ASX RELEASE **11 October 2019**
ASX: PTR

Yuengroon (Victoria) Tenement Granted – Gold and Copper Potential

HIGHLIGHTS

- Yuengroon (EL 6897), a large licence area covering 683 km^2, with several important gold occurrences, has been granted allowing ground exploration works to begin.

- Licence area includes the historic northern Wedderburn Goldfield, with recorded production of 140,000 Oz gold, and extends west over major prospective faults and intrusions with several linked high-grade gold reef occurrences.

- A line of magmatic intrusions is evident from the aeromagnetic data along a structural suture which has potential for porphyry related copper-gold-silver, similar to the recent spectacular Stavely Minerals, Thursday's Gossan discovery.

Petratherm Limited ("Petratherm" or "the Company") (ASX: PTR) is pleased to announce that it's Yuengroon Project Tenement has been granted by the Victoria State Government. The area secured covers a highly prospective ground position over a portion of the Bendigo Zone, covering the historic northern Wedderburn Goldfield and extends westwards to cover sizable strike extensions of several major crustal faults, with several important historical gold occurrences spatially associated. The western areas have only been lightly explored and are mostly under shallow cover.

The recent resurgence in interest in Victorian Goldfields, largely stems from the spectacular success of Kirkland Lake Gold's Fosterville operations, with production forecast to increase to over 500,000 ounces in 2020 and reach over 570,000 ounces by 2021 (reference: Kirkland Lake Gold Press Release 11/12/2018).

Wedderburn Goldfield Area

Recorded historical gold production from the Wedderburn field is 140,000 Oz. These finds came mainly from alluvial workings but also included some shallow reef mining down to the water table which occurs at approximately 20 metres depth. Very little modern drilling has occurred to test for depth extensions of the reef systems below the water table.

Golden Jacket Mine

The Golden Jacket Fault which extends through the tenement area for approximately 12 kilometres is associated with two notable recorded local historic mine occurrences (Figure 1). The Golden Jacket Mine comprises a shallow small historic shaft reef mine worked to 46 metres depth. Total recorded production was 171.7 tonnes of ore which produced 1,385 Oz of gold. Whilst only a small historic working the grade is exceptional, running at an average of 250.1 g/t Au. The Nine Mile Reef (Figure 1) is a larger historical mine, which was worked down to 131 metres depth and mined 43,571 tonnes of ore producing 16,236 Oz of gold (average grade 11.6 g/t Au) (reference: Victorian State Government GeoVic database).

Moondyne Gold Prospect

Further west the historic Moondyne Mine Area is spatially linked with the O'Connor Fault (Figure1) and comprises a line of shallow sub-cropping quartz reef workings which extend for approximately 1.2 kilometres before being blanketed by shallow younger cover sediment. This line of quartz reefing was worked on a small scale during the 1930's depression years with a number of shallow shafts sunk to an approximate maximum depth of 20 metres. Limited historical production data (389 tonnes), returned an average grade of 10.9 g/t Au (reference: Geological Survey of Victoria Record 24913, 1933). The immediate host rock is described as clay rich and soft to mine with abundant iron stained pitting evident in the wall rock. The widespread clay alteration and pitting, potentially after primary sulphides, along with the extensive strike length of worked reef, are positive indications that this prospect could have good upside potential. The workings have never undergone systematic modern exploration, never been drilled, and remain open at depth and along strike.

Base Metal Potential

A prominent north-northwest (NNW) trending line of intrusive bodies and some other discrete satellite bodies are evident from the aeromagnetic data across the tenement (Figure 2). In the light of the recent success of ASX listed Stavely Minerals (ASX: SVY), Thursday's Gossan copper-gold-silver drill intersections (reference: SVY ASX release 26/9/2019), this intrusive suture zone will be closely evaluated for copper-gold-silver and other base-metals resulting from porphyry and related magmatic fault hosted metal accumulations.

Over the last 6 months, prior to granting of the licence, Petratherm has been busy undertaking land access preparations. To date, the landholder consultation process has opened up two prospective corridors on the tenement currently totalling 150 km^2 along the Golden Jacket and O'Connor Fault trends which will allow ground exploration activities to start immediately. The prospective corridors are mostly under shallow cover making the ground conducive to XRF soil geochemistry as the first targeting tool. This work, along with vein mapping and sampling where outcrop exists, will be used to identify anomalous sites for later potential drill testing.

For further information, please contact:
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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.

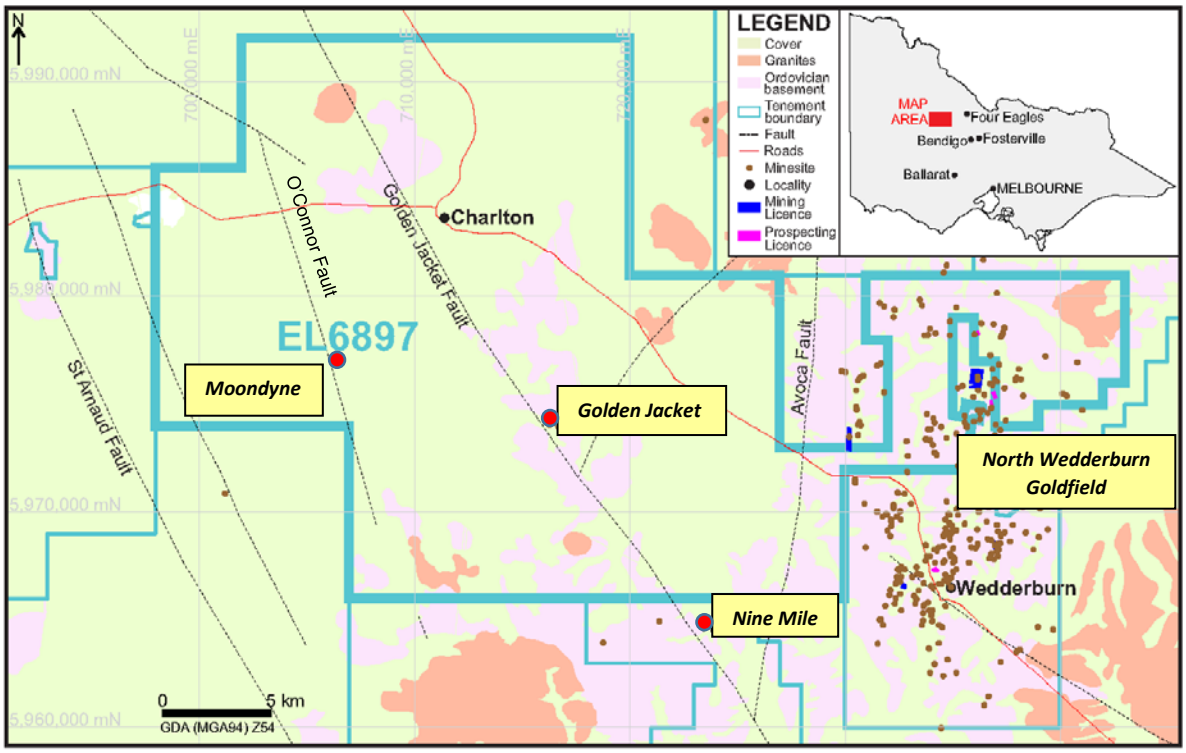

Figure 1 – EL6897 (Yuengroon) Location Map, showing historical mine sites and known major faults.

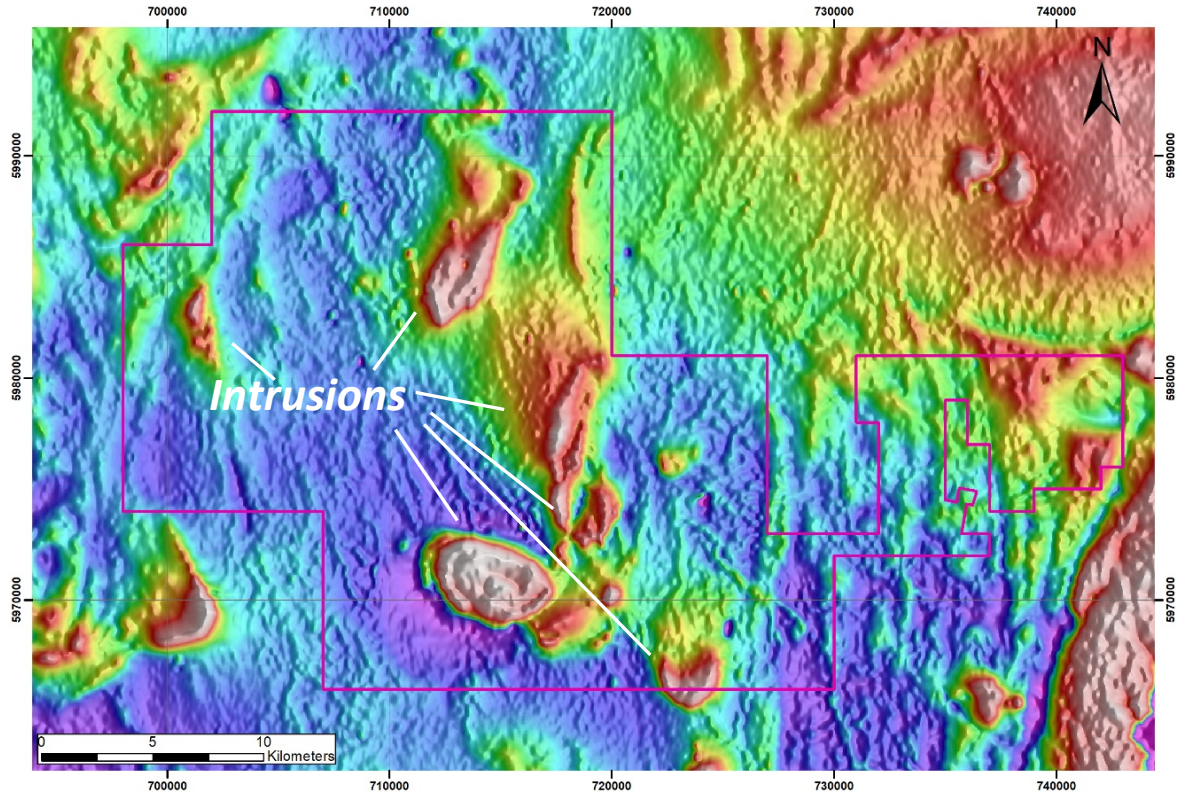

Figure 2 – EL6897 (Yuengroon) Reduced to Pole, Aeromagnetic Image. Note major NNW trending suture zone with nested series of intrusive bodies (high magnetic intensity bodies). This zone and other discrete bodies will be explored for porphyry and related magmatic fault hosted copper-gold-silver and other base-metals.