

17 November 2017

## **Drilling Completed at the JE Zone and Grunter North Prospects, Paperbark Project**

### **Highlights**

- **Drilling at the JE Zone on the Paperbark Project, north-west Queensland, has intersected a new zinc mineral system**
- **Indications of zinc mineralisation were intersected from 116.0m – 166.0m down hole depth**
- **Geological characteristics suggest the new JE Zone zinc mineralisation is similar in style to the JB Zone Mineral Resource which is currently 10.4Mt @ 2.7% Zn, 0.2% Pb, 1g/t Ag at a 1.5% Zn cut-off grade and is classified as Inferred in accordance with the JORC Code (2012)<sup>1</sup>**
- **Sixty-six one metre core samples have been submitted for geochemical analysis and results are expected in early December 2017**
- **Drilling to further investigate the mineralisation in hole PB03-17 will be undertaken**
- **Drill hole PB02-17 was completed at the Grunter North prospect and thirty-five one metre core samples have been submitted for geochemical analysis**

Pursuit Minerals Limited (ASX: PUR) (**Pursuit** or the **Company**) is pleased to announce that drilling at the JE Zone Prospect on the Paperbark Project, northern Queensland, has intersected a new zinc mineral system. Drill hole PB03-17 intersected strongly weathered rocks with iron oxides after sulphides and locally abundant zinc sulphides (sphalerite), from a depth of 116.0m to the end of the hole at 166.0m (downhole depth). Drill hole PB03-17 was drilled to test the highest amplitude lead and zinc soil geochemical anomaly, recorded to date, on the Paperbark Project.

Pursuit Minerals Managing Director Jeremy Read said the result in drill hole PB03-17 was extremely significant, as although the rocks are strongly and deeply weathered, visible sphalerite and galena was recognised in the drill core, indicating that a new zinc mineral system has been located.

"We have intersected a new zinc mineral system at the JE Zone and its geological characteristics are similar to the zinc and lead mineralisation present at the JB Zone Mineral resource," Mr Read said.

"Due to the deeper than usual weathering at the JE Zone, we need to undertake follow up drilling, so we can intersect the mineralisation at the JE Zone where the sulphides are fresh, allowing us to get an accurate determination of the grades of the zinc and lead mineralisation."

<sup>1</sup> Detailed information regarding the JB Zone Mineral Resource is presented in the Company's ASX announcement dated 24 April 2017.

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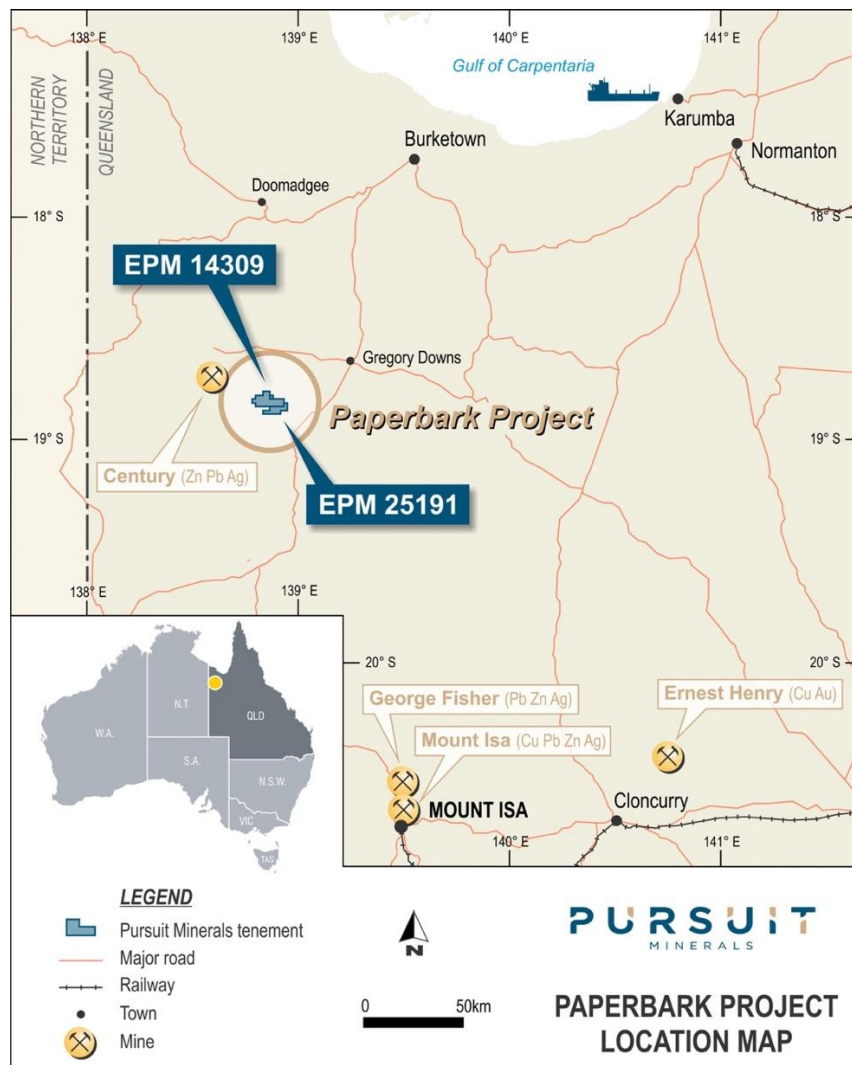
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“What we have seen in drill hole JB03-17 is extremely encouraging as we see indications of mineralisation over a downhole width of 50m, suggesting the JE Zone mineralisation has significant size potential.”

The Paperbark Project drilling program has the following multiple objectives:

- Investigate the variability and extent of the higher-grade zinc and lead mineralisation within the JB Zone Mineral Resource.
- Test the potential for substantial copper oxide and copper sulphide mineralisation to occur along the Grunter Fault.
- Determine if economic grades of zinc and lead mineralisation occur at the JE Zone and Stonemouse Prospects.

**Figure One – Paperbark Project**



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## **Paperbark Project – JE Zone Drilling Program**

The Paperbark Project is located approximately 215km north-northwest of Mount Isa and 25km south-east of the Century Mine in north-west Queensland. It occurs within the Lawn Hill Platform of the Western Succession of the Mt. Isa Province. The project consists of two exploration permits (EPM's 14309, 25191), covering an area of approximately 110km<sup>2</sup>. Previous exploration focused on the JB Zone, where a Mineral Resource of 10.4Mt @ 2.7% Zn, 0.2% Pb, 1g/t Ag at 1.5% Zn cut-off grade and classified as Inferred in accordance with the JORC Code (2012), has been defined.

At Paperbark, Proterozoic basement rocks, members of the McNamara Group sediments, are well exposed. Geological mapping by previous tenement holders has contributed to a good understanding of the distribution of the various geological units, including:

- Torpedo Creek Quartzite (orthoquartzite and conglomerate);
- Gunpowder Creek Formation (dolomitic, feldspathic fine-grained sandstone-siltstone);
- Paradise Creek Formation (stromatolitic, dolomitic siltstone);
- Esperanza Formation (stromatolitic chert, sandstone and dolomitic siltstone);
- Lady Loretta Formation (laminated, stromatolitic siltstone and shale);
- Shady Bore Quartzite (orthoquartzite, fine dolomitic sandstone); and
- Riversleigh Siltstone (carbonaceous siltstone, shale and sandstone).

The sediments dip moderately (30 degrees) to the southwest and all units are potential hosts for base metal mineralisation. The Proterozoic rocks are cross cut by two significant, north-east trending faults (named the Grunter and Barramundi faults), with a series of second order faults splaying off the main structures.

### **Drill Hole PB03-17**

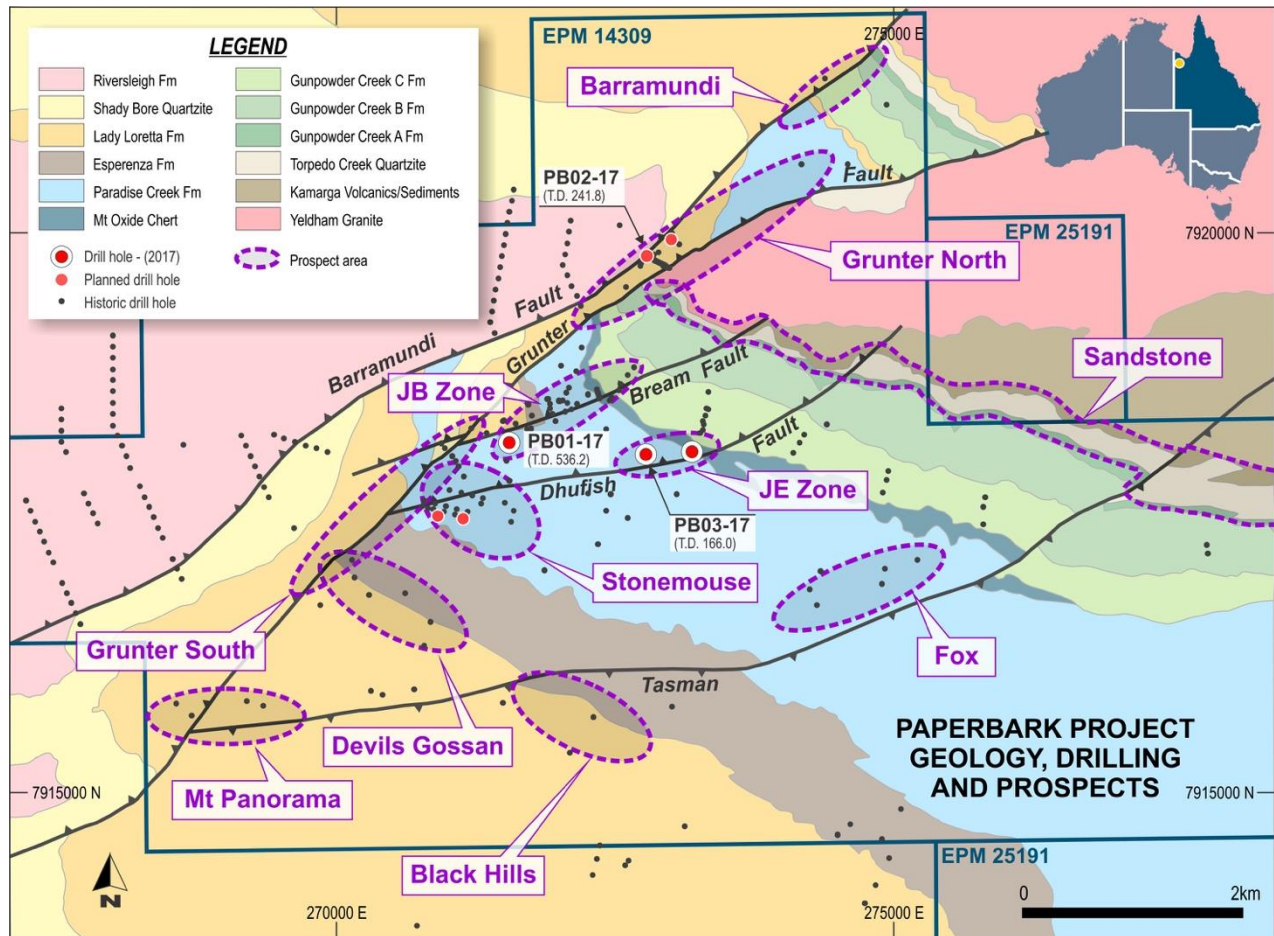
Auger drilling by Newmont in 1978 initially located anomalous lead and zinc at the JE Zone Prospect<sup>2</sup>. The lead anomalies were clearly controlled by the Dhufish Fault (Figure Two) and occurred over outcropping Gunpowder Creek Formation. Follow up geological mapping and sampling by RMG Resources, identified an area of 0.14km<sup>2</sup> of gossanous siltstones with lead grades up to 2.5% at the JE Zone Prospect<sup>3</sup>. The primary mineralisation within the JE Zone was never drill tested and represented an exploration target over 2km in length, exhibiting characteristics very similar to the zinc-lead mineralisation at the JB Zone Prospect.

Drill hole PB03-17 (Table One) was designed to test the down-dip extent of the gossanous and zinc anomalous siltstones which contain the outcropping mineralisation at the JE Zone and also to intersect the Dhufish Fault, which is interpreted to be the structure controlling the mineralisation at the JE Zone.

<sup>2</sup>Newmont. A to P 1937M Annual report, December 1978

<sup>3</sup>RMG Resources Limited. ASX Announcement 11 October 2012

**Figure Two – Location of Drill Holes PB02-17, PB03-17**



The most noticeable feature about the rocks intersected in drill hole PB03-17, is that they are strongly weathered through to the bottom of the drill hole at 166m downhole depth. This depth of weathering is 60m-100m deeper than the general depth of weathering across the Paperbark Project. Significantly increased depth of weathering is also present over the top of the JB Mineral Resource, where groundwater interacts with the sulphides within the Mineral Resource, to produce acid, which significantly increases the depth and intensity of weathering.

Oxidised zones of breccia's and algal dolomites were intersected from a depth of 116m until the end of hole at 166.0m, downhole depth. Within this downhole depth range were numerous zones of iron-oxides replacing sulphides and areas of locally abundant sphalerite (2-5%). Rare galena and pyrite is preserved in the more quartz rich, less oxidised zones. Due to the depth and intensity of weathering, zinc and lead sulphides have been removed from the rock sequence and in many instances converted into iron oxides.

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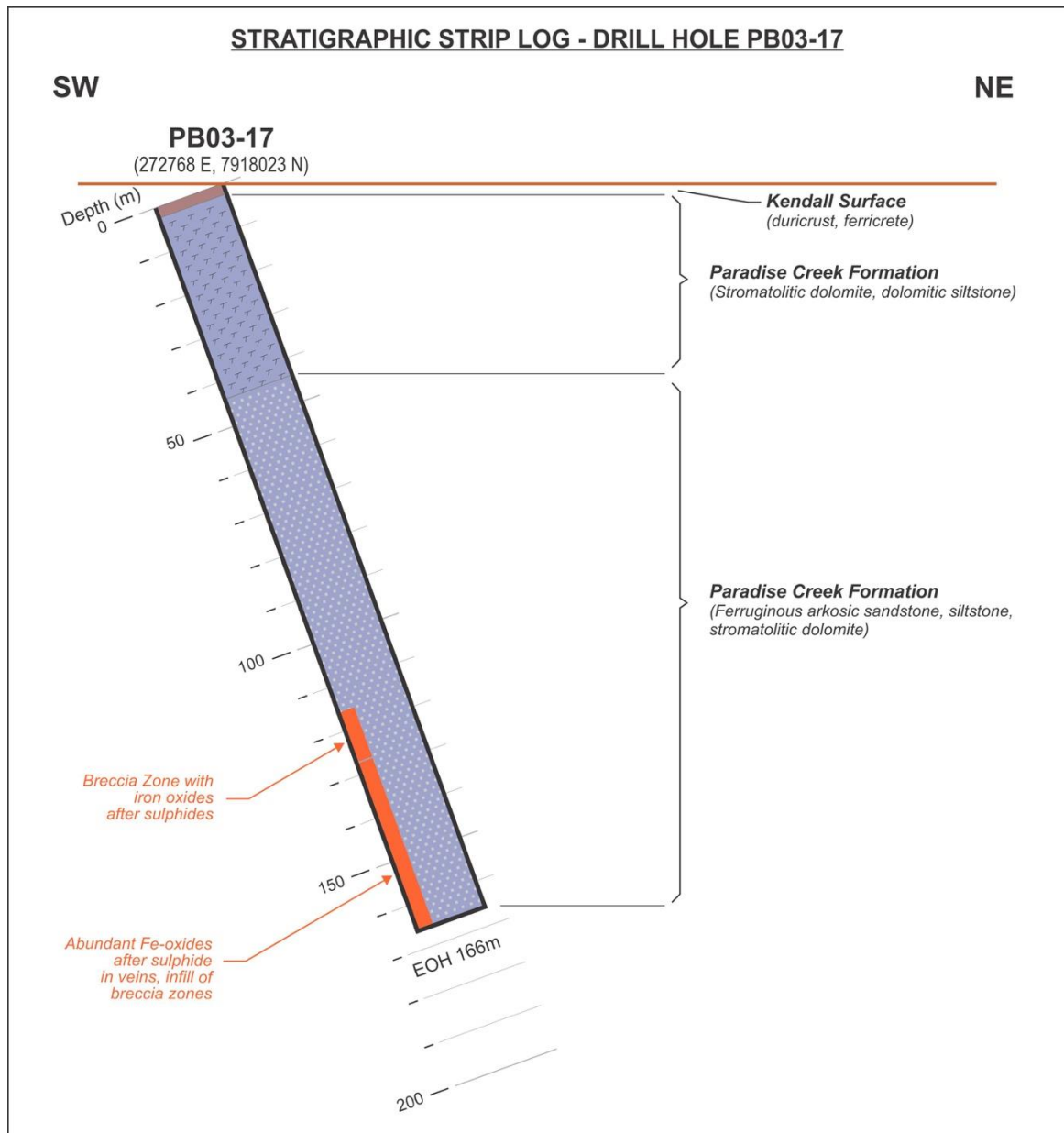
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Due to the greatly increased depth of weathering, a follow up drill hole will need to be drilled underneath drill hole PB03-17, in order to intersect the sulphide mineralisation below the depth of weathering. Fresh sulphide samples will then be able to be collected and allow an accurate assessment of JE Zone mineralisation.

**Figure Three – Geological Summary for Drill Hole PB03-17**



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Drill hole PB03-17 was completed at a depth of 166.0m, when drilling problems prevented the hole continuing to its planned total depth of 250.0m.

A total of 66 samples were taken between 116.0m and 166.0m, downhole depth. The geochemical results are expected to be announced to the ASX in early December 2017.

The geological sequences intersected by drill hole PB03-17 are shown in Figure Three.

**Table One**

Prospect	Drill Hole Name	Easting (GDA94, Zone 54)	Northing (GDA94, Zone 54)	Azimuth (Degrees, Magnetic)	Dip (Degrees)	Actual Depth (m)
Paperbark	PB02_17	272 775	7 919 795	150	-60	241.8
Paperbark	PB03-17	2722 768	7 918 023	050	-70	166.0

### **Paperbark Project – Grunter North Prospect Drilling Program**

A rock chip sampling program was undertaken in July 2017, to determine the extent of surficial copper mineralisation at the Grunter North Prospect (Figure Two). Eighty-six rock chip samples were collected and assayed. Eighteen samples contained greater than 1% Cu and defined a zone of high-grade copper oxide mineralisation of 900m in strike extent (see ASX Announcement 30 August 2017).

#### **Drill Hole PB02-17**

Pursuit's objective at the Grunter North Prospect is to assess the potential for economic copper oxide or copper sulphide deposits to occur. Due to the extensive nature of the surficial copper oxides it is possible that the surficial copper represents leakage up faults from a copper sulphide body at shallow to moderate depth, below the depth of weathering. Due to the localisation of the copper mineralisation between the Grunter and Barramundi Faults, Pursuit's hypothesis is that any copper sulphide mineralisation at depth at Grunter North could be similar in style to the structurally controlled copper sulphide mineralisation which occurs at the Gunpowder Copper Mine.

Drill hole PB02-17 (Table One) was designed to intersect the down-dip extent of the copper oxide mineralisation located on surface at Grunter North. The target zone was between 175m to 225m downhole depth. Drill hole PB02-17 intersected dolomitic siltstones, shales and mudstones of the Esperanza Formation from 0.0m to 192.5m downhole depth. The hole then passed into foliated and altered granite of the Yeldham Granite, until the end of the hole at 176.3m. Minor pyrite, chalcopyrite and rare bornite mineralisation was intersected between 163.0m – 165.4m, downhole depth. A fault breccia containing minor pyrite was intersected from 165.4m to 176.3m, downhole depth (Figure Four). Thirty-five one metre core samples from 160.0, until 195.0m were submitted for geochemical analysis. The results are expected to be received before the end of November 2017.

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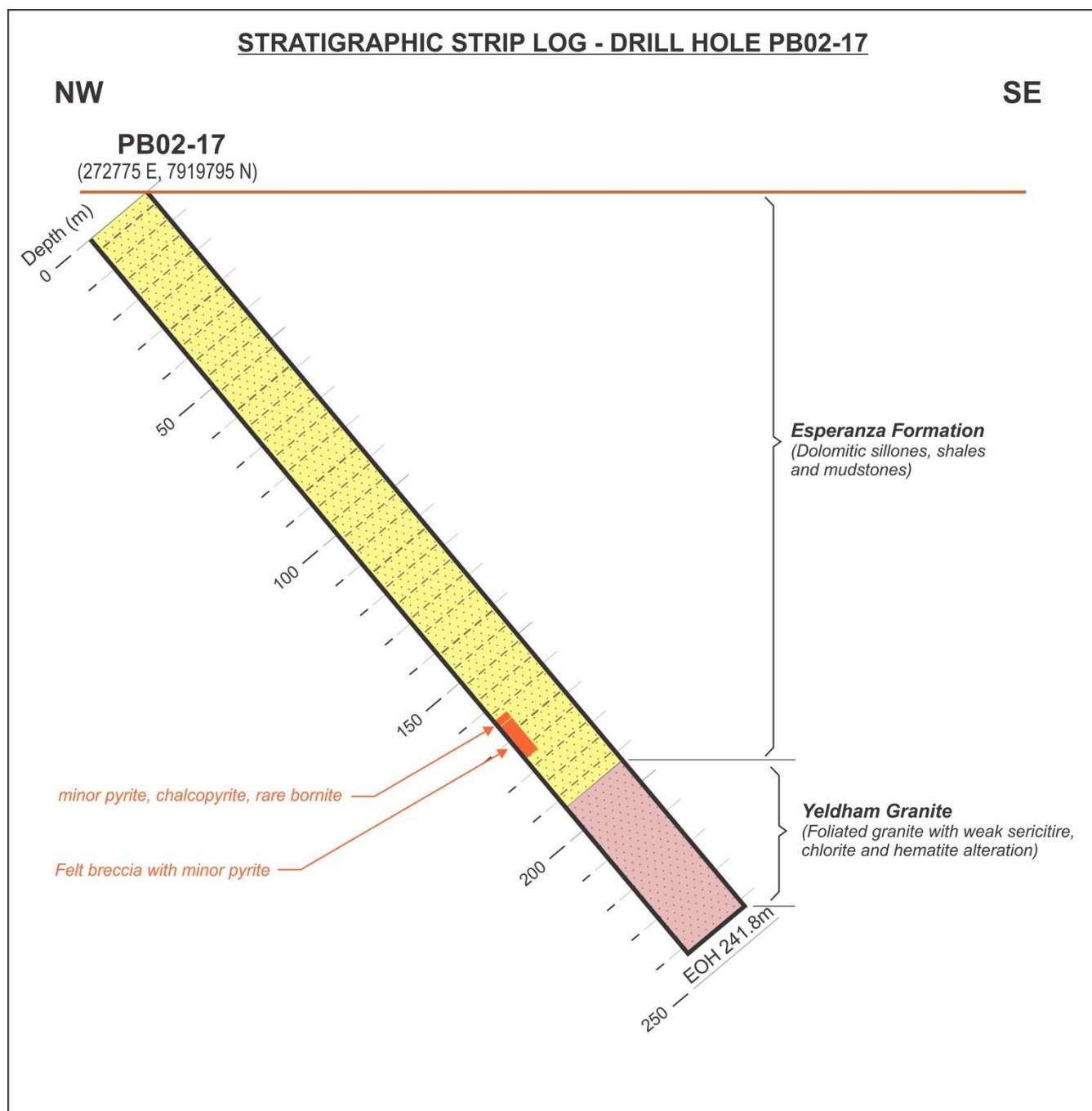
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**Figure Four – Geological Summary for Drill Hole PB02-17**



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## About Pursuit Minerals

Following completion of acquisition of the Bluebush, Paperbark and Coober Pedy Projects from Teck Australia Pty Ltd, Pursuit Minerals Limited (ASX:PUR) has become a mineral exploration and project development company advancing copper and zinc projects in world-class Australian metals provinces.

Having acquired zinc and copper projects in the heart of the Mt Isa Province, Pursuit Minerals is uniquely placed to deliver value as it seeks to discover world class deposits adjacent to existing regional infrastructure and extract value from its existing mineral resources.

Led by a team with a wealth of experience from all sides of minerals transactions, Pursuit Minerals understands how to generate and capture the full value of minerals projects. From local issues to global dynamics, Pursuit Minerals knows how to navigate development and deliver returns to shareholders and stakeholders.

For more information about Pursuit Minerals and its projects, visit:

[www.pursuitminerals.com.au](http://www.pursuitminerals.com.au)

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## Competent person's statement

Statements contained in this announcement relating to exploration results are based on, and fairly represents, information and supporting documentation prepared by Mr. Jeremy Read, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 224610. Mr. Read is a full-time employee of the Company and has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the *Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012*. Mr Read consents to the use of this information in this announcement in the form and context in which it appears.

The data in this announcement that relates to the Mineral Resource for the JB Prospect is based on, and fairly represents, information and supporting documentation prepared by Mr Simon Tear, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), Member No 202841 and who has sufficient experience relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Tear is a director of H&S Consultants Pty Ltd and he consents to the inclusion of the estimates of the Mineral Resource for the JB Prospect Resource in this announcement in the form and context in which it appears.

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