

ASX ANNOUNCEMENT

19 May 2020

Victoria Update - Significant Tenement Addition over the Central Victorian Goldfields

Key Points

- Exploration Licence Application EL007276 (“Ballarat West”) covers a 439 km² area over the Central Victorian Goldfields, between major historic mine production centres of Ballarat, Creswick and Clunes.
- The Ballarat West Licence and immediate surrounding areas include several significant deep lead high-grade gold mine occurrences (some with over 100,000 oz of production).
- Historic deep lead mining records describe quartz reef development along the basement surface and pockets of associated coarse alluvial gold suggesting a close primary source for the gold.
- 80% of the tenement area is blanketed by shallow basalt and sediment cover and as a result has only been lightly explored. Modern exploration techniques are now available to explore for gold under cover as has been successfully demonstrated in the areas north of Bendigo (i.e. Catalysts Minerals - Tandarra Prospect).
- Exploration Licence Application EL007280 (“Wedderburn North”) acquired over portion of the historic north Wedderburn Goldfield. The Tenement abuts Petratherm’s granted EL006897 (“Yunegroon Project”) and is along trend of recently defined gold pathfinder soil anomalies.
- Tenement grant due mid-year for Silver Spoon (EL006951) Licence, which is adjacent to the highly contested Northern Goldfields Tender Area.
- Petratherm has built over the last 18 months a strong ground position in the resurgent Victorian Goldfields, and these projects will be a key focus for the Company moving forward.

Ballarat West (EL007276) Licence Application

Petratherm Limited (“Petratherm” or “the Company”) (ASX: PTR) is pleased to announce that it has secured a large prospective ground position over a portion of the West Ballarat Goldfield area (EL007276) and which also extends north, between the two historic major gold mining centres of Clunes and Creswick (Figure 1). The tenement is situated largely within the highly prospective Bendigo Structural Zone which hosts the majority of Victoria’s gold production.

Despite the licence areas proximity to several of Victoria’s largest and best gold producing mines, it has undergone only superficial historic exploration and almost no drilling through basement as approximately 80% of the area is thinly

blanketed by younger basalt (lava) flows and/or alluvial sediment cover, masking the prospective basement rock. The cover sequence thickness, generally ranges between 20 and 80 metres depth over most of the tenement area and is therefore highly amenable for modern exploration methods to locate blind gold occurrences.

Exploration activity in the covered areas north of Bendigo has notably made several significant relatively recent gold discoveries (i.e. Four Eagles and Tandarra Prospects, reference Catalyst ASX: CYL, 08/08/2018 ASX release) and the region is currently the subject of a major multi-company exploration push. Petratherm believes the Ballarat West area offers a similar prospectivity scenario and intends to adopt similar exploration methodologies, such as the use of gravity to locate prospective structures and shallow geochemical drilling to vector onto the reef gold under cover.

Ballarat West contains several significant historic deep lead gold systems summarised in Table 1 below. One notable occurrence, the Reform No.1 Shaft has a reported gold production of 100,201 oz. The shaft reached bedrock at 90 feet (27.5 metres) and government records state the lead, approximately 1km north of the shaft entrance was found to be “very rich in nuggets, especially near quartz veins which traversed the schists in this place” (Ref: open file GSV Catalogue Record #1279, pg 2). These notes suggest the primary source of the gold could be the quartz veins noted in the bedrock floor. No historical drilling of the bedrock has occurred in this area to test the vein systems and given the relatively shallow cover (30 to 60 metres) in this area it is highly amenable to cost effective drill testing.

Table 1: Deep Lead Production Records (ref: Geovic)

Lead	Gold Production (oz)
Ballarat West Area	
Trunk Lead Co.	40,204
Smythesdale Racecourse G.M. Co. No. 1 Shaft	41,869
Reform G.M. Co. No. 1 Shaft	100,201
Haddon Co. North Shaft	10,953
West Creswick Area	
Grand Trunk	10,453
Hit or Miss	10,233
Creswick Area (Immediately adjacent to new licence area)	
Berry Consols Extended	104,500
Madam Berry West	141,500
West Berry Consols No. 1	47,560
New Australasian No. 3	90,203
Great Creswick Hydraulic Sluicing	20,061

Note: Lead locations shown on Figure 1

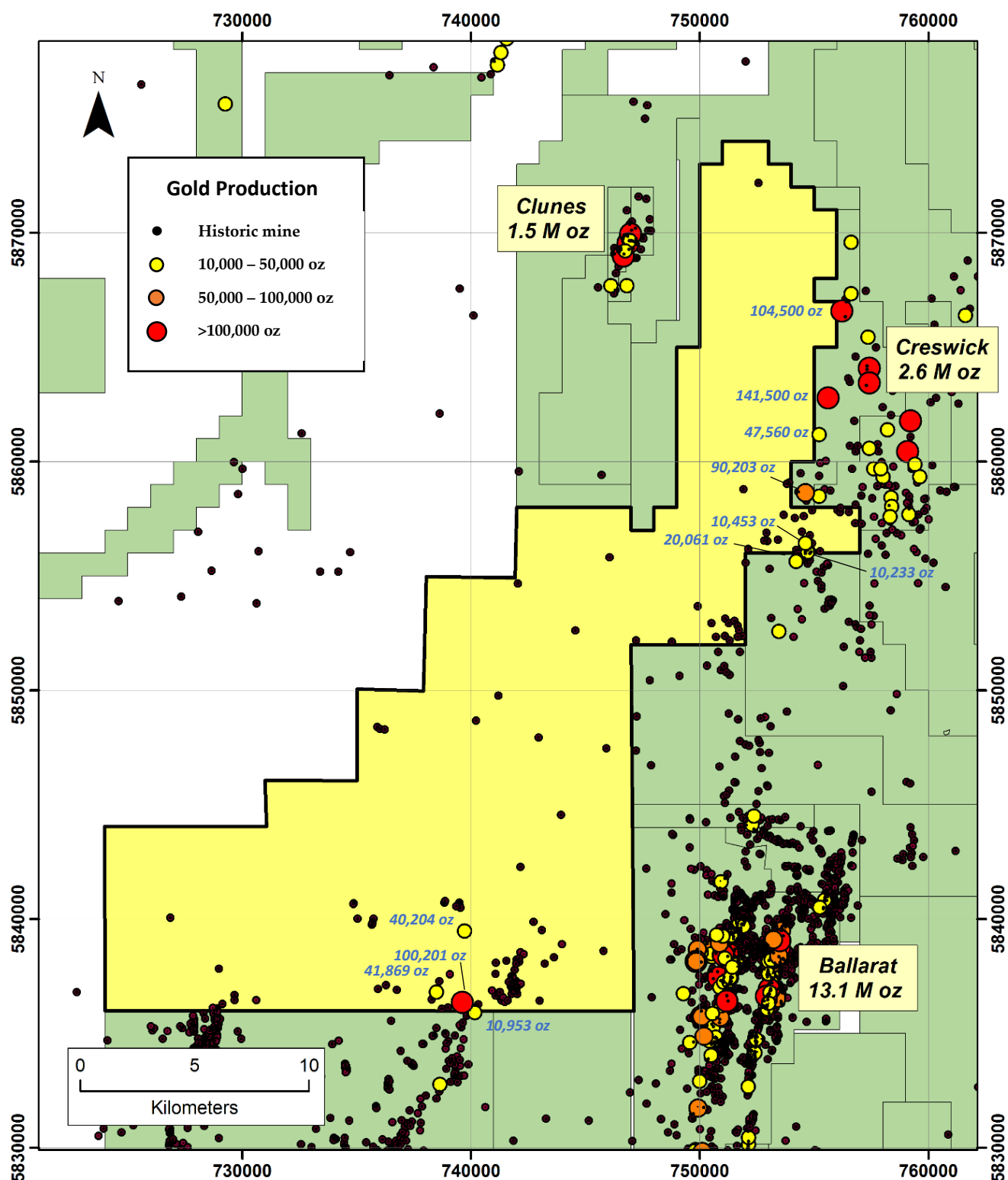


Figure 1: EL007276 - Ballarat West Tenement Area (yellow polygon) and mine locations. Recorded (ref: Geovic) historic deep lead alluvial gold production shown for licence area and significant mines immediately adjacent.

North Wedderburn (EL007280) Licence Application

A small 15 km², but strategically important area, covering a portion of the historic Wedderburn Goldfield has been secured adjacent to the Company's Yunegroon Gold Project (EL006897). The Company recently announced the identification of 6, high magnitude, arsenic soil anomalies which may be an indication of gold mineralisation, along the eastern edge of Yunegroon Project Tenement (refer to PTR ASX release 27/03/2020 for detail). Some of these anomalies remain open along trend, onto the new ground acquired and additional soil survey work is planned once the tenement is granted.

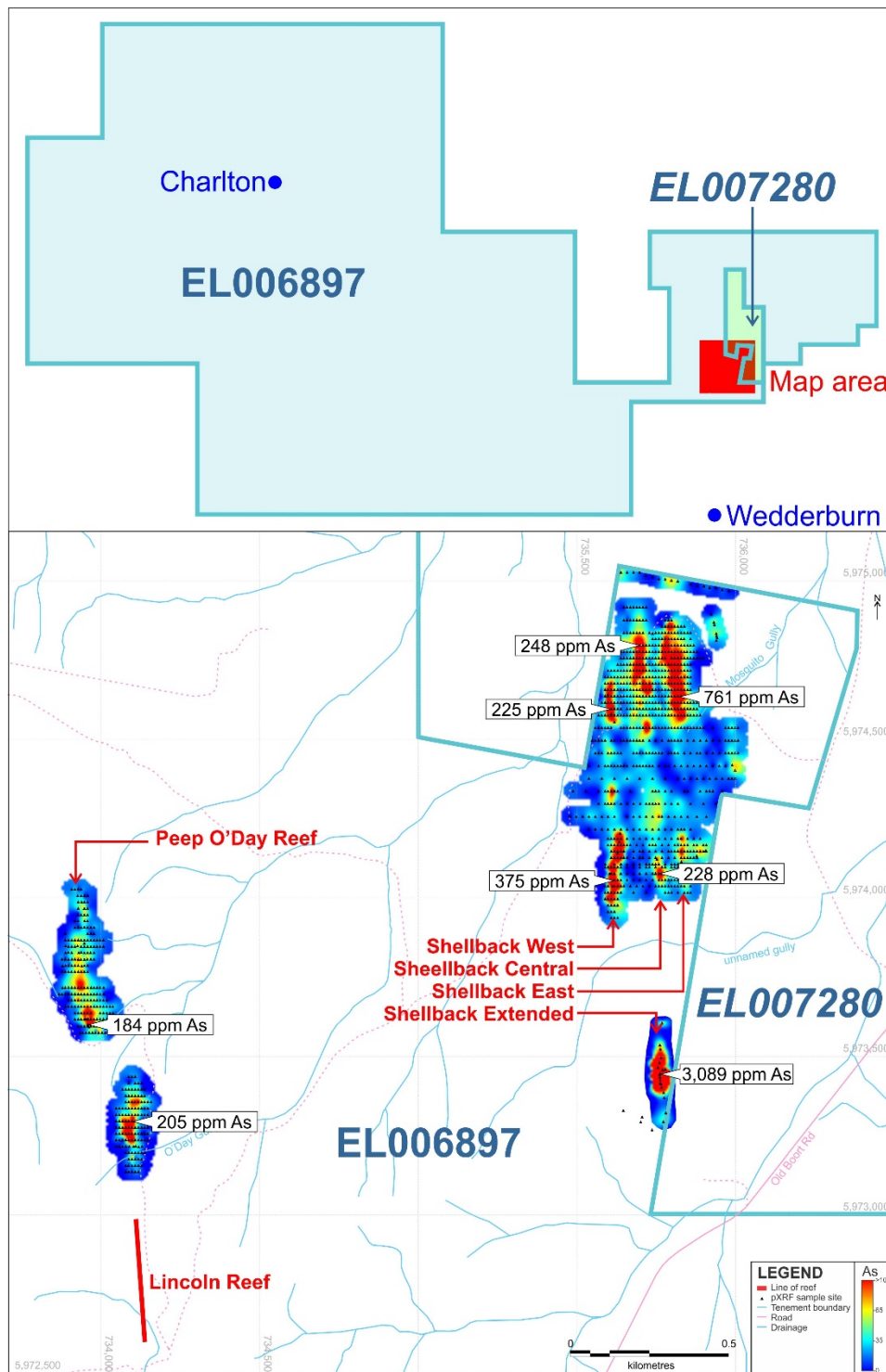


Figure 2 – North Wedderburn Licence Area (EL007280) and arsenic gold path finder anomalies defined on adjoining Yunegroon (EL006897).

Silver Spoon (ELA006951) Tenement Grant Update

The Silver Spoon Project abuts the highly contested North Central Victorian Goldfields Tender Area. The region is highly prospective given its proximity and similar geology to Kirkland Lake Gold's nearby world-class Fosterville Gold Mine and other significant regional discoveries (Figure 3). The tenement application originally lodged in February 2019 is now well advanced with granting expected to occur mid-year. The area contains several historic gold and other mineral prospects in areas of outcrop (refer to PTR ASX release 04/03/19 for detail). Younger cover sediment however masks much of the prospective host rock on the western half of the tenement and these regions have only been very lightly explored.

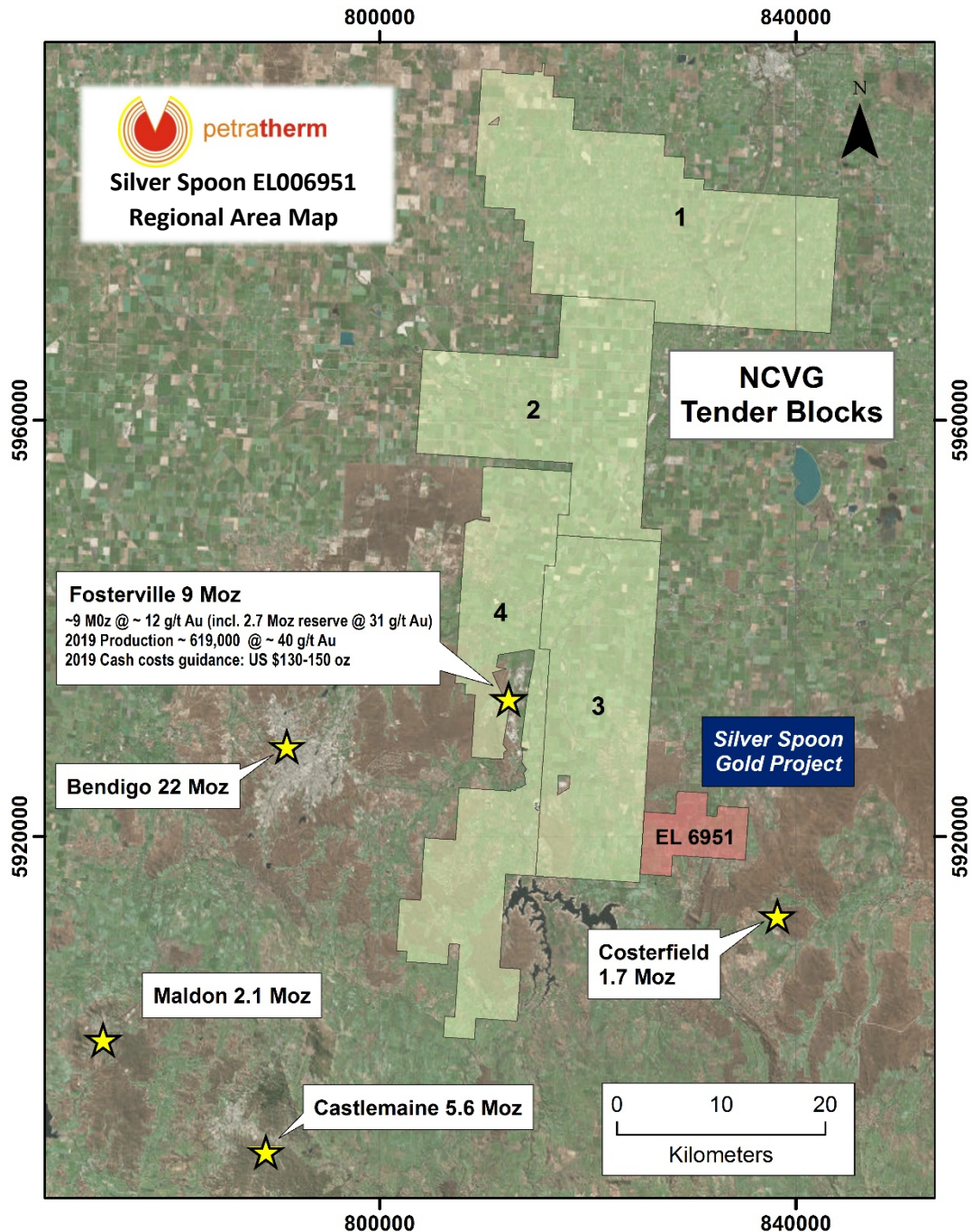


Figure 3 – EL6951 (Silver Spoon) Location Map, North Central Victoria Goldfield (NCVG) Tender areas and major mines.

Next Steps

With the addition of the Ballarat West Project, Petratherm is now well positioned, having a significant land tenure position in the Victorian Goldfields totalling 1,195 km² (Figure 4). Ground exploration to date has focused on completion of low impact reconnaissance field mapping and soil sampling at Yuengroon which has proved successful in defining drill ready gold targets (Figure 3, ref. PTR ASX release 27/03/20). The Company looks forward to the granting of the Silver Spoon tenement in the near-term allowing surface ground exploration to begin. As Victoria has become a key focus for the Company, it is also actively looking to secure additional drill ready, high-quality, gold projects, with a target threshold of at least 1 Moz.

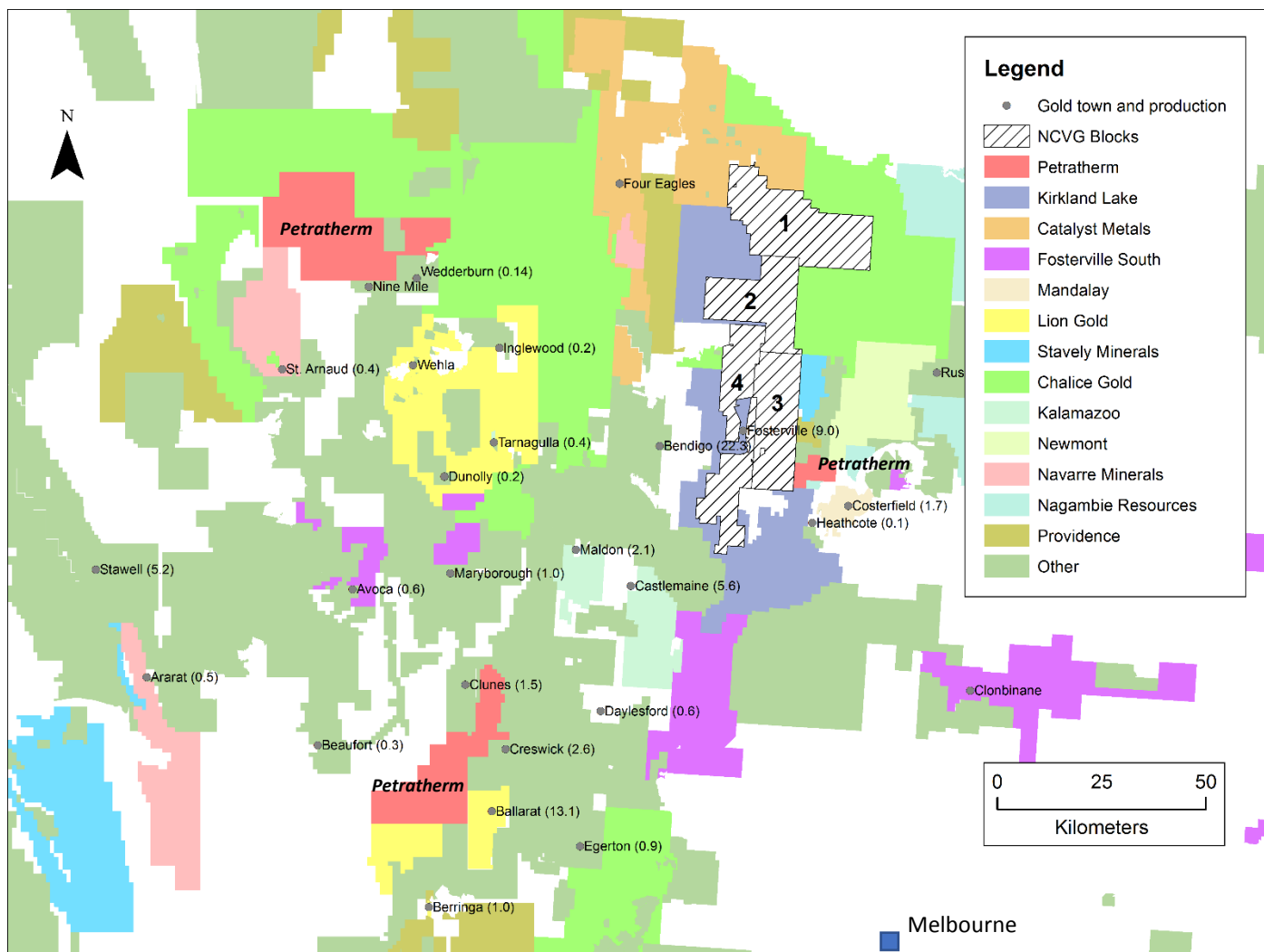


Figure 4: Regional Location map of Petratherm's Victorian Gold Tenement Holdings, Major Mining Towns and other Major Tenement Holders

For further information, please contact:

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

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.