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ASX ANNOUNCEMENT

29 January 2021

Quarterly Activities Statement – December 2020

Highlights

- The transaction between Petratherm Limited (“Petratherm”) and Skarb Exploration Corp. (“Skarb”) successfully closed on 16 December 2020.
- Prior to completion of the transaction, Skarb changed its name to Outback Goldfields Corp. (“Outback Goldfields”), raised CAD\$11.406m and completed a 3:1 capital consolidation.
- As a result of these changes, under the successful completion of the transaction Outback Goldfields acquired all Petratherm’s Victorian gold projects and in return issued Petratherm with 33,333,333 shares in Outback Goldfields, which represents a 57% ownership interest.
- Outback Goldfields’ new trading symbol on the Canadian Securities Exchange is “OZ”.
- The transaction enables the Victorian gold assets to be housed in a well-funded dedicated Victorian gold exploration company with a mandate to conduct exploration on a large scale.
- In South Australia, infill gravity surveying over the Area 13 and Area 15 anomalies at the Company’s Mabel Creek Project was completed and final drill collar positions have been defined.
- Drilling of these targets along with follow up drill testing at Area 5 Prospect, where previous drilling identified Olympic Dam Style Copper-Gold alteration, is scheduled to start in the March Quarter.
- Ground exploration activities to start in the March Quarter at the Comet Gold Project Area, where historical drilling includes multiple shallow gold intersections, which are open at depth and along strike.

Summary of Operations

Petratherm Limited (“the Company/ Petratherm”) made significant progress during the quarter with the completion of the sale of its Victorian Gold Project Assets to the Canadian Securities Exchange (“CSE”) listed Outback Goldfields Corp. (formally Skarb Exploration Corp.). Petratherm received as consideration for the sale 33,333,333 shares which represents a 57% ownership interest. The sale unlocks the value of its Victorian Gold Project Portfolio for our shareholders and ensures these projects are well funded going forward.

In South Australia, following the Company's encouraging drilling results at its Mabel Creek Project, where pervasive Olympic Dam Style Copper-Gold alteration was encountered (refer to PTR ASX release 30/07/20) at the Area 5 Prospect, a second round of drilling has been scheduled for the first quarter of 2021 and final drill preparations are underway. During the period, the Company completed infill gravity surveying of high priority gravity anomalies to aid drill collar positioning. In addition, significant regional ground exploration works are scheduled to begin at the Company's Comet Gold Project during the next quarter.

In November Petratherm 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. The Company held \$3,949,000 cash at the end of the quarter. A summary of exploration activities during the quarter is presented below.

In accordance with ASX Listing Rules Guidance Note 23, the aggregate amount of payments to related parties of the entity and their associates disclosed under section 6.1 of the Appendix 5B totalled \$36,000 and comprised of Director's fees.

Victorian Gold Assets Sale

As previously announced on 12 October 2020 (ASX Announcement: Definitive Agreement Executed – sale of VIC gold assets), Petratherm Limited ("Petratherm" or "the Company") (ASX: PTR) executed a Definitive Agreement to sell the Company's Victorian Gold Project Assets to Skarb Exploration Corp. ("Skarb"), a Canadian mineral exploration company listed on the Canadian Securities Exchange ("CSE") ("Transaction").

Prior to completion of the Transaction, Skarb changed its name to Outback Goldfields Corp. ("Outback Goldfields"), raised CAD\$11.406m through a non-brokered private placement of 57,030,000 shares at CAD\$0.20 and subsequently completed a 3:1 capital consolidation. Outback Goldfields new trading symbol on the CSE is "OZ".

The Transaction has resulted in Outback Goldfields acquiring the Company's gold projects located in Victoria, Australia ("the Project"), comprising of the following assets:

- Yuengroon Gold Project (EL 6897 & ELA 7280)
- Silver Spoon Gold Project (ELA 6951)
- Glenfine Gold Project Farm-In & Joint Venture (EL 5434, EL 5537 & EL 5344)
- Ballarat West Gold Project (ELA 7276)

In return for the Project, Outback Goldfields has issued 33,333,333 shares ("Consideration Shares") to the Company. The Consideration Shares represent a 57% ownership interest in Outback Goldfields.

A 125-day Distribution Wait Period has commenced, at the conclusion of which, the Company will distribute the Consideration Shares in specie to shareholders, pro rata in accordance with their shareholdings in the Company. The Distribution Wait Period ends on 16 April 2021. The Record Date for determining entitlements to the Consideration Shares will be at the end of the Distribution Wait Period.



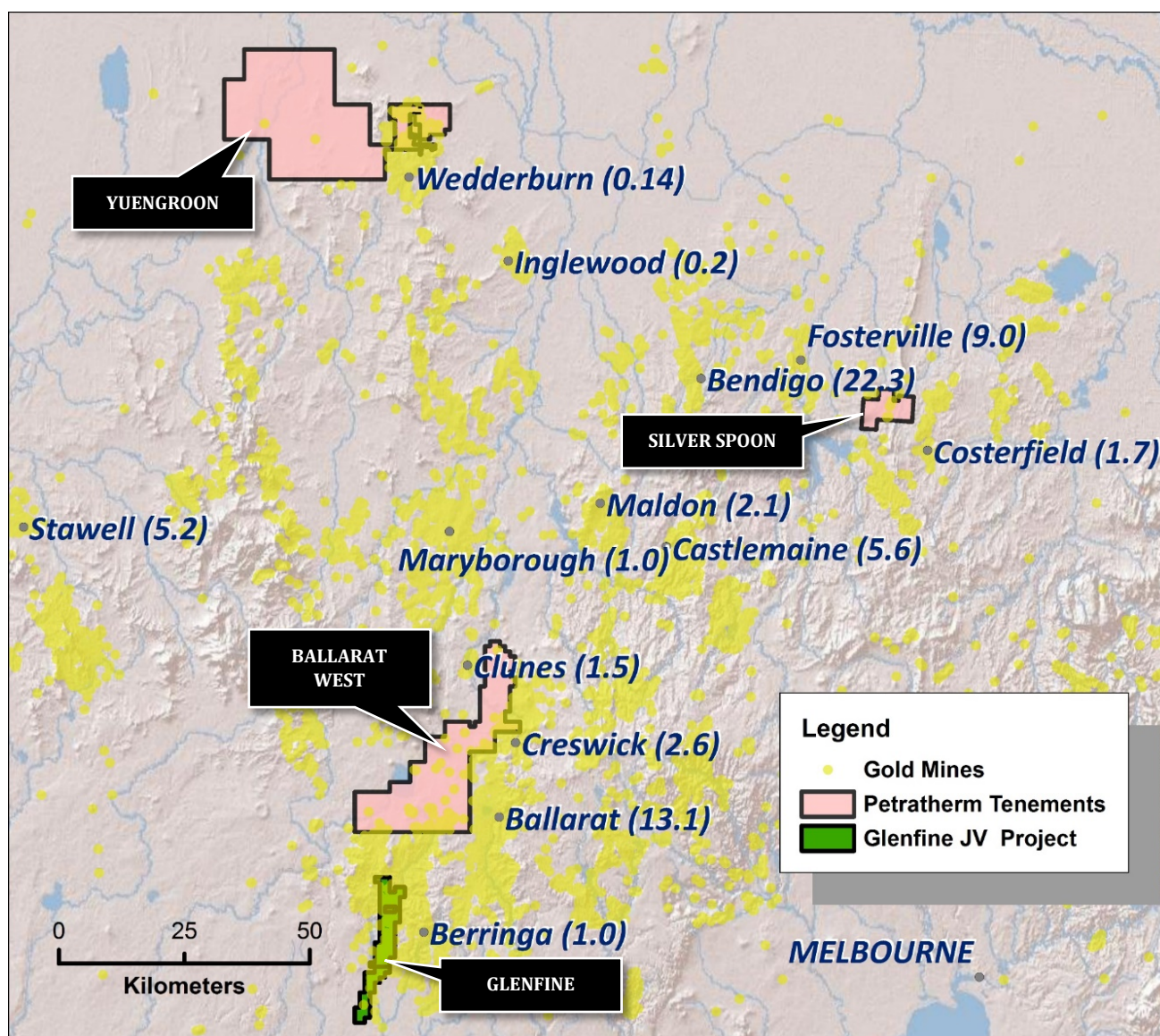


Figure 1 Petratherm's Victorian Gold Assets

Mabel Creek Project

During the period, the Company completed infill gravity surveying at its Mabel Creek Project Area, northeast of Coober Pedy in South Australia (Figure 2). The work has allowed for detailed modelling of two high priority gravity anomalies (Areas 13 & 15) which will be drill tested for Olympic Dam Style, Iron Oxide - Copper Gold (IOCG) mineralisation in early 2021 (Figures 3 and 4).

The Mabel Creek Ridge is considered prospective for IOCG mineralised systems and comprises four granted tenements (EL's 6332, 6333, 6404 & 6405) totalling 2,852 km². First pass drilling in March 2020 encountered pervasive IOCG alteration at the Company's Area 5 gravity target (Figure 2, refer to PTR ASX release 30/07/20).

The Area 13 Target is a high magnitude gravity anomaly of approximately 6 milligals and is semi co-incident with a magnetic anomaly (Figure 3). 2D and 3D modelling suggests the dense body starts between 400 and 500 metres depth. The Area 15 Target (Figures 2 & 4) is a discrete combined magnetic and gravity anomaly which occurs on the fringe of a broad zone which shows increased magnetic intensity that may be reflecting an area of increased hydrothermal activity. Modelling of the Area 15 body suggests it starts at between 300 and 400 metres depth.

In late January 2021, just after the reporting period, the Company had begun heritage survey works with the Native Title Holders ahead of planned drilling. As previously reported (PTR ASX release 25/06/20), Petrathern has secured South Australian Government (Accelerated Discovery Initiative) grant funding to a level of \$182,000 to assist the drilling operations. A preferred drilling contractor has been secured and they will commence works as soon as the rig becomes available, currently scheduled for mid-first quarter 2021.

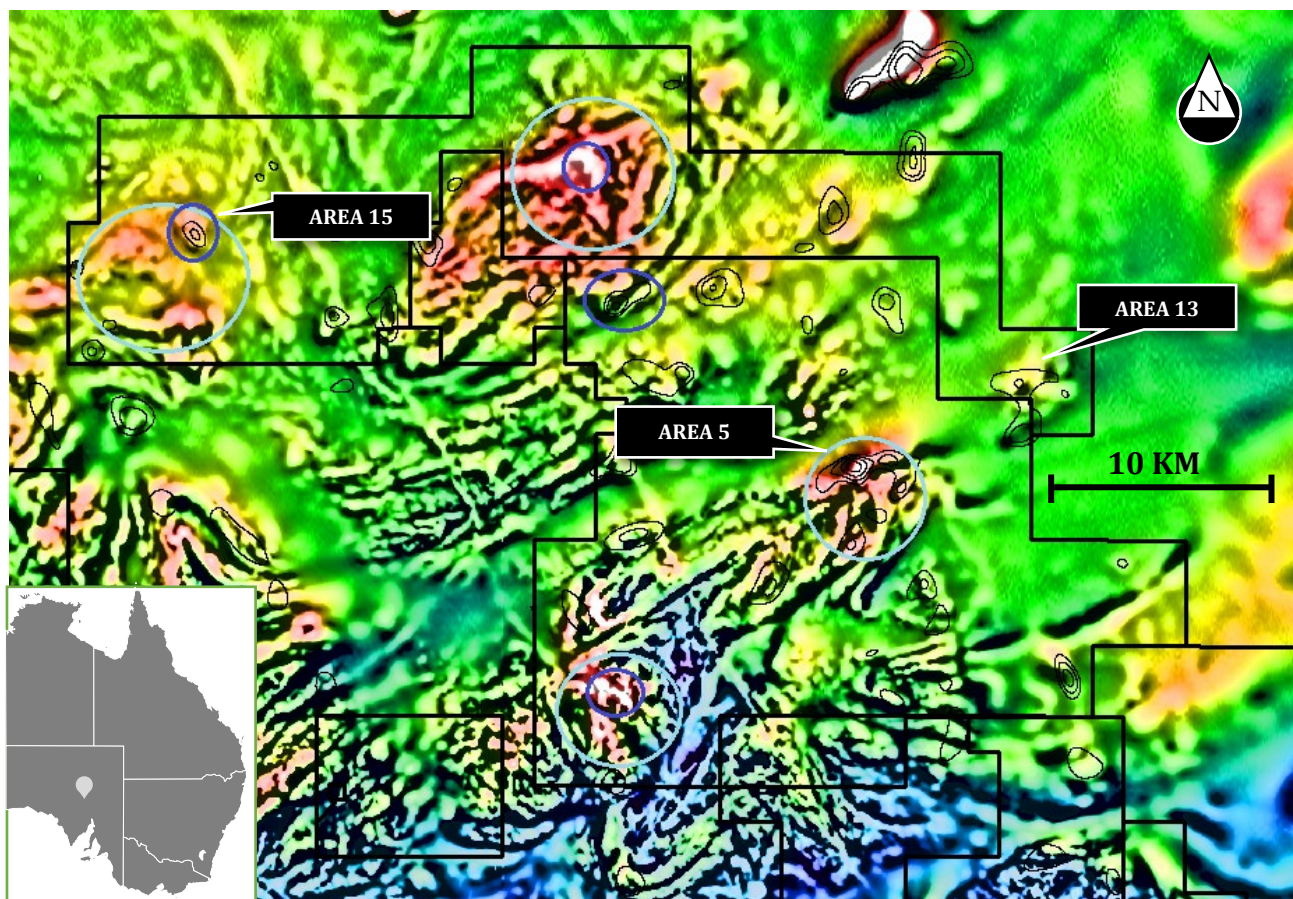


Figure 2 Aeromagnetic image over the Eastern Mabel Creek Project Tenements. Key prospects and other residual gravity anomalies (contours) shown. The light blue circles highlight zones of increased magnetic intensity which may be indicating potential hydrothermal alteration centres.

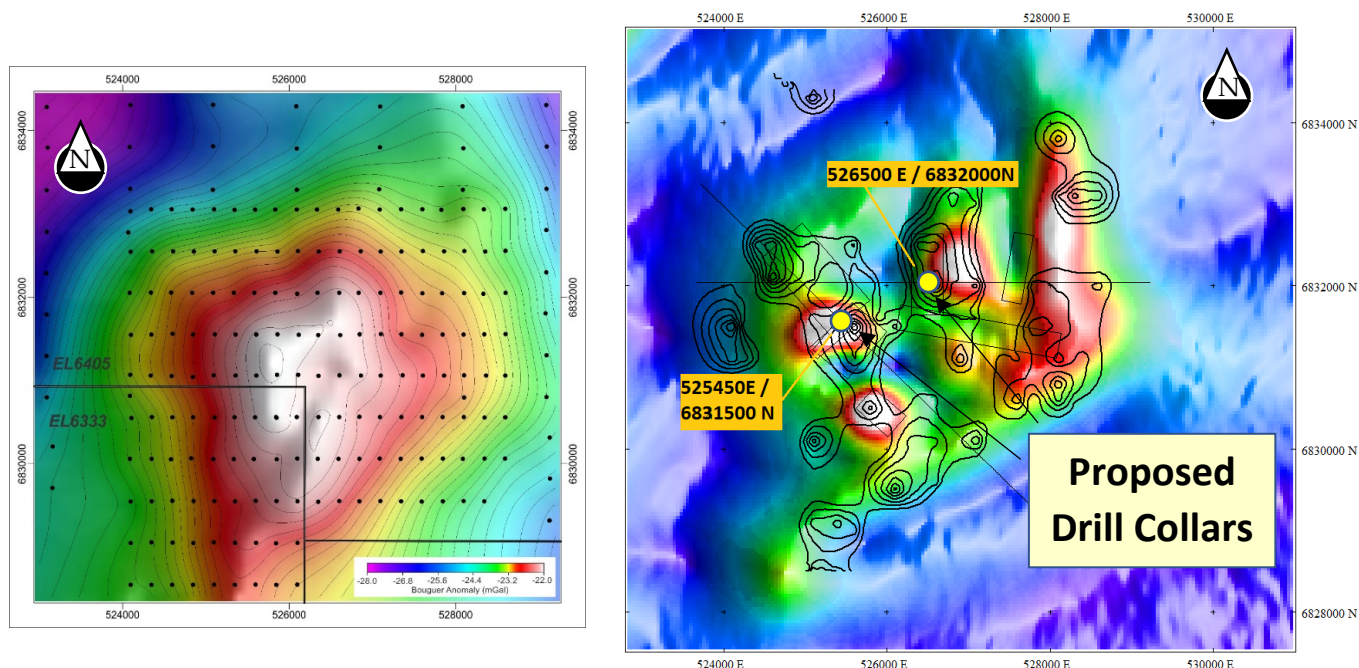


Figure 3 Area 13 Target Bouguer Gravity Anomaly (Left) and Residual Gravity Contours overlying a VRMI Magnetic Image (Right). Area 13 is a strong gravity target of 6 milligals and has been modelled to start at approximately 400 to 500 metres depth. Proposed drill collar positions shown will test residual gravity target centres partially overlapping magnetic features.

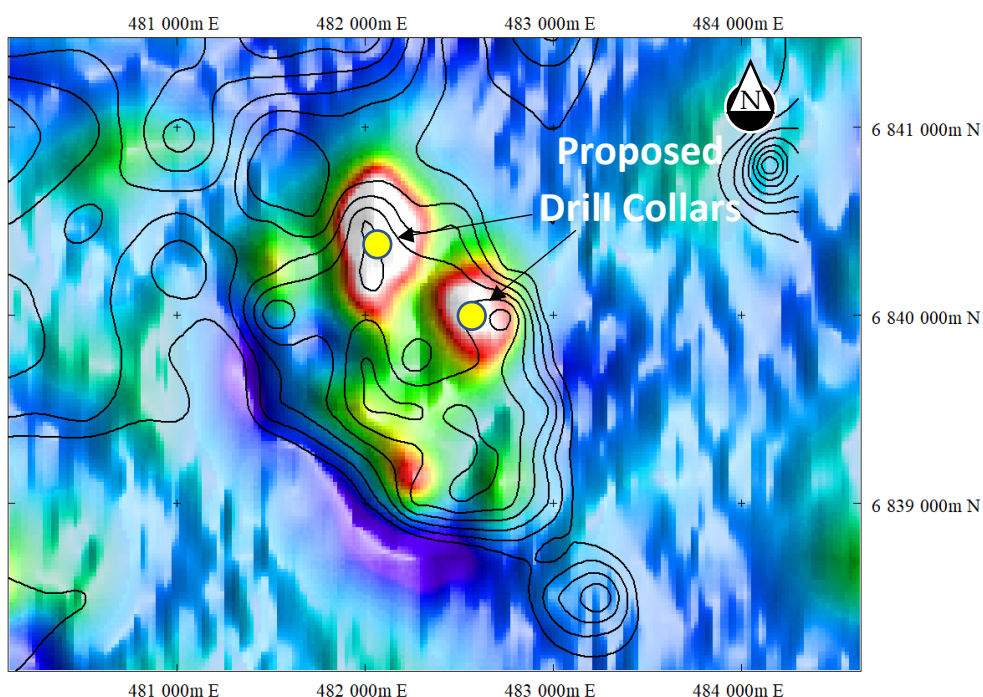


Figure 4 Area 15 gradient gravity contours overlain on gradient aeromagnetic image. Gravity contours define target centres (preferred drill collar positions shown - yellow dots) partially overlapping magnetic features. Depth to top of body is modelled at approximately 400 metres.

Comet (EL 6443) and Gina (ELA 2020/0194) Gold Projects

In November, the Company acquired a large exploration licence application area covering 934 km² (ELA 2020/0194 – “Gina Project”) over a portion of the North Eastern Gawler Craton of South Australia. The new tenement partly co-joins the Company’s existing Comet Gold Project, increasing its tenure position in the resurgent gold prospective province and extends eastwards over down-faulted zones that may be prospective for Olympic Dam Style copper and gold mineralisation (Figure’s 5 and 7).

Gold Potential

The western half of tenement application area covers a portion of the Archaean Mulgathing Complex, which is the host of numerous significant gold occurrences such as the Challenger gold deposit (1.1 Moz @ 5.1 g/t Au) and the Aurora Tank gold discovery (i.e., MEU ASX release 04/11/20).

The area includes the Target 14 Prospect (Figures 5 & 6) which was discovered in 2002 by Redport Limited during a regional reconnaissance RAB drilling program targeting a shear/fault structure interpreted from the regional aeromagnetic data. The prospect area is blanketed by sandy transported cover and no gold anomalism was identified from previous calcrete soil geochemical sampling. The drilling comprised vertical holes at 100 metre spacing along two short RAB drill traverses 1200 metres apart (Figure 6). On the south western line, the last 2 eastern holes recorded highly anomalous gold (Figure 6) with drill hole RED 16, at the end of the southern drilling traverse, intersecting 9 m @ 105 ppb Au from 32 metres to the end of hole (EOH) at 41 metres (refer to PTR ASX release 03/12/2020).

These drill intercepts are consistent with the magnitude of gold anomalism observed on the immediate fringe or in some weathered/leached portions of other primary gold occurrences found elsewhere in the northern Gawler Craton. The anomalous gold zone is open in all directions and follow up step out and infill drill testing is proposed.

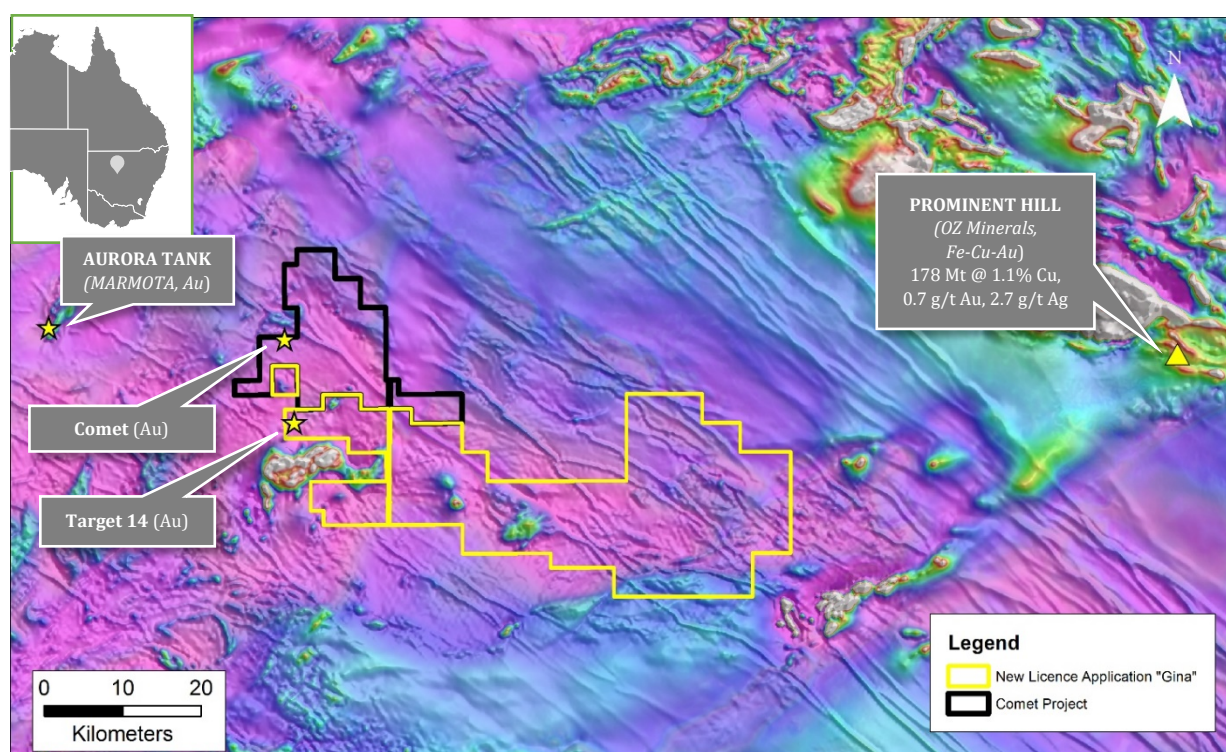


Figure 5: Aeromagnetic image over the north eastern Gawler Craton showing the Gina Tenement Application Area, Petratherm’s Comet tenement and mines/mineral prospects.

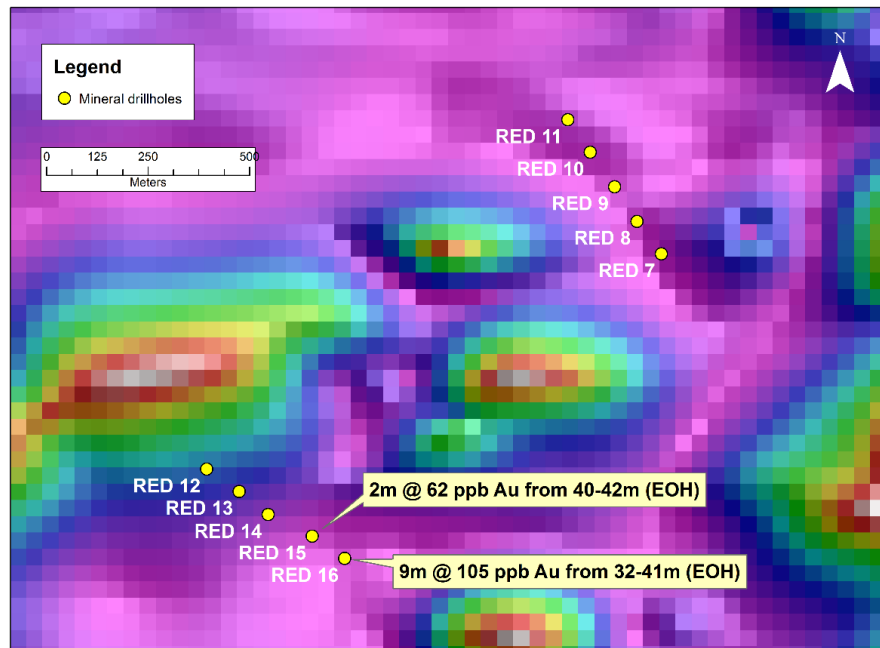


Figure 6 Target 14 Prospect – Historical vertical RAB drill collars and anomalous gold drill intercepts overlain on an aeromagnetic image. Note drill holes RED 15 & 16 ended in anomalous gold and is open at depth and to the southeast.

Comet / Gina Gold Projects - Next Steps

A priority for the Company, will be the follow up drill testing of the Target 14 Gold Prospect along with the Comet Gold Prospect which has been previously described in an earlier Quarterly Activities Statement (refer to PTR ASX release 30/10/20). The Company has an existing Native Title Mining Agreement in place with the Native Title Owners and heritage clearance surveying is scheduled to occur in the first week of February 2021.

One of the key challenges for mineral explorers in the region has been the sandy transported cover masking any mineralisation which may occur in the older basement rock below. To overcome this the Company is proposing to undertake a regional geochemical sampling program using a light RAB drill rig mounted on a 4WD Toyota ute to drill through the transported cover and sample directly the top of the highly weathered bedrock (saprolite) which occurs in most areas at 5 to 10 metres depth. The top of saprolite zone typically contains highly elevated remnant gold anomalism above any primary gold mineralisation in the fresh bedrock below.

The regional deep geochemical sampling program is scheduled to start late February following the Native Heritage survey works, with drilling operations to start during the second quarter of 2021.

Gina Project - Iron Oxide - Copper Gold (IOCG) Potential

On the eastern side of the new tenement application area, the basement terrain is down faulted by a series of major northwest trending faults forming a sub-basin, with the opposite, eastern up faulted edge defined by the Mt Woods Inlier (Figure 7). Perched on the eastern up faulted edge of the sub-basin, the world-class Prominent Hill Cu-Au deposit occurs (178 Mt @ 1.1% Cu, 0.7 g/t Au, 2.7 g/t Ag).

Petratherm postulate that these major extensional fault systems, and associated major transfer faults and splays, are critical to the localisation of IOCG style mineralisation and that the western edge of this faulted sub-basin may also be prospective for IOCG's. Several regional gravity anomalies are evident from the open file South Australian Geological Survey data in the new application area (Figure 7) and warrant further investigation. For the eastern IOCG prospective areas the Company proposes as a first step to undertake infill gravity surveying of anomalous gravity areas to allow modelling and characterisation of prospective geophysical targets for later drill testing.

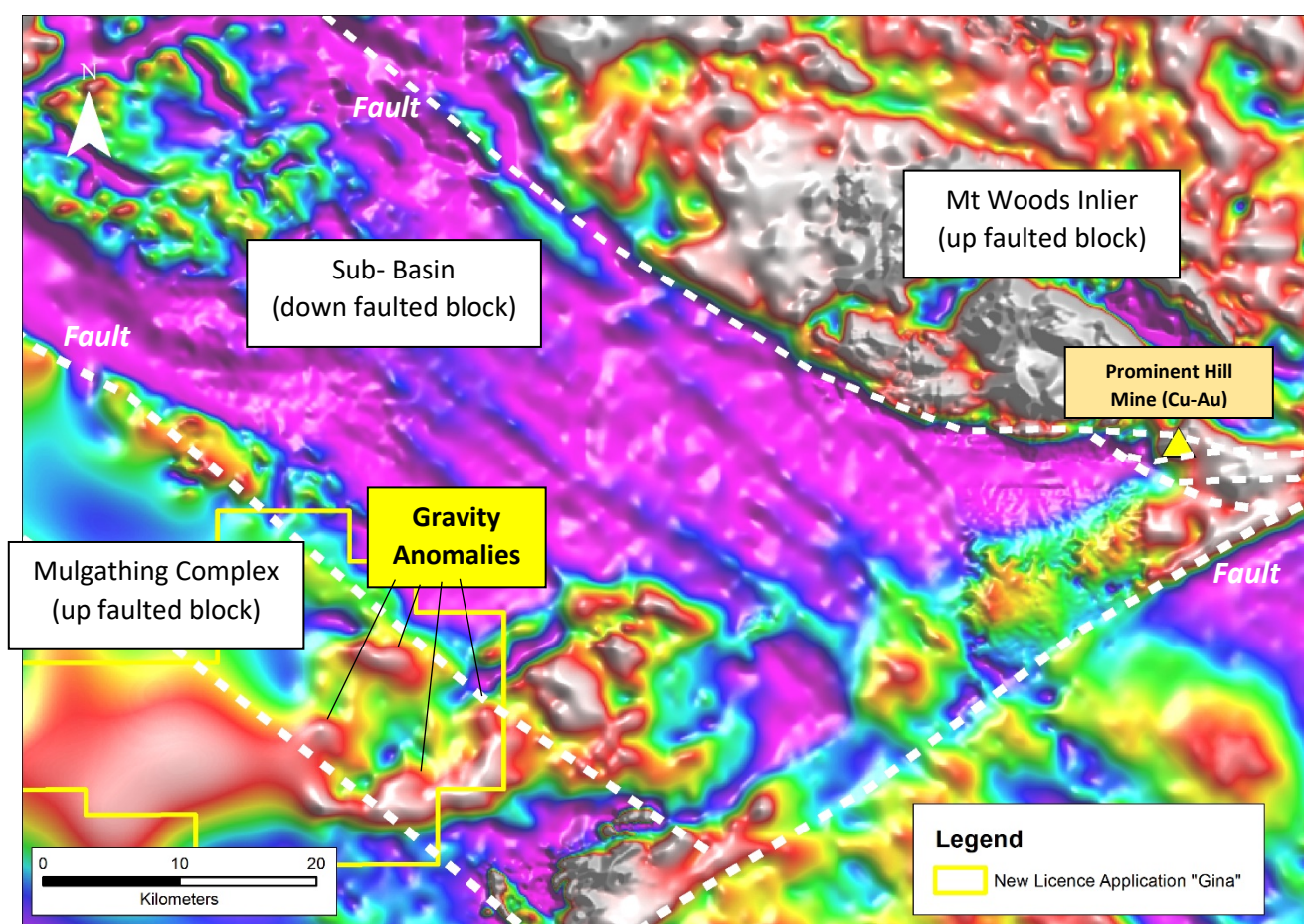


Figure 7 Residual Gravity Image of the eastern “Gina” Application and Prominent Hill Mine Area. Note schematic fault overlay (dashed lines) highlighting prominent NW trending down faulted zone defining a sub-basin. On the eastern faulted basin edge the Prominent Hill mine occurs and the Company aims to explore the opposing western faulted side where several regional gravity anomalies are evident.

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.