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**SOUTH AMERICA'S  
EMERGING PRECIOUS AND  
BASE METALS EXPLORER**

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## PROMESA PLANS FOR STAGE 2 DRILLING PROGRAM

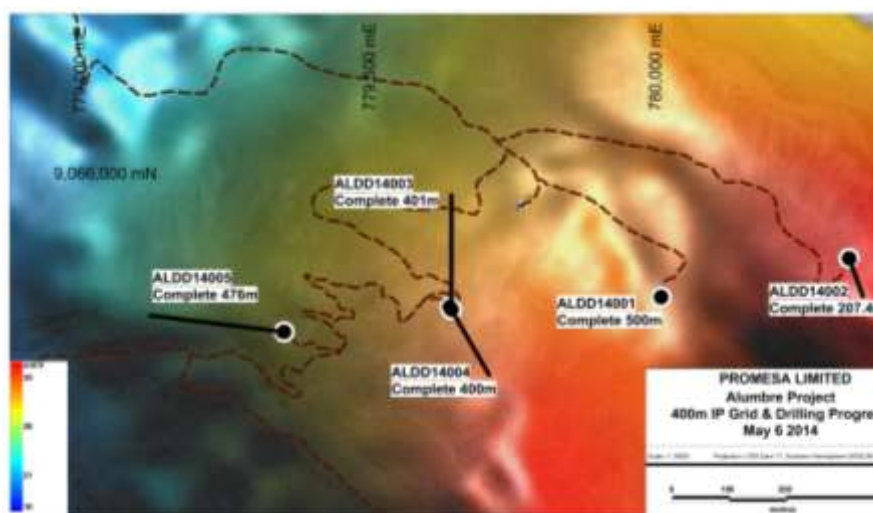
### HIGHLIGHTS

- Stage 1 drill core samples are awaiting sample preparation and analysis by the laboratory.
- Preparation for next stage of drilling has commenced.
- The Company will re-commence drilling once assay results have been received and rig mobilisation has been secured.
- Updated set of drill core photos received for the fifth hole.

Promesa Ltd ("Promesa", the Company) is pleased to update the current status of the stage 1 drilling program at the Alumbre Project in Peru.

The Alumbre Project is a Cu-Mo-Au porphyry system located 70km southeast of Trujillo in northern Peru. The drilling program was based on a combination of surface geochemistry, field mapping and Induced Polarisation (IP) geophysics.

The diamond core drill program was completed ahead of schedule and totalled 1985.5 metres (Table 1 and Figure 1). Geological observations of alteration mineralogy and sulphide mineralisation remain encouraging. Although full assay results are still pending, the Company has sufficient geological understanding of the hydrothermal system to move ahead with planning the next round of drilling.



*Figure 1 - Alumbre Project showing very strong chargeability response at a depth of 400m and the Stage 1 drill program.*

Stage 1 drill core has been cut, logged, sampled and dispatched to the laboratory for assaying. Photography of the full drill core is complete and the half-core photography is in progress. The company proposes to release the pending drill results in a single announcement in early July 2014.

**Table 1 – Characteristics of the first stage drill holes at Alumbre Project.**

Hole ID	Easting (m) WGS84	Northing (m) WGS84	Elevation (m)	Azimuth (degrees)	Declination (degrees)	Completed Depth (m)
ALDD14001	779,998	9,065,794	1,119	0	-90	500
ALDD14002	780,324	9,065,863	1,157	160	-70	207.4
ALDD14003	779,631	9,065,772	1009	360	-60	401.1
ALDD14004	779,628	9,065,777	1009	150	-70	401
ALDD14005	779,338	9,065,733	905	277	-60	476

Further photos from the fifth drill hole (ALDD14005) have been received which support the Company's view of the prospectivity of the project area (see Figures 2 to 9). This drill hole has shown the strongest visible signs of mineralisation and potassic alteration to date (as stated in ASX announcement on 8 May 2014). The veinlet mineralisation style of the fifth drill hole remains consistent throughout the drill hole.

Visible chalcopyrite occurs consistently over an interval of 430m from a depth of 38m. Chalcopyrite mineralisation generally presents as fine "A" and "B" type veinlets and intermittently as massive sulphide veins with pyrite up to 150mm wide. Visible molybdenite and/or bornite is present in about 10% of mineralised veinlets, generally associated with chalcopyrite. Chalcopyrite also presents as disseminated mineralisation, although most commonly it is in a veinlet hosted environment.



**Figure 2 – Intense Potassic alteration is common in ALDD14005.**



**Figure 3 – Intense Biotite alteration with Chalcopyrite and Pyrite at 66m in ALDD14005.**



Figure 4 – Strong silica alteration with Chalcopyrite and Pyrite at 71.7m in ALDD14005.

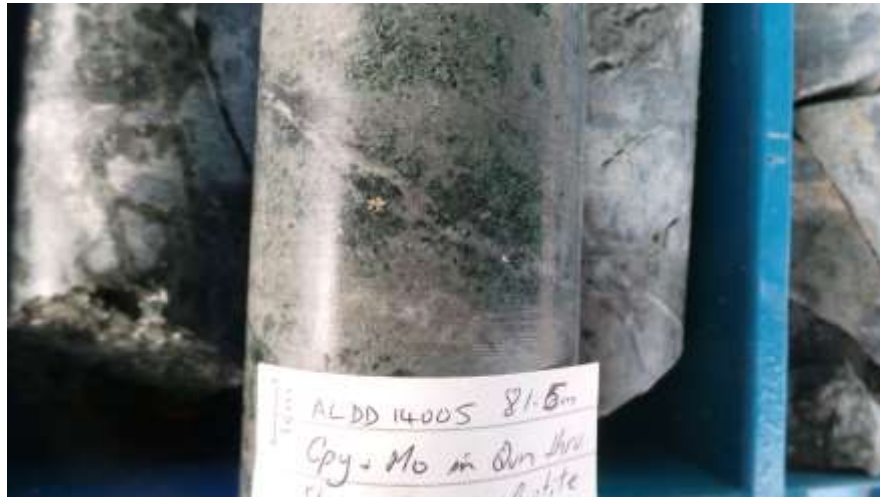


Figure 5 – Molybdenite-Chalcopyrite veinlet cutting intense Potassic alteration at 76m in ALDD14005.



Figure 6 – Molybdenite, Chalcopyrite and Pyrite in "A" type veinlets at 76.4m in ALDD14005.





**Figure 7 – Chalcopyrite and Molybdenite in quartz veinlet at 81.5m in ALDD14005.**



**Figure 8 – Molybdenite “A” veinlets at 154.6m in ALDD14005.**



**Figure 9 – Chalcopyrite Molybdenite “B” veinlets at 172.5m in ALDD14005.**

## Stage 2 Drill Program

The objective of the next stage of drilling is to further define the mineral zonation, size and potential of the porphyry system. The drill program will use existing platforms in addition to several new drill platforms. The Company has obtained all approvals to commence drilling on these platforms and plans to commence drilling in late July or early August 2014.

The Company is currently modifying the location of some of the previously approved drill platforms. The new drill platforms are within the approved Alumbre drill project area of activity. The proposed drill program will build upon the positive geological observations made during the stage 1 drilling and ultimately aims to further target the higher grade mineralisation associated with the porphyry ore shell.

The company is currently sourcing drilling contractor quotes for the stage 2 program. The Company is looking forward to commence the Stage 2 drill program as alteration and mineralisation observed so far confirms the identification of the potassic alteration zone. Ore grade mineralisation in porphyry systems occurs within the potassic alteration halo and this is the target of the upcoming stage 2 drill program.

Also of note is the Project's enviable location from an infrastructure perspective:

- 35kms from the coast,
- low altitude of 1100masl,
- 220kVA power line runs along the Pan American highway, the country's main coastal highway only 30kms away; and
- 70km from Peru's second largest city (Trujillo);

For further information on the Project please visit our website [www.promesa.com.au](http://www.promesa.com.au) or contact Ananda Kathiravelu.

On behalf of the Board,



Ananda Kathiravelu  
Executive Director  
**Promesa Ltd**

## Competent Persons Statement

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Dean de Largie, a Fellow of the Australian Institute of Geoscientists. Mr de Largie is a full-time employee of Promesa Limited. Mr de Largie has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity he is undertaking 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 de Largie consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.*

## Appendix A - JORC Code, 2012 Edition – Table 1

### Section 1 Sampling Techniques and Data – Alumbre Project

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as</li> </ul>	Promesa Limited ("Promesa" or "Company") has commenced diamond core drilling from hole number ALDD14001 on Monday 17 <sup>th</sup> March 2014 Lima Time - Peru. The company has completed first stage drilling which was announcement to ASX 8 May 2014 at the Alumbre Project area.

Criteria	JORC Code explanation	Commentary
	<p><i>limiting the broad meaning of sampling.</i></p>	<p>The drill core is being cut and sampled. No assay results from the core were reported in this announcement.</p>
	<ul style="list-style-type: none"> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> </ul>	<p>The drill hole locations were determined by handheld GPS both during planning and execution.</p>
	<ul style="list-style-type: none"> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<p>Drill core will be inspected and logged in detail noting visible mineralisation, lithology and alteration. Drill core is being logged in detail. All sampling will be carried out under the Company's protocols, with industry best practice QAQC procedures.</p>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<p>The drilling rig is a Boart Longyear LF70. Rock conditions are very good and a standard diamond core tube is being used. Drill hole orientations in the current hole are taken each 50m. HQ and NQ diameter drillbits are used. Generally core recovery has been excellent.</p>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<p>Core barrel length and core length measurements will be made during the course of the program and all significant core loss reported. At this stage no significant core loss has occurred.</p> <p>Drill core will be cut and sampled after initial logging, core recovery and rock quality determination measurements.</p> <p>Not applicable as no assays were reported in this announcement.</p>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> </ul>	<p>Drill core was inspected, lithologies and mineralisation styles noted. Core is being logged in detail. Rock quality and fracture densities are noted.</p>
	<ul style="list-style-type: none"> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> </ul>	<p>Logging of drill core is qualitative. Drill core will be logged in detail and photographed.</p>
	<ul style="list-style-type: none"> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p>100% of drill core will be inspected and logged. 100% of core referred to in this announcement was inspected and photographed.</p>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> </ul>	<p>Drill core is being half cut with a diamond saw. The half core will be sampled.</p>
	<ul style="list-style-type: none"> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> </ul>	<p>Not applicable</p>
	<ul style="list-style-type: none"> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> </ul>	<p>Drill core subject to this announcement will be sampled on 1 metre interval except where mineralisation is extreme, in which case smaller sample lengths will be used.</p>
	<ul style="list-style-type: none"> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of</i></li> </ul>	<p>All core is sampled and duplicate samples are routinely taken to ensure representivity</p>

Criteria	JORC Code explanation	Commentary
	<p>samples.</p> <ul style="list-style-type: none"> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>All core is sampled.</p> <p>Sample size is 1 metre drill core intervals, grain size is 0.2 to 3mm, vein widths are generally 1mm to 5mm and occasionally 15cm, therefore sample size is appropriate</p>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> </ul>	Acme Labs are used with appropriate methods and protocols.
	<ul style="list-style-type: none"> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> </ul>	No geophysical tools were used to determine any element concentrations.
	<ul style="list-style-type: none"> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	Blanks, duplicates and certified standards are inserted approximately every 10 samples. A selection of pulps will be sent for umpire assaying.
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> </ul>	Significant intersections will be verified by company senior personnel
	<ul style="list-style-type: none"> <li>The use of twinned holes.</li> </ul>	Ni twinned holes are warranted at this stage as the current program is exploration drilling. When a resource drilling commences twinned holes may be considered.
	<ul style="list-style-type: none"> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> </ul>	All data is logged in paper form then entered into an access database. Standard data validation procedures are built into the program at the data entry stage. Further data validation occurs within the MapInfo environment.
	<ul style="list-style-type: none"> <li>Discuss any adjustment to assay data.</li> </ul>	No assays have been returned as yet
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> </ul>	Drill hole collars were located using handheld GPS and checked on several occasions through the program.
	<ul style="list-style-type: none"> <li>Specification of the grid system used.</li> </ul>	UTM grid, Datum WGS84 zone 17 is used.
	<ul style="list-style-type: none"> <li>Quality and adequacy of topographic control.</li> </ul>	All drill holes are located by handheld GPS. The topographical control is considered adequate for this initial phase of explorations and drilling.
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<p>Project is at an early exploration stage. Drill hole spacing of approx. 400m sufficient for the current stages of drilling. Mineral Resource and Ore Reserve estimation are not calculated from current work. Future drill results will determine the required spacing for a Mineral Resource estimation.</p> <p>No compositing has occurred.</p>
<b>Orientation of data in relation to geological</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the</li> </ul>	The drill holes subject of this announcement were planned to intersect a geophysical chargeability anomaly associated with intrusive and volcano-sedimentary rocks bearing low-grade, bulk mineable replacement, disseminated or stockwork style

Criteria	JORC Code explanation	Commentary
<b>structure</b>	<i>deposit type.</i>	mineralisation. No structural bias is expected.
	<ul style="list-style-type: none"> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	Geological information to date suggests that there will be no sampling bias when sampling occurs.
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	A chain of custody of samples is used and managed by Promesa. Samples are stored on site and either delivered by Promesa personnel to the assay laboratory in Trujillo or Lima in Peru. Whilst in storage, they are kept in a locked yard. Tracking sheets have been set up to track the progress of batches of samples.
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	Industry best-practice standard diamond core sampling methods and sample intervals are used.

## Section 2 Reporting of Exploration Results – Alumbre Project

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> </ul>	The Alumbre project area is located at low attitude, in the Department of La Libertad in northern Peru. There are no historical sites, wilderness or national parks or environmental issues. The current project area consist of group of concessions with one concessions which is 100% owned by Promesa Limited, plus one other adjoining concession which are subject to option agreement, these include three concessions owned by Oban S.A.C which allows 70% farm-in and includes an NSR royalty and the Aurifera Chorobal concession owned by Minera Fabricio S.A.C which allows 100% farm-in and includes an NSR royalty.
	<ul style="list-style-type: none"> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	Concessions and agreements are in good standing and the company has social and government approvals in place to explore.
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<p>The region was explored by Santa Cristina de Chorobal from 1993 to 1994. Newmont, from 1994 to 1996, undertook regional exploration work.</p> <p>Savage Resources, between 1996 and 1999 undertook sampling, mapping, geophysics and drilling within some of the current project area at Alumbre. Savage conducted a nine-hole RC and RC/Diamond drill program and collected 573 rock sampling program along channels of various lengths from 1 to 27m in length within part of the Alumbre area and the ad. Historical Savage RC drill samples were composited up to 4m and diamond drill holes were composited up to 2m. This drilling produced anomalous results which were considered worthy of follow up drilling by Savage. Location of these drill holes have be verified as the collars are visible. Samples were assayed by SGS laboratory; however this cannot be verified as the original laboratory certificates are not available and were pre-JORC. Promesa have undertaken confirmation field sampling of Savage surface sampling which supports the results obtained by Savage. Savage Resources was taken over by Pasminco in 1999 who subsequently went into receivership 2001 and suspended work on the project area.</p>



Criteria	JORC Code explanation	Commentary
		From 2001 to 2010 the area was not held by any party. Alikante Mining Company 2010 acquired the Gaya 104 concession and released it to Kirio Mining S.A.C in 2011 who then optioned it to Promesa in 2012. and acquired 100% of the concession in August 2013.
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	Mineralisation is hosted in several intrusive and subvolcanic rock units. Disseminated and veinlet hosted porphyry copper and molybdenum mineralisation has been observed
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar.</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.</li> <li>dip and azimuth of the hole.</li> <li>down hole length and interception depth.</li> <li>hole length.</li> </ul> </li> </ul>	Details of location and orientation of the drill holes mentioned in this announcement are given in the body of the announcement (Table 1). Locations of the drill holes are also marked on a map which places them in context with previously released exploration results according to the JORC code (2004 edition and 2012).
	<ul style="list-style-type: none"> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	Not applicable, the information has been provided above.
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> </ul>	Not applicable – no assay results from drill holes are subject of this announcement.
	<ul style="list-style-type: none"> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> </ul>	Not applicable – no assay results from drill holes are subject of this announcement.
	<ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	Not applicable – no assay results from drill holes are subject of this announcement.
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	No intercept lengths or mineralisation widths were reported in this announcement.
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	Appropriate maps are included in the body of the announcement to show the location of the drill holes subject of the announcement and their relationship to previously announced geophysical targets.
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of</li> </ul>	Other exploration (mapping, geochemistry and geophysics work) data has been previous reported to the market by Promesa. Information will be provided in future announcement with respect to grade and mineralisation of rocks encountered

Criteria	JORC Code explanation	Commentary
	<i>Exploration Results.</i>	after core is cut, sampled and assayed.
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	The company has previously reported geochemical, geophysical and geological results. This announcement discusses the geology of the drill holes. Some drill core has been sent to the laboratory. no geochemistry results are available. as yet No economic or extractive measurements such as bulk sampling or metallurgical tests are appropriate at this stage of exploration
<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	The Company proposes to undertake further drilling and the details of this will be determined later after all assay results come to hand.