ASX RELEASE **12 December 2018**
ASX: PTR

Second Tenement Application over an Area Prospective Olympic Dam Style, Copper-Gold

HIGHLIGHTS

- Second exploration licence application secured covers 641 km^2 and increases land holdings over the eastern Mabel Creek Inlier to1489 km^2
- Historical exploration in the region demonstrates the region is fertile for Iron Oxide-Copper-Gold (IOCG) style mineralisation.
- Several semi-coincident large magnetic and gravity anomalies identified.

Petratherm Limited ("Petratherm" or "the Company") (ASX: PTR) is pleased to announce that it has secured a second licence application (ELA 2018/198) over a portion of the Mabel Creek Inlier of the Gawler Craton, increasing the Company's land holdings to 1489km^2 (Figure 1). A number of semi-coincident magnetic and gravity anomalies, have been identified over the new licence area (Figure 2). These geophysical features have potential to be due to hydrothermal iron-oxide systems. Mineralised examples of these occur along the eastern margin of the Gawler Craton of South Australia and include Olympic Dam, Carrapateena, Prominent Hill and most recently BHP's latest discovery at Oak Dam (Figure 1).

The Mabel Creek Inlier has only been lightly explored for IOCG style mineralisation, however a single hole drilled by BHP in 1992 (NC9202) testing a magnetic anomaly, 13 km south of the new application area intersected mineralised magnetite-amphibole-pyroxene rock containing significant concentrations of pyrite and pyrrhotite and disseminated chalcopyrite in massive magnetite (ref SA Govt. Records ENV08647) (Figure 2). The hole contained broad zones (not true widths) of anomalous geochemistry including:

134m @ 626ppm Cu, 256ppm Pb, 593 ppm Zn from 96m.

Inc. 28m @ 0.14% Cu, 614ppm Pb, 0.23% Zn, 2 ppm Ag from 168m.

Anomalous rare earth elements were also present with values up to 1% Ce and La reported.

These results are characteristic of magnetite skarn alteration/mineralisation often found in areas around Prominent Hill and other IOCG systems further to the south and provides evidence that IOCG style alteration/mineralisation is likely to continue through the region of Petrathem's new tenement application areas. Importantly, depth of the overlying cover sediments in this region is minimal. Historical drilling, records the top of the prospective basement, between 80 metres and 150 metres over the majority of the tenement, with only the eastern edge of the tenement recording basement depths greater than 250m.

Petratherm is reviewing previous exploration results and processing geological and geophysical data in preparation to commence field work once the tenement is granted. Regional gravity station spacing over most of the tenement application area is 1000 metres by 1000 metres and additional infill gravity surveying of the existing gravity data is warranted to locate, define and rank targets ahead of potential drill testing.

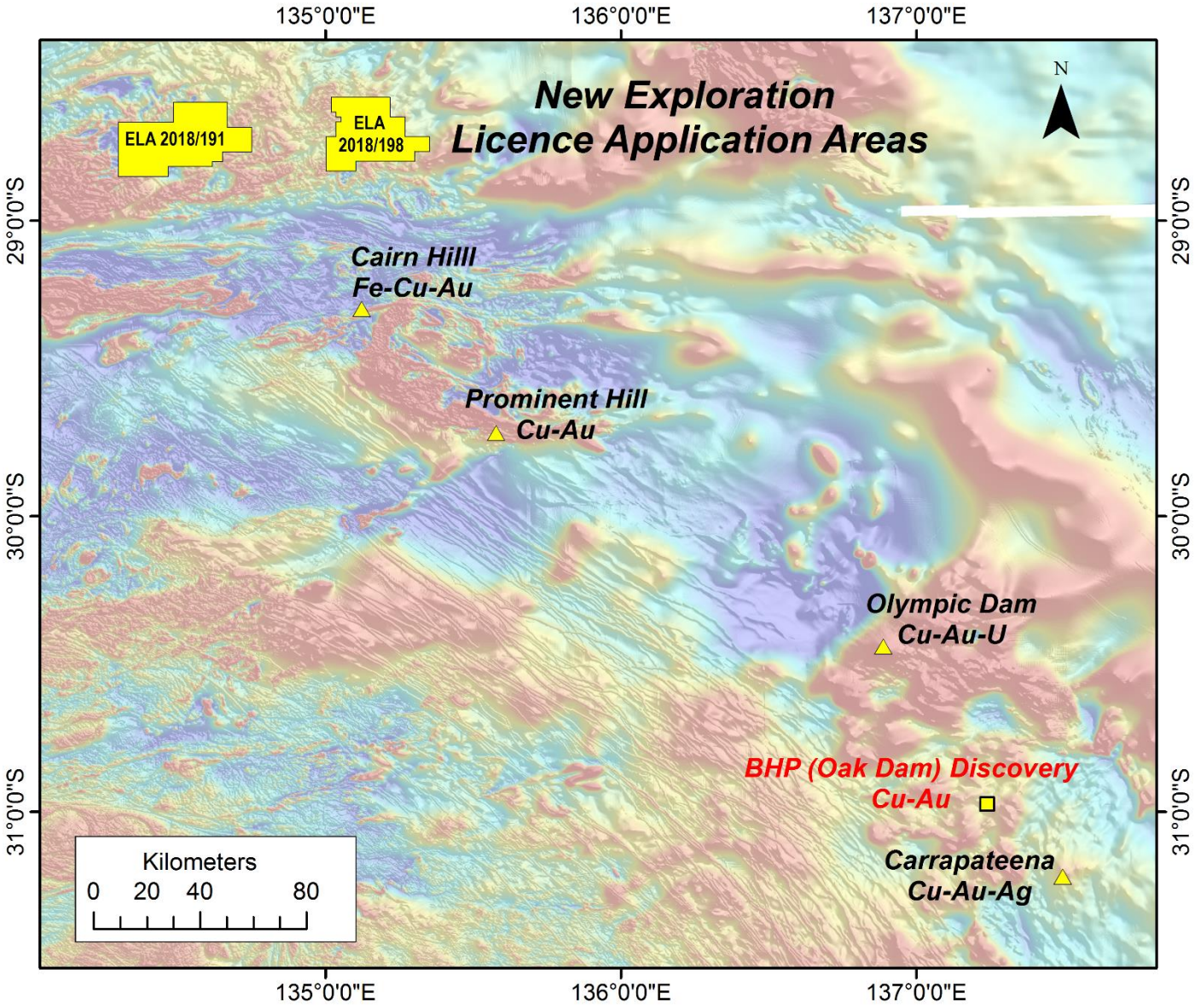

Figure 1 - Location map of major mines, the new BHP discovery (Oak Dam) and outline of the new tenement application areas overlying a regional reduced to pole aeromagnetic image (compiled from Sth. Aust. Government data).

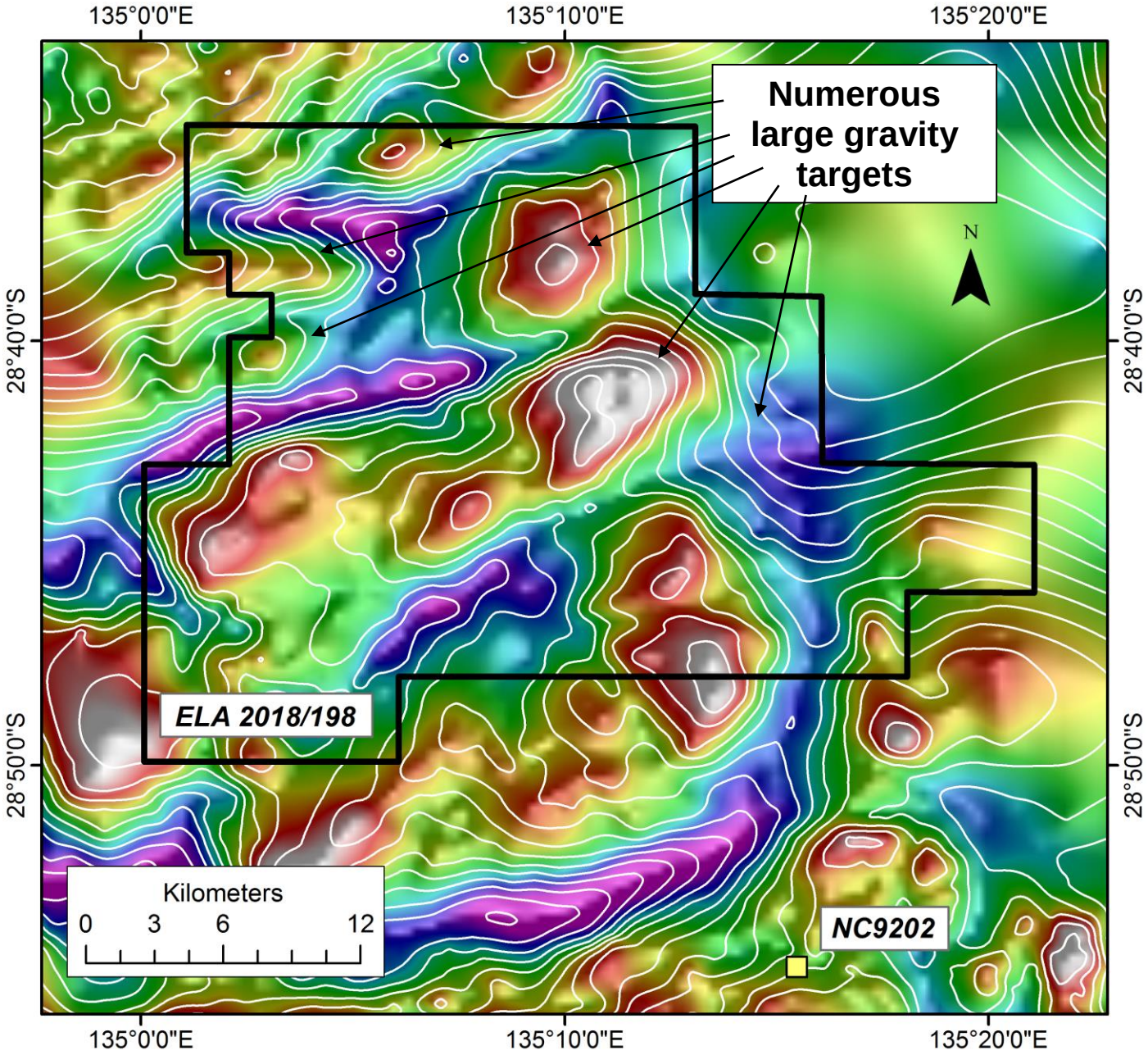

Figure 2 – Regional pseudo-colour residual gravity image with 1 milligal gravity contours shown over the exploration licence application area (compiled from Sth.Aust. Government data). Historical BHP drill hole collar (NC9202) shown, which intercepted anomalous geochemistry and alteration indicative of IOCG systems. Several large gravity features are apparent, requiring follow up infill gravity surveying ahead of potential drill testing.

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