ASX ANNOUNCEMENT

10 July 2014

SOUTH AMERICA'S
EMERGING PRECIOUS AND BASE METALS EXPLORER

BEST GEOCHEMICAL AND MAGNETIC TARGETS YET TO BE DRILL TESTED

HIGHLIGHTS

Promesa Limited ("Promesa" or the "Company") (ASX Code: PRA) is pleased to announce that recently completed remodelling of the Alumbre magnetic data has produced a Magnetic Vector Inversion (MVI) 3D model of the project area. The model suggests there is a significant link between surface copper, gold and molybdenum geochemistry and a very large subsurface volume of rock with a strong magnetic signature. The region has not been systematically explored for Cu-Mo-Au style porphyry deposits.

Key points are as follows:

- The size of the surface magnetic response and recent MVI modelling is consistent with magnetite alteration associated with a large Cu-Mo-Au hydrothermal system.
- New subsurface magnetic 3D modelling supports Cu, Au and Mo geochemistry, resulting in increased confidence and refinement of the porphyry model and an expanded area of interest greater than 2.1km by 1.9km with further porphyry targets.
- The relationship between the significant intercept (7m @ 0.72% Cu) and the MVI model supports Promesa's exploration methodologies.
- The combination of magnetic susceptibility, downhole and surface geochemistry in addition to MVI, indicates mineralisation may continue at depth, west and north of the discovery hole, ALDD14005. Increased magnetite surrounds the mineralised intersection observed in the drill core.
- Placement of further drill holes will utilise the important new information that the MVI brings to the porphyry model.
- Drilling is set to continue in early August.

Promesa Director, Ananda Kathiravelu said: "There is now a substantial body of information in support of the district-scale potential of the Alumbre project. Detailed surface and subsurface geology, geochemistry, geophysics and the recent 3D modelling using the MVI process has increased confidence in our exploration model.

Alumbre appears to represent part of a major new Cu-Mo-Au porphyry camp in a logistically superb area for the development of a porphyry project.

Our exploration model continues to be supported by further additional information. The geology, geochemistry, structure, alteration and geophysics combine to indicate that we are very fortunate to have such a strong link between the various scientific disciplines utilised to bring Alumbre to this stage.

We look forward to building upon the excellent result of 7m at 0.72% Cu in our last drill hole. We are currently planning our next phase of drilling and anticipate some exciting results to be forthcoming."

Promesa Limited

Office Address
Suite 7 | 55 Hampden Rd,
Nedlands, WA 6009
Australia

P: +61 8 9389 8884
F: +61 8 6389 0576

Contact
Ananda Kathiravelu
Executive Director
E: ananda@promesa.com.au
M: +61 412 036 789

Michael Sebbag
Executive Technical Director
E: michael@promesa.com.au
M: +61 407 703 899

The Alumbre Project is a Cu-Mo-Au porphyry system located 70km southeast of Trujillo in northern Peru. The Company recently completed the first stage drilling program which successfully demonstrated the porphyry potential of the prospect. Drill hole sample assays have returned a number of significant results (refer to Table 1). Full results were previously announced to ASX on the 1 July 2014. A 7m interval grading 0.72% copper occurring within a 21m zone of silicified stockworking hosted by a porphyritic diorite with approximately 20 veinlets per metre is of particular interest.

Table 1 – Stage 1 Drill Hole Significant Assay Results at Alumbre Project.

Hole ID	From (m)	Interval (m)	Significant Result
ALDD14001	214	4	0.15% Cu
ALDD14002	90	2	0.16%Cu
ALDD14003	191	2	1,000 ppm Mo
ALDD14004	184	4	0.16ppm Au, 0.16% Cu
ALDD14005	75	2	1475ppm Mo (incl. 1m at 2000ppm)
ALDD14005	261	1	2%Cu
ALDD14005	403	2	0.31%Cu
ALDD14005	416	7	0.72Cu

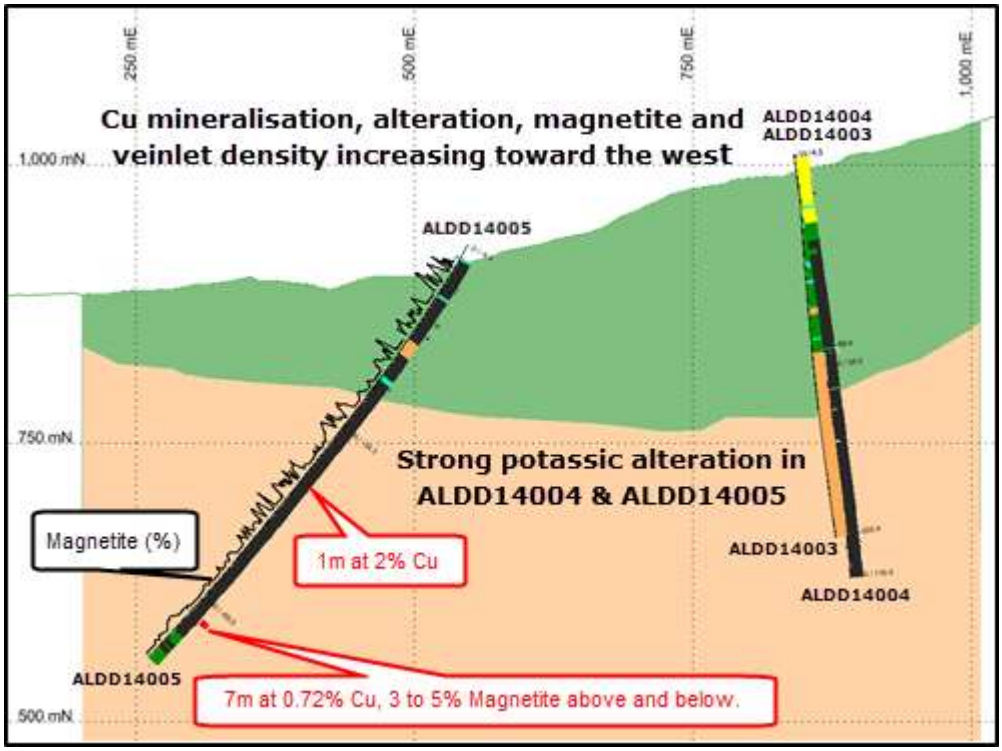

Figure 1 – Cross Section View at 9,065,750 N of drillholes 3, 4 and 5 with andesitic volcanics (green colour) overlying porphyritic tonalites and diorite intrusives (beige colour) at Alumbre.

The drill program indicates increasing magnetite, copper, molybdenum and veinlet density from east to west as illustrated in Figure 1. Whilst potassic alteration (dark brown unit on the drill string in Figure 1) increases from strong to very strong from ALDD14004 to ALDD14005, magnetite increases substantially between the same two drill holes. Significant molybdenum and copper values in ALDD14005 show that the mineralised system supports our exploration strategy.

The presence of abundant magnetite in ALDD14005 is of particular significance. In recent years magnetic modelling using new methods like MVI have been used to outline porphyry targets particularly at low altitudes (G. Ellis, B. Wet and I. Macleod 2012) and applied by major mining companies to target and generate new exploration

prospects. Terra Resources Pty Ltd consultants have re-interpreted the Company's historical ground based magnetic data with the MVI methodology to estimate the magnetic susceptibility. This work has been combined with Promesa's extensive alteration mapping, rock geochemistry sampling and IP geophysics information to focus the next stage of exploration at Alumbre. The presence of MVI anomalies coincident with surface geochemistry and the known Cu mineralisation in the fifth drill hole, further supports the Company's understanding of the potential of the porphyry system at Alumbre.

Magnetic inversion has developed into an important tool for targeting potential porphyry systems at Alumbre. This evaluation has resulted in a significant new interpretation of the magnetic susceptibility model of the project area as illustrated in Figures 2 to 6.

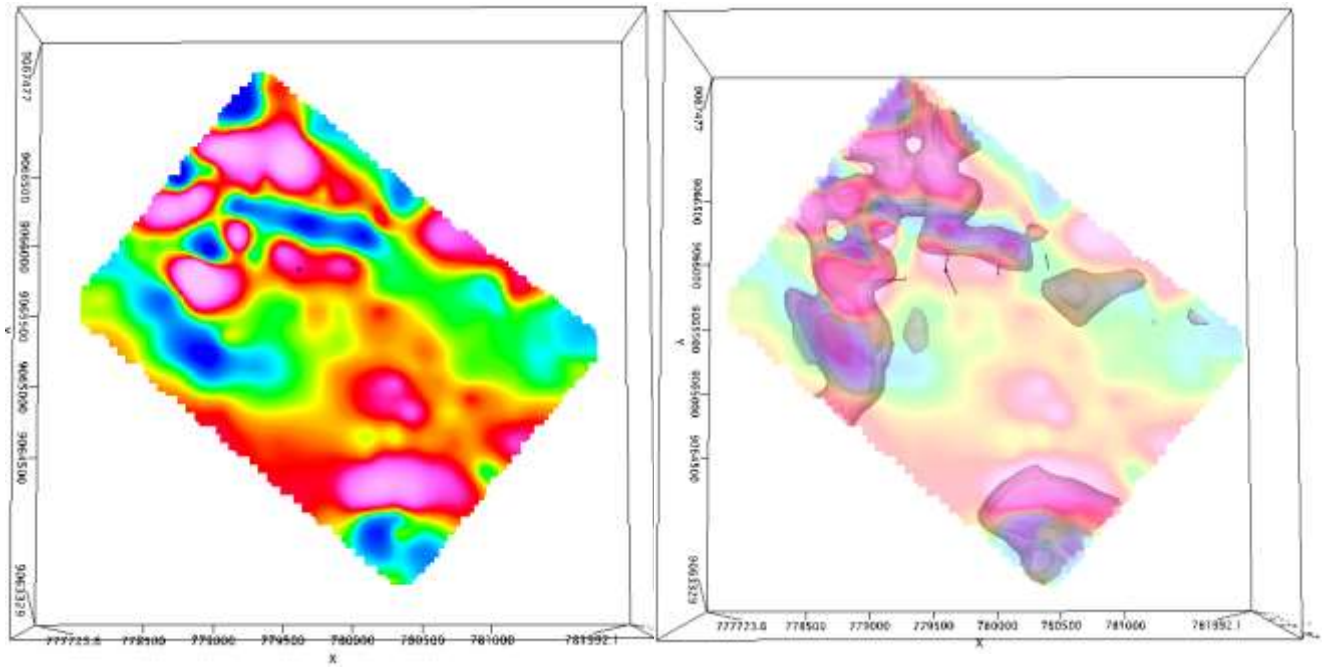

Figure 2 – The image on the left shows the historical ground based magnetic data (i.e. Total Maganetic Intensity) and the image on the right illustrates 3D MVI inversion in grey underneath with historical ground based magnetics in the background and drillhole traces Stage 1 program.

The MVI model depicts a significant area of interest (1.9km by 2.1km) as illustrated in Figure 3. The large MVI anomaly clearly extends outside the Company's surveyed magnetic data area. The MVI image indicates the potential for multiple porphyry intrusive centres. The extension of the MVI image outside of the current data area indicates the potential for discovery of a new regional porphyry camp. Large porphyry systems are generally clustered within camps extending for about ten kilometres.

The MVI model shows that ALDD14005 intersected the magnetic model approximately at the location of the strongly mineralised intercept of 7m at 0.72% Cu, as illustrated in Figure 4. Drilling to date has shown that the mineralisation is associated with strongly potassic felsic to intermediate intrusives, hydrothermal breccias and andesitic tuffs and that there is a correlation between magnetite and copper sulphide mineralisation.

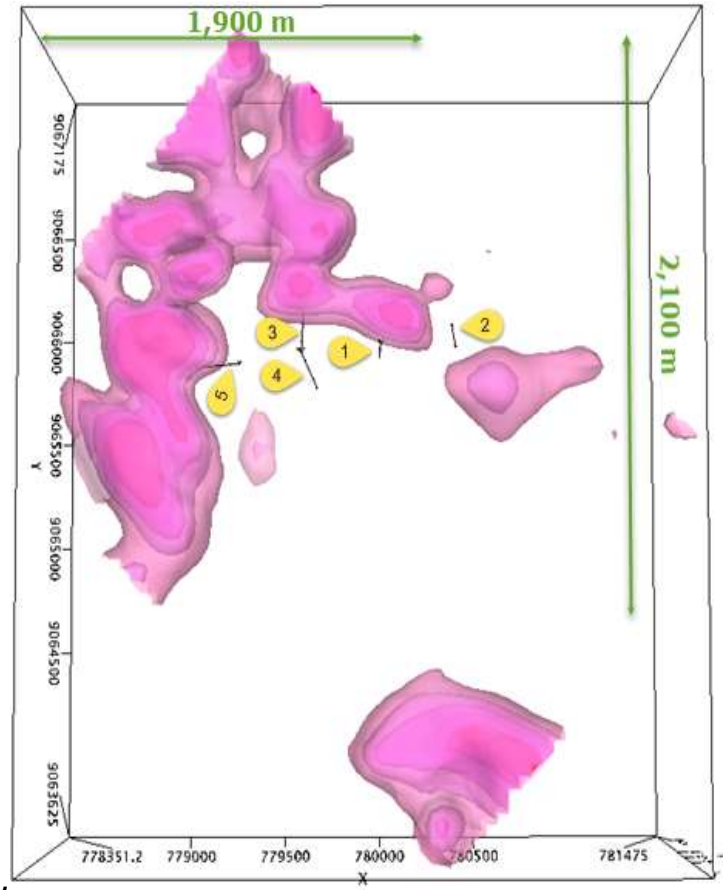

Figure 3 – Plan view of the magnetic susceptibility 3D MVI inversion with Stage 1 drillhole traces (Magnetics (pink) – Isosurfaces of susceptibility, +10 x 10-3 SI in pink and dark pink 30 x 10-3 SI isosurface).*

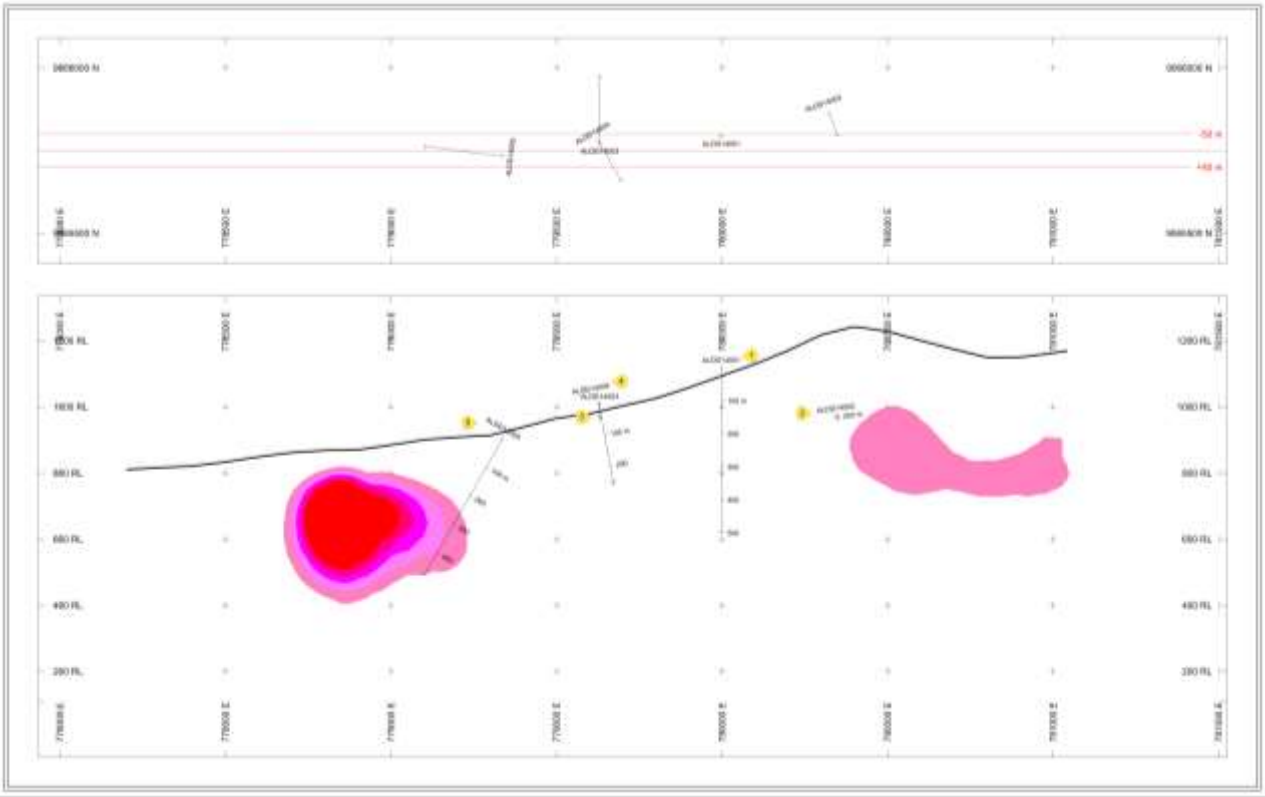

Figure 4 – Section View at 9,065,750 N - Magnetic susceptibility 3D MVI inversion with Stage 1 drillhole traces (Magnetics (pink) – Isosurfaces of susceptibility, +10 x 10-3 SI in pink and dark pink 30 x 10-3 SI isosurface).*

The overlaying of the geochemistry rock sample with the magnetic susceptibility 3D MVI model for Au, Cu and Mo demonstrate some important trends when correlated with the Company's drill results, as illustrated in Figures 5 to 7.

Importantly, pervasive magnetite alteration is present in ALDD14005 and there is a clear association with magnetite and copper mineralisation. Ground magnetic anomalies extend throughout the project area and the copper association (refer to Figure 6) in the drill core with magnetite, increases the prospectivity of the identified MVI magnetic anomalies.

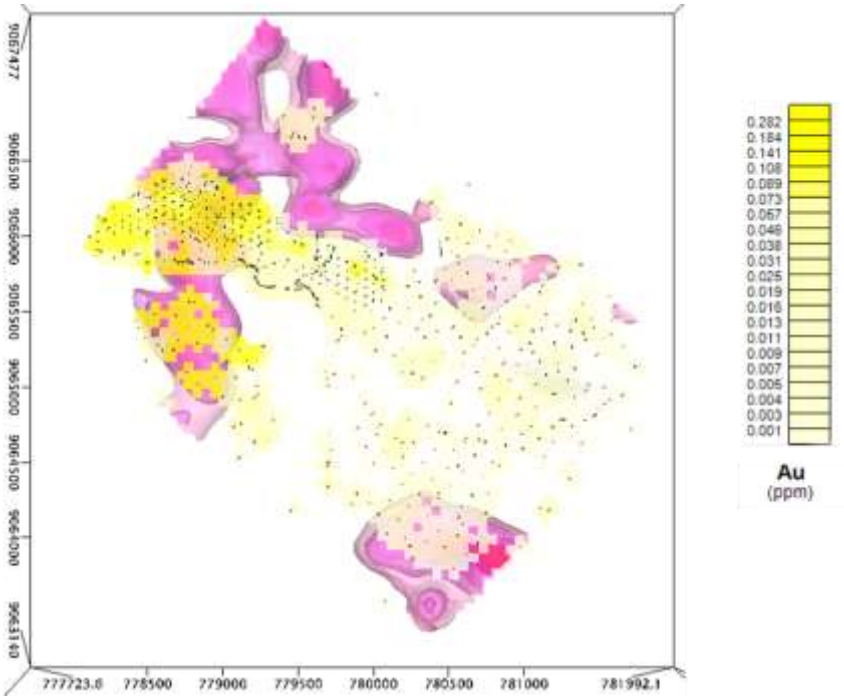

Figure 5 – Plan view - Magnetic susceptibility 3D MVI inversion with gold field sample (Magnetics (pink) – Isosurfaces of susceptibility, +10 x 10-3 SI in pink and dark pink 30 x 10-3 SI isosurface).*

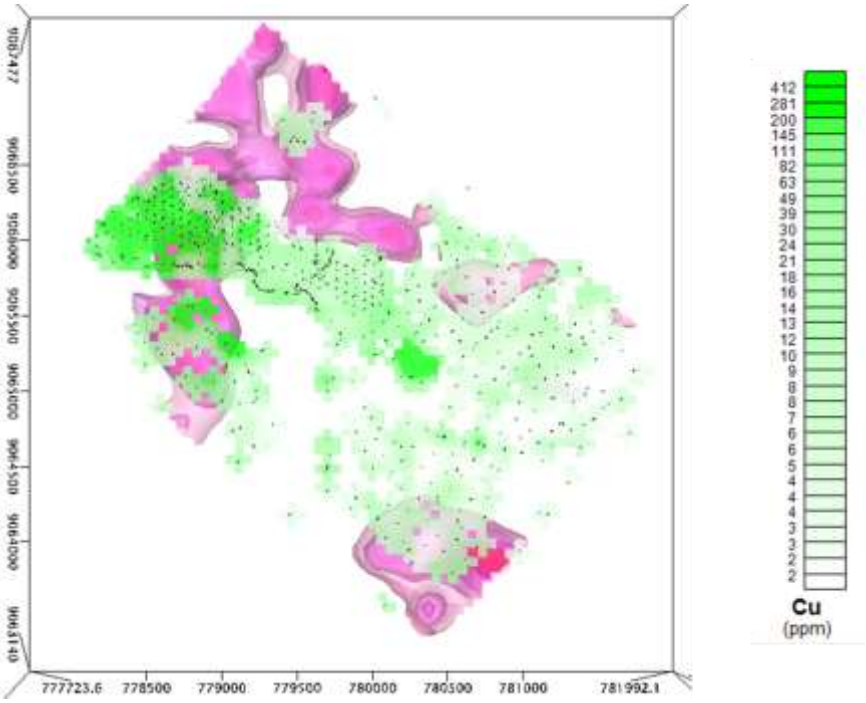

Figure 6 – Plan view - Magnetic susceptibility 3D MVI inversion with copper field sample (Magnetics (pink) – Isosurfaces of susceptibility, +10 x 10-3 SI in pink and dark pink 30 x 10-3 SI isosurface).*

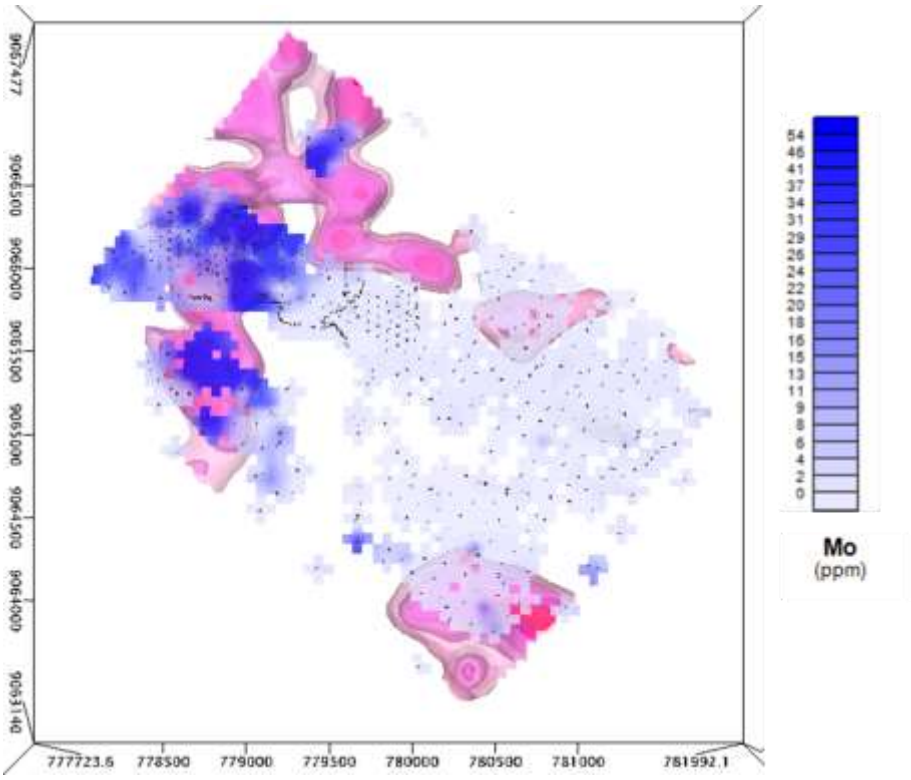

Figure 7 – Plan view - Magnetic susceptibility 3D MVI inversion with molybdenum field sample (Magnetics (pink) – Isosurfaces of susceptibility, +10 x 10-3 SI* in pink and dark pink 30 x 10-3 SI isosurface).

Next Steps

The ongoing measurement of the magnetic susceptibility of all drill cores from Stage 1 will further refine the 3D MVI model and optimise the upcoming 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 plans to mobilise in late July and commence drilling on these platforms in early August 2014. The new drill platforms are within the approved Alumbre drill project area of activity.

The proposed drill program will build upon the positive drill results and geological observations made during the Stage 1 drilling, and ultimately aims to target the higher grade mineralisation associated with a porphyry ore shell. Furthermore, an expanded ground magnetics survey program to the north, south and east would further demonstrate the prospectivity and potential of an expanded area and the identification of new porphyry targets within the Alumbre project area.

The Company is currently sourcing drilling contractor quotes and looks forward to starting the Stage 2 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 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 B - JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data – Alumbre Project

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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 limiting the broad meaning of sampling.*	Promesa Limited ("Promesa" or "Company") has commenced diamond core drilling from hole number ALDD14001 on Monday 17th March 2014 Lima Time - Peru. The company has completed first stage drilling which was announcement to ASX 1 July 2014 at the Alumbre Project area. The Company previous announce the geochemical sampling results in this announcements.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	The drill hole locations were determined by handheld GPS both during planning and execution.
	• *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.*	Drill core will be inspected and logged in detail noting visible mineralisation, lithology and alteration. Drill core was logged in detail. All sampling will be carried out under the Companys' protocols, with industry best practice QAQC procedures.
Drilling techniques	• *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).*	The drilling rig is a Boart Longyear LF70. Rock conditions are very good and a standard diamond core tube is being used. Drillhole orientations in the current hole are taken each 50m. HQ and NQ diameter drill bits are used. Generally core recovery has been excellent.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and*	Core barrel length and core length measurements will be made during the course of the program an all significant core loss reported. No significant core loss has occurred.

Criteria	JORC Code explanation	Commentary
	ensure representative nature of the samples. • *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.*	Drill core was cut and sampled after initial logging, core recovery and rock quality determination measurements. Not applicable as no core loss was experienced.
Logging	• *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.*	Drill core was inspected, lithologies and mineralisation styles noted. Core is being logged in detail. Rock quality and fracture and vein densities, alteration, mineralisation and specific gravity are noted.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	Logging of drill core is qualitative. Drill core was logged in detail and photographed.
	• *The total length and percentage of the relevant intersections logged.*	100% of drill core was inspected and logged. 100% of core referred to in this announcement was inspected and photographed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	Drill core is half cut with a diamond saw. The half core was sampled.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	Not applicable
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	1-Weighing and drying the sample at 60°C 2- rushing of the entire sample to 80% passing 10 mesh (crusher fabricated by TM, model Terminator) 3-Splitting 250g (Riffle splitter, fabricated by Inmatsa) 4-Pulverizing (only split 250g) to 85% passing 200 mesh (pulverizer fabricated by Labtech, model LM2).. Method appropriate for style of mineralisation.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	All core is sampled and duplicate samples are routinely taken to ensure representivity and standard reference samples and blanks are inserted routinely to ensure assay procedure accuracy.
	• *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.*	All core is sampled.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample size is 1 metre drill core intervals, grain size is 0.2 to 3mm, veinlet widths are generally 1mm to 5mm and occasionally 15cm, Mineralisation is disseminated and stockworked. therefore sample size is appropriate
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Acme Labs are used with appropriate methods and protocols.
	• *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.*	No geophysical tools were used to determine any element concentrations.
	• *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.*	Blanks, duplicates and certified standards are inserted approximately every 10 samples. A selection of pulps will be sent for umpire assaying.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	Significant intersections will be verified by company senior personnel.

Criteria	JORC Code explanation	Commentary
	• *The use of twinned holes.*	No twinned holes are warranted at this stage as the current program is exploration drilling. When a resource drilling commences twinned holes may be considered.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	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.
	• *Discuss any adjustment to assay data.*	No adjustments have been made.
Location of data points	• *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.*	Drill hole collars were located using handheld GPS and checked on several occasions through the program.
	• *Specification of the grid system used.*	UTM grid, Datum WGS84 zone 17 is used.
	• *Quality and adequacy of topographic control.*	All drill holes are located by handheld GPS. The topographical control is considered adequate for this initial phase of explorations and drilling.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	Project is at an early exploration stage. Drill hole spacing of approx. 300m 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 Mineral Resource estimation. No compositing has occurred.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	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 mineralisation. No structural bias is expected.
	• *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.*	Geological information to date suggests that there will be no sampling bias when sampling occurs.
Sample security	• *The measures taken to ensure sample security.*	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.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	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
Mineral tenement and land tenure status	• *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.*	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

Criteria	JORC Code explanation	Commentary
		royalty and the Aurifera Chorobal concession owned by Minera Fabricio S.A.C which allows 100% farm-in and includes an NSR royalty.
	• *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.*	Concessions and agreements are in good standing and the company has social and government approvals in place to explore.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	The region was explored by Santa Cristina de Chorobal from 1993 to 1994. Newmont, from 1994 to 1996, undertook regional exploration work. 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. 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.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Mineralisation is hosted in several intrusive and subvolcanic rock units. Disseminated and veinlet hosted porphyry copper and molybdenum mineralisation has been observed
Drill hole Information	• *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:* ○ *easting and northing of the drill hole collar.* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.* ○ *dip and azimuth of the hole.* ○ *down hole length and interception depth.* ○ *hole length.*	Details of location and orientation of the drill holes mentioned in this announcement have previously been announced to ASX on 1 July 2014. Locations of the drill holes are also marked on a previously released map which places them in context with previously released exploration results according to the JORC code (2004 edition and 2012).
	• *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.*	Not applicable, the information has been provided above.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high*	Not applicable – no weight averages nor maximum/minimum truncations were applied to this announcement.

Criteria	JORC Code explanation	Commentary
	grades) and cut-off grades are usually Material and should be stated.	
	• *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.*	Not applicable – no weight averages nor maximum/minimum truncations were applied to this announcement
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable – no equivalent values were used in this announcement.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	Where ever mineralisation is reported in this announcement, clear reference to it being "down hole" width/thickness is made.
Diagrams	• *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.*	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.
Balanced reporting	• *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 Exploration Results.*	Exploration drilling results have been fully reported in a previous announcement.
Other substantive exploration data	• *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.*	The company has previously reported geochemical, geophysical and geological results. This announcement relates to remodelling of surface ground magnetics using a Magnetic Vector Inversion method to obtain a 3D model of the surface magnetic data. This announcement discusses the assay results and geology of the Stage 1 drill holes, the relationship to magnetic anomalies and planning and positioning of Stage 2 drillholes. As yet, no economic or extractive measurements such as bulk sampling or metallurgical tests are appropriate at this stage of exploration
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	By Nature of early phase exploration further work is necessary to better understand the mineralisation system that appears characteristic of this area. The Company proposes to undertake further drilling and the details of this will be communicated in future announcements.