PROMESA

SOUTH AMERICA'S
EMERGING PRECIOUS AND BASE METALS EXPLORER

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

ASX ANNOUNCEMENT

22 October 2014

SIGNIFICANT PORPHYRY STYLE MINERALISATION CONFIRMED AS FINAL HOLE INTERSECTS BEST ALTERATION TO DATE

HIGHLIGHTS

The Company is pleased to advise the completion of the Stage 2 drilling program.

Key points are as follows:

- **Stage 2 Drill Program has been successfully completed with a total of 2,395.4m drilled.**
- **Drillhole ALDD14009 was drilled to a depth 567.4m and has intersected several hundred metres of potassic alteration. This hole was drilled at a 15 degree angle and completed at true depth of 147m.**
- **A significant 340m of quartz vein stockworking was intersected from 209m with 15 to 22 veinlets per metre. The stockworking carries chalcopyrite and molybdenite in 2mm to 10mm veinlets.**

Four diamond drill holes were completed with a total of 2,395.4m (as illustrated in Figure 1 and summarised in Table 1). The Company's drill holes targeted an area below anomalous surface copper, gold and molybdenum geochemistry and intersecting the modelled MVI magnetic anomaly which is a significant feature several kilometres in strike length.

The Company has completed substantial work at the Alumbre Project including recent magnetic susceptibility readings of drillcore, magnetic modelling using the MVI method, geochemistry, structure, alteration and geophysics. All combine to indicate the district-scale potential of the Alumbre project. Indications are that a significant sulphide-bearing porphyry system exists at Alumbre.

Drill Hole ALDD14009

The fourth drillhole in this program, ALDD14009 (Table 1 and Figure 1) was completed to drillhole depth 567.40m. The shallow angle of the drillhole represents a true vertical interval of 147m. The purpose of the drillhole was to test the region of the MVI anomaly below an area of significantly anomalous surface geochemistry in the northwest. Throughout the drillhole porphyry-style potassic, phyllic and silicic alteration was encountered with moderate to high veinlet density within several hundred metres of quartz vein stockworking.

The drillhole intersected a board interval of andesitic crystal tuff from surface to 457.4m. The tuff has moderate to strong potassic alteration from surface to 209m which progresses into moderate to strong phyllic alteration to 457m which in turn had moderate to intense silicification from 361m to 457m. The drillhole then contacted with a diorite intrusive until the end of the drillhole.

Chalcopyrite and molybdenite mineralisation is observed every few metres in veinlets throughout the volcanic tuff interval (Refer to Figures 2 to 7). Between 250 and 350m, approximately 90 chalcopyrite or molybdenite occurrences are observable. A diorite intrusive, intersected at 457m, continues to the end of the drillhole. The diorite is moderately to intensely silicified to 491.5m. Silicification then becomes weak to moderate with moderate phyllic alteration represented by quartz and sericite. Approximately 200 chalcopyrite or molybdenite mineralisation occurrences have been observed in the final 300m of the drillhole. Mineralisation occurs generally in stockwork veinlets and rarely in disseminated form.

A significant 340m of quartz vein stockworking was intersected from 209m with 15 to 22 veinlets per metre. The stockworking carries chalcopyrite and molybdenite in 2mm to 10mm veinlets.

A minor amount of magnetite was encountered in the drillhole associated with molybdenite. It is associated with pyrite and chalcopyrite mineralisation. The diorite intrusive is generally moderately stockworked with traces of disseminated chalcopyrite and veinlet-hosted chalcopyrite and molybdenite mineralisation.

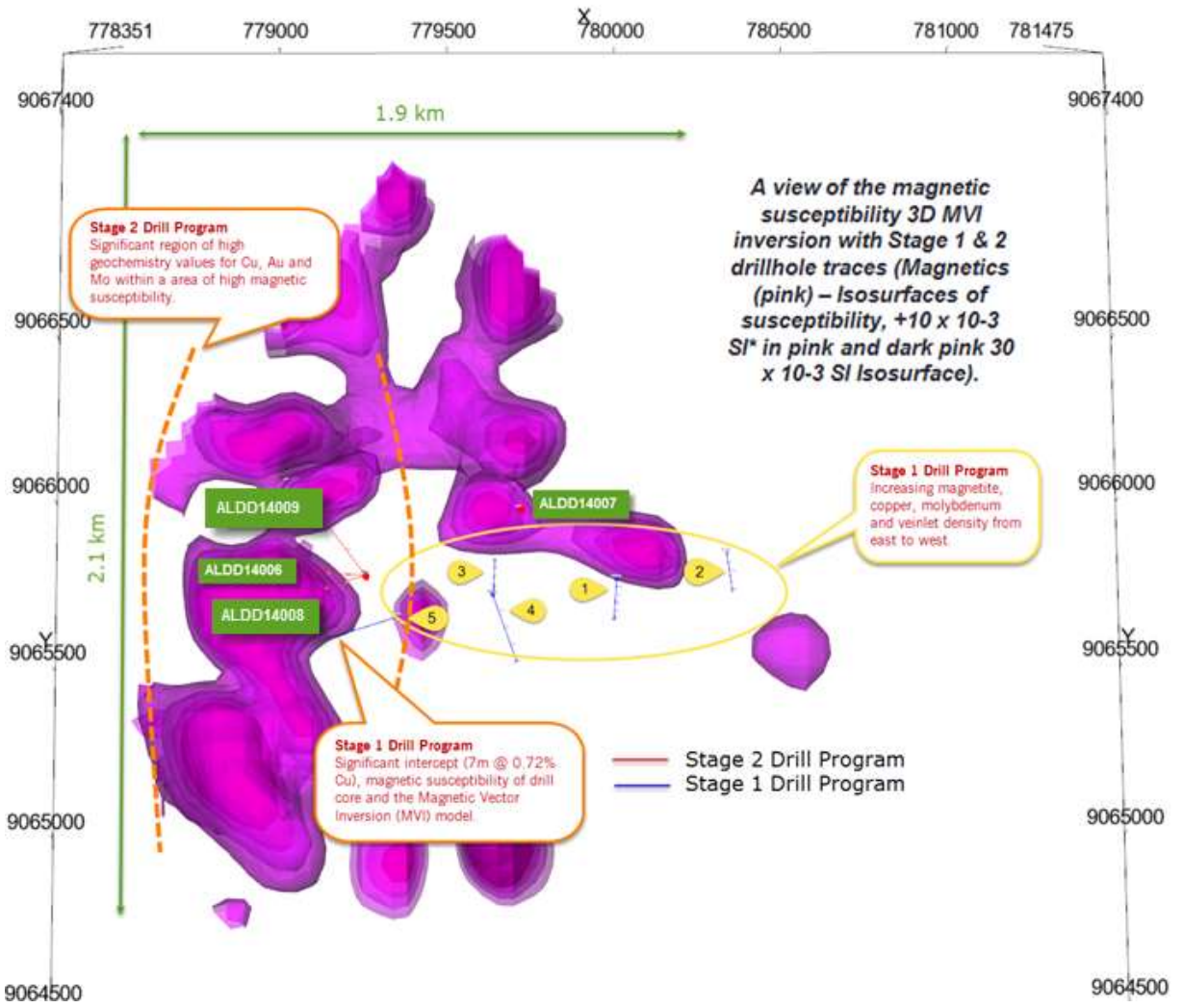

Figure 1 - Alumbre Project magnetic suspectibility 3D MVI model, Stage 1 drillholes and the proposed Stage 2 drill program.

Figure 2 – Molybdenite-magnetite veinlet (1mm) (Drill Depth 18.25m):

Figure 3 - Molybdenite-pyrite-chalcopyrite veinlet in silicified, potassic-altered andesitic crystal tuff with 2% disseminated pyrite (Drill Depth 177.45m)

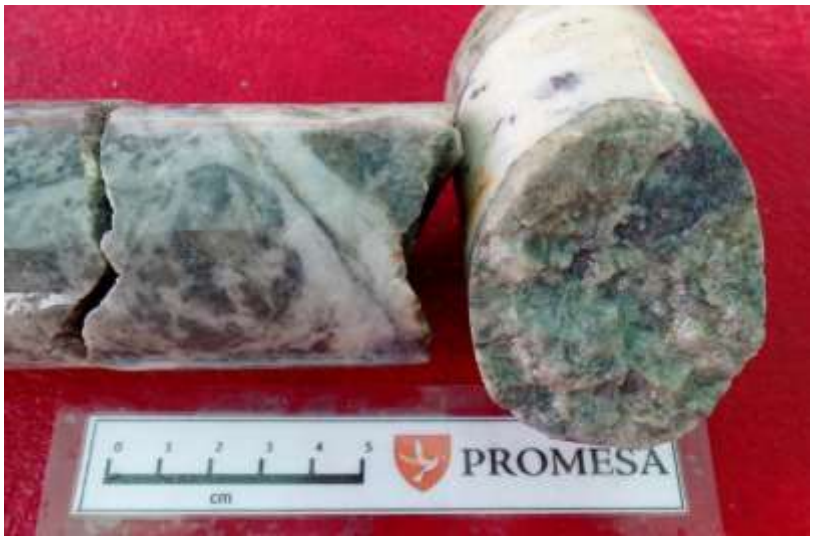

Figure 4 - Quartz-molybdenite-pyrite vein in intensely stockworked andesitic tuff with traces of disseminated chalcopyrite, moderate silicification and weak phyllic alteration (Drill Depth 369m).

Figure 5 - Quartz-pyrite-chalcopyrite vein with 20% chalcopyrite in intensely stockworked andesitic crystal tuff (Drill Depth 425.35m)

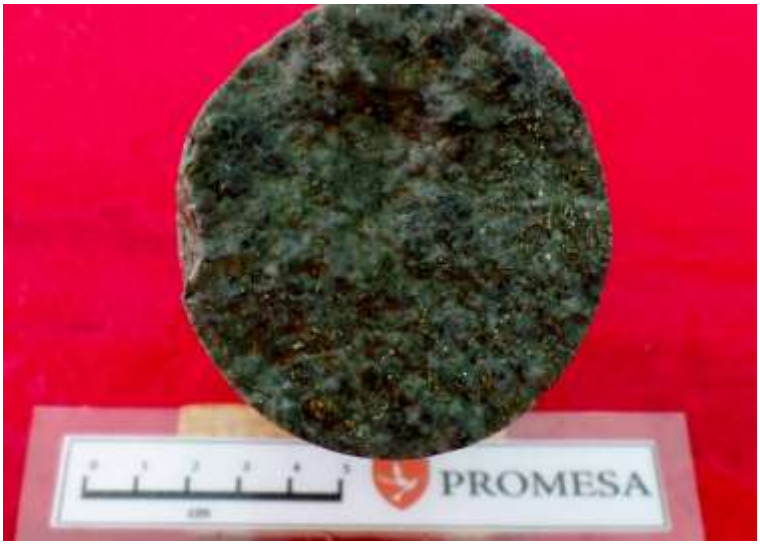

Figure 6 - Disseminated chalcopyrite (1%) in silicified stockworked diorite with moderate quartz-sericite alteration (Drill Depth 497.50m:).

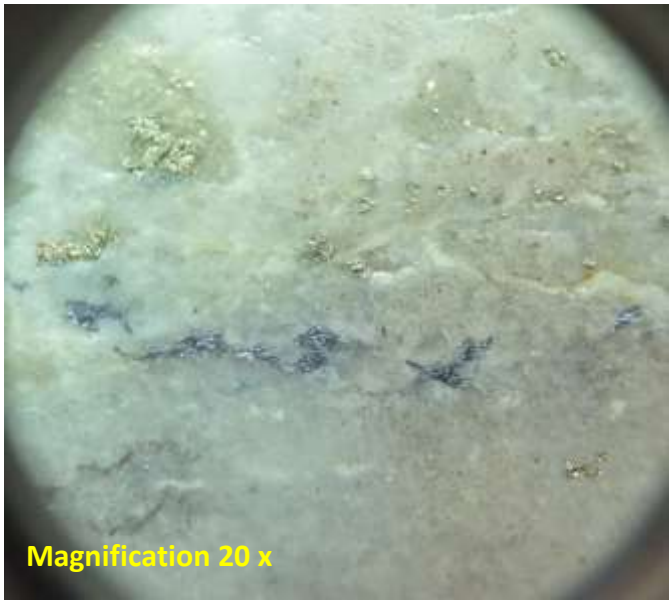

Figure 7- Quartz-pyrite-molybdenite veinlets in moderately phyllic diorite. Molybdenite is visibly in the magnified image (drill depth 548.75m).

Table 1 – Drill hole locations for the Alumbre Stage 2 drill program.

Drill Holes	Easting WGS84_mE	Northing WGS84_mN	RL (absl)	Azimuth	Dip	Drill Depth (m)
ALDD14006	779239	9065861	930	290	-50	629.25
ALDD14007	779679	9066010	1075	340	-70	659.50
ALDD14008	779244	9065856	930	270	-50	539.25
ALDD14009	779244	9065856	930	335	-15	567.40

In order to maintain momentum with our drilling efforts, the company has commenced work on a Semi Detailed Environmental Impact Assessment (EIAsd) that will extend our area of influence four fold around our current permits. This will enable the company to plan its drilling beyond the 20 platforms currently approved in order to target the most prospective parts of the system.

Core is currently being cut and will be logged in detail before being sent to the laboratory for assaying in the coming fortnight. The Company looks forward to providing investors with further information in a timely manner. 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 A - 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 completed first stage diamond drilling program which was announcement to ASX 8 May 2014 at the Alumbre Project area. This announcement contains the proposed the announcement of the Stage 2 drill program and the hole parameters for the Stage 2 drill program refer to Table 1 and Figure 1.
	• *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 (e.g. '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. Drill hole orientations in the current hole are taken each 50m. HQ and NQ diameter drillbits are used. Stage 1 drilling had excellent core recovery. It is expected that the same recovery will be same for stage 2.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and 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.*	Core barrel length and core length measurements will be made during the course of the program an all significant core loss reported. At this stage no significant core loss has occurred. Drill core will be 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 will be inspected, lithologies and mineralisation styles noted. Core is being logged in detail. Rock quality and fracture densities are noted.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	Logging of drill core is qualitative. Drill core will be logged in detail and photographed.
	• *The total length and percentage of the relevant intersections logged.*	100% of drill core will be 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 being half cut with a diamond saw. The half core will be 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.*	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.
	• *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
	• *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, vein widths are generally 1mm to 5mm and occasionally 15cm, 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 was 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 adjustment 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 a 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 / magnetic susceptibility 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

Criteria	JORC Code explanation	Commentary
		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.
	• *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. Promesa has completed a Stage 1 drill program with results released to the market in 1 July 2014.
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 are given in Appendix A of this 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).
	• *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	• *In reporting Exploration Results, weighting*	Not applicable – no weight averages nor maximum/minimum

Criteria	JORC Code explanation	Commentary
methods	*averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	truncations were applied to this announcement.
	• *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 – 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 and magnetic 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.*	The Company believes that the ASX announcement provides a balanced report of stage 1 drill program.
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 discusses the Stage 2 drill holes. 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. A plan showing the position of drill holes of stage 1 and 2 with interpretations of magnetic susceptibility within the project area is within the announcement. The Company proposes to undertake further drilling and the details of this will be communicated in future announcements.