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ASX ANNOUNCEMENT

14 December 2022

Rare Earth Drilling Operations Successfully Completed

Petratherm Limited (ASX: **PTR**) is pleased to announce infill-grid drilling of high-grade rare earth (REE) clay hosted prospect areas and exploration drilling of new targets at the Comet Project in the Northern Gawler Craton of South Australia has been successfully completed. Petratherm staff and drill crew are now demobilising from site. The program comprised 88 drill holes, totalling 2,898 metres with an average hole depth of 33 metres.

At Meteor Prospect 47 air core holes were drilled at 100 metre spacing over the central high-grade rare-earth zone as part of an assessment of rare earth grade continuity. Push tube core sampling of the mineralised clay profile has also been completed for rock density measurements and to provide samples for metallurgical test work.

Drilling operations included step out drill traverses 200 metres north and south of Southern REE Zone mineralisation and testing of a further 5 green field targets identified from geophysical / geological interpretations with reconnaissance style drill traverses over target zones.

Initial results of drilling are expected to be ready towards the end of January. PTR is very pleased to complete this important phase of works and now awaits results.



Photo: Typical weathered profile (Meteor Prospect) - red-brown transported cover from 0 to 4m, then white and coloured saprolite clay, transitioning to saprock from 15 metres and finally fresher basement rock from 28 metres.

About Comet REE Project

The Comet Project (EL6443, EL6633, EL6722, EL6816 & EL6818) is a large land holding of 1,915km² in the Northern Gawler Craton of South Australia. It is historically noted for numerous gold occurrences however in April the Company reported the uncovering of significant rare earths hosted in the weathered zone clay profile following a program of greenfield regional RAB drilling (PTR ASX release 20/04/2022).

Follow up air core drilling defined several areas with impressive concentrations of REEs over significant areas and thickness starting at shallow depths (Figure 1). The mineralisation includes scandium oxide (Sc₂O₃) credits, an exceptionally high-value metal used in new technology alloys (refer to PTR 28/10/2022). Less than 10% of the Project Area has been explored for REE's and a systematic program of advancement of current Prospects, testing of new areas and metallurgical recovery test work is ongoing. Prospects drilled in the current campaign include:

Meteor Prospect - a significant REE Prospect currently extending 1,200 metres by 700 metres, with high-grade mineralisation (> 1000 ppm Total Rare Earth Oxide (TREO)) starting from 3 to 6 metres depth and averaging 9 metres of thickness (PTR ASX release 29/08/22). Recent 1 metre split sampling at Meteor returned up to 4,001 ppm TREO (PTR ASX release 28/10/22).

Southern Zone - A single drill traverse defined a > 1,000 ppm TREO zone containing substantial thickness of mineralisation extending over at least 300 metres in length. The thickness of intercepts ranges from 12 metres up to 27 metres and start from 9 to 15 metres depth. The mineralisation remains open both to the east and west as well as to the north and south (PTR ASX release 11/10/22).

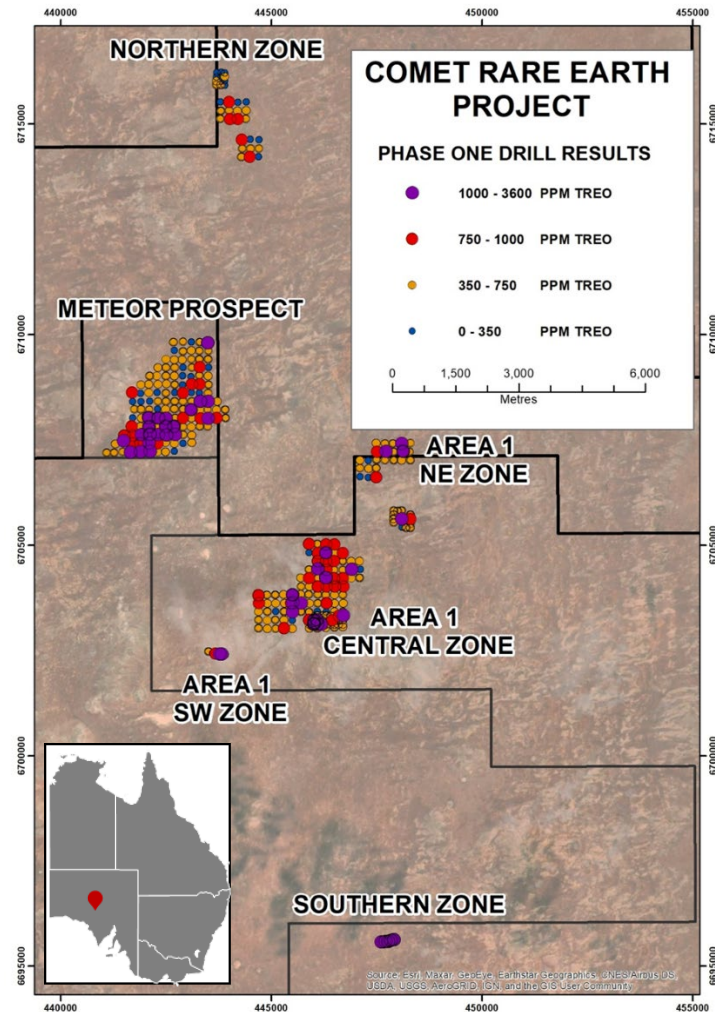


Figure 1 Comet Rare Earth Project – Plan showing summary of historic Phase 1 Drill Results.

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

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.