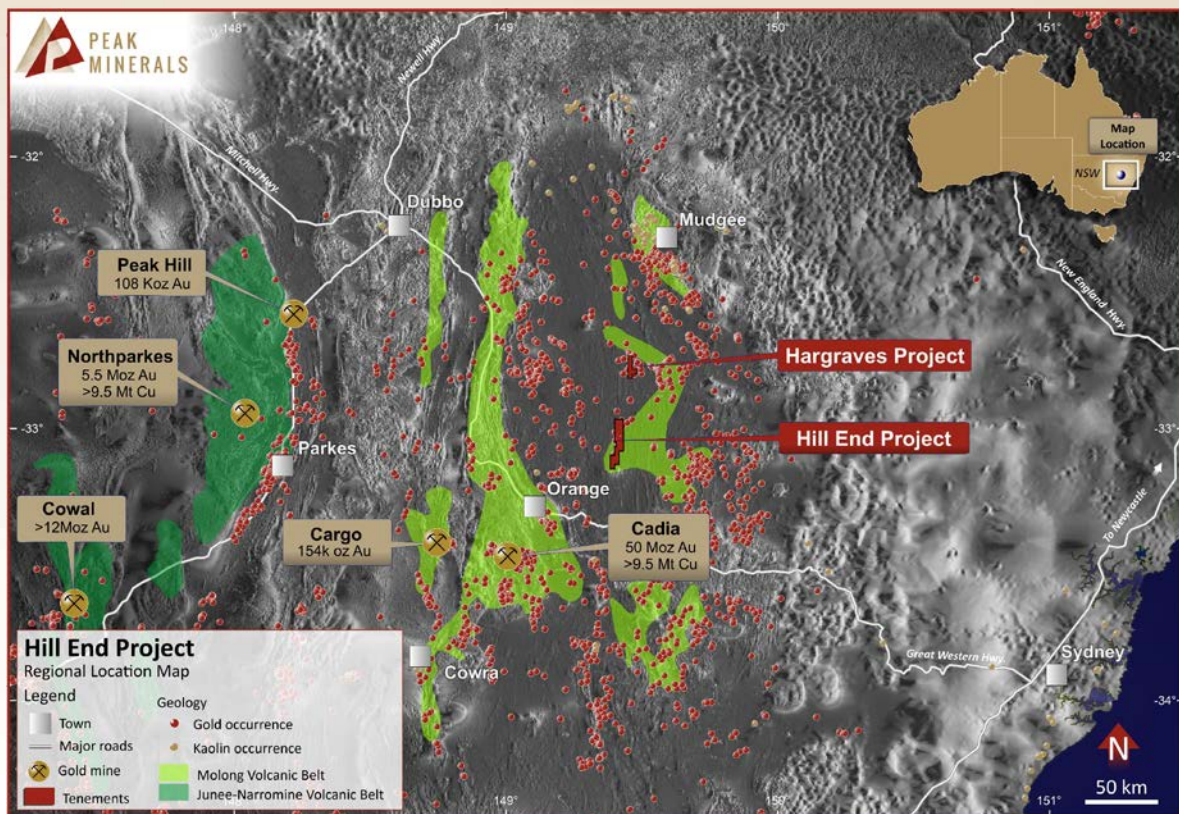


ASX Announcement
14th September 2020

Peak embarks on new exploration campaign at Hill End gold project in NSW Lachlan Fold Belt

Full review of previous drilling, trial mining results and geological studies paves the way for exploration at both the Hill End and Hargraves deposits



Location Map of Hill End and Hargraves on the Easter Lachlan Fold Belt

Peak Minerals Limited (ASX:PUA) is pleased to advise that it has completed a full geological review of its Hill End gold project in the Lachlan Fold Belt of NSW. This review followed the announcement of updated JORC 2012-compliant Mineral Resources at the nearby Hargraves deposit.

The review included a thorough assessment of the extensive drilling results generated at both the Hill End and Hargraves projects over many years.

It also encompassed a study of the trial mining program which took place at Hill End in 2008-10. Particular importance was paid to understanding why gold mineralisation was located in different parts of the quartz veins than was expected prior to trial mining.

The results of the review have been used to formulate an updated geological model which in turn is expected to underpin a new exploration campaign.

Peak Managing Director David Leavy said there was clearly significant exploration potential at Hill End as well as Hargraves, where an updated Resource was announced on 29th of May of 2.3 mt @ 2.38 g/t for 177,652oz.

“We know the Hill End and Hargraves deposits are extensively mineralised systems with areas of extremely high-grade gold,” Mr Leavy said.

“We also know from the trial mining that much of the high-grade gold mineralisation was controlled by different geological structures than originally thought.

“Some sound explanations for this emerged following the trial mining program. We will now conduct a more thorough investigation of this issue while building a new geological model which we will be used to improve the targeting of our future exploration efforts.”

Background/Technical Detail

The Hill End project has had several phases of mining and exploration, starting in 1851 with the discovery of alluvial gold. From 1870-79, approximately 370,000oz of gold were mined from quartz veins at an average grade of 250 g/t.

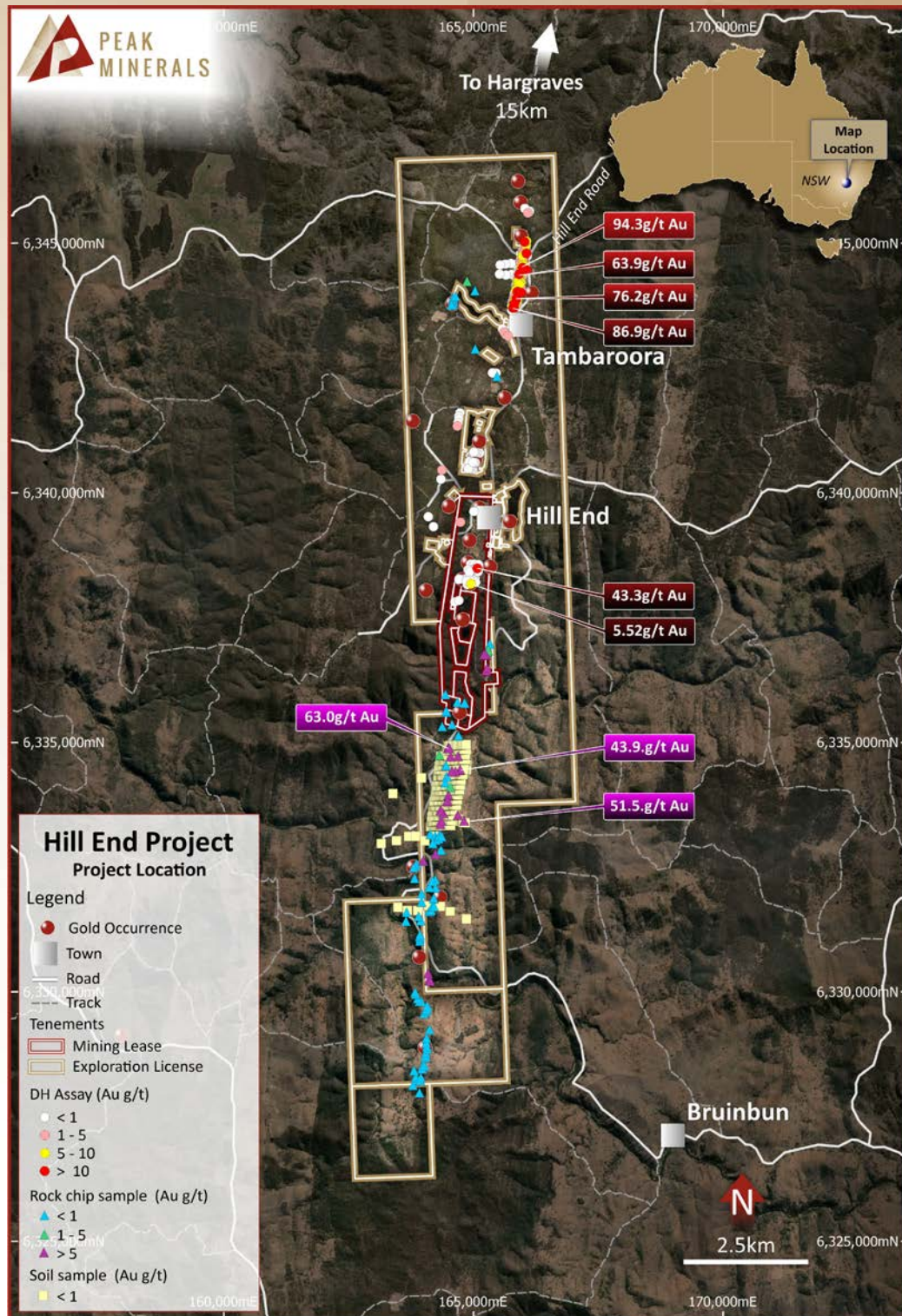
The current underground development was commenced in 1880 with the Consolidated and Amalgamated adits to intersect the high-grade extensions of the veins mined from surface.

Further work was undertaken sporadically from 1920 to 1980 when the first modern exploration work commenced.

Peak Minerals (Nugget Resources at the time before changing name to Hill End Gold Ltd) undertook further exploration, including a 5 hole program totalling 1,414m designed to intersect the quartz reef between 160m and 250m below surface in 1995.

Of the 5 drill holes, 3 recorded gold mineralisation, with 4 intercepts in excess of 15 g/t, one of which was 98.7 g/t. There was also a bonanza grade of 546 g/t (17.6oz) over 0.33m in hole NRI 05 at a depth of 221m ([HEG Listing Document, 16 Dec '02 p25 & 28](#)).

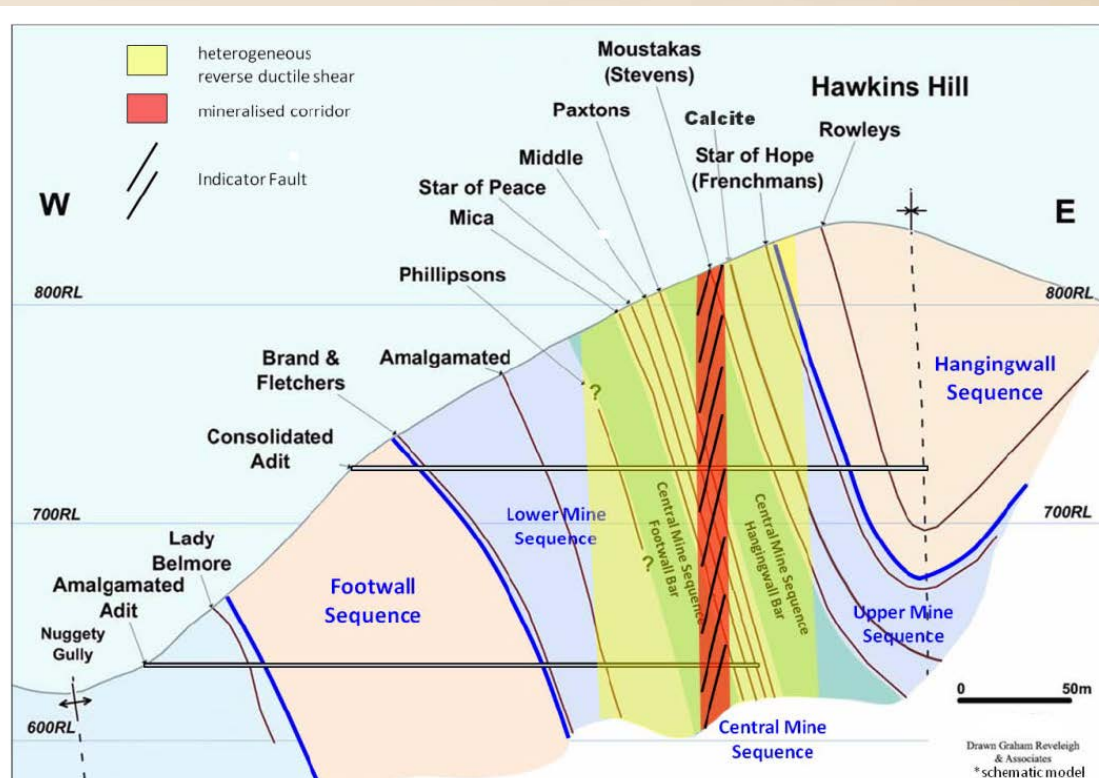
The significance of these results is that it showed the high-grade mineralisation mined in the early days continues at depth.



Hill Tenements with selected drill intercepts

Following further exploration, a trial mining program was undertaken in 2008-10 based on the geological model at the time. The results of the trial mining were the subject of several reviews and modifications to the geological model; however, limited follow-up exploration was undertaken to confirm the model.

The Reward deposit, currently the main target deposit at Hill End, is a series of steeply plunging parallel reefs, as illustrated in the schematic below.



Schematic stratigraphy at Reward (Moye, 2011)

While low grade mineralisation can be found in many veins, the revised geological model indicates that the high-grade mineralisation occurs in two settings:

- Dilational jogs as the reverse faults step to the west, and
- The intersection of the early bedding-parallel quartz veins and the reverse faults.

The structural controls on the bedding-parallel quartz veins are reasonably understood; however, vein sets and fracture zones hosting high-grade mineralisation are more complex.

Once the mineralisation controls are understood, the exploration plan can be optimised. To achieve this, the next stage of work will consist of:

- Using the existing drill hole information, core and mining records, the model will be “retro-fitted” to the known geological information
- Once the model is confirmed, it will be used to define the next generation of exploration targets at both Hill End and Hargraves.

In a highly structurally-controlled, nuggety orebody, quality data and a refined geological model should increase exploration efficiency, reduce costs and improve the chances of success.

Next steps

Over the next 3 months, PUA will conduct the following activities in preparation for drilling:

- A structural geology study to formalise the findings of the review process
- A review of the underground workings to ensure safety and accessibility for exploration and drilling
- Planning and approval process for drilling at both Reward and Hargraves

Medium term objectives

Over the next 12-18 months, the aim is to undertake:

- Drilling and exploration work to extend the mineralisation at both Hargraves and Hill End, which if successful will result in upgraded resources
- Subject to the outcomes of the exploration program, commence studies on the best development pathway for Hargraves and Hill End

The review process has increased confidence in the mineralisation potential of our projects.

This announcement is authorised by the Peak Minerals Limited Board.

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