrusion of both mafic and felsic magmas from a single source with little or no intermediate magma.
Breccia	A rock composed of angular fragments of rock embedded in a matrix.
Broken Hill Type (BHT)	An ore deposit class which formed from metal-rich fluids derived from basins and/or magmatic sources extruding onto the seafloor as chemical sediments (exhalites). The sulphide bearing sediments where subsequently metamorphosed.
Calc-silicate	A metamorphosed equivalent of calcium-rich carbonate rock (i.e. dolomite) produced by metasomatic alteration.
Cambrian	The earliest period of the Palaeozoic era occurring 570 to 500 million years ago.
Ce (Cerium)	A chemical element with the symbol Ce and atomic number 58. It is a soft, Agy, ductile metal which easily oxidises in air. Cerium is the most abundant of the rare earth elements.

Chalcopyrite	A yellow Cu bearing mineral, $CuFeS_2$ made up of Cu and iron sulphide.
Chemical Sediment	A Chemical sedimentary rock, which forms when mineral constituents in solution become supersaturated and inorganically precipitate.
Co (Cobalt)	A chemical element with the symbol Co and an atomic number of 27. Often used as a pathfinder element by geochemists.
Colluvium	Loose bodies of sediment that have been deposited or built up at the bottom of a low-grade slope or against a barrier on that slope, transported by gravity.
Conglomerate	A coarse-grained sedimentary rock composed of rounded fragments embedded in a matrix of cementing material.
Cover	Younger sediments that lie above older rocks.
Cu (Copper)	A chemical element with the symbol Cu and atomic number 29.
Diamond Drilling	Method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.
Dolerite	A medium grained basic igneous rock.
Dyke	A dyke is a sheet of rock that forms in a fracture or crack in a pre-existing rock body. A magmatic dyke (pegmatite dykes) forms when magma intrudes into a crack then crystallizes as a sheet intrusion, either cross cutting or other planar structures in the country rock.
EL	Exploration Licence
ELA	Exploration Licence Application
Epithermal	Deposited from warm waters at relatively shallow depths under conditions in the lower ranges of temperature and pressure.
Exhalite	A chemical sedimentary rock formed by metalliferous solutions (mainly Fe-Mn-Ca-Ba) extruding onto the sea floor.
Fault	A fracture in rocks along which rocks on one side have been moved relative to the rocks on the other.
Feldspar	A group of hard crystalline minerals that consist of aluminium silicates of potassium or sodium or calcium or barium.
Felsic	Felsic refers to light coloured igneous rocks relatively rich in silica rich minerals – quartz, feldspar and muscovite
Fluvial	Sedimentary processes associated with rivers and streams.
Galena	A Pb sulphide with the formula PbS
Geochemical	Prospecting techniques which measure the content of certain metals in soils and rocks in order to define anomalies for further testing.
Geological Monument	Declared by the Geological Society of Australia, they represent rare, unique and representative occurrences of geological interest for future reference, research and training.
Geophysical	Prospecting techniques which measure the content of certain metals in soils and rocks in order to define anomalies for further testing.
Gneiss	Banded rocks formed during high-grade metamorphism.
Granite	A coarse grained igneous rock consisting largely of quartz and feldspar.
Granofels	A field name for a medium- to coarse-grained granoblastic metamorphic rock with little or no foliation or lineation.

Granulite Facies	A group of gneissic rocks characterised by a granoblastic fabric formed under conditions of high temperature (>700°C) and moderate to high pressures (3-14 Kbars)
Graphite	A soft black, lustrous minerals composed of carbon (C) in hexagonal crystalline form.
Gravity Surveys	Geophysical prospecting techniques which measure the relative density of rocks.
Greenschist Facies	Any schistose rock formed under conditions of low to intermediate temperature (300-500°C) and low to moderate pressures (2-8 Kbars)
Greenstone Belt	Archaean and Proterozoic volcanic-sedimentary mafic to ultramafic rock sequences.
Ground Electromagnetics (EM)	A ground based geophysical survey method in which an induced electric current, measures variations in the local electromagnetic field of the earth below. Often carried out after a preliminary airborne electromagnetic survey to better understand any conductive bodies that have been identified.
Grunerite	Chemical sediment
Haematite	An iron oxide mineral Fe_2O_3
Hydrothermal	A process related to the introduction of heated or superheated waters associated with igneous activity.
Intrusion	A body of igneous rock that invades older rocks.
IOCG	Iron oxide Cu Au deposit.
Jaspilite	A compact siliceous rock rich in haematite and resembling jaspar.
La (Lanthanum)	A chemical element with the symbol La and atomic number 57.
Li (Lithium)	A chemical element with the symbol Li and atomic number 3.
Mafic (or basic)	Mafic rocks are dark in colour and composed predominately of magnesium and iron minerals; olivine, pyroxene, amphibolite & biotite
Magma	Molten rock in the Earth's crust.
Magmatic	Of, related to, or produced by magma or magmatism.
Magnetite	An iron oxide mineral Fe_3O_4
Metamorphism, Metamorphic	Metamorphic describes a rock undergone changes to its structure and properties due to effects from heat and/or pressure over time.
Metasedimentary	General term used to describe sedimentary rocks which have been metamorphosed.
Metavolcanic	General term used to describe volcanoclastic rocks which have been metamorphosed.
MCA	Minerals Council of Australia
MGC	Metalzoic Geological Consulting
µm (micron)	A unit of measure called a micron which is equivalent to 0.001mm.
Migmatite	A mixture of metamorphic and igneous rock which forms when a metamorphic rock partially melts and then recrystallise into an igneous rock.
Mo (Molybdenum)	A chemical element with the symbol Mo and an atomic number of 42. Often used as a pathfinder element by geochemists.

Orogeny	The process by which mountain ranges are formed. The process of rock thrusting, folding and faulting in association with deeper plastic deformation, metamorphism and plutonism.
Outcrop	The part of a rock formation that appears above the surface of the surrounding land.
Palaeochannel	A palaeochannel (palaeo-drainage) is an ancient drainage system
Palaeozoic	An era of geological time between 544 and 248 million years ago.
Pathfinder Elements	A suite of elements which are associated with the rocks surrounding a mineralised body. Pathfinder elements help vector toward mineralisation.
Pb (lead)	A chemical element with the symbol Pb and atomic number 82.
Pegmatite	A pegmatite is an intrusive igneous rock with a similar silicic composition as granite. They are a primary source of lithium either as spodumene or lepidolite, uranium and rare earth elements as alanite and phosphate minerals such as xenotime and apatite.
Phosphate (PO_4)	A naturally occurring form of the element phosphorus (P), found in many phosphate minerals.
Playa Lake	A playa lake is a dry ephemeral lake bed.
PPB	Parts per billion
PPM	Parts per million
Proterozoic	A geological time era from 2,400 million years to 570 million years. Subdivided into Palaeo-, Meso- and Neo-.
Protolith	The original unmetamorphosed rock from which a given metamorphosed rock is formed.
PTR	Petratherm Limited
Pyrite	An iron sulphide with the formula FeS_2.
Pyrrhotite	An iron sulphide with the formula FeS.
Quartz	Mineral species composed of crystalline silica (SiO_2)
Quaternary	A period of geological time between 2.6 million years ago and the present.
Regolith	The altered, unconsolidated or re-cemented cover that overlies coherent bedrock.
Rock Chip Sampling	Refers to collecting a representative sample comprising numerous small chips of rock.
Rotary Air Blast (RAB) Drilling	A drill which uses a pneumatic reciprocating piston-driven 'hammer' to energetically drive a heavy drill bit into the rock. The cuttings are blown up the outside of the rods and collected at surface. Air or a combination of air and foam lift the cuttings.
Reverse Circulation (RC) Drilling	Variant of percussion drilling in which cuttings are raised to the surface by a stream of compressed air inside a metal tube.
Rare Earth Elements (REE)	A collection of seventeen chemical elements in the periodic table, namely scandium, yttrium, and the fifteen lanthanides.
SADME	South Australian Department of Mines and Energy
Schist	A metamorphic rock that can be split into thin layers because its micaceous minerals have become aligned in think parallel bands.

Sericite	Any of several varieties of white or greenish mica with a silky sheen, predominately muscovite, but also illite or paragonite.
Shearing	Deformation by lateral movement along parallel planes.
Shear Zone	A linear/tabular zone of fracturing and tearing of the rocks.
Sill	An intrusion which is parallel to (conformable with) the stratigraphy of the enclosing rocks.
Skarn (Metasomatic)	Calcium-bearing calc-sillicate rocks formed on the contact zone between an intrusion and carbonate sedimentary rocks due to Si-Fe-Al-Mg rich fluids dissolving carbonate rocks in a metamorphic process.
Soil Anomaly	A zone or point determined by geochemical sampling and assaying of the soil to be elevated from the general surrounds.
Sphalerite	A Zn sulphide with the formula (Zn,Fe)S
Spodumene	Spodumene is a pyroxene mineral - lithium aluminium silicate $LiAlSi_2O_6$
Stratiform	Refers to the occurrence as bed or beds.
Stratigraphy	Refers to the classification of a series of layered rock or strata.
Strike	The direction of a bearing of a bed or layer of rock in the horizontal plane.
Structural	In this report refers to the processes of fracturing and folding of rocks.
Subcrop	Part of a geological formation that is buried under shallow cover.
Supergene	A process of enrichment which occurs near surface due to circulation of meteoric waters, oxidation and chemical weather.
VALMIN Code	The Australasian Code for the Public Reporting of Technical Assessments and Valuations of Minerals Assets for Independent Geologists Reports, the VALMIN Code 2015 Edition, Prepared by the VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG), with the participation of the Minerals Council of Australia (MCA) and other key stakeholder representatives.
Zn (Zinc)	A chemical element with the symbol Zn and atomic number 30.

Appendix B: JORC 2012 Edition – Table 1

EL 5497

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse Au that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Previous exploration work includes surface geochemistry, mapping, structural interpretation, SIROTEM, ground magnetics, Hymap and exploration drill holes (4 diamond, 12 Rotary Percussion & 32 Rotary Air). • The results in this Report are historical and as such additional details are unknown. • Musgrave Minerals completed 49 AC drillholes. See Table 1 from ASX: MGV announcement, August 2015 for details.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Previous exploration drilling includes: • **Diamond:** ST 1 – 2 (Broken Hill, 1971) & DDHCC1 & 2 (SADME, 1979). • **Rotary Percussion:** 03_1 – 12 (Aberfoyle, 1991) • **Rotary Air:** ESSORC10, 43, 69, 87, 118 & 126 (Esso, 1980) & BILLITONHB1 - 2, BILLITONRTP1 & BILLITON RHB45-67 (Shell, 1983) • The above results in this Report are historical and as such additional details are unknown. • In addition, Musgrave Minerals completed 49 AC drillholes. See Table 1 from ASX: MGV announcement, August 2015 for details.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and*	• Results in this Report are historical and as such these details are unknown.

Criteria	JORC Code explanation	Commentary
	ensure representative nature of the samples. • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Not applicable – only low grade mineralisation lacking continuity was encountered in the historic drilling. • Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable – only low grade mineralisation lacking continuity was encountered in the historic drilling. • Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Sample security	• *The measures taken to ensure sample security.*	• Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• PTR has signed a Letter of Agreement to acquire up to a 75% interest of EL 5497 (Corunna North) from Musgrave Minerals Ltd subject to successful re-listing and capital raising via a prospectus. • EL 5497 is located approximately 70 km west-south-west of Port Augusta overlapping Wartaka and Corunna Pastoral Stations.

Criteria	JORC Code explanation	Commentary
		• The southern half of the tenement overlaps the Corunna Range Geological Monument. • **Native Title Claims:** SC1996/004 Barngarla, SCD2016/001 Barngarla (Determination) • **ILUAs:** SI2013/001 Cultana Expansion Area, SI2013/002 Middleback Ranges SA
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration work includes surface geochemistry, mapping, structural interpretation, SIROTEM, ground magnetics, Hymap and exploration drill holes (4 diamond, 12 Rotary Percussion & 32 Rotary Air).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• PTR is primarily exploring for epithermal-style Ag-Pb-Zn (e.g. Paris), volcanogenic carbonate-replacement Pb-Zn-Ag (e.g. Menninnie Dam) and metasomatic sedimentary-hosted Pb-Zn-Ag-Cu within the Hutchison Group of the Gawler Craton, South Australia.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Only low-grade mineralisation lacking continuity was encountered in the historic drilling and therefore this information is not considered Material. • Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Only low-grade mineralisation lacking continuity was encountered in the historic drilling and therefore this information is not considered Material. • Results in this Report are historical and as such these details are unknown.

Criteria	JORC Code explanation	Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable – only low-grade mineralisation lacking continuity was encountered in the historic drilling. • Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Not applicable – only low-grade mineralisation lacking continuity was encountered in the historic drilling. • Results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable – only low-grade mineralisation lacking continuity was encountered in the historic drilling. • The results in this Report are historical and as such these details are unknown. • See Table 1 from ASX: MGV announcement, August 2015 for AC details.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not applicable – no other exploration is being reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned exploration includes; • Geophysical Surveys • Soil Sampling • AC/RC/Diamond Drilling

ELA 2017/00250

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse Au that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Previous exploration work includes surface geochemistry, gravity (Intermet) and exploration drill holes (3 diamond, 28 RC, 30 Rotary Percussion & 57 Rotary Air). • The results in this Report are historical and as such additional details are unknown.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Previous exploration drilling includes: • **Diamond:** LED001, SCD001 & RDD002 (Intermet, 2007), • **RC:** NODRD1 – 4 (Normandy, 1995) & SHR001 – 23, 25 (Centrex, 2008). • **Rotary Air:** BILLITONRHB25, 26, 42, 43, & 44 (Shell,1983), ESSORC1 (Esso, 1980). RDR1 – 9, SHR1 – 6, WDR1 - 5 (Mobil, 1982) BILLITONRLG12, 13, 16, 18 (Billiton, 1985) & PERILYAB1, 2, 5, 9, 10, 16, 18, 20, 27, 30, 31, 42, 46, PERILYAGD1,- 5 & PIRILYAP30, 38, 70, 73, 76, 81, 82, 83 & 89 (Perilya,1989). • **Rotary Percussion:** 01_1 – 17 & 02_1 – 23 (Aberfoyle, 1991) • The above results in this Report are historical and as such additional details are unknown.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The results in this Report are historical and as such these details are unknown.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The results in this Report are historical and as such these details are unknown.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The results in this Report are historical and as such these details are unknown.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The results in this Report are historical and as such these details are unknown.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The results in this Report are historical and as such these details are unknown.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The results in this Report are historical and as such these details are unknown.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Not applicable – only low-grade mineralisation lacking continuity was encountered in the historic drilling.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable – only low-grade mineralisation lacking continuity was encountered in the historic drilling.
Sample security	• *The measures taken to ensure sample security.*	• The results in this Report are historical and as such these details are unknown.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The results in this Report are historical and as such these details are unknown.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• PTR have applied for ELA 2017/00250 (Gilles Downs) • ELA 2017/00250 is located approximately 55 km west-north-west of Whyalla overlapping Corunna, Gilles Downs, Katunga and Cooyerdoo Pastoral Stations. • The north-east corner overlaps the Corunna Range Geological Monument. • **Native Title Claims:** SC1996/004 Barngarla, SCD 2016/001 Barngarla (Determination), SCD 2011/005 Gawler Ranges (Determination) • **ILUAs:** SI2013/001 Cultana Expansion Area, SI2004/004 Gawler Ranges Mineral Exploration, SI2012/004 Gawler Ranges Native Title Claim Settlement & SI2013/002 Middleback Ranges SA and SI 2012/003 Lake Gilles

Criteria	JORC Code explanation	Commentary
		Conservation Park.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration work includes surface geochemistry, gravity (Intermet) and exploration drill holes (3 diamond, 28 RC, 30 Rotary Percussion & 57 Rotary Air).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• PTR is primarily exploring for epithermal-style Ag-Pb-Zn (e.g. Paris), volcanogenic carbonate-replacement Pb-Zn-Ag (e.g. Menninnie Dam) and metasomatic sedimentary-hosted Pb-Zn-Ag-Cu within the Hutchison Group of the Gawler Craton, South Australia.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Only low-grade mineralisation lacking continuity was encountered in the historic drilling and therefore this information is not considered Material. • The results in this Report are historical and as such these details are unknown.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Only low-grade mineralisation lacking continuity was encountered in the historic drilling and therefore this information is not considered Material. • The results in this Report are historical and as such these details are unknown.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable – only low-grade mineralisation lacking continuity was encountered in the historic drilling.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should*	• Not applicable – only low-grade mineralisation lacking continuity was

Criteria	JORC Code explanation	Commentary
	include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	encountered in the historic drilling.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable – only low-grade mineralisation lacking continuity was encountered in the historic drilling.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not applicable – no other exploration is being reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned exploration includes; • Geophysical Surveys • Soil Sampling • AC/RC/Diamond Drilling

EL 5306

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse Au that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Previous exploration work includes surface geochemistry, mapping, 100m Rad/Mag (Aberfoyle/Poseidon, 1988), UTEM, REPTEM, Airborne EM (GA, 2010) and one rotary percussion drill hole NEWP 1 (Esso Exploration, 1982).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other*	• Historic drilling includes one rotary percussion hole by Esso Exploration. • The results in this Report

Criteria	JORC Code explanation	Commentary
	type, whether core is oriented and if so, by what method, etc).	are historical and as such additional details are unknown.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The results in this Report are historical and as such these details are unknown.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The results in this Report are historical and as such these details are unknown.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The results in this Report are historical and as such these details are unknown.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The results in this Report are historical and as such these details are unknown.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The results in this Report are historical and as such these details are unknown.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• The results in this Report are historical and as such these details are unknown.

Criteria	JORC Code explanation	Commentary
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Not applicable – no mineralisation was encountered in the historic drilling.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not applicable – no mineralisation was encountered in the historic drilling.
Sample security	• *The measures taken to ensure sample security.*	• The results in this Report are historical and as such these details are unknown.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The results in this Report are historical and as such these details are unknown.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• PTR has entered into a Purchase Agreement to acquire 100% of EL 5306 (Whey-Whey) from SAEX Pty Ltd subject to successful re-listing and capital raising via a prospectus. • EL 5306 is located approximately 35 km west-north-west of Olary overlapping Weekeroo Pastoral Station. • The western margin of EL 5306 overlaps the Weekeroo Geological Monument. • **Native Title Claims:** SC2015/003 Wilyakali #2, SC1999/001 Adnyamathanha No. 1 & SC2010/002 Ngadjuri Nation.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration work includes surface geochemistry, Rad/Mag (Aberfoyle/Poseidon, 1988), UTEM, REPTEM, Airborne EM (GA, 2010) and one rotary percussion drill hole NEWP 1 (Esso Exploration, 1982).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• PTR is primarily exploring within the Willyama Supergroup metasediments for Broken Hill style Pb-Zn-Ag sulphide deposits and various styles of Cu-Au mineralisation, including: shear hosted, IOCG, strataform / stratabound and supergene enrichment.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No mineralisation was encountered in the historic drilling and therefore this information is not considered Material. • The results in this Report are historical and as such these details are unknown.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No mineralisation was encountered in the historic drilling and therefore this information is not considered Material. • The results in this Report are historical and as such these details are unknown.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable – no mineralisation was encountered in the historic drilling
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should*	• Not applicable – no mineralisation was encountered in the historic

Criteria	JORC Code explanation	Commentary
	include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	drilling
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable – no mineralisation was encountered in the historic drilling
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not applicable – no other exploration data is being reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned exploration includes; • Geophysical Surveys • Soil Sampling • RC/Diamond Drilling

EL 5717

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse Au that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Previous exploration work includes, Surface Geochemistry (Rock Chips, Stream Sediments, Soils and MMI), 100m Rad/Mag (Aberfoyle/Poseidon,1988), Ground Mag, UTEM, REPTEM, Airborne EM (GA, 2010), fifty-three RAB holes WO1 - 53 (Placer Exploration,1991), three RC holes WP01 – 03 (Placer Exploration, 1991), one rotary percussion drill hole WPP 1 (Esso Exploration, 1982) and four diamond drill holes WP1-3 (Mines Exploration, 1965) and WP4 (Newmont, 1974). • The results in this Report are historical and as such additional details are unknown.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube,*	• Historic drilling includes fifty-three RAB holes WO1 - 53 (Placer Exploration,

Criteria	JORC Code explanation	Commentary
	depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	1991), three RC holes WP01 – 03 (Placer Exploration,1991), one rotary percussion drill hole WPP 1 (Esso Exploration, 1982) and four diamond drill holes WP1-3 (Mines Exploration, 1965) and WP4 (Newmont, 1974). • The results in this Report are historical and as such additional details are unknown.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The results in this Report are historical and as such these details are unknown.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• The results in this Report are historical and as such these details are unknown.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The results in this Report are historical and as such these details are unknown.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The results in this Report are historical and as such these details are unknown.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The results in this Report are historical and as such these details are unknown.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The results in this Report are historical and as such these details are unknown.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The results in this Report are historical and as such these details are unknown.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The results in this Report are historical and as such these details are unknown.
Sample security	• *The measures taken to ensure sample security.*	• The results in this Report are historical and as such these details are unknown.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The results in this Report are historical and as such these details are unknown.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• PTR has entered into a Purchase Agreement to acquire 100% of EL 5717 (Walparuta) from SAEX Pty Ltd subject to successful re-listing and capital raising via a prospectus. • EL 5717 is located approximately 30 km west of Olary overlapping Weekeroo and Outalpa Pastoral Stations. • **Native Title Claims:** SC2015/003 Wilyakali #2,

Criteria	JORC Code explanation	Commentary
		SC1999/001 Adnyamathanha No. 1 & SC2010/002 Ngadjuri Nation.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration work includes, Surface Geochemistry (Rock Chips, Stream Sediments, Soils and MMI), 100m Rad/Mag (Aberfoyle/Poseidon,1988), Ground Mag, UTEM, REPTEM, Airborne EM (GA, 2010), fifty-three RAB holes WO1 - 53 (Placer Exploration,1991), three RC holes WP01 – 03 (Placer Exploration, 1991), one rotary percussion drill hole WPP 1 (Esso Exploration, 1982) and four diamond drill holes WP1-3 (Mines Exploration, 1965) and WP4 (Newmont, 1974).
Geology	• *Deposit type, geological setting and style of mineralisation.*	• PTR is primarily exploring within the Willyama Supergroup metasediments for Broken Hill style Pb-Zn-Ag sulphide deposits and various styles of Cu-Au mineralisation, including: shear hosted, IOCG, strataform / stratabound and supergene enrichment.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• See summary table in section 4.3.1 of the IGR. • The results in this Report are historical and as such not all of these details are unknown.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• The results in this Report are historical and as such these details are unknown.

Criteria	JORC Code explanation	Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• See historic drillhole cross-section in section 4.3.1 of the IGR. • The results in this Report are historical and as such these details are unknown.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See historic plan and cross-section in section 4.3.1 of the IGR. • The results in this Report are historical and as such these details are unknown.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The results in this Report are historical and as such these details are unknown.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not applicable – no other exploration is being reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned exploration includes; • Geophysical Surveys • Soil Sampling • RC/Diamond Drilling

Section 8: Solicitor's Report on Tenements

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14 February 2018

O'Loughlins LAWYERS

The Directors
Petratherm Limited
169 Fullarton Road
DULWICH SA 5065

Dear Sirs

Prospectus – Solicitors' Report on Tenements

This Report is prepared for inclusion in a Prospectus to be dated on or about 14 February 2018 (**Prospectus**) and issued by Petratherm Limited (**Petratherm**) offering for subscription up to 125,000,000 ordinary shares at an offer price of $0.04 each to raise up to $5,000,000 with a minimum subscription of $4,000,000.

1. **Scope of the Report**

The Report relates to:

1.1 the registered and unregistered interests of Petratherm in respect of certain South Australian Exploration Licences (**EL**) and a South Australian Application for Exploration Licence (**ELA**) (collectively **Tenements**) identified in Part 1 of the Schedule to this Report;

1.2 the contracts relating to the Tenements which Petratherm has identified to us as being material contracts to which Petratherm is a party (**Material Contracts**) and which are summarised in Section 9 of this Prospectus; and

1.3 any claims lodged with the National Native Title Tribunal (**NNTT**) relating to the land the subject of the Tenements.

2. **Searches**

2.1 **Title Searches**

We have reviewed the results of searches of the Tenements conducted by the South Australian Department of the Premier and Cabinet, Mineral Resources Division (**Department**) of the register maintained by the Department pursuant to the *Mining Act 1971* (SA) (**SA Mining Act**). The searches were conducted on or about 19 December 2017, and updated on 5 February 2018.

The key results of those searches are summarised in Part 1 of the Schedule to this Report.

As a result of those searches and our review of the Material Contracts, we consider that this Report (subject to the statements set out in this Report) provides an accurate statement of the status of, and of Petratherm's interests in, the Tenements as at the date those searches were conducted.

Petratherm is not the registered holder of any of the granted Tenements (however it is the registered applicant for ELA 2017/250). Except in relation to ELA 2017/250, Petratherm's interests are contractual rights to acquire an interest in the relevant Tenements which depend upon the parties to the corresponding Material Contract complying with, and fulfilling the terms of, the Material Contract, and satisfaction of any conditions precedent contained in it.

2.2 **Native Title Searches**

We have reviewed the results of searches conducted by the NNTT of the Register of Native Title Claims maintained by the NNTT in respect of the land covered by the Tenements. The searches were conducted on or about 15 December 2017 (EL 5497), 21 December 2017 (EL 5306 and EL 5717) and 12 January 2018 (ELA 2017/250), and updated on 6 February 2018.

The key results of those searches are summarised in Part 2 of the Schedule to this Report.

2.3 **Material Contracts**

We have examined the Material Contracts described in Section 9 of this Prospectus. It is our opinion, based upon an examination of the Material Contracts, that the description of them does not contain any statement or matter that is false in a material particular or is materially misleading in the form and context in which it appears.

3. Assumptions and Qualifications

This Report (including the Schedule) is based on, and is subject to, the assumptions and qualifications set out below and as otherwise specified elsewhere in this Report:

3.1 In compiling this Report, we have relied upon the accuracy, completeness and currency of information provided by third parties, including the Department, the NNTT, and Petratherm and its representatives and agents, in response to enquiries and searches made, or caused to be made, by us. We cannot comment on whether any changes have occurred in respect of the Tenements between the date on which the information was provided to us and the date of this Prospectus.

3.2 The references in Part 1 of the Schedule to this Report to the areas of the Tenements are taken from details shown on the searches we have obtained from the Department. No independent survey was conducted to verify the accuracy of those areas.

3.3 We have assumed that the granted Tenements have been validly granted and that the relevant Minister and any persons exercising delegated authority in relation to the grants have acted within the scope of their powers and discretions.

3.4 We express no opinion as to whether and when the ELA will ultimately be granted in whole or in part, or the terms and conditions upon which it may be granted.

3.5 Where Ministerial consent is required in relation to any agreements or the transfer of any Tenement, we express no opinion as to whether such consent will be granted or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused.

3.6 We make the following assumptions in relation to the Material Contracts:

(a) the Material Contracts detailed in Section 9 of this Prospectus are the only material contracts in relation to the Tenements of which we are aware;

(b) the Material Contracts are duly executed and have been, or are in the course of being, stamped and lodged in compliance with the relevant legislation;

(c) the authenticity of all seals and signatures on the Material Contracts;

(d) the Material Contracts are within the capacity and powers of, have been validly authorised, executed and delivered by, and are binding on, each of the parties to them;

(e) each party to each of the Material Contracts had, and has, full corporate power and lawful authority to observe and perform all of its obligations under them;

(f) each Material Contract comprises the entire agreement of the parties;

(g) the parties to each of the Material Contracts are complying with and will continue to comply with and fulfil the terms of the Material Contracts; and

(h) the representations made by third parties (including Petratherm, its representatives and agents) in relation to the Material Contracts are true and correct.

3.7 Unless non-compliance with the terms and conditions of any Tenement and the provisions of the SA Mining Act or the regulations to the SA Mining Act is disclosed on the face of the searches referred to in paragraph 2, we express no opinion as to such compliance.

3.8 Native title or Aboriginal heritage sites may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been registered over these areas, we have not undertaken the considerable legal, historical, anthropological and ethnographic research which would be necessary to determine if additional claims are likely, or to form an opinion as to whether the existing or any future claims for native title will succeed and, if so, what the implications would be for Petratherm.

4. Tenements – General Comments

4.1 Exploration Licences

In South Australia ELs are issued subject to standard conditions under the SA Mining

Act,[1] the *Mining Regulations 2011* (SA) (**SA Mining Regulations**) and the terms and conditions prescribed by the Minister from time to time, including the following key conditions:

(a) An EL authorises exploratory operations of the kind described in the EL in respect of land over which it is granted, except exploratory operations for extractive minerals or precious stones.

(b) An EL has a term of up to five years, but if granted for a lesser term, may be renewed for a period that does not in aggregate exceed five years.

(c) The Minister may, on expiration of an EL the term or aggregate of terms of which was five years, grant to the licensee a subsequent EL.

(d) The maximum area of an EL is 1,000 square kilometres, but there is Ministerial discretion to grant an EL over a larger area in some circumstances.

(e) The Minister may, at any time, require the holder to pay to any person an amount of compensation, stipulated by the Minister, to which that person is, in the opinion of the Minister, entitled in consequence of loss or damage suffered by that person as a result of operations conducted in pursuance of the EL.

(f) The licensee must, as soon as reasonably practicable, report to the Director of Mines the discovery of minerals potentially capable of economic production.

(g) The licensee shall conduct operations so as not to disturb the environment except in so far as this may be necessary to undertake the programme of exploration required by the EL, and must conduct operations under the EL in accordance with a programme for environment protection and rehabilitation (**PEPR**) approved from time to time by the Minister. Unless otherwise specified under conditions of the EL all low impact exploration activities must be undertaken in accordance with the standard low impact mineral exploration PEPR approved by the Minister under Part 10A of the SA Mining Act. Prior to conducting exploration activities outside of the scope of the generic low impact exploration PEPR, application must be made and a PEPR submitted in accordance with Part 10A and approved in writing by the Minister (or delegate).

(h) The licensee must comply with conditions imposed in relation to groundwater protection and water resource management.

(i) The terms and conditions of an EL may be varied (subject to certain rights of the licensee to appeal to the Environment, Resources and Development Court) upon renewal or at any time during its term, and an EL may be suspended or cancelled where the licensee contravenes or fails to comply with any provision of the SA Mining Act or any condition of the EL.

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[1] We note also for future purposes the *Statutes Amendment (Leading Practice in Mining) Bill 2017* (SA) currently before Parliament, as the first reform Bill as part of the Leading Practice Mining Acts Review being undertaken in South Australia.

(j) An EL confers no right to carry out mining operations on native title land unless:

(i) the mining operations do not affect native title (that is, are wholly or partially inconsistent with the continued existence or enjoyment of native title rights);

(ii) a declaration is made under a law of a State or the Commonwealth that the land the subject of the EL is not subject to native title;

(iii) an agreement has been reached with the native title parties that authorises the mining operations; or

(iv) a determination authorising the mining operations is made under Part 9B of the SA Mining Act.

(k) The holder of an EL must comply with minimum expenditure commitments prescribed by the SA Mining Act.

(l) The annual fee for an EL is currently $526 or $12.20 per square kilometre per year, whichever is greater.

(m) An EL may not be assigned or otherwise dealt with, either directly or indirectly, without the written consent of the Minister.

(n) The tenement holder must give written notice to landholders of the relevant land (including native title holders) before entering the land for exploration or mining purposes, and access arrangements are to be entered into in accordance with the requirements of the SA Mining Act.

Further conditions are specified in the licence for each EL. These conditions are summarised in Part 1 of the Schedule to this Report.

4.2 Exploration Licence Application

The process for the grant of an EL in South Australia is as follows:

(a) Applications for ELs must be in a prescribed form and lodged (together with the prescribed application fee) with the Director of Mines pursuant to section 29 of the SA Mining Act. If the Minister determines that he or she is willing to grant to the applicant an EL (subject to the operation of the SA Mining Act and SA Mining Regulations), the Minister must advise the applicant by notice in writing of the proposed terms and conditions under which the Minister is prepared to grant the EL, and allow the applicant at least seven days (or such longer period as the Minister may allow) to make submissions on the terms and conditions before the Minister finalises them.

(b) Subject to the provisions of the SA Mining Act, an ELA which has been lodged under that Act confers priority over the subject area until the Minister has decided whether or not to grant the licence applied for. Once the offer is accepted and returned by the applicant the ELA is advertised, and a period of 28 days allowed from the advertising date for objections, prior to the grant of the EL.

In relation to ELA 2017/250, the Department's records confirm that this application was circulated to relevant government Departments on or about 8 January 2018 for assessment, with a target date of 5 March 2018 for completion of that stage of the application process.

5. Native Title

5.1 Introduction

The decision of the High Court of Australia in *Mabo v Queensland (No 2)* (1992) 175 CLR 1 (**Mabo**) recognised the concept of Aboriginal native title to land where those rights survived the acquisition of sovereignty by non-indigenous people.

Following Mabo, native title rights were recognised where the claimants could establish that they have enjoyed certain customary rights and privileges in respect of a particular area of land and that they have continuously maintained their traditional connection with that land. Such a claim will not be recognised if the native title has been extinguished.

The *Native Title Act 1993* (Cth) (**NTA**) was enacted in response to Mabo to regulate dealings with native title land. The NTA commenced on 1 January 1994 and was substantially amended in 1998 by the *Native Title Amendment Act 1998* (Cth) in response to the High Court of Australia decision of *Wik Peoples v Queensland* (1996) 187 CLR 1 (**Wik**). In summary, the NTA currently provides a legislative framework to:

(a) regulate the recognition, protection and extinguishment of native title;

(b) validate past acts (including pastoral leases, mining tenements and ancillary titles) granted before 1 January 1994 which might otherwise be invalid due to native title;

(c) validate intermediate period acts granted between 1 January 1994 and 23 December 1996, which might otherwise be invalid due to native title;

(d) authorise valid acts in relation to native title lands occurring after the introduction of the NTA on 1 January 1994;

(e) provide for a negotiation process between government, native title and non-native title parties in relation to certain future uses of native title lands; and

(f) compensate for the extinguishment or impairment of native title.

In 2002 native title rights were further considered by the High Court of Australia in *Western Australia v Ward* (2002) 191 ALR 1. The High Court confirmed (in relation to the facts of that case) that:

(a) native title interests may be seen as a bundle of rights, each of which is capable of being extinguished;

(b) the rights of land users (including under a validly granted mining lease) and the rights of native title parties can co-exist, however where these rights conflict, certain rights of the native title claimants must yield to the rights conferred by the grant of the mining lease (in that case); and

(c) no native title rights to minerals or petroleum could be recognised (on the facts of this case) because there was no evidence of any traditional Aboriginal law, custom or use in relation to minerals or petroleum.

Recent High Court decisions have further considered these issues. For example, in the case of *Western Australia v Brown* [2014] HCA 8 the High Court examined the issues of co-existence of mining rights and native title rights, and of whether, and to what extent, native title rights would be considered to be extinguished, having regard to any inconsistency between the rights of the tenement holder and those of the native title holders. In the case of *State of Queensland v Congoo* [2015] HCA 17 the High Court again considered issues relating to extinguishment of native title rights and co-existence where statutory rights and native title rights are not inconsistent.

5.2 Extinguishment of Native Title

The common law of Australia provides that upon acquisition of sovereignty by the Crown, native title became vulnerable to extinguishment by legislative or executive actions of Government which manifested a clear and plain intention to extinguish native title. Valid alienation of land by the Crown, such as the granting of an interest which is wholly or partly inconsistent with a continuing right to enjoy native title, extinguishes native title to the extent of any inconsistency.

The NTA regulates the extinguishment of native title by the Commonwealth. In this regard, the NTA provides that 'previous exclusive possession acts' (including grants of freehold or possession on the holder) will have completely extinguished native title. 'Previous non-exclusive possession acts' (including grants of leasehold interests that conferred non-exclusive possession on the holder, such as many pastoral leases) will only have extinguished native title to the extent of any inconsistency between the native title rights and the rights conferred under the grant.

Since the NTA only provides for extinguishment of native title by the Commonwealth, State and Territory Governments enacted complementary native title legislation to regulate the extinguishment of native title in that State or Territory. The relevant South Australian legislation is considered in paragraph 5.4.

5.3 Validity of Title

Under the NTA tenements granted prior to 1 January 1994 are deemed to be valid and native title is suspended by their grant. Mining tenements granted in the period 1 January 1994 and 23 December 1996, which may otherwise have been invalid due to non-compliance with the NTA, are deemed to be valid under the NTA so far as the tenements were granted over land the subject of a pastoral lease or other prescribed leasehold land.

The validity of titles, permits or approvals granted on or after 1 January 1994 generally depends on compliance with the NTA future act procedure.

Under the NTA the grant of a mining tenement after 1 January 1994 is generally a future act if it affects native title, that is if it extinguishes native title rights and interests or it is wholly or partly inconsistent with their continued existence, enjoyment or exercise. Where there is no previous right to have a licence granted, all future acts which create a 'right to mine' (as defined in the NTA) will only be valid if the relevant

future act procedures, including compliance with the right to negotiate (**RTN**) process, under the NTA are adhered to.

The RTN process consists of a statutory period of negotiation between the relevant Government party, the native title party and the grantee, during which time the parties must negotiate in good faith. If negotiations fail to resolve any dispute as to the grant of the relevant interest the NNTT (as the arbitral body) will make a determination as to whether the grant may proceed (and if so, on what conditions). Subject to Federal Ministerial intervention or the agreement of the parties, the decision of the NNTT will determine whether the interest is granted. Tenements which have been granted under the future act procedures of the NTA may be renewed provided there is no expansion of the rights granted and, in particular, no increase in the area, extension of the term or creation of new rights.

In relation to certain future acts an expedited procedure may be followed (if it is not successfully objected to) provided the grant is not likely to directly interfere with the native title holders' community or social activities, interfere with areas or sites of particular significance or involve major disturbance to land or waters or create rights whose exercise is likely to do so.

The RTN process is not required to be followed in circumstances where the expedited procedure applies or where an Indigenous Land Use Agreement (**ILUA**) is negotiated with the relevant Aboriginal people and registered with the NNTT, in which case the procedures prescribed by the ILUA must be followed to obtain the valid grant of the tenement.

5.4 Native Title in South Australia

The NTA provides for the enactment by State Governments of alternative legislation for the validation of past acts and intermediate period acts which are attributable to that State. In addition, as noted above, as the NTA only provides for extinguishment and validation of native title by the Commonwealth, each State and Territory Government enacted complementary native title legislation substantially enacting the provisions of the NTA.

In 1996 the *Native Title (South Australia) Act 1994* (SA) amended the SA Mining Act to provide an alternate and complementary State-based system which largely replaces the operation of the RTN process under the NTA in South Australia. Part 9B of the SA Mining Act acts in conjunction with the NTA and allows the South Australian Government to validate past acts which might otherwise be invalid due to native title.

The *Native Title (South Australia) (Validation and Confirmation) Amendment Act 2000* (SA) (**SA Amending Act**), which came into operation on 22 January 2001, provided for the validation of intermediate period acts attributable to the State of South Australia and extinguished native title over land the subject of the majority of perpetual lease categories as granted on or before 23 December 1996 under the *Crown Lands Act 1929* (SA). Where native title may otherwise have applied to properties covered by the SA Amending Act, those properties will no longer be claimable.

In South Australia, tenements granted after 1 January 1994 are future acts under the NTA. Where tenements were granted after 17 June 1996 (including the Tenements) the provisions of Part 9B of the SA Mining Act must be followed in order to validate the

grant of the tenements, instead of the NTA future act procedures.

Under Part 9B of the SA Mining Act, the grant of a tenement confers no right to carry out mining operations, including prospecting, exploring or mining for minerals on native title land unless:

(a) the mining operations do not affect native title (that is, they are not wholly or partly inconsistent with the continued existence, enjoyment or exercise of rights deriving from native title);

(b) a declaration is made under the law of the State or the Commonwealth that the land is not subject to native title;

(c) an ILUA is registered under the NTA; or

(d) a determination authorising the mining operations is made under Part 9B of the SA Mining Act.

The holder of an EL that would, if land were not native title land, authorise mining operations on the land may acquire the right to carry out mining operations on the land (that affect native title) from an agreement authorising the operations negotiated with the relevant native title parties, whether such parties are the registered holder of native title or registered native title claimants.

5.5 Native Title Affecting the Tenements

From enquiries we have made of NNTT, we are aware of certain native title claims (and determinations) which may impact on the Tenements. These are identified in Part 2 of the Schedule to this Report. The fact that a claim has been lodged does not mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists over that area. The existence of native title has been (and will be) established in due course as the claims are processed by the Federal Court of Australia, and it is possible that further claims may be made in the future.

We comment in relation to each project area as follows. However, we have not undertaken the detailed underlying tenure investigations necessary to conclusively establish the existence of native title and our comments are of a general nature only.

(a) Corunna Project

The Corunna Project area (comprising EL 5497 and ELA 2017/250) is situated primarily on pastoral lease land, and ELA 2017/250 also includes an area within the Lake Gilles Conservation Park.

Pastoral lease land admits the continued existence of native title rights and interests, to the extent that such native title rights and interests have continued to exist in accordance with Aboriginal traditional custom and are not inconsistent with the rights of the holder of the pastoral lease and any other extinguishing event. However, by virtue of the SA Amending Act, the grant of certain pastoral leases conferring exclusive possession, being a past or intermediate act (as defined in paragraph 5.1) may also have extinguished native title rights over the relevant land.

(1) **EL 5497**

From enquiries we have made of NNTT we understand that this Tenement falls within the area of Claim No SC 1996/04 (Barngarla). This claim was accepted for registration such that the claimants are entitled to the right to negotiate, and has subsequently been the subject of Determination No SCD 2016/001 (Federal Court file no. SAD 6011/1998 Barngarla Native Title Claim) dated 23 June 2016, which held that native title exists in parts of the determination area.

We note that a Native Title Mining Agreement in respect of this Tenement was negotiated with the Barngarla Native Title Claimants and dated 1 December 2014 as noted further in the Material Contracts Section 9.2 of the Prospectus.

The search information as provided by NNTT also indicates that a portion of the Tenement falls within the area of the Middleback Ranges SA ILUA (SI 2013/02) registered 22 November 2013 between the Barngarla People and OneSteel Manufacturing Pty Ltd and the Tenement also overlaps the Cultana Expansion Area ILUA (SI 2013/01) registered 28 June 2013 between the Barngarla Registered Native Title Claimants, the State of South Australia and the Commonwealth of Australia.

(2) **ELA 2017/250**

From enquiries we have made of NNTT we understand that this ELA also falls within the area of Claim No SC 1996/04 (Barngarla) and Determination No SCD 2016/001 (Federal Court file no. SAD 6011/1998 Barngarla Native Title Claim) details of which are set out in paragraph 5.5(a)(1).

The search information as provided by NNTT also indicates that this ELA includes areas within the area of the Middleback Ranges SA ILUA (SI 2013/02) and the Cultana Expansion Area ILUA (SI 2013/01) details of which are also set out in paragraph 5.5(a)(1).

A portion of the ELA also falls within the area of the Gawler Ranges People Determination (SCD 2011/005). By Consent Determination made by the Federal Court on 19 December 2011 pursuant to the NTA, non-exclusive native title rights and interests were determined to exist in the relevant determination area within the Gawler Ranges region, in favour of the Gawler Ranges people. A portion of ELA 2017/250 therefore overlaps the area of:

(a) the Lake Gilles Conservation Park ILUA (SI 2012/03) registered 19 April 2012 between the State of South Australia, the Gawler Ranges People and the Gawler Ranges Aboriginal Corporation, pursuant to the above Consent Determination;

(b) the Gawler Ranges Native Title Claim Settlement ILUA (SI 2012/04) registered 15 June 2012 between the State of South

Australia, the Gawler Ranges People, the Gawler Ranges Aboriginal Corporation and South Australian Native Title Services Ltd, further to the Consent Determination, as part of a series of additional ILUAs signed by the Gawler Ranges claim group and the South Australian Government to resolve issues concerning compensation arising from the native title claim and other matters related to the claim; and

(c) the Gawler Ranges Mineral Exploration ILUA (SI 2004/04) (**GRME ILUA**). The GRME ILUA was registered with the NNTT on 30 June 2006 as a framework agreement between the Gawler Ranges Native Title Claim Group, South Australian Chamber of Mines and Energy Inc, Aboriginal Legal Rights Movement Inc and the State of South Australia. It enabled the Gawler Ranges native title claim group to authorise the grant of exploration tenements that would otherwise be subject to the negotiation procedure under Part 9B of the SA Mining Act. However, since termination of the GRME ILUA effective 28 February 2017, exploration activities under new tenements granted within the area affecting native title will now be subject to the requirements under Part 9B of the SA Mining Act.

(b) **Walparuta Project**

The Walparuta Project area (comprising EL 5306 and EL 5717) comprises mainly pastoral lease land. We refer to our comments in paragraph 5.5(a) in relation to pastoral lease land.

From enquiries we have made of NNTT we understand that the Tenements fall within the area of Claim No SC 1999/01 (Adnyamathanha No 1) and Claim No SC 2015/003 (Wilyakali #2). Each of these claims has been accepted for registration such that the claimants are entitled to the right to negotiate.

It appears that no native title agreement has been negotiated in relation to the Tenements (although our Tenement Searches indicate that a Form 27 Notice to initiate negotiations with native title parties was lodged by the current Tenement holder SAEX Pty Ltd on 13 February 2014, as noted in the Schedule to this Report). Assuming that a native title agreement has not been negotiated in relation to these tenements, 'heritage' clearances for exploration may need to be obtained as and when required (we refer to our comments in relation to heritage clearances under the *Aboriginal Heritage Act 1988* (SA) in paragraph 6.1(b)).

The Tenements also fall within the scope of Claim No SC 2010/002 (Ngadjuri Nation) which was not accepted for registration, such that the claimants are not entitled to the right to negotiate under Part 9B of the SA Mining Act.

As noted above, however, we have not been instructed to undertake, and understand that Petratherm has not otherwise undertaken, the detailed underlying tenure investigations which would be necessary to confirm the effect of the SA Amending Act in relation to the above tenements.

6. Other Applicable Legislation

The following Commonwealth and South Australian legislation may also apply to exploration and mining operations on the Tenements.

6.1 Aboriginal Heritage and Sites of Significance

(a) Commonwealth Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) provides for the preservation of areas and objects which are of particular significance to Aboriginal people in accordance with Aboriginal tradition, and may have the potential to halt exploration activities if the Minister makes a declaration for the protection and preservation of an area of Aboriginal significance under the Act.

(b) South Australian Legislation

The *Aboriginal Heritage Act 1988* (SA) (**AHA**) provides for the protection and preservation of Aboriginal heritage in South Australia by the identification of sites of significance to Aboriginal people on the Register of Aboriginal Sites and Objects maintained pursuant to the AHA. The effect of entry on the Register is that the site or object will be conclusively presumed to be an Aboriginal site or object.

All operators and holders of interests under a tenement must observe the provisions of the AHA in relation to operations on their tenements. Discovered Aboriginal sites and remains must be reported to the relevant Minister. It is an offence not to carry out the reporting procedure if Aboriginal sites, objects or remains are discovered. It is also an offence to damage any Aboriginal object, or to disturb, interfere with or remove any Aboriginal object or remains. The Minister has the power under the AHA to give directions prohibiting or restricting activities on or in relation to the site or an area surrounding the site or in relation to the object or remains. This potentially includes exploration and mining activities.

In South Australia, Aboriginal Heritage Agreements are often entered into with relevant Aboriginal groups to deal with the protection or preservation of Aboriginal sites, objects or remains on land upon which exploration or mining activities are to be undertaken. These agreements are in addition to agreements under Part 9B of the SA Mining Act.

6.2 Environment and Rehabilitation of Land

(a) Commonwealth Legislation

Under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**) environmental assessment and approval is required for actions that are likely to have a significant impact on a matter protected by the EPBC Act. When a person proposes to take an action that they believe may need approval under the EPBC Act, they must refer the proposal to the Australian Government Minister for the Environment and Energy.

(b) **South Australian Legislation**

The SA Mining Act includes obligations requiring tenements to be rehabilitated. In addition, Petratherm's operations on the Tenements are subject to the provisions of the *Environment Protection Act 1993* (SA). As conditions will be imposed upon the grant of ELA 2017/250 concerning exploration activities conducted within the Lake Gilles Conservation Park, the provisions of the *National Parks and Wildlife Act 1972* (SA) will apply to Petratherm's operations in relation to this tenement and limit rights to explore and mine on reserves constituted pursuant to this Act.

7. Consent and Declarations

The partners of O'Loughlins Lawyers (except for Mr Stephen White, who holds shares in Petratherm) and the staff involved in the preparation of this Report have no interest in or financial relationship with Petratherm. Mr Simon O'Loughlin, Non-Executive Chairman of Petratherm (and who holds shares in Petratherm) is a Consultant to O'Loughlins Lawyers, but has had no involvement in the preparation of this Report. Other than a time based fee for the preparation of this Report, no pecuniary or other benefit, direct or indirect, has been received by O'Loughlins Lawyers in connection with the making of this Report.

In providing this Report we have relied on (and have not sought to verify) the accuracy of information provided to us by the Department and the NNTT in response to searches made, or caused to be made, by us of their records and registers. In reliance upon this information, we believe this Report does not contain anything which is false in a material particular or which is materially misleading in the form and context in which it appears. We have not undertaken any additional searches of other government agencies, or of Courts or Tribunals.

We have given, and have not before the lodgement of the Prospectus withdrawn, our consent to the issue of the Prospectus with this Report in the form and context in which it is included.

Yours faithfully
O'Loughlins Lawyers

O'Loughlins Lawyers

SCHEDULE

Part 1 – Tenement Schedule

Project Area	Tenement	Name / Location	Status	Date Granted	Renewal Date/ Expiry*	Area (sq km)	Registered Holder / Applicant	Annual Statutory Expenditure Commitments	Material Contracts	Native Title Claims/ Determinations	Notes
Corunna Project	EL 5497	Corunna North (SA)	Granted/Current	13/10/14	12/10/18	260	Musgrave Minerals Ltd	$55,000 pa	9.1(b) 9.2	SC 96/4 SCD16/01	1,2,3,4,5,6, 14
Walparuta Project	EL 5306	Whey Whey Creek (SA)	Granted/Current	18/7/13	17/7/18*	26	SAEX Pty Ltd	$35,000 pa	9.1(a)	SC 99/01 SC 15/03 SC 10/02	2,3,7,9, 11, 13
Walparuta Project	EL 5717	Walparuta (SA)	Granted/Current	21/6/15	20/6/19	52	SAEX Pty Ltd	$70,000 pa	9.1(a)	SC 99/01 SC 15/03 SC 10/02	2,3,8,9,10, 11, 13
Corunna Project	ELA 2017/250	Gilles Downs (SA)	Application	N/A	N/A	721	Petratherm	N/A	N/A	SC 96/04 SCD 11/05 SCD 16/01	3, 4, 5 12, 15, 16

NOTES

1. This tenement was extended for two years to 12 October 2018 upon expiry of the initial two year term on 12 October 2016. The tenement can then be renewed by a further period of one year as the Minister may determine (to a maximum of five years in total).

2. Condition imposed whereby, unless the Minister otherwise determines, if the expenditure requirements under the licence terms are not met, the area of the tenement must be reduced by at least 25% by the end of the current term.

3. Geological Monument included within the tenement area, being a site of acknowledged geological value as determined by the Geological Society of Australia.

4. Requirements imposed under the *Development Act 1993* (SA) in relation to a Mining Production Tenement Regulation Area (as noted in Schedule 20 of the *Development Regulations 2008* (SA)).

5. This Tenement includes areas within the Cultana Expansion Area ILUA (SI 2013/001) and the Middleback Ranges SA ILUA (SI 2013/002).

6. Refer Mining Native Title Agreement dated 1 December 2014 (registered) as entered into by Musgrave Minerals Ltd with the Barngarla Native Title Claimants (SAD 6011/1998) under Part 9B of the SA Mining Act (refer Material Contracts Section 9.2 of this Prospectus).

7. This tenement was extended for two years to 17 July 2017 upon expiry of the initial two year term on 17 July 2015, and for a further one year period from 18 July 2017 to 17 July 2018. That is the maximum five year period (although a further EL can then be applied for, as noted in section 4.1).

8. This tenement was extended for two years to 20 June 2019 upon expiry of the initial two year term on 20 June 2017. The tenement can then be renewed for a further year as the Minister may determine but which will then reach the maximum aggregate term of five years in total.

9. Conditions imposed under the SA Mining Act, the *River Murray Act 2003* (SA) and the *Water Act 2007* (Cth) in respect of a Tenement within the Murray Darling Basin Area.

10. EL granted upon expiry of maximum 5 year aggregate term of previous EL 4520 (21/6/10-20/6/15) as transferred from Ausmin Development Pty Ltd to SAEX Pty Ltd on 17 December 2012.

11. On 13 February 2014 the current Tenement holder SAEX Pty Ltd lodged a Form 27 notice under Part 9B of the SA Mining Act initiating negotiations with native title parties (see comments in section 5.5(b)), in respect of EL 5306 and former EL 4520 (now replaced by current EL 5717).

12. Petratherm has instructed us that once granted the expenditure commitment in relation to this tenement is expected to be $100,000 pa.

13. Tenement Purchase Agreement dated 20 December 2017 not yet registered (refer Material Contracts Section 9.1(a) of this Prospectus).

14. Mining Farm-In and Joint Venture Agreement dated 21 December 2017 not yet registered (refer Material Contracts Section 9.1(b) of this Prospectus).

15. Conditions will be imposed in relation to access to and exploration activity within (and adjacent to) the Lake Gilles Conservation Park.

16. A portion of this ELA falls within the area of the Gawler Ranges Mineral Exploration ILUA (SI 2004/04), the Lake Gilles Conservation Park ILUA (SI 2012/03) and the Gawler Ranges Native Title Claim Settlement ILUA (SI 2012/04).

Part 2 – Summary of Native Title Claims/ Determinations

Claim	Federal Court Number	NNTT Number	Accepted for Registration	Status
Barngarla Native Title Claim (Application)	SAD 6011/1998	SC 1996/004	4/4/96	Registered (see also Determination SCD 2016/001 below)
Barngarla Native Title Claim (Determination)	SAD 6011/1998	SCD 2016/001	Determination date 23/6/16	Determined*
Adnyamathanha No 1	SAD 6001/1998	SC 1999/001	31/3/99	Registered / Part determination**
Wilyakali #2	SAD 417/2015	SC 2015/003	2/2/16	Registered
Ngadjuri Nation Native Title Claim	SAD 147/2010	SC 2010/002	NA	Not accepted for registration
Gawler Ranges People (Determination)	SAD 6020/1998	SCD 2011/005	Determination date 19/12/11	Determined***

*Federal Court determination made 23 June 2016 that native title exists in parts of the determination area.

**Consent determinations have been made by the Federal Court to the effect that native title exists in parts of the determination area.

***Federal Court determination made 19 December 2011 that native title exists in parts of the determination area.

Section 9: Material Contracts

Set out below are summaries of the more important provisions of contracts to which the Company is a party and which are or may be material in terms of the Offer or the operations of the Company or otherwise are or may be relevant to an investor who is contemplating the Offer.

9.1 Project Acquisition Agreements

(a) Tenement Purchase Agreement

The Company and Saex Pty Ltd ACN 154 922 728 (**SAEX**) entered into a Tenement Purchase Agreement dated 20 December 2017 (**TPA**), pursuant to which the Company agreed to acquire two gold and base-metal prospective tenements, EL 5306 and EL 5717 (**SAEX Tenements**) and related technical information from SAEX.

The TPA is subject to:

- the Company conducting due diligence in respect of the SAEX Tenements and being satisfied in its absolute discretion with such due diligence;
- the Company obtaining all shareholder approvals required under the Corporations Act and the ASX Listing Rules in order for its Shares to be reinstated to quotation on ASX including for a significant change to the nature or scale of the Company's activities, and for the issue of Shares pursuant to this Prospectus;
- the Company raising at least $4 million via a prospectus (being this Prospectus);
- the Company obtaining conditional approval (subject only to the imposition of conditions usual for such approvals) from ASX for its Shares to be reinstated to quotation; and
- the Company obtaining any approvals or consents required under the law of South Australia,

(**Conditions Precedent**).

Either party may terminate the TPA if the Conditions Precedent are not satisfied by 31 March 2018 (or such other date agreed by the parties) (provided that party is not in default). As at the date of this Prospectus, the due diligence condition precedent referred to above has been satisfied, and the Company has obtained the approvals and consents required under the law of South Australia.

In consideration for the acquisition of the SAEX Tenements and related technical information, the Company agreed to issue to SAEX 1,250,000 Shares upon completion of the TPA (which shall take place three Business Days after satisfaction or waiver of the last of the Conditions Precedent.

The parties each have the right to terminate the TPA for breach.

(b) Mining Farm-In and Joint Venture Agreement

Pursuant to a Mining Farm-In and Joint Venture Agreement dated 21 December 2017 (**JV Agreement**), the Company may earn and acquire up to a 75% interest in a silver, lead and zinc prospective tenement, EL 5497 (**MGV Tenement**) (and related rights and information), from Musgrave Minerals Limited ACN 143 890 671 (ASX Code: MGV) (**Musgrave**).

The JV Agreement is subject to:

- the Company conducting due diligence in respect of the MGV Tenements and being satisfied in its absolute discretion with such due diligence;
- the Company obtaining all shareholder approvals required under the Corporations Act and the ASX Listing Rules in order for its Shares to be reinstated to quotation on ASX including for a significant change to the nature or scale of the Company's activities, and for the issue of Shares pursuant to this Prospectus;

- the Company raising at least $4 million via a prospectus (being this Prospectus);
- the Company obtaining conditional approval (subject only to the imposition of conditions usual for such approvals) from ASX for its Shares to be reinstated to quotation; and
- the Company obtaining any approvals or consents required under the *Mining Act 1971* (SA),

(**Conditions Precedent**).

Either party may terminate the TPA if the Conditions Precedent are not satisfied by 31 March 2018 (or such other date agreed by the parties) (provided that party is not in default). As at the date of this Prospectus, only the due diligence condition precedent referred to above has been satisfied.

Pursuant to the terms of the JV Agreement, the Company can earn and acquire:

- a 51% legal and beneficial interest in the MGV Tenement (and associated rights and information) (**Stage One Interest**) by expending a total of $500,000 on exploration on the MGV Tenement (**Stage One Commitment**), within the period of 18 months commencing on the date of satisfaction or waiver of the last of the Conditions Precedent (**Effective Date**); and
- a further 24% legal and beneficial interest in the MGV Tenement (and associated rights and information) (**Stage Two Interest**), for a total 75% interest, by completing the Stage One Commitment and expending a further $500,000 on exploration on the MGV Tenement (**Stage Two Commitment**) within a further 12 months commencing on the date the Company notifies Musgrave of its intention to earn the further 24% interest (which must be within 30 days after providing Musgrave with evidence verifying that the Company has spent the Stage One Commitment).

Provided the Company completes the Stage One Commitment, the Company and Musgrave will form an unincorporated joint venture (**Joint Venture**) and their participating interests will be either:

- 51% (Petratherm) and 49% (Musgrave), if Petratherm elects not to (or fails to) complete the Stage Two Commitment or fails to notify Musgrave of its intention to earn the further interest within the required time; or
- 75% (Petratherm) and 25% (Musgrave), if Petratherm completes the Stage Two Commitment within the prescribed period.

The Company's right to receive a transfer of the abovementioned interests is also subject to it obtaining all necessary government consents.

During the abovementioned earn-in periods, Petratherm is required to pay all fees, rents, taxes, rates and other outgoings associated with the maintenance of the MGV Tenement and otherwise maintain the MGV Tenement in good standing.

Petratherm cannot withdraw from the JV Agreement unless it has completed work programs to test the Area 1 prospect (refer to Section 3.3) on the MGV Tenement (geophysical surveys and/or drilling) totalling $60,000 (**Minimum Expenditure**).

The purpose of the Joint Venture will be to explore the MGV Tenement area for minerals, carry out all activities relating to the discovery, delineation, testing and analysis of ore bodies and carry out a feasibility study on such parts of the MGV Tenement area that indicates the existence of a resource of minerals. The name of the joint venture will be the "Corunna Joint Venture".

The parties will form an operating committee comprised of two persons nominated by each party, whose function will be to oversee and direct the policy of the Joint Venture and decide the nature and content of exploration programs and budgets. Petratherm will be the manager of the Joint Venture until it either resigns or is removed in accordance with the JV Agreement or if Musgrave holds a majority interest in the MGV Tenement.

Petratherm can withdraw from the Agreement prior to earning the Stage One Interest by giving no less than 20 Business Days' notice to Musgrave, in which case it will have no further interest in the

MGV Tenement and will be required to comply with certain reporting and remediation obligations under the JV Agreement.

Petratherm can also withdraw from earning the Stage Two Interest by giving no less than 20 Business Days' notice to Musgrave, in which case it will retain its Stage One Interest pursuant to the unincorporated joint venture, and will be required to comply with certain reporting and remediation obligations under the JV Agreement.

The JV Agreement otherwise contains terms standard in an agreement of that nature.

9.2 Barngarla Native Title Mining Agreement

Musgrave Minerals Limited ACN 143 890 671 (ASX Code: MGV) (**Musgrave**) entered into a Native Title Mining Agreement (**Agreement**) with The Barngarla Aboriginal Corporation (being a Prescribed Body Corporate representing Barngarla Native Title Claimaints) (**Claimants**) on 1 December 2014.

A native title determination application known as the Brangarla Native Title Claim (**Claim**) was lodged on behalf of the Claimants in the Federal Court. Musgrave is the registered holder and beneficial owner of EL 5497 (**MGV Tenement**), which is wholly located upon land being subject to the Claim.

The Agreement governs the rights and obligations of Musgrave and the Claimants in respect of the MGV Tenement, which the Company will have the right to earn an interest in pursuant to the Mining Farm-In and Joint Venture Agreement (as summarised in Section 9.1(b) of this Prospectus).

The Agreement requires Musgrave to apply to the Claimants for clearance, before undertaking new mining exploration activities on the MGV Tenement. The Claimants' nominee will assemble a survey team to inspect the relevant area, to determine whether there are any areas of significance pursuant to the *Aboriginal Heritage Act 1988* (SA) and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) and to ensure the Company complies with its obligations under the *Mining Act1971* (SA).

The Company is required to pay certain costs of or incurred by the survey team, as further set out in the Agreement.

Subject to the Company complying with its obligations, the Claimants will not seek to challenge the validity of the MGV Tenement or object or complain of any future breach of the *Aboriginal Heritage Act 1988* (SA) and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth).

If Petratherm earns an interest in the MGV Tenement pursuant to the Mining Farm-In and Joint Venture Agreement, it will be required to enter into a Deed of Assumption in favour of the Claimants, to observe and comply with the obligations of the Company under the Agreement.

9.3 Taylor Collison Mandate Letter

By a letter agreement entered into between Taylor Collison Limited (**Lead Manager**) and the Company dated 21 December 2017 (**Lead Manager Agreement**) the Lead Manager agreed to conditionally act as lead manager of the Offer.

The Lead Manager's agreement to act as lead manager of the Offer is subject to:

- a due diligence program having been designed and implemented by the Company's legal advisers, to the satisfaction of the Lead Manager;
- the preparation of an acceptable prospectus in relation to the proposed Reinstatement, including appropriate expert reports as required or deemed desirable and satisfactory to the Lead Manager;
- general market conditions being conducive to the Offer and the Reinstatement;
- there not being any material adverse change to the Company's prospects during the course of the Lead Manager's appointment;
- receipt of sign-offs in relation to due diligence in terms satisfactory to the Lead Manager from the Company's legal advisers; and

- escrow arrangements to be approved by the Lead Manager.

Pursuant to the Lead Manager Agreement, the Company has agreed to pay the Lead Manager:

- a management fee of 1% of the total funds raised under the Offer; and
- a selling fee of 5% payable on funds raised by the Lead Manager under the Offer.

The Company has also agreed to issue to the Lead Manager Options equating to 5% of the Shares on issue post Completion of the Offer, on the terms set out in Section 10.5(a).

In addition to the fees payable to the Lead Manager set out above, the Company has agreed to reimburse the Lead Manager for reasonable costs and expenses incurred, provided that the Lead Manager will seek the Company's approval before incurring individual out of pocket expenses greater than $1,000 per month. The Lead Manager is also entitled to appoint its own legal advisers, whose fees will be for the account of the Company provided that such fees will be capped at $15,000.

If the Lead Manager Agreement is terminated for any reason, the Company is responsible for payment of all costs of the Offer incurred to that date either directly by it or on its behalf by the Lead Manager.

Under the Lead Manager Agreement, the Company agrees to take full responsibility for the contents and issue of the Prospectus, and agrees to broadly indemnify the Lead Manager against all liability and loss arising from, and all costs, charges and expenses incurred in connection with, the content, preparation and issue of this Prospectus and the Issue (except to the extent that such liability and loss was the direct result of the Lead Manager's negligence or willful misconduct, breach of contract and/or fraud).

Subject to the parties signing a further offer management agreement, either party can terminate the Lead Manager Agreement by giving 7 days' written notice to the other party. If the Company terminates the Lead Manager Agreement other than for material default (which cannot or has not been remedied within a reasonable period following notice), negligence or breach of law or the Lead Manager terminates the Lead Manager Agreement with cause, the Lead Manager will continue to be entitled to the offer management and selling fees detailed above if the Company completes Reinstatement within a period of nine months from the date of termination.

Section 10: Additional Information

10.1 Tax Status and Financial Year

The Company is taxed in Australia as a public company. The financial year of the Company ends on 30 June annually.

10.2 Corporate Governance and Restricted Securities

The Board of Directors is responsible for the corporate governance of the Company including its strategic development.

The Board of Directors acknowledges the Corporate Governance Principles and Recommendations (3rd Edition) set by the Australian Securities Exchange (**ASX**) Corporate Governance Council. However in view of the Company's current size and extent of nature of operations, full adoption of the recommendations is currently not practical. The Board will continue to work towards full adoption of the recommendations in line with growth and development of the Company in the years ahead. Where the Company's framework is different to the Corporate Governance Principles and Recommendations set by the ASX Corporate Governance Council (**ASX Principles**), it has been noted.

A copy of the full Corporate Governance Statement adopted by the Board is available on the Company's website: www.petratherm.com.au.

A summary of the corporate governance practices as currently adopted by the Board is as follows:

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 – Companies should disclose the respective roles and responsibilities of the Board and management, and those matters reserved to the Board and those delegated to management.

Recommendation 1.2 – Companies should undertake appropriate checks before appointing a person or putting forward a candidate for election as a director and provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Recommendation 1.3 – Companies should have a written agreement with each director and senior executive setting out the terms of their appointment.

Recommendation 1.4 – Company secretaries should be accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board.

Recommendation 1.5 – Companies should have a diversity policy and should disclose at the end of each reporting period the measurable objectives for achieving gender diversity and the progress towards achieving those objectives.

Recommendation 1.6 – Companies should disclose the process for periodically evaluating the performance of the Board, its committees and Directors, and in relation to each reporting period, whether a performance evaluation has been undertaken.

Recommendation 1.7 – Companies should disclose the process for periodically evaluating the performance of senior executives, and in relation to each reporting period, whether a performance evaluation was undertaken.

- The Company will have a small Board of three Directors (upon Reinstatement), Non-Executive Chairman Derek Carter, and Non-Executive Directors Donald Stephens and Simon O'Loughlin. The Company discloses the respective roles and responsibilities of its Board and management, and how their performance is monitored and evaluated in its Annual Report.

  The Company's Corporate Governance Statement sets out (amongst other things) the roles and responsibilities of the Board.

- Prior to the appointment of a person, or putting forward to security holders a candidate for election, as a director, the Company undertakes checks which it believes are appropriate to verify a director's character, experience, education, criminal record and bankruptcy history including for new directors.

  The Company ensures that all material information in its possession relevant to a shareholder's decision whether to elect or re-elect a director, including the information referred to in Recommendation 1.2, is provided to shareholders in the Company's Notice of Annual General Meeting.

- The Company does not currently engage a managing director, and the Non-Executive Directors do not currently have written agreements with the Company. The Board considers this appropriate having regard to the nature and size of the Company, and its limited recent operating history.

- The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

- The day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are managed by the Board due to the size and nature of the Company.

- The Company has not yet developed or disclosed a formal diversity policy. The Company considers this is appropriate at this time, but it does use diversity as a consideration for staff and Director recruitment.

- The Board recognises that as a result of the Company's size, the assessment of the Board's overall performance and its own succession plan is conducted on an ad hoc basis. Whilst Recommendation 1.6 is not strictly followed the Directors consider that the evaluation process of Company directors is appropriate and effective. A more formal process of Board assessment will be considered in the future as the Company develops.

- The Company does not currently engage any senior executives, and therefore has nothing to disclose pursuant to Recommendation 1.7.

As at the date of this Prospectus, there are the following departures from Principle 1:

Recommendations 1.3, 1.5, 1.6 and 1.7: as noted above.

Principle 2: Structure the Board to add value

Recommendation 2.1 – Companies should have a Nomination Committee which has at least 3 members, a majority of whom are independent and is chaired by an independent director.

Recommendation 2.2 – Companies should disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

Recommendation 2.3 – Companies should disclose the directors considered by the Board to be independent and the length of service of each director and whether a director has an interest in, position, association or relationship which the Board believes does not compromise the independence of the director.

Recommendation 2.4 – A majority of the Board should be independent directors

Recommendation 2.5 – The Chair should be an independent director and should not be the same person as the CEO of the Company.

Recommendation 2.6 – Companies should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain skills and knowledge needed to perform their role as directors effectively.

- The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and

appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.

- The Board aims in its membership to maintain a combination of skills and experience that ensure the Board has the expertise to meet both its responsibilities to stakeholders and its strategic objectives. As part of this process, the Board is aware of the need for diversity among its Directors, both in gender and experience. The Board closely assesses diversity criteria when considering Board candidates.
- The Board comprises three Directors from diverse backgrounds with a range of business experience, skills and attributes, and their experience and skills are reported on in the Directors' profiles in Section 1.15 of this Prospectus.
- The Group's desired mix of skills and competence is listed below. The Board considers its current composition adequately meets these required competencies.

Area	**Competence**
Leadership	Business Leadership, Public Listed Company Experience
Business and Finance	Accounting, Audit, Business Strategy, Competitive Business Analysis, Corporate Financing, Financial Literacy, Mergers and Acquisitions, Risk Management, Tax – Australia
Sustainability and Stakeholder Management	Community Relations, Corporate Governance, Health and Safety, Human Resources, Remuneration
Technical	Engineering Qualifications, Exploration experience

- In the opinion of the Board, and having regard to the ASX Recommendations, to qualify as being 'independent', a director must be independent of management and free of any business or other relationship which could materially interfere or could reasonably be perceived to interfere materially with the Director's independent exercise of their judgement.

  Derek Carter and Donald Stephens are considered by the Board to be independent Directors, having regard to the factors set out above. Therefore the Company will, upon Reinstatement, follow the recommendation of Principle 2.4.. The Board considers the current composition appropriate for the size and leadership of the Company.
- The Company undertakes appropriate checks before appointing a person to the Board of the Company. All material information relevant to the decision as to whether or not to elect or re-elect a director is submitted for review by members in the Company's Notice of Annual General Meeting.
- The Company has a policy for inducting all new Directors, which includes access to discussions with the Company's Directors and senior staff (when it has them, or otherwise the Chariman), as well as copies of relevant corporate policies and documentation. The Company additionally supports all Directors by allowing the reimbursement for appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

As at the date of this Prospectus there are the following departures from Principle 2:

Recommendation 2.1 , as set out above.

Principle 3: Act ethically and responsibly

Recommendation 3.1 – Companies should establish a code of conduct for its directors, senior executives and employees and disclose that code or a summary of it.

The Company has developed a Code of Conduct and Ethics (**Code**) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the group's integrity and to take into account legal obligations and

reasonable expectations of the Company's stakeholders.

In summary, the Code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies.

The Company also has a Share Trading Policy which outlines the restrictions, closed periods and processes required when Directors and key management personnel trade company securities. Broadly, it restricts the purchase and sale of Company securities by Directors and employees during the following time periods:

- the period between the end of the March, June, September and December quarters and the release of the Company's quarterly report to ASX for so long as the Company is required by the Listing Rules to lodge quarterly reports; and
- 24 hours after the following events:
    - any major announcements;
    - the release of the Company's quarterly, half yearly and annual financial results to the ASX; and
    - the Annual General Meeting and all other General Meetings.

Any transactions undertaken in the above mentioned periods must be notified to the Board in advance.

The Directors are satisfied that the Company has complied with its policies on ethical standards, including trading in securities.

As at the date of this Prospectus, there are no departures from Principle 3.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 – Companies should have an audit committee which consists of at least 3 members all of whom are non-executive directors and a majority of whom are independent directors and the committee should be chaired by an independent director who is not the chair of the Board.

Recommendation 4.2 – The Board should have, before it approves the Company's financial statements, a declaration from the CEO and CFO that in their opinion the financial records of the Company have been properly maintained and they comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.

Recommendation 4.3 – Companies that hold an AGM should ensure that their external auditor attends the AGM and is available to answer questions relevant to the audit.

- The Company has established an Audit, Business Risk and Compliance Committee. After Reinstatement the Committee will comprise of Non-Executive Directors, Messrs Donald Stephens and Simon O'Loughlin and Chairman Mr Derek Carter. Mr Donald Stephens, an independent Director (who is not the chair of the Board) is the chair of the Committee. The Committee will have a majority of independent Directors as members, and therefore follows recommendation 4.1. Given the size and composition of the Company the Board deems this appropriate. The Committee assists the Board to carry out the process of reviewing its corporate reporting and appointment and removal of the auditor.
- The Board receives regular reports on the Company's financial and operational results in conjunction with its Board meetings.
- Before the adoption by the Board of the half-year and full-year financial statements, the Board receives written declarations from the Company Secretary that the financial records of the Company have been properly maintained in accordance with section 286 of the Corporations Act, and the Company's financial statements and notes comply with accounting standards and give a true and fair view of the consolidated entity's financial position and performance for the financial period.

- The Company's external auditor attends each AGM of the Company and is always available to answer questions from security holders relevant to the audit.

As at the date of this Prospectus, there are the following departures from Principle 4:

Recommendation 4.2, as the Company does not currently have a CEO or CFO it does not strictly comply with Recommendation 4.2.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 – Companies should establish written policies to ensure compliance with the disclosure obligations under the Listing Rules.

The Company has a Continuous Disclosure Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its communications to the market. The Continuous Disclosure Policy can be viewed, together with information about the Company and its operations, at: www.petratherm.com.au .

Information about the Company's corporate governance (including links to the Company's corporate governance policies) can be accessed from the Corporate Governance page.

As at the date of this Prospectus, there are no departures from Principle 5.

Principle 6: Respect the rights of shareholders

Recommendation 6.1 – Companies should provide information about themselves and their governance to investors via their websites.

Recommendation 6.2 – Companies should design and implement an investor relations program to facilitate effective two way communication with investors.

Recommendation 6.3 – Companies should disclose policies and processes they have in place to facilitate and encourage participation at shareholder meetings.

Recommendation 6.4 – Companies should give shareholders the option to receive communications from, and send communications to, the Company and the Share Registry electronically.

- Information about the Company, its operations and its corporate governance (including its corporate governance policies) can be accessed at www.petratherm.com.au.
- The Company has a Shareholder Communication Policy that outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. The Shareholder Communication Policy can be viewed on the Company's website: www.petratherm.com.au.
- The Shareholder Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of security holders. The Company permits shareholders to cast their proxies prior to a General Meeting if they are unable to attend the meeting.
- The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically, as provided for in the Company's Shareholder Communication Policy.

As at the date of this Prospectus, there are no departures from Principle 6.

Principle 7: Recognise and manage risk

Recommendation 7.1 – The Board should establish a risk management committee made up of at least 3 members, with a majority of independent directors and chaired by an independent director.

Recommendation 7.2 – The Board or a committee of the Board should review the risk management framework of the Company at least annually and disclose in relation to each reporting period whether that review has taken place.

Recommendation 7.3 – Companies should disclose if they have an internal audit function and if so how that function is structured and if not the processes employed for evaluating and continually improving the effectiveness of their risk management processes.

Recommendation 7.4 – Companies should disclose whether they have any material exposure to economic, environmental and social sustainability risks and if so how they manage or intend to manage those risks.

The Board is responsible for ensuring that management has developed and implemented a sound system of risk management and internal control.

The Audit, Business Risk and Compliance Committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems.

The Committee monitors the Company's risk management by overseeing management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance and strategic risks. In providing this oversight, the committee:

- reviews Company-wide objectives in the context of the management of corporate risk;
- reviews and, where necessary, approves guidelines and policies governing the identification, assessment and management of the Company's exposure to risk; and
- reviews and approves the delegations of financial authorities and addresses any need to update these authorities on an annual basis.

Management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control systems and has to report to the Audit, Business Risk and Compliance Committee on the effectiveness of:

- the risk management and internal control systems, and
- the Company's management of its material business risks.

The Company does not have a separate internal audit function.

The Company's policy it to identify and manage potential or apparent business, economic, environmental and social sustainability risks (if appropriate) . The Company at present has not identified specific material risk exposure in these categories. Reports are continually created by management on the efficiency and effectiveness of the Company's risk management and associated internal compliance and control procedures.

The Board believes the Company's risk management and internal compliance and control procedures are operating efficiently and effectively in all material aspects appropriate for a company of Petratherm's size and nature.

As at the date of this Prospectus, there are the following departures from Principle 7:

The Company has established an Audit, Business Risk and Compliance Committee. After Reinstatement the Committee will comprise of Non-Executive Directors, Messrs Simon O'Loughlin and Donald Stephens and Chairman Mr Derek Carter. Mr Donald Stephens, an independent Director (who is not the chair of the Board) is the chair of the Committee. The Committee will have a majority of independent Directors as members, and therefore does not depart from recommendation 7.1. Recommendation 7.2, as the Company has not undertaken a specific review during the year in relation to the Company's risk management framework. As noted above, it is the Board's responsibility to satisfy itself that the Company has a sound system of risk management and internal control. This is continually monitored by the Board at Directors meetings and in communication with management. The Company believes this to be appropriate given the size and nature of the Company at this time.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 – The Board should establish a remuneration committee of at least 3 members, a majority of whom are independent and which is chaired by an independent director.

Recommendation 8.2 – Companies should separately disclose policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Recommendation 8.3 – Companies which have an equity based remuneration scheme should establish a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme.

- Given the current size of the Board, the Company does not have a remuneration committee. The Board therefore fulfils the duties of the committee.
- The Company's policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives (when applicable) are (or will be in the future) set out in the Remuneration Report in the Company's Annual Report which is (or will be) available on the Company's website.
- The Company has an equity-based remuneration scheme being an Employee Share Option Plan. The Company's Securities Trading Policy provides that participants in the scheme must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest. The Securities Trading Policy may be viewed at www.petratherm.com.au.

As at the date of this Prospectus, there are no departures from Principle 8.

10.2(b) Restricted Securities

Under the Tenement Purchase Agreement, SAEX agreed to execute, or cause its nominee to execute, an escrow deed for the Shares to be issued to it for the period imposed by ASX under the Listing Rules (**Escrow Period**).

The escrow deed to be entered into by SAEX (or its nominee) will be in the form as may be required by ASX, and will include standard terms prohibiting SAEX during the Escrow Period from:

- disposing of, or agreeing to offer to dispose of, the Consideration Shares;
- creating, or agreeing to offer to create, any security interest in the Consideration Shares;
- doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Consideration Shares; and
- participating in a return of capital made by the Company.

The imposition of the Escrow Period will:

- help to create a stable market for the Company's Shares (by reducing the number of shares that can be traded immediately after Quotation of the Shares on ASX);
- prevent SAEX from selling out of the Company within the Escrow Period (which could diminish the value of the Company's Shares); and
- keep SAEX interested in the operations and success of the Company.

The Consideration Shares will constitute no more than 0.83% of the total Shares on issue following Completion of the Offer and the Project Acquisition (assuming the Minimum Subscription is achieved and no Options are exercised prior to Completion).

It is expected that ASX will also impose escrow restrictions on the Options to be issued to the Directors

(pursuant to Resolutions 7, 8 and 9 of the Company's Notice of Meeting dated 25 January 2018) and to Taylor Collison pursuant to its Mandate Letter (as described in Section 9.3 of this Prospectus).

The Company will announce to the ASX full details (quantity and duration) for the Shares and Options required to be held in escrow prior to the Shares commencing trading on ASX.

10.3 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.4 Rights Attaching To Shares

The Shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company. The rights attaching to Shares are set out in the Company's Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules and general law.

The following is a summary of the more significant rights of the holders of Shares of the Company.

This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's members.

(a) **General Meeting**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the Corporations Act or the Listing Rules.

(b) **Voting**

Subject to any rights or restrictions for the time being attached to any class or classes of shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by a representative has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per share on a poll. A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share. A member is not entitled to vote unless all calls presently payable by the member in respect of shares in the Company have been paid. Where there are two or more joint holders of the share and more than one of them is present at a meeting and tenders a vote in respect of the share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members.

(c) **Issues of Further Shares**

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Company's Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.

(d) **Variation of Rights**

At present, the Company has on issue one class of shares only, namely ordinary shares. The rights attached to the shares in any class may be altered only if authorised by a special resolution of the Company and a special resolution passed at a separate meeting of the holders of the issued shares of the affected class or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

(e) **Transfer of Shares**

Subject to the Company's Constitution, the Corporations Act, the ASX Settlement Operating Rules and the Listing Rules, ordinary shares are freely transferable.

Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, or by a written instrument of transfer in any usual form or in any other form approved by the Directors. The Company may decline to register a transfer of Shares in the circumstances described in the Company's Constitution and where permitted to do so under the Listing Rules. If the Company declines to register a transfer, the Company must, within five business days after the transfer is lodged with the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) **Partly Paid Shares**

The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

(g) **Dividends**

The Directors, or the Company in general meeting following a recommendation of the Directors, may from time to time declare a dividend (subject to the Corporations Act).

Subject to the rights of members entitled to shares with special rights as to dividend (if any), all dividends in respect of shares (including ordinary shares) are to be declared and paid proportionally to the amount paid up (not credited as paid up) on the shares.

(h) **Winding Up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the shareholders or different classes of shareholders.

(i) **Dividend Plans**

The Directors or the members of the Company in general meeting, may implement a dividend plan under which (among other things) a member may elect that dividends payable by the Company be reinvested by way of subscription for shares in the Company.

(j) **Directors**

The Company's Constitution states that the minimum number of directors is three and the maximum number of directors is nine.

(k) **Powers of the Board**

The Directors have power to manage the business of the Company and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Company's Constitution.

(l) **Listing Rules**

If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If any provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10.5 Terms and Conditions of Options

10.5(a) Options to Directors and Options to Taylor Collison

If the Offer is completed, and subject to obtaining Shareholder approval at the meeting of Petratherm's Shareholders to be held on or about 28 February 2018, the Company will grant:

- up to 8,820,188 Options (post-Consolidation) to Taylor Collison; and
- 1,000,000 Options to each of Simon O'Loughlin, Donald Stephens and Derek Carter,

on the following terms and conditions:

1. Each Option entitles the holder to one ordinary share in the Company.
2. Each of the Options will be exercisable at $0.04.
3. Each Option is exercisable in whole or in part at any time during the period commencing on the date of issue and expiring on the third anniversary of the date of issue (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
5. The Company will not apply to ASX for official quotation of the Options.
6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the Options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the Options will qualify for dividends declared after the date of their allotment.
7. Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the Optionholder dies, the legal personal representative of the deceased Optionholder may:
   - elect to be registered as the new holder of the Options;
   - whether or not he becomes so registered, exercise those Options in accordance with the terms and conditions on which they were granted; and
   - if the deceased has already exercised Options, pay the exercise price in respect of those Options.
8. An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the Option has been exercised and shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give prior notice to the Optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Option is exercisable will be increased by the number of ordinary shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
10. If the Company makes a rights issue (other than a bonus issue), the exercise price of Options on issue will be reduced according to the following formula:

$$A = O - \frac{E\,[P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying ordinary shares into which one Option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stock market of ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);

S = the subscription price for a security under the pro rata issue;

D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

11. If, during the currency of the Options the issued capital of the Company is reorganised, those Options will be reorganised to the extent necessary to comply with ASX Listing Rules.

10.5(b) Existing Options on issue to Simon O'Loughlin and Donald Stephens

As at the date of this Prospectus, the Company has granted 625,000 Options (post Consolidation) to each of Simon O'Loughlin and Donald Stephens on the same terms as set out in Section 10.5(a) save and except that:

1. Each of the Options has an exercise price of $0.10.
2. Each Option is exercisable in whole or in part at any time during the period commencing on 24 November 2016 and expiring on 24 November 2019 (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.

10.5(c) Existing Options on issue to Andrew Haythorpe

As at the date of this Prospectus, the Company has granted 2,250,000 Options (post Consolidation) to Andrew Haythorpe on the same terms as set out in Section 10.5(a) save and except that:

1. 500,000 Options have an exercise price of $0.10.
2. 750,000 Options have an exercise price of $0.18.
3. 1,000,000 Options have an exercise price of $0.24.
4. Each Option is exercisable in whole or in part at any time during the period commencing on 24 November 2016 and expiring on 24 November 2019 (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.

10.6 Employee Share Option Plan

The Company has established an Employee Share Option Plan (**Plan**) to assist in the attraction, retention and motivation of employees of the Company.

The summary of the Plan is set out below for the information of potential investors in the Company. The detailed terms and conditions of the Plan may be obtained free of charge by contacting the Company.

All full time employees, and Directors, are eligible to participate in the Plan.

The allocation of Options to each employee is in the discretion of the Board.

If permitted by the Board, Options may be issued to an employee's nominee.

Each Option is to subscribe for one fully paid ordinary share in the Company and will expire five years from its date of issue (unless otherwise determined by the Directors). Subject to vesting under applicable vesting condition (if any) or satisfaction of applicable performance condition (if any) an Option is exercisable at any time from its date of issue.

Options will be issued free (unless otherwise determined by the Directors). The exercise price of Options will be the amount determined by the Board. The total number of Options granted under the Plan and any other employee share plan during any five year period, must not exceed 5% of the Company's issued

share capital at the time of grant of the Options.

If, prior to the expiry date of Options, a Director ceases to be a Director (other than pursuant to a determination by the Directors that the relevant Director has acted fraudulently, dishonestly or in breach of their obligations to the Company and that Option is to be forfeited) the Options held by that Director must be exercised within 30 days after that Director ceases to be a Director (but prior to the expiry date of the Options) otherwise they will automatically lapse. Where a Director is removed from office by resolution of a general meeting of the Company, they will only be entitled to exercise a proportion of their Options.

If, prior to the expiry date of Options, an employee's employment is terminated where such termination has either been voluntary on the employee's part or otherwise has occurred without cause the Options held by that person must be exercised within 30 days after the termination (but prior to the expiry date of Options) otherwise they will automatically lapse.

Except with the consent of the Board, Options may not be transferred and will not be quoted on or by ASX.

Shares issued as a result of the exercise of Options will rank equally with the Company's previously issued shares.

Optionholders may only participate in new issues of securities by first exercising their Options.

If there is a bonus share issue to the holders of shares, the number of shares over which an Option is exercisable will be increased by the number of shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

If there is a pro rata issue (other than a bonus share issue) to the holders of shares, the exercise price of an Option will be reduced to take account of the effect of the pro rata issue in accordance with the following formula:

$$O^1 = O - \frac{E[P - (S + D)]}{N}$$

where:

O^1 = the new exercise price

O = the old exercise price

E = the number of Shares into which an Option is exercisable

P = the value of a Share at the time the pro-rata rights issue is made as determined by an accountant independent of the Company, but if the Shares are listed on the ASX, the Market Price (as defined in the Plan) on each of five trading days ending on the day immediately before the record date relevant for that rights issue

S = the subscription price for a Share under the pro rata issue

D = any dividend due but not yet paid on existing Shares which will not be payable in respect of new Shares issued under the rights issue

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share

If there is a reorganisation of the issued capital of the Company, unexercised Options will be reorganised in accordance with the Listing Rules.

The Board may amend the Plan Rules subject to the requirements of the Listing Rules, the Corporations Act and the Company's Constitution.

10.7 Directors' Interests

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the

Company) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- the Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or given or agreed to be paid or given to any Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with:

- the formation or promotion of the Company; or
- the Offer of the Shares.

Mr Simon O'Loughlin is a Consultant to O'Loughlins Lawyers which has acted as solicitors to the Company in relation to the Offer.

10.8 Interests of Named Persons

Except as disclosed in this Prospectus, no promoter, underwriter, expert or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- the Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or given or agreed to be paid or given to any promoter, underwriter, expert or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer under this Prospectus.

Grant Thornton Audit Pty Ltd have acted as the Investigating Accountant in relation to the Offer. As Investigating Accountant, Grant Thornton Audit Pty Ltd have prepared the Independent Limited Assurance Report which has been included in this Prospectus. In respect of this work the Company has agreed to pay a total of $6,750 (exclusive of GST) for these services.

The Company has incurred professional fees in the sum of $62,413 (exclusive of GST) in respect of audit services provided by Grant Thornton Audit Pty Ltd during the last 24 months.

O'Loughlins Lawyers have acted as the solicitors to the Company in relation to the Offer, and in that capacity and otherwise assisting the Company with the preparation of this Prospectus, O'Loughlins Lawyers have been involved in undertaking certain due diligence enquiries in relation to legal matters and providing legal advice to the Company in relation to the Offer, the Project Acquisition and related matters and have also prepared the Solicitor's Report on Tenements which has been included in Section 8 of this Prospectus. In respect of this work, the Company has agreed to pay O'Loughlins Lawyers $100,000 (exclusive of GST) for these services. O'Loughlins Lawyers have been paid $124,997 (exclusive of GST and disbursements) for professional fees from the Company during the last 24 months.

Metalzoic have acted as the Independent Geologist in relation to the Offer. As Independent Geologist, Metalzoic have prepared the Independent Geologist's Report which has been included in this Prospectus. In respect of this work the Company has agreed to pay a total of $9,600 (exclusive of GST) for these services.

Computershare Investor Services Pty Ltd has agreed to provide share registry services to the Company in accordance with a proposal dated 7 February 2018 for share registry services for the capital raising and re-listing transaction.

Taylor Collison Limited will receive the remuneration outlined in Section 9.3 of this Prospectus in respect of its services as Lead Manager to the Offer.

10.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as offeror of the Shares), the directors of the Company, persons named in the Prospectus with their consent as proposed directors of the Company, any underwriters, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Grant Thornton Audit Pty Ltd have given their written consent to the inclusion in Section 6 of this Prospectus of their Independent Limited Assurance Report and to all statements referring to that report in the form and context in which they appear, and to being named as Investigating Accountant and as Auditor, and have not withdrawn such consent before lodgement of this Prospectus with ASIC.

Metalzoic have given their written consent to the inclusion in Section 7 of this Prospectus of the Independent Geologist's Report and to all statements referring to that report in the form and context in which they appear, and to being named as Independent Geologist, and have not withdrawn such consent before lodgement of this Prospectus with ASIC.

O'Loughlins Lawyers have given their written consent to the inclusion in Section 8 of this Prospectus of the Solicitor's Report on Tenements and to all statements referring to that report in the form and context in which they appear, and to being named as Solicitors to the Company, and have not withdrawn such consent before lodgement of this Prospectus with ASIC.

Taylor Collison Limited has given its written consent to being named as Lead Manager to the Offer and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Computershare Investor Services Pty Ltd has given and, as at the date hereof, has not withdrawn its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Ltd has not authorised or caused the issue of any part of this Prospectus.

There are a number of other persons referred to in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause this issue of the Prospectus.

10.10 Electronic Prospectus

If you have received this Prospectus as an electronic prospectus or in paper form please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email

the Company at admin@petratherm.com.au and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

10.11 Documents Available for Inspection

Copies of the following documents may be inspected free of charge at the registered office of the Company during normal business hours:

- the Constitution of the Company; and
- the consents referred to in Section 10.9 of this Prospectus.

Section 11: Directors' Consents

Each of the Directors and Proposed Director have consented in writing to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 26 February 2018
Signed for and on behalf of the Company

Simon O'Loughlin
Chairman

Section 12: Definitions

In this Prospectus unless the context otherwise requires:

$** or **A$ means the lawful currency of Australia.

Adelaide Time means legal time in Adelaide, South Australia.

Applicant means a person who submits an Application Form under this Prospectus.

Application Form means the Application Form contained in this Prospectus or a copy of the application form contained in this Prospectus or a direct derivative of the application form which is contained in this Prospectus.

Application Money means money paid or payable pursuant to an application to subscribe for Shares pursuant to the Offer.

Application means a valid application to subscribe for Shares.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market conducted by it.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Operating Rules mean the operating rules of ASX Settlement.

Board of Directors and **Board** means the Board of Directors of the Company as constituted from time to time.

Business Day means a business day as defined in the ASX Listing Rules.

Capital Raising means the capital raising to be completed by the Company of at least A$4,000,000 (minimum subscription) and up to an additional A$1,000,000 (maximum subscription) at an issue price of no less than A$0.04 per Company Share.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date on which the Offer closes (refer to expected closing date in Section 1.9 of this Prospectus).

Company means Petratherm Limited ACN 106 806 884.

Completion means completion of the Project Acquisition.

Completion of the Offer means the allotment of at least 100,000,000 Shares offered under this Prospectus.

Consideration Shares means 1,250,000 Shares;

Consolidation means the consolidation of the existing securities of the Company on a two to one basis (rounded up to the nearest whole number), which consolidation is proposed to become effective prior Completion of the Offer.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Directors means the directors of the Company.

EL and **Exploration Licence** means an area granted in respect to mineral exploration.

Gilles Downs ELA means South Australian Exploration Licence Application 2017/250, and any EL issued in respect of that application.

HIN means holder identification number.

Issue means the issue of Shares pursuant to this Prospectus.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Maximum Subscription means $5,000,000 or 125,000,000 Shares.

MGV Tenement means EL 5497.

Minimum Subscription means $4,000,000 or 100,000,000 Shares.

Mining Farm-In and Joint Venture Agreement means the Mining Farm-In and Joint Venture Agreement dated 21 December 2017 between the Company and Musgrave relating to the acquisition by the Company of the right to earn up to a 75% interest in the MGV Tenement.

Musgrave means Musgrave Minerals Limited ACN 143 890 671 (ASX Code: MGV).

Offer means the invitation to apply for Shares pursuant to this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Offer Price means $0.04, being the amount payable in respect of each Share under the Offer.

Official List means the Official List of ASX.

Opening Date means 1 March 2018.

Option means a right to subscribe for a Share.

Optionholder means a holder of an Option.

Petratherm Limited or **Petratherm** means Petratherm Limited ACN 106 806 884.

Project Acquisition means the acquisition by the Company of the Projects.

Project Acquisition Agreements means the Tenement Purchase Agreement and the Mining Farm-In and Joint Venture Agreement.

Projects means:

- the right to earn up to a 75% interest in the MGV Tenement, on the terms of the Mining Farm-In and Joint Venture Agreement;
- the SAEX Tenements; and
- the Gilles Downs ELA.

Proposed Director means Derek Carter.

Prospectus means this replacement prospectus dated 26 February 2018.

Quotation means quotation of the Shares on the Official List.

Reinstatement means reinstatement of the Company's Shares to official quotation on the ASX.

SAEX means SAEX Pty Ltd ACN 154 922 728.

SAEX Tenements means EL 5306 and EL 5717.

Share Registrar means Computershare Investor Services Pty Ltd.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Tenement Purchase Agreement means the Tenement Purchase Agreement dated 20 December 2017 between the Company and SAEX relating to the purchase by the Company of the SAEX Tenements and certain information and rights relating to SAEX Tenements.