

17 May 2018

Follow Up Drilling at the JE Zone on the Paperbark Project Intersects Zinc and Lead Mineralisation

Highlights

- **Drill testing of a soil geochemical anomaly in December 2017 discovered a new zinc mineralised system at the JE Zone on the Paperbark Project, north-west Queensland¹**
- **Zinc and lead mineralisation was confirmed over a down hole depth of 50m from 116.0m until 166.0m in drill hole PB03-17 completed in December 2017**
- **Drilling to follow up the zinc intersection in drill hole PB03-17, which was strongly weathered resulting in the significant loss of sulphides, has now been completed in drill hole PB05-18, situated 335m south-west of drill hole PB03-17**
- **Drill hole PB05-18 intersected relatively unweathered zinc and lead sulphide mineralisation over a down hole depth of 51.4m from 202.0m until 253.4m**
- **37 samples have been submitted for geochemical analysis, with the results expected prior to the end of June**
- **Two further drill holes will be completed during the drill program currently underway at the Paperbark Project, to test the potential of the JE Zone**
- **One drill hole will be completed to determine if the zinc mineralisation at the JE Zone is connected at depth 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)²**

Pursuit Minerals Limited (ASX: PUR) (**Pursuit** or the **Company**) is pleased to announce follow up drilling at the JE Zone on the Paperbark Project has intersected zinc and lead sulphide mineralisation over a down hole depth of 51.4m from 202.0m down hole in drill hole OB05-18. Zinc and lead mineralisation was discovered at the JE Zone in December 2017, when drill hole PB03-17 intersected strongly weathered sphalerite and lead mineralisation. Follow up drill hole PB05-18 was designed to test the JE Zone mineralised horizon, at a depth below the strongly weathered zone, so an accurate assessment of the potential of the JE Zone zinc mineralisation could be made. Two further drill holes will be completed at the JE Zone during the current Paperbark Project drilling program and one additional hole will be drilled to see if the JE Zone mineralisation is connected at depth to the JB Zone Mineral Resource to the west.

¹ See ASX Announcement by the Company on 6 December 2017. The Company is not aware of any new information or data that materially affects the information contained in that announcement.

² See ASX announcement dated 24 April 2017. The Company is not aware of any new information that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates in the Resource Statement continue to apply and have not materially changed.

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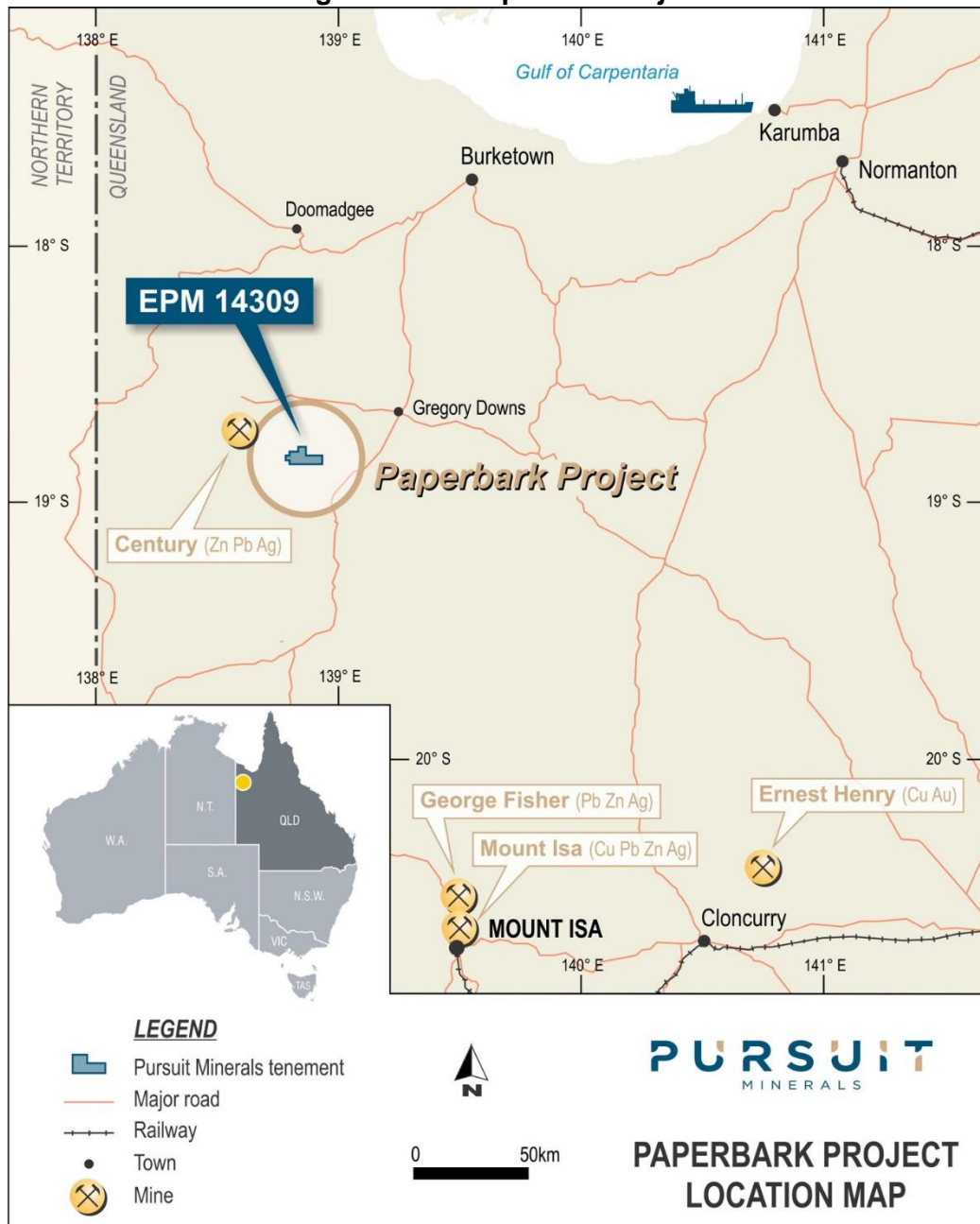
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Pursuit Minerals Managing Director Jeremy Read said the 2018 drilling program at the Paperbark Project has got off to a strong and encouraging start with the intersection of fresh zinc and lead sulphide mineralisation at the JE Zone.

“Last year we intersected 50m of strongly weathered zinc and lead mineralisation at the JE Zone and the objective of the first hole drilled at the JE Zone in 2018, was to intersect the mineralised horizon below the depth of weathering, which is exactly what we have achieved,” Mr Read said.

“Drill hole JB05-18 intersected zinc and lead sulphides over a down hole depth of 51.4m and we now await the results from the 37 samples we have submitted to the laboratory.”

Figure One – Paperbark Project



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 one exploration permit EPM 14309, covering an area of approximately 70km². Exploration by previous companies 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 PB05-18

Auger drilling by Newmont in 1978 initially located anomalous lead and zinc at the JE Zone Prospect³. 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 Limited, identified an area of 0.14km² of gossanous siltstones with lead grades up to 2.5% at the JE Zone Prospect⁴. In December 2017 Pursuit completed drill hole PB03-17 which tested the down-dip extent of the gossanous and zinc-anomalous siltstones at the JE Zone, and also intersected the Dhufish Fault, which is interpreted to be the fault structure controlling the mineralisation at the JE Zone. In drill hole PB03-17 oxidised zones of breccia and algal dolomites were intersected from a depth of 116.0m until the end of hole at 166.0m, downhole depth. The entire interval from 116.0m until 166.0m was strongly anomalous in zinc and lead, with the strongest zinc and lead mineralisation occurring between 137.0 – 140.0m and 147.0 – 149.0m down hole depth.

The entire length of drill hole PB03-17 was strongly weathered with the majority of the zinc and lead mineralisation converted to iron oxides. Consequently, substantial levels of zinc and lead would have been lost from the drill hole. As a result of the greatly increased depth of weathering, drill hole PB05-18 (Table One, Figure Three) was drilled down dip of drill hole PB03-17, with the objective of intersecting the zinc and lead sulphide mineralisation below the depth of weathering.

³ Newmont. A to P 1937M Annual report, December 1978

⁴ RMG Resources Limited. ASX Announcement 11 October 2012

Figure Two – JE Zone Prospect Location

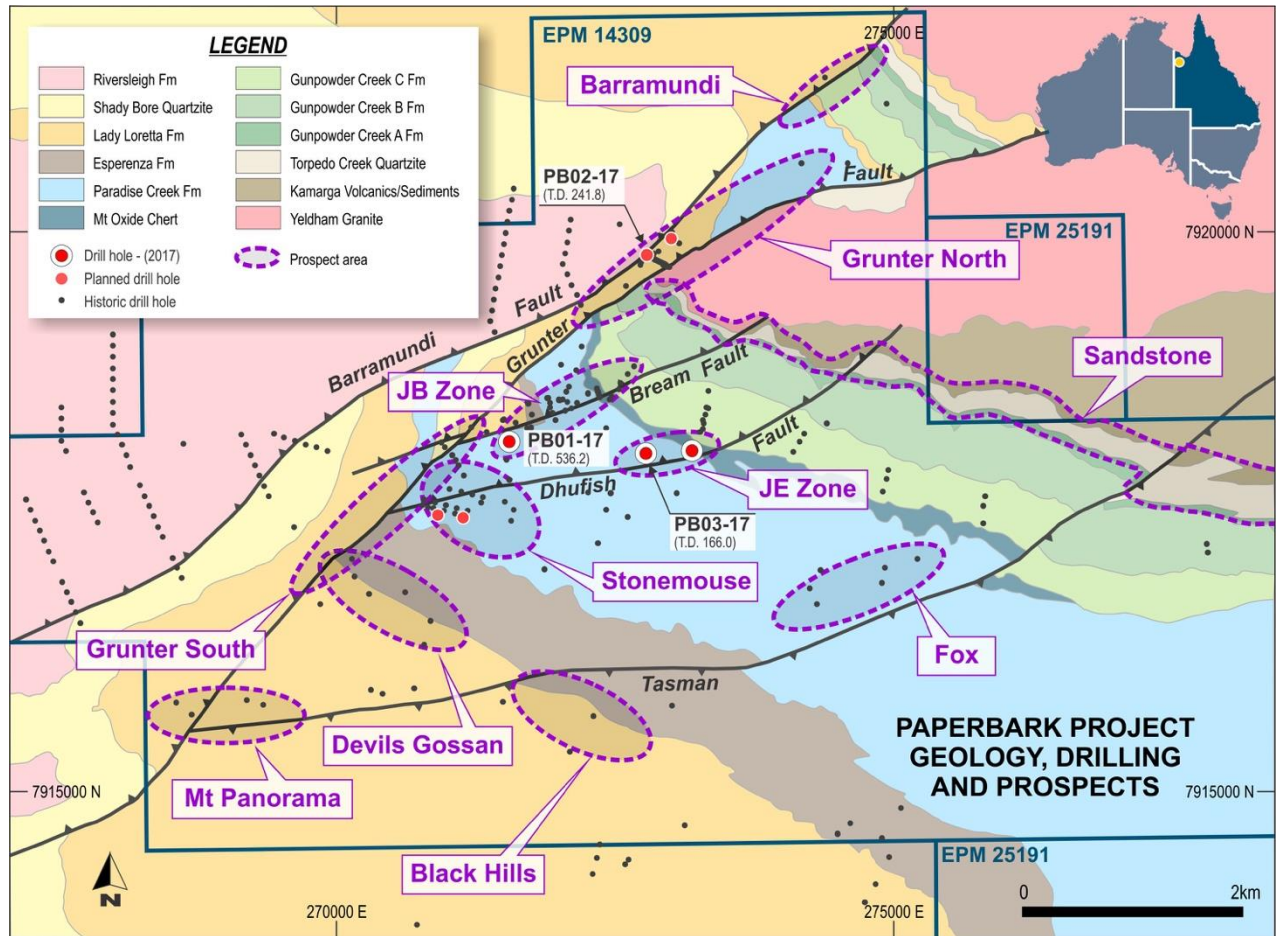


Table One

Prospect	Drill Hole Name	Easting (GDA94, Zone 54)	Northing (GDA94, Zone 54)	Azimuth (Degrees, Magnetic)	Dip (Degrees)	Actual Depth (m)
Paperbark	PB05-18	272 517	7 917 795	050	-70	315.6

Drill hole PB05-18 intersected oxidised and weathered dolomitic siltstones to a down hole depth of 56.0m. Below this depth the rock sequences were relatively unweathered. From a down hole depth of 56.0m until a down hole depth of 125.8m interbedded dolomitic siltstones and mudstones were intersected. From 125.8m until 276.2m alternating sequences of algal dolomites, mudstones, and sedimentary breccias belonging to the 'Lower Mineralised Dolomites' of the Paradise Creek Formation were intersected. From a down hole depth of 276.2m until the end of the hole at 315.6m dolomitic sandstones of the Gunpowder Creek Formation were intersected.

Various levels of sphalerite and galena mineralisation were intersected in the Lower Mineralised Dolomites of the Paradise Creek Formation from a down hole depth of 202.0m until 253.4m. Visual

estimates of the degree of mineralisation are given in Table Two. The geological sequences intersected by drill hole PB05-18 are shown in Figures Four and Five.

37 samples of half core have been submitted for geochemical analysis and the results are expected before the end of June 2018.

The drilling rig is currently on site at the Paperbark Project continuing with the follow up drill program at the JE Zone, where two more holes are scheduled to be drilled (targets JE-08 and JE-07 on Figure Three). An additional drill hole will be completed to the west of the JE Zone (target JB-02 on Figure Three) to determine if the zinc-lead mineralisation at the JE Zone is connected at depth to the JB Zone Mineral Resource.

Figure Three – JE Zone Prospect Location of Drill Hole PB05-18

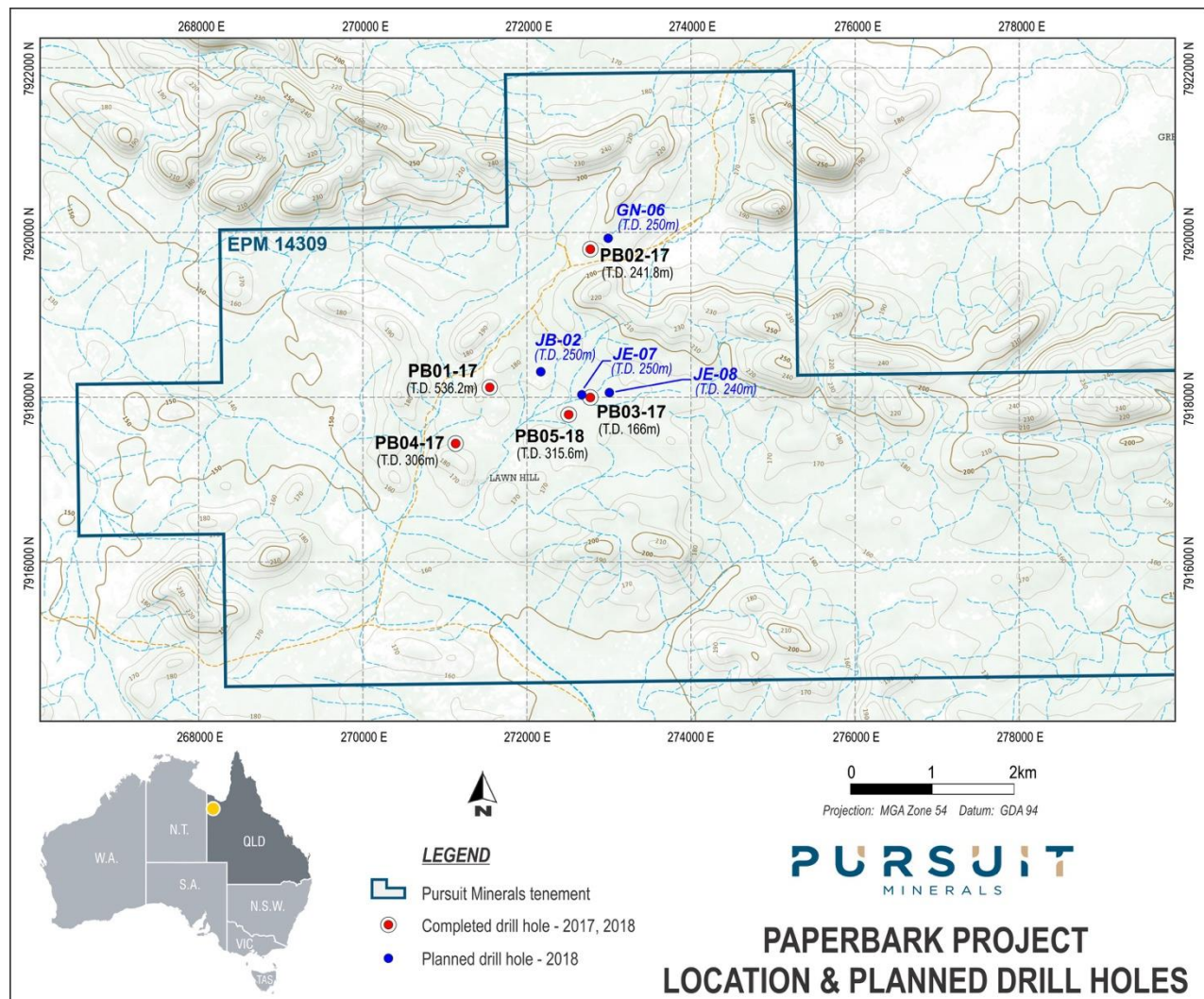


Table Two – Visual Estimates of Mineralisation in Drill Hole PB05-18

Prospect	Drill Hole Name	Down Hole Depth from (m)	Down Hole Depth (m)	Visual Estimate of Degree of Sphalerite Mineralisation	Visual Estimate of Degree of Galena Mineralisation
Paperbark	PB05-18	202.0	203.1	8%	0.2%
Paperbark	PB05-18	203.1	206.1	2%	0.5%
Paperbark	PB05-18	213.6	219.6	2%	1%
Paperbark	PB05-18	219.6	221.8	5%	3.5%
Paperbark	PB05-18	221.8	228.5	3%	0.5%
Paperbark	PB05-18	239.1	243.2	3%	1.0%
Paperbark	PB05-18	243.2	244.5	5%	2%
Paperbark	PB05-18	246.6	253.4	2%	0.1%

Figure Four – Geological Summary for Drill Hole PB05-18

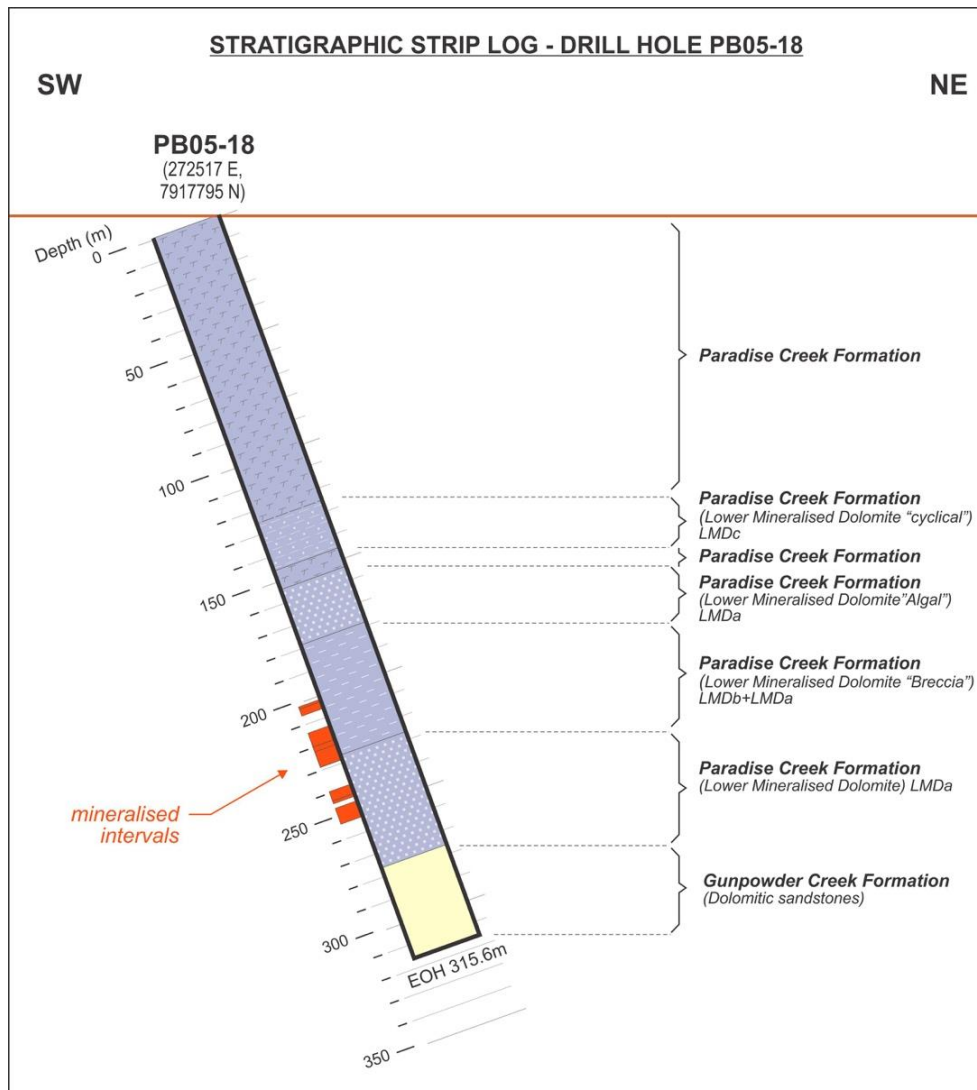
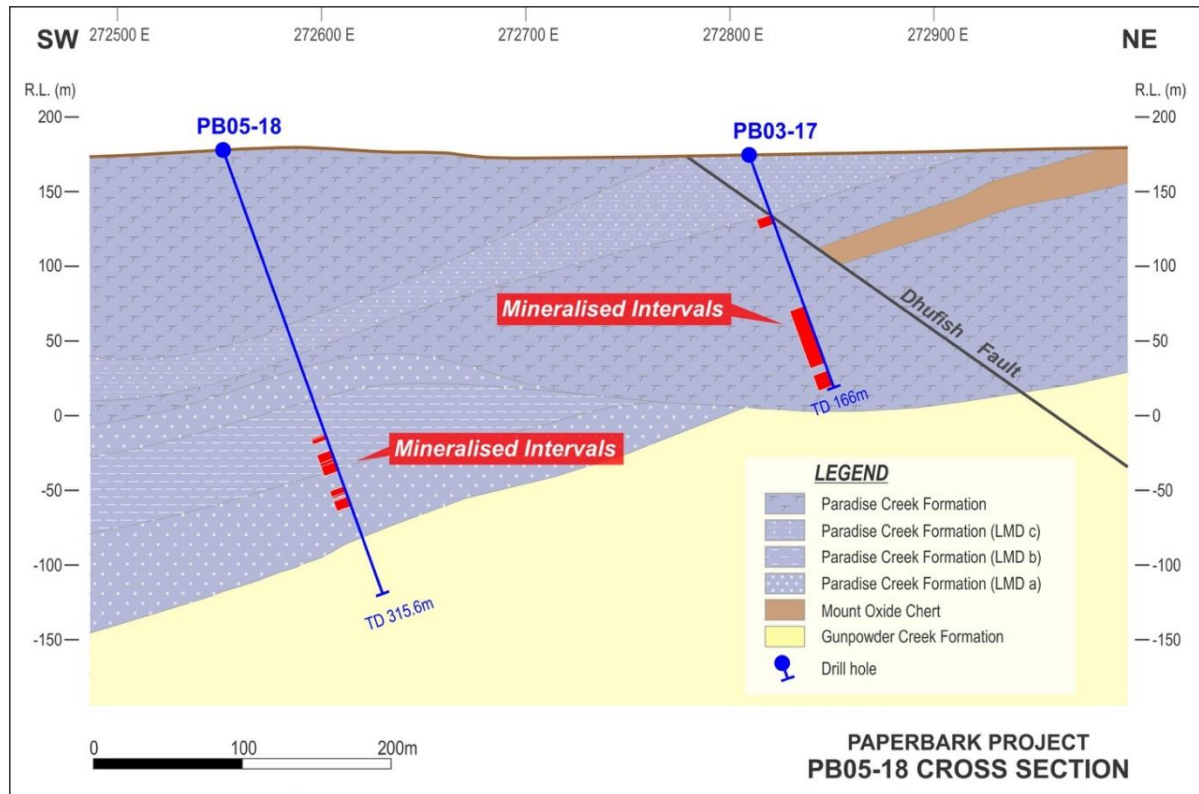


Figure Five – Geological Cross Section Drill Holes PB05-18 and PB03-17



About Pursuit Minerals

Following completion of acquisition of the Bluebush, Paperbark and Coober Pedy Projects from Teck Australia Pty Ltd in 2017, 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.

In 2018, Pursuit is expanding its project portfolio by applying for high quality vanadium projects, on open ground, in both Sweden and Finland. Sweden has a long history with vanadium, being the country where vanadium was first confirmed as a metal. Finland, has in the past produced up to 10% of the worlds vanadium from the Mustavarra mine in central Finland and is currently rated the number one jurisdiction globally for developing mineral projects.

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.

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.