

ASX ANNOUNCEMENT**24 November 2020**

Successful Placement to underpin drilling operations at Mabel Creek and Comet Projects

Highlights

- Petratherm has received firm commitments to raise \$2.16M by way of placement of new shares with funds to be used to expedite exploration on the Company's Mabel Creek and Comet Gold Projects
- Planned drilling of several Olympic Dam Style Geophysical targets at Mabel Creek to start in the first quarter of 2021
- Subject to completion of Aboriginal heritage survey work, drilling operations at Comet Gold Prospect and regional shallow RAB drill campaign planned to start in second quarter 2021
- Sale of Victorian Gold Projects well advanced with Canadian Company, Skarb, completing a strongly over-subscribed CAD\$11.4M private placement.

Petratherm Ltd ("Petratherm" or "the Company" – **PTR: ASX**) is pleased to advise that it has received firm commitments to raise \$2.16M (before costs) through a share placement pursuant to Section 708 of Corporations Act (Cth) (the "**Placement**").

The proceeds of the share placement will be used to underpin drilling operations at Mabel Creek and Comet Projects and provide for working capital.

MABEL CREEK PROJECT

First pass drilling in March 2020 at Mabel Creek Project, 50 kilometres northeast of Coober Pedy in South Australia encountered pervasive Olympic Dam Style Copper-Gold alteration at the Area 5 gravity target (refer to PTR ASX release 30/07/20). Subsequent geophysical modelling work has demonstrated that the drill hole (MCDA5-01) may have only clipped the edge of the main part of the gravity anomaly and further test drill holes are now planned. Drill testing of several other high priority gravity targets in the area will also occur at the same time (refer to today's ASX released Company Presentation for details). A preferred drilling contractor has been secured with drilling operations planned to commence during the first quarter of 2021.

COMET PROJECT

The Comet Project Tenement (EL6443) is located within the northern Gawler Craton of South Australia (refer to today's ASX released Company Presentation), which hosts numerous significant gold occurrences including the Challenger gold deposit (1.1 Moz @ 5.1 g/t Au) and the recent Aurora Tank Gold Discovery (i.e. MEU ASX release 04/11/20).

The project includes the Comet Gold Prospect, where limited historical RC drilling identified a continuous zone of gold intersections over at least 150 metres and remains open along trend and at depth (refer to PTR ASX release 18/10/19). Follow up drill testing of the Comet Gold Prospect is a priority for the Company. The Company has also scheduled a program of regional shallow RAB grid style drilling to explore for new gold mineralisation over the broader tenement area. The Company is currently preparing to undertake a Native Title Heritage Survey, with ground drilling and regional exploration works to follow immediately. The Comet drilling works are planned to start during the second quarter of 2021.

PLACEMENT DETAILS

The Placement, comprising 14,285,714 fully paid ordinary shares at an issue price of \$0.14 (14 cents) per share, is being made to sophisticated investors eligible under section 708 of the Corporations Act (Cth).

Taylor Collison Limited is the sole Lead Manager to the Placement.

In addition, each Director has also agreed to subscribe for \$50,000 worth of shares at the placement price, subject to obtaining shareholder approval for these subscriptions. The Company's Exploration Manager has also agreed to subscribe for \$10,000 worth of shares at the placement price (together comprising a total of 1,142,857 ordinary shares).

The Placement will be issued in accordance with the Company's available 10% placement capacity pursuant to ASX Listing Rule 7.1A, with 15,428,571 shares to be issued at \$0.14 per share (which represents a 13.5% discount to the 15-day trading VWAP to 19 November 2020). The new shares will rank equally with existing Petratherm ordinary shares quoted on the ASX.

Completion of the placement and receipt of the funds is expected to occur on or around Friday 27th November 2020 and the Company will make an application to the ASX for listing of these securities.

VICTORIAN GOLD PROJECT SALE UPDATE

The Company continues to make good progress towards completing the sale of its Victorian Gold Project Assets to Skarb Exploration Corp. (Skarb), with the sale completion now expected before Christmas 2020. Skarb recently closed (refer to PTR ASX release 18/11/20) a strongly over-subscribed CAD\$11.4M private placement, which is more than double initial expectations. These funds will enable Skarb to undertake an aggressive exploration campaign on the Victorian Gold Projects with drilling operations likely to start from early 2021.

A Company presentation has been lodged with the ASX today, providing further summary details on the Victorian Projects Sale and the up-coming drilling operations at Mabel Creek and Comet Projects

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

For further information, please contact:

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