19 June 2018

Copper Sulphide Mineralisation Intersected at the Grunter North Prospect and Drilling Completes at the JE Zone

Highlights

- **Drill hole PB08-18 intersected two intervals of 6.9m and 7.1m of disseminated chalcopyrite (copper sulphide) mineralisation from down hole depths of 151.4m and 173.3m respectively at the Grunter North Prospect**
- **Drill hole PB08-18 was drilled under the 900m long, highly mineralised (multiple assays exceeding 10% Cu) copper oxide rock chip anomalous zone within the Grunter North Prospect**
- **Drill hole PB09-18 was drilled to test whether the zinc-lead mineralisation at the JB Zone and JE Zone prospects are connected along strike**
- **Drill hole PB09-18 intersected a 36m interval of highly oxidised iron-rich mineralisation, interpreted to be the result of strong weathering of the JB Zone/JE Zone style zinc-lead mineralisation**
- **28 samples from hole PB08-18 and 36 samples from hole PB09-18 have been sent for geochemical analysis with the results expected before the end of July**
- **These drill holes conclude the current drill program on the Paperbark Project and the drill rig has now moved to the Bluebush Project**

Pursuit Minerals Limited (ASX: PUR) has received encouraging results from the final two holes drilled in the 2018 drill program at the Paperbark Project, north-western Queensland.

Hole PB08-18 was drilled under a 900m long, highly mineralised, copper oxide rock chip anomalous zone at the Grunter North Prospect (See ASX Announcement date 30/8/2017); and hole PB09-18 was drilled between the JB and JE zones to determine if the zinc and lead mineralisation at these prospects is connected along strike (Figures Two and Three). The JB Zone Mineral Resource is currently defined as 10.4Mt @ 2.7% Zn, 0.2% Pb, 1g/t Ag at 1.5% Zn cut-off and classified as Inferred in accordance with JORC (2012)[1].

PB08-18 intersected two down hole intervals of 6.9 metres and 7.1 metres in length of disseminated chalcopyrite (copper sulphide) and pyrite (iron sulphide) from down hole depths of 151.4 metres and 173.3 metres respectively. The abundance of chalcopyrite through both intervals was visually estimated at trace to 2%.

[1] 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.

Pursuit Minerals Limited
ACN 128 806 977

+61 447 379 744
Suite 3, Level 7, 100 Edward Street, Brisbane QLD 4000
PO Box 5807, Brisbane QLD 4000
info@pursuitminerals.com.au

pursuitminerals.com.au

Drill hole PB09-18 intersected a wide, 36 metre long interval of highly weathered iron-oxide mineralisation from 185 metres down hole. This thick zone of iron-oxide mineralisation is interpreted to be the result of strong weathering of JB/JE Zone style zinc-lead mineralisation, similar to the iron oxides observed in drill hole PB03-17, which were strongly anomalous in lead and zinc[2].

Pursuit Minerals Managing Director Jeremy Read said it was encouraging to intersect copper sulphide mineralisation associated with the strongly mineralised copper oxide rock chip anomalous zone at Grunter North.

"Results at the Grunter North Prospect so far have identified the presence of copper oxide and sulphide mineralisation, which is very encouraging but it is still early stage for this area and further exploration will be needed to determine if this prospect contains an economic accumulation of copper mineralisation."

"The thick but highly weathered mineralisation in PB09-18 suggests that the JB Zone and JE Zone are in fact connected and part of a much bigger mineralisation system."

"Further drilling at deeper levels is required to get below the level of surficial oxidation and provide a better understanding of the mineralisation that connects the JB and JE zones." Mr Read said.

Paperbark Project – Grunter North Copper Oxide/Sulphide Drilling Program

The Paperbark Project (EPM's 25191, 14309) is located approximately 215km north-northwest of Mount Isa and 25km southeast of the Century Mine in northwest Queensland and occurs within the Lawn Hill Platform of the Western Succession of the Mt. Isa Province. At Paperbark, Proterozoic basement rocks, members of the McNamara Group sediments, are well exposed. The prospective stratigraphy within the Project area consists of the middle units of the McNamara Group sediments, which include the Gunpowder Formation, Paradise Creek Formation, Lady Loretta Formation, Shady Bore Quartzite and the Riversleigh Siltstones.

In August 2017, a significant zone of high-grade copper oxide mineralisation of 900m in strike extent was defined at Gunter North in Lady Loretta Formation rocks. This copper oxide mineralisation zone was defined by eighty-six anomalous rock chip samples, eighteen samples of which contained greater than 1% Cu including high-grade rock chip samples of 4.2% Cu, 4.9% Cu, 5.1% Cu, 5.2% Cu, 6.6% Cu, 7.5% Cu, 11% Cu, 14% Cu, 16% Cu, 21% Cu, 33% Cu and 42.7% Cu[3]. An initial drill program to follow up and further test the source of the surface copper oxide mineralisation at the Grunter North Prospect and a geological mapping and sampling program was completed.

Pursuit's objective at Grunter North is to assess the potential for an economic copper oxide deposit to occur. Due to the extensive nature of the surficial copper oxides it is also possible that this oxide mineralisation 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

[2] 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

[3] See ASX Announcement by the Company on 30 August 2017. The Company is not aware of any new information or data that materially affects the information contained in that announcement

mineralisation which occurs at the Gunpowder Copper Mine. No previous drilling has been completed at Grunter North and the copper mineralisation remains completely untested.

Paperbark Project – JB and JE Zone Drilling Program

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 (see Pursuit Minerals ASX Announcement 24 April 2017).

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 (Bream and Dhufish Faults). The JB Zone and the JE Zone prospects are spatially associated with the Bream and Dhufish Faults respectively and these faults are interpreted to have been the pathway for the mineralising fluids that resulted in the formation of these mineralisation zones.

Drill Hole PB08-18

Drill hole PB08-18 (Table One, Figure Three and Four) was designed to test if the 900m long, highly mineralised, copper oxide rock chip anomalous zone at the Grunter North Prospect extended at depth. The drill hole intersected dolomitic siltstone/sandstone rocks of the Lady Loretta Formation from surface to 199.5m and then the Yeldam Granite through to the end of hole. Traces of chalcopyrite where observed between 15-16m, 68-71m, 86-90m, 107-109m and 114-117m down hole in the RC pre-collar but was most abundant between 151.4-158.3m and 173.3-180.4m in the diamond drill core tail, where the observed chalcopyrite was visually estimated to be up to 2% chalcopyrite over some metre intervals.

Geochemical analysis of 13 one metre RC samples, as well as 9 one metre HQ half core samples and 6 one metre NQ half core samples of the mineralized zone between 151-160m and 175-181m is being undertaken.

Drill Hole PB09-18

Drill hole PB09-18 (Table One, Figure Two and Five) was drilled to determine if the zinc and lead mineralisation at the JB Zone and JE Zone prospects are connected along strike at depth, as this would have major implications for the ultimate size of the mineral deposit and help the overall economics of the JB Zone Mineral Resource. The JB Zone Mineral Resource is currently defined as 10.4Mt @ 2.7% Zn, 0.2% Pb, 1g/t Ag at 1.5% Zn cut-off and classified as Inferred in accordance with JORC (2012).

This drill hole intersected a 36 metre interval of highly weathered iron-oxide mineralisation from 185 metres down hole. The highest concentrated iron-oxide mineralisation in this interval was observed to be between 198-208m, 213.1-214.3m and 219.1-221.1m. This thick zone of iron-oxide mineralisation is interpreted to be the result of strong weathering of JB/JE Zone style zinc-lead mineralisation, similar to the iron oxides observed in drill hole PB03-17, which were strongly anomalous in lead and zinc from 116.0m until the end of hole at 166.0m.

Geochemical analysis of 36 one metre half core samples of the mineralized zone between 185-221m is being undertaken.

Figure One – Paperbark Project

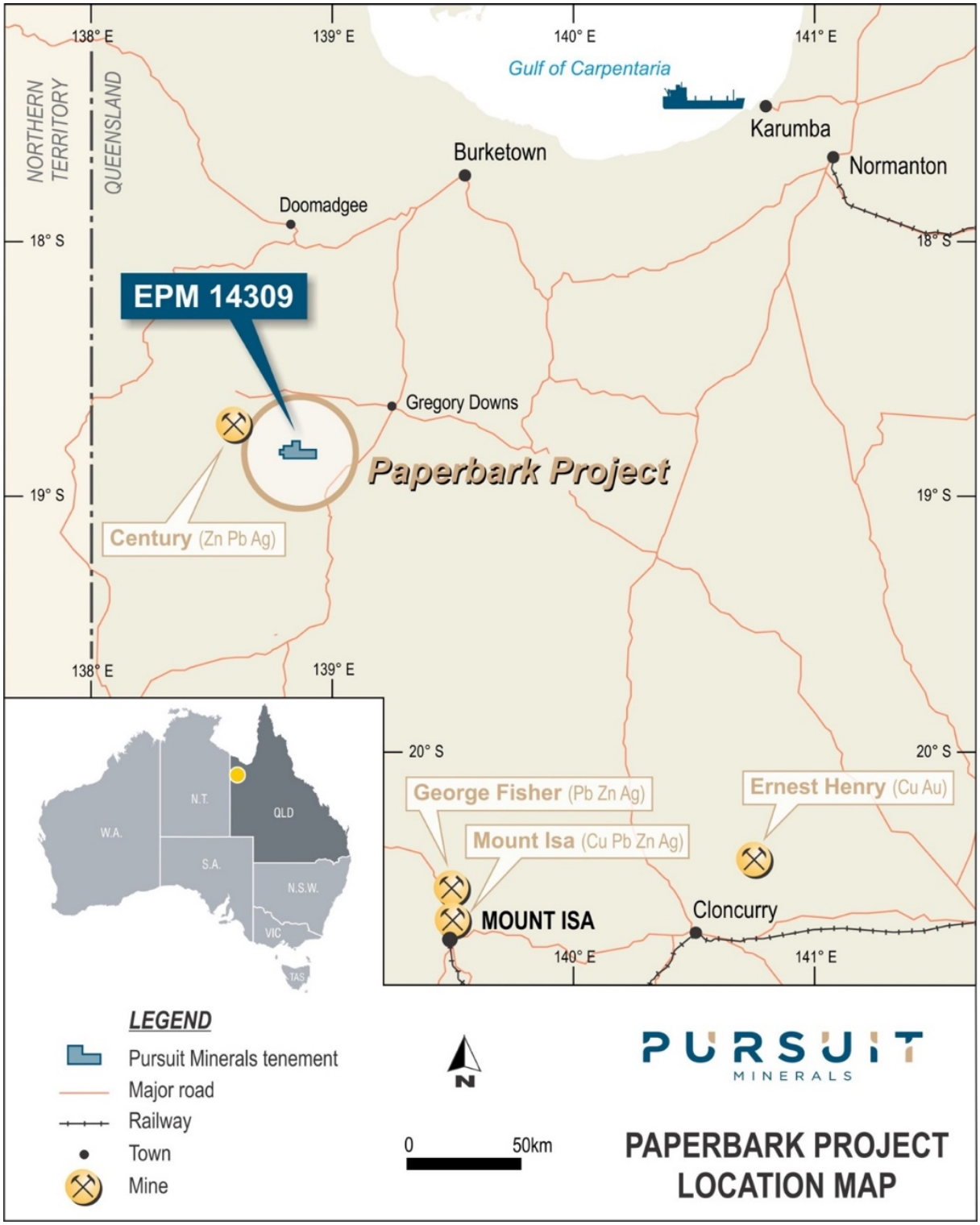


Figure Two – Paperbark Project Prospect Locations

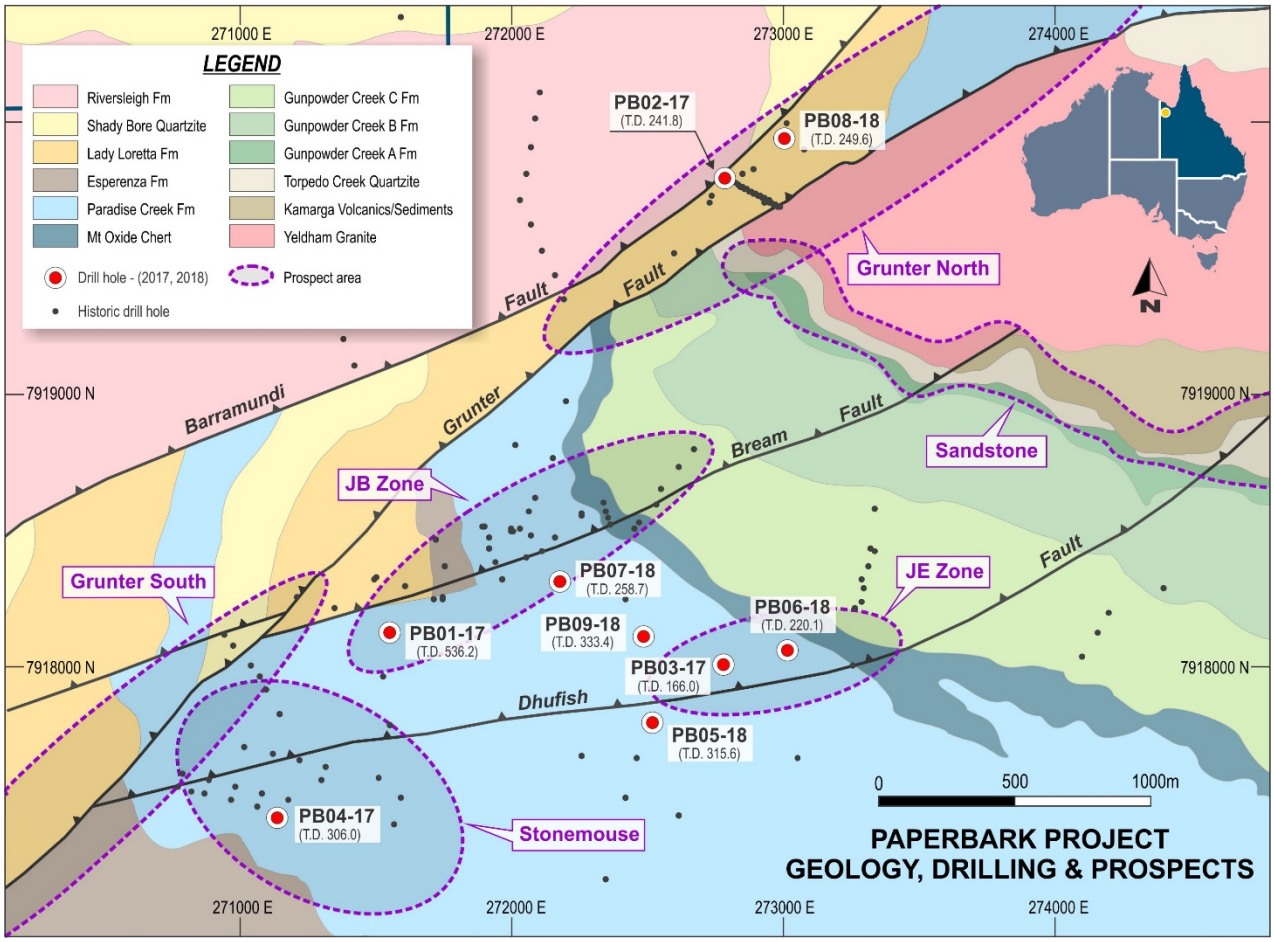


Table One

Prospect	Drill Hole Name	Easting (GDA94, Zone 54)	Northing (GDA94, Zone 54)	Azimuth (Degrees, Magnetic)	Dip (Degrees)	Actual Depth (m)
Gunter North	PB08-18	272 995	7 919 935	150	-50	249.6
JB/JE Zones	PB09-18	272 484	7 918 111	217	-80	333.4

Figure Three – Location of PB08-18 relative to the Gunter North copper oxide rock chip anomalous zone.

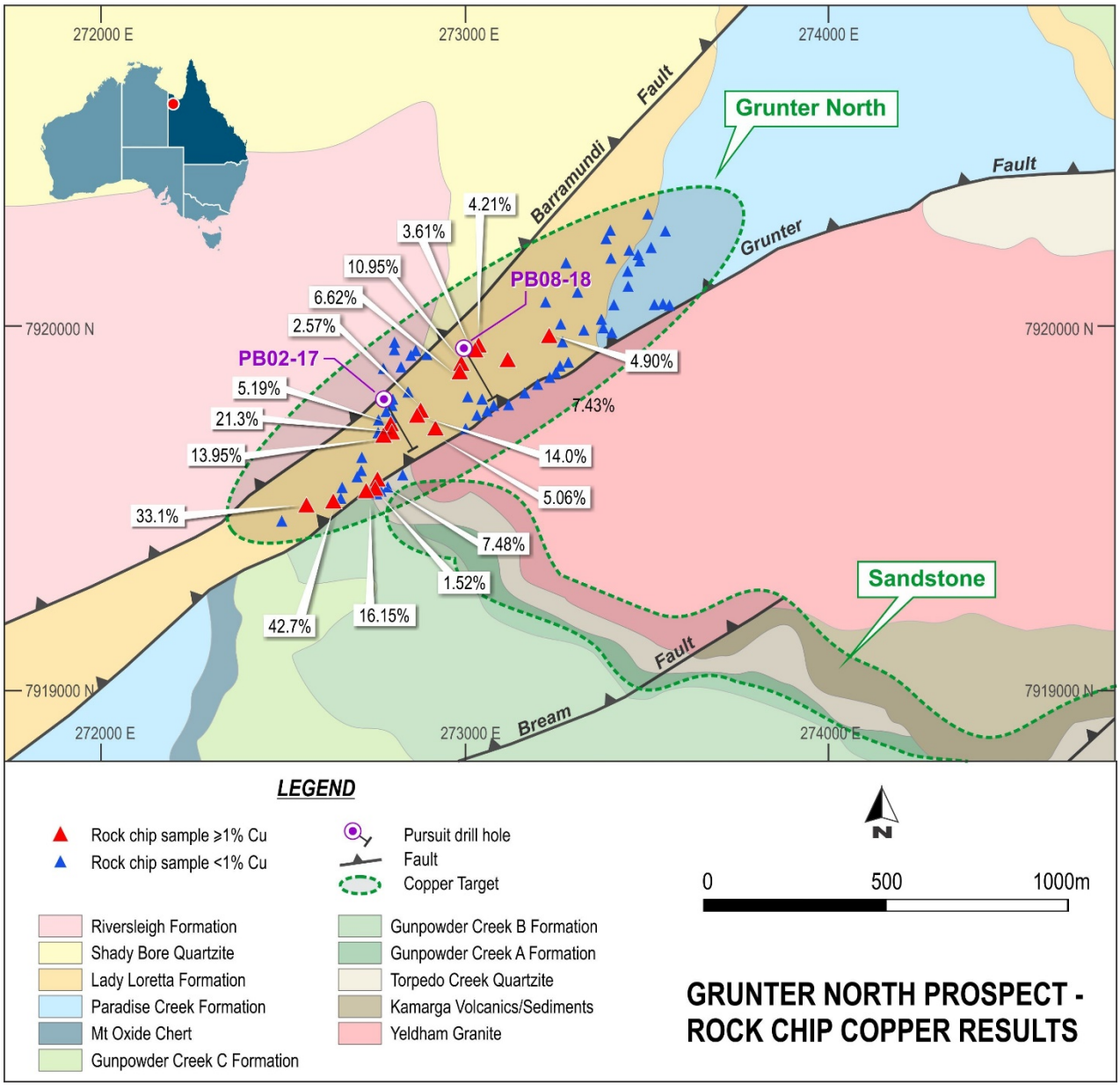


Figure Four – Geological Log of Drill Hole PB08-18

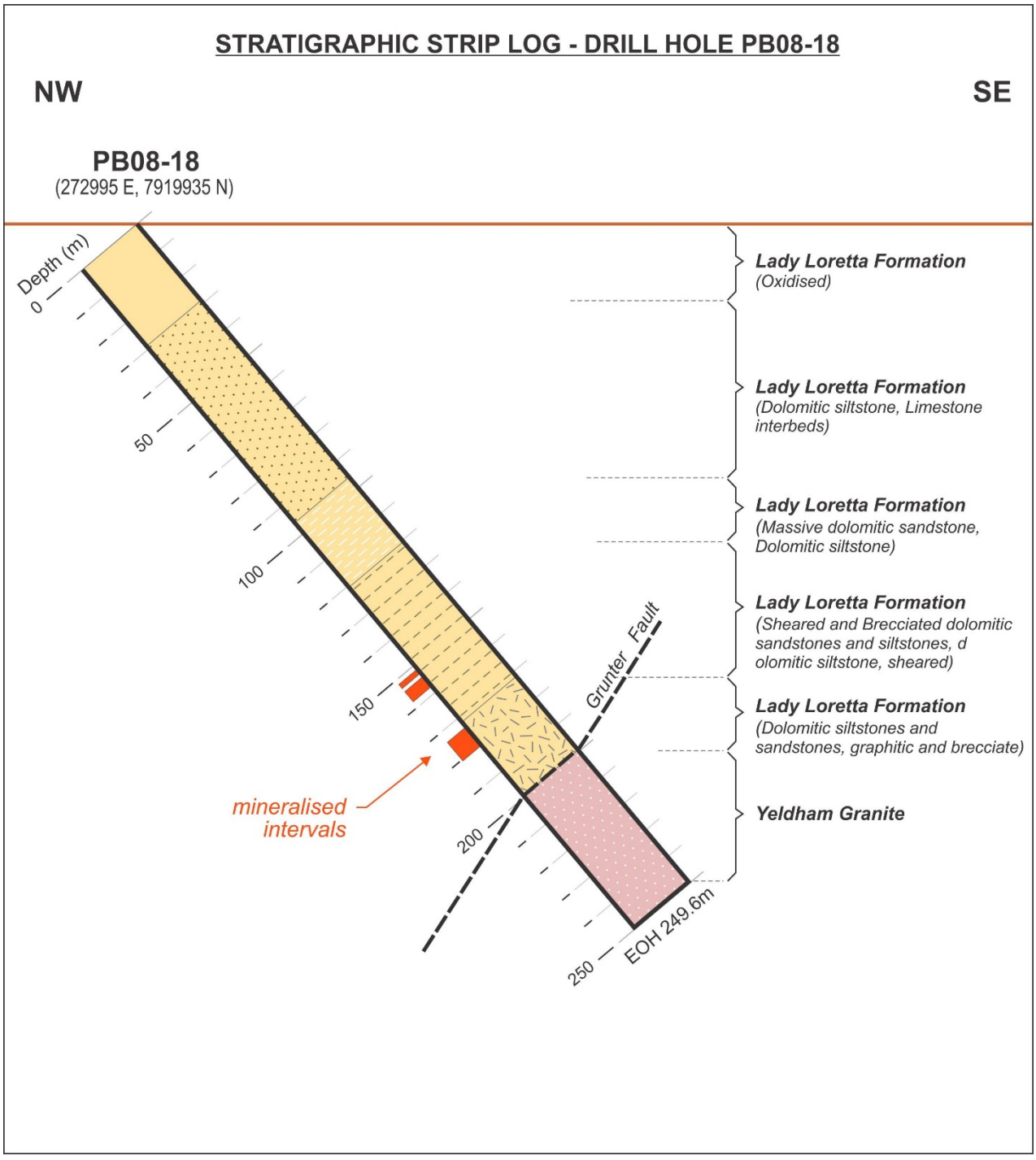
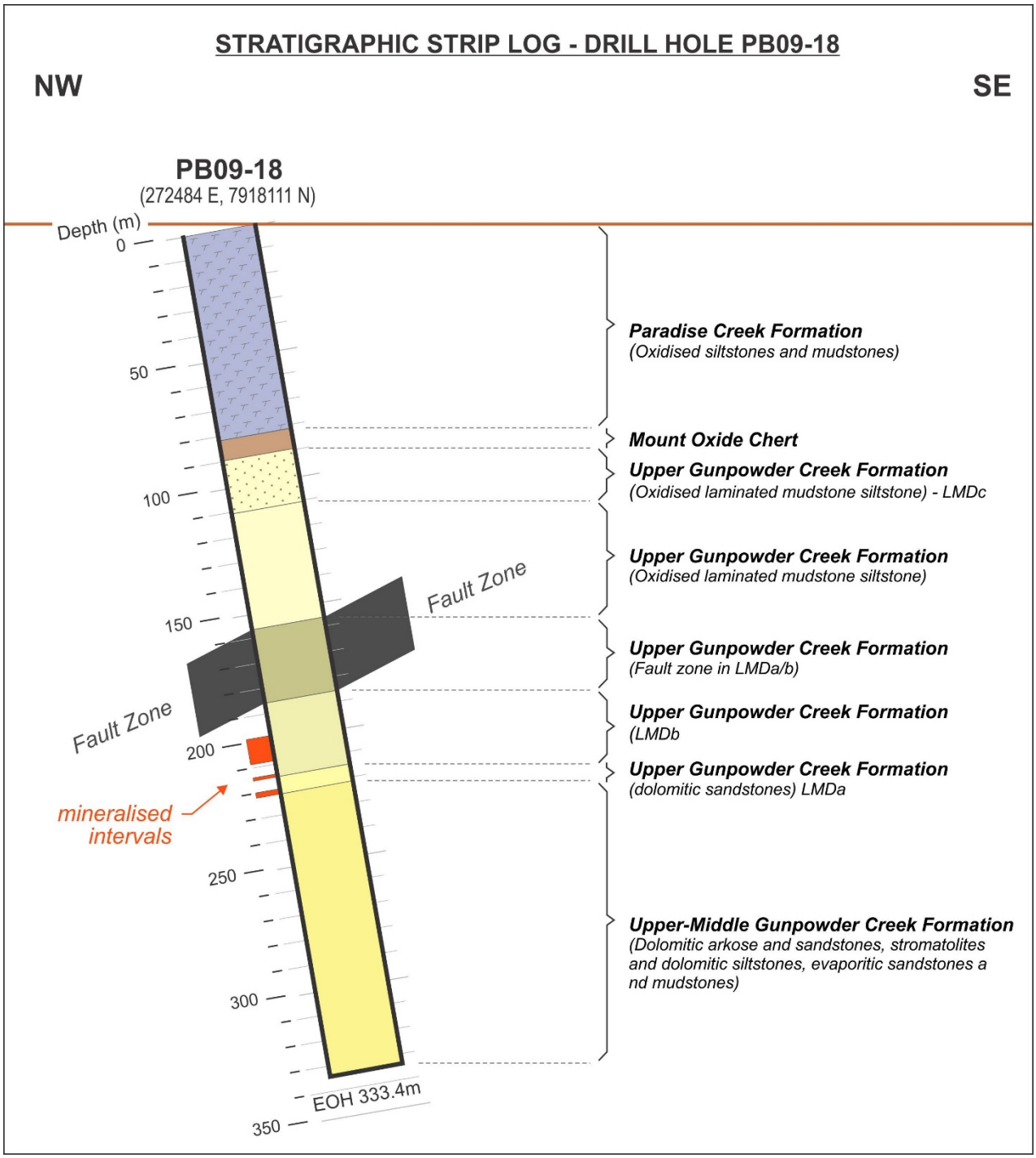


Figure Five – Geological Log of Drill Hole PB09-18



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.

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– ENDS –

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.

JORC TABLE 1

Section 1: Sampling Techniques and Data

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 downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	For PB08-18, 13 one metre samples of RC chips, 9 one metre samples of HQ half core and 6 one metre NQ half core have been dispatched to the laboratory for analysis. For PB09-18, 36 one metre NQ half core samples have been dispatched to the laboratory for analysis In order to ensure the RC samples are representative of the entire drilled metre, a cyclone and riffle splitter was used. In order to ensure the diamond drill core samples are representative of the entire drilled metre, half drill core was cut and submitted to the laboratory for analysis. Also, routinely the same side of the orientation line was always sampled (where the core was whole/unbroken enough that an orientation could be established).
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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 techniques used were Reverse Circulation and diamond core (HQ and NQ sized) drilling. Reverse Circulation drilling was used to intersect the rock sequences from 0m until 120.5m in hole PB08-18 and from 0m until 72.7m in hole PB09-18m. Samples were taken as 1m splits. Then in hole PB08-18, from 120.5m until 161m HQ diamond drilling was used and then from 161m until the end of the hole at 249.6 NQ diamond drilling was used. In hole PB09-18, from 72.7m until 188.5m HQ diamond drilling was used and from 188.5m until the end of the hole at 333.4m NQ diamond drilling was used.

Criteria	JORC Code explanation	Commentary
		For drill hole PB08-18 the drill hole was drilled at an inclination of -50 degrees towards 150 degrees (magnetic). For drill hole PB09-18 the drill hole was drilled at an inclination of -80 degrees towards 217 degrees (magnetic). The drill core was orientated, and direction of geological structures was recorded.
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.*	For the samples taken during RC drilling, no attempt was made to assess sample recovery as this drilling was used as a pre-collar method and was not intended to intersect mineralisation. However, some minor copper mineralisation was intersected in the RC drilling in PB08-18 and was taken for assay for completeness sake, not because the mineralisation appeared to be at economic concentrations. The HQ and NQ diamond drill core from the Proterozoic basement rocks were measured and compared against the drilled depths of the hole on a metre by metre basis. This allowed core recovery factors to be determined. Drill core recovery was generally in excess of 90% in drill hole PB08-18 and drill hole PB09-18. Minor levels of core loss were experienced in drill hole PB09-18 due to the weathered nature of the strata being drilled but mainly outside the mineralised zone. In order to ensure the drill core samples are representative of the rock sequences diamond drilled, half drill core was cut from both drill holes PB08-18 and PB09-18 and submitted to the laboratory for analysis. Also, routinely the same side of the orientation line was always sampled (where the core was whole/unbroken enough that an orientation could be established). No relationship between sample recovery and grade has been observed as assays have not yet been received.

Criteria	JORC Code explanation	Commentary
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.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	The sections of each drill holes PB08-18 and PB09-18 that were diamond drill core have been fully geologically and geotechnically logged to a standard which would support a Mineral Resource estimation. The top sections of each drill hole that was drilled with Reverse Circulation (RC) was also geologically logged. Geotechnical logging of the drill chips from the reverse circulation drilling was not possible. Drill hole PB09-18 was drilled to the east of the JB Zone Mineral Resource, which is defined as 10.4Mt @ 2.7% Zn, 0.2% Pb, 1g/t Ag at 1.5% Zn cut-off and is classified as Inferred in accordance with JORC (2012). It is possible that this Mineral Resource will be revised to incorporate the results from drill hole PB09-18. Consequently, drill hole PB09-18 was logged to a standard consistent with being able to use the data to revise the JB Zone Mineral Resource.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *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.* *Whether sample sizes are appropriate to the grain size of the material being sampled*	From the reverse circulation drilling between 0.0 – 120.5m in drill hole PB08-18 and from 0.0 – 72.7m in drill hole PB09-18, samples were taken as 1m splits from the cyclone and approximately were 3-4 kg in weight. Some of these samples from PB08-18 contained minor mineralisation and have been submitted for analysis (13 samples). From the diamond drilling through the mineralised zone intersected in PB08-18, eight 1m long HQ half core samples from 151-159m and nine 1m long NQ half core samples from 173-181m. From the diamond drilling through the mineralised zone intersected in PB09-18, thirty-six 1m half NQ diamond drill core was taken from 185-221m. Sub-sampling was not undertaken on the diamond drill core submitted for analysis. Geochemical standards and duplicate samples were inserted into the assay run, every 30-40 samples. This is deemed to be appropriate for the drill core samples being collected. Results for the duplicates and

Criteria	JORC Code explanation	Commentary
		standards are not yet available. 3 samples were submitted for QA/QC purposes in drill hole PB08-17 and 3 samples submitted for QA/QC purposes in drill hole PB09-18.

Criteria	JORC Code explanation	Commentary
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.* *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.* *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.*	The RC and half core samples have been submitted to the ALS laboratory in Mt Isa for assaying. Samples will be prepared using Sample Preparation PREP31B. A sample prepared using ALS PREP31B is placed into the ALS tracking system, weighed, dried and finely crushed to better than 70% passing a 2mm screen. A split of up to 250g is taken and pulverised to better than 85% passing a 75 micron screen. This method is deemed suitable for RC and half core drill samples. Each sample will be assayed using ALS technique MEICP61A. The ALS MEICP61A analysis technique takes as a 0.25g sample and digests the sample with perchloric, nitric, hydrofluoric and hydrochloric acids. The reside is topped up with dilute hydrochloric acid and the resulting solution is analysed by inductively coupled plasma-emission spectrometry. The four acid digestion used in this method is described by ALS as a "near-total" digest and is deemed suitable for the styles of mineralisation that where encounter in these drill holes. Standard, duplicate and blank samples were submitted in the sample run every 30-40 samples. Sample results are yet to be received from the laboratory. Field duplicates from the diamond drill core were taken by cutting the ½ core into ¼ core.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Assay results are yet to be received. Consequently, no independent verification has yet been completed. The mineralised intersection reported in the announcement in drill hole PB09-18 may be incorporated into a new Mineral Resource model for the JB Zone. If this does in fact occur, then independent verification of the mineralised interval will occur at that time.
	The use of twinned holes.	No twinned holes have yet been completed at either the JB Zone or JE Zone.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Geological and geotechnical data was collected in the field and entered directly into an acQuire database on a MacBook field

Criteria	JORC Code explanation	Commentary
		computer. Data was verified using the acQuire data base and upon verification was uploaded into a "cloud based" acQuire data base hosted by a third-party provider.
	Discuss any adjustment to assay data.	N/A – assay data has yet to be received.
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.*	The drill hole collar locations were located in the field using a hand-held GPS and reported in GDA94 Zone 54K with an accuracy of +/- 5m.
	Specification of the grid system used.	Datum: Geocentric Datum of Australia (GDA) Grid Co-ordinates: Map grid of Australia 1994 (MGA94), Universal Transverse Mercator, using the GRS80 Ellipsoid, Zone 54K
	Quality and adequacy of topographic control.	The altitude of each sample location was recorded using a hand-held GPS to an accuracy of +/- 5m.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The RC and diamond drill core from drill holes PB08-18 and PB09-18 were sampled on a 1 metre basis. Distance between drill holes is between 200-500 metres apart at both the Grunter North and JB Zone/JE Zone prospects (outside the JB Zone Mineral Resource). See location map included in this Table 1 below.
	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.	There is currently not enough drilling at the Grunter North Prospect to establish the degree of geological and grade continuity appropriate for a Mineral Resource. The mineralised intersection reported in this announcement in drill hole PB08-18 may be incorporated into a Mineral Resource model for the Gunter North Prospect in the future but only after several more drill holes have been completed and found to intersect economic grades and thicknesses of mineralisation. The 1m spacing of sample data and the continuous geological data for drill hole PB08-18, is of sufficient spacing to allow the data to be used in a Mineral Resource estimate. The mineralised intersection reported in this announcement in drill hole PB09-18 may be incorporated into a new Mineral Resource model for the JB Zone once the assay data is received. At this time, an assessment of whether or not the geological and grade continuity is sufficient for a Mineral Resource to be estimated will be determined.

Criteria	JORC Code explanation	Commentary
	Whether sample compositing has been applied.	Samples were not composited
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.*	Drill holes were oriented at a high angle to interpreted mineralisation zones. Therefore, it is not believed that there is any sampling bias related to the orientation of stratigraphic units/structures containing mineralisation and the drill hole orientation for either PB08-18 or PB09-18.
	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.	N/A – drill holes samples have yet to been received back from the laboratory
Sample security	*The measures taken to ensure sample security.*	Samples were collected in the field by Pursuit Minerals staff and were under their control at all times. Samples were then taken to the laboratory by Pursuit Minerals staff and submitted directly to the laboratory. Therefore, there was no opportunity for samples to be tampered with.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of sampling techniques and data were completed due to the limited nature of the sampling program.

Section 2: Exploration Results

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 tenement (EPM 14309) comprising the Paperbark Project is 100% owned by Pursuit Minerals Limited. A 2% Net Smelter Return to Teck Australia Pty Ltd will be due from any production from Paperbark
	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.	EPM14309 is valid until 12 September, 2022.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Exploration done by other parties</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>No assay or geochemical results from other parties are used in this announcement. Geological results were referred to from Newmont and RMG Resources Limited, previous holders of the EPM14309 tenement area. The Newmont information were taken from the A to P 1937M, Annual report of 1978. The RMG Resources Limited information was taken from an announcement RMG Resources made on 11 October 2012.</td></tr>
<tr><td>Geology</td><td>Deposit type, geological setting and style of mineralisation.</td><td>The mineralisation in PB08-18 is associated with dolomitic siltstones and sandstones of the Lady Loretta Formation. Copper and iron sulphides appear to be associated with quartz-chlorite alteration and veining in shear zones oriented parallel to the Grunter Fault. The Grunter Fault is orientated at approximately 060/60NW in this area.

The mineralisation in PB09-18 is associated with algal dolomites, siltstones and sedimentary breccia’s within the Lower Mineralised Dolomites of the what is interpreted to be the Gunpowder Creek Formation. The mineralisation appears to be associated with dissolution and evaporitic collapse breccia zones and minor veins of quartz carbonate. At the JE Zone the mineralisation is very weathered down to a vertical depth of at least 150m and much of the sphalerite and galena has been replaced with iron oxides above that depth. The mineralisation is clearly related to later stage faults and collapse zones within carbonates. Pursuit considers the mineralisation to be epigenetic in origin and similar to Irish Style or Mississippi Valley Type.</td></tr>
<tr><td>Drill hole Information</td><td>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.</td><td>
<table>
<tr><th>Prospect</th><th>Drill Hole Name</th><th>Easting (GDA94, Zone 54)</th><th>Northing (GDA94, Zone 54)</th><th>Azimuth (°, Mag)</th><th>Dip (°)</th><th>Actual Depth (m)</th></tr>
<tr><td>Gunter North</td><td>PB08 -18</td><td>272 995</td><td>7 919 935</td><td>150</td><td>-50</td><td>249.6</td></tr>
<tr><td>JB/JE Zones</td><td>PB09 -18</td><td>272 484</td><td>7 918 111</td><td>217</td><td>-80</td><td>333.4</td></tr>
</table>

Summary geology as drilled in hole PB08-18 is as follows (all depths are down hole depths):</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		Purpose: Test anomalous under anomalous copper oxide rock chip results RC; 0-120.5m HQ; 120.5-161m NQ; 161-249.6m EOH **Lithology** 0-29m; Lady Loretta Fm, oxidised 29-96m; Lady Loretta Fm, dolomitic siltstone, limestone interbeds 96-120.5m; Lady Loretta Fm, massive dolomitic sandstone, dolomitic siltstone, undifferentiated 120.5-172.7m; Lady Loretta Fm, dolomitic sandstone, dolomitic siltstone, sheared, brecciated 172.7-199.5m; Lady Loretta Fm, dolomitic siltstone, dolomitic sandstone, graphitic, brecciated, faulted 199.5-249.6m; Yeldam Granite, medium grained granite, lesser greisen **Structure** As anticipated, PB08_18 encountered significant faulting as it passed through the Grunter Fault zone. Drillcore shows an increasing progression of shearing, brecciation and graphitic faulting up to the contact with the Yeldam Granite. The granite remains largely unaffected by the Grunter Fault. Core recovery was good despite such a regional structure. Mineralisation PB08_18 encountered trace-2% pyrite-chalcopyrite mineralisation. 151.4-153m 154.1-158.3m 173.3-180.4m **Summary geology as drilled in hole PB09-18 is as follows (all depths are down hole depths):** Reverse Circulation **Metres** **Lithology** 0 - 2 Pad fill and iron pisolitic cemented alluvium 2 - 25 Oxidised claystone and clay rich siltstone

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		25 - 29 Oxidised clay band, possible fault? 29 - 72.7 (78) Oxidised semi-lithified siltstone and cherty sandstone HQ core -Redrill 72.7-78 Core barrel kicked to a new course HQ from 72.7m 72.7 – 81.6 Oxidised clay rich siltstones 81.6 – 89.3 Oxidised clay rich siltstones, bands (up to 30cm) of grey cherty sandstone 89.3 – 99.5 Oxidised siltstone and claystone (mudstone) 99.5 – 109 Oxidised laminated claystone, low angle to core axis ~20-25 degrees 109 – 110.2 Oxidised clay zone with Mn- Fe oxides possibly after sulphide-Fault zone? 110.2 -142 Oxidised Laminated claystone-siltstone, again low angle to core axis ~20-25 degrees 142 – 144.5 Oxidised Laminated claystone-siltstone, again low angle to core axis ~20-25 degrees bands of irregular vuggy chalcedonic Quartz- “veining”? 144.5 -156 Oxidised Laminated claystone-siltstone, higher angle to core axis ~50-65 degrees 156 – 185.2 Major zone of core loss (39m in 2.5 NQ trays) Fault zone? Oxidised abundant vuggy irregular chalcedonic quartz, minor clays and some boxwork texture in Fe-oxides. Possible major fault zone in potentially peroxidised mineralised materials. NQ from 188.5m 185.2 – 214.3 Partially oxidised laminated dolomite and sedimentary breccias, (LMDa-b)10-25cm bands of hematite-dolomite breccia (possible collapse breccia), hematite vein bands and hematite interstitial to bedding, all with boxwork textures after sulphide, probably after pyrite. 214 – 221.1 partially oxidised laminated dolomite, sedimentary breccias and dolomitic sandstones. Minor zones of hematite-pyrite mineralisation in veins and breccia zones, relatively fresh pyrite occurs below approximately 217m 221.1 – 253.7 dolomitic arkose and sandstones with interbedded laminated siltstone mudstone and minor stromatolites. Units

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		characterised by carbonate matrix cement. Trace disseminated pyrite 253.7- 261.4 chaotically recrystalised “evaporite” sandstones, minor bands of massive recrystallised carbonate rock (Magnesite as per petrology) possibly after evaporites. Trace py. 261.4- 281.7 Stromatolites and dolomitic siltstones-mudstones with slumping textures, stylolites and veins of dark carbonaceous material with fine grained coliform and concentric pyrite. 281.7 – 318.1 broad scale repeats of dolomitic sandstones and stromatolitic laminated siltstones (2-15m) with minor coarse-grained carbonate bands up to 1m. minor bands/veins of coliform pyrite as above. 318.1-318.4 Minor fault -fracture zone with coarse blebs of pyrite and chalcopyrite 318.4-333.4 Medium-coarse grained “evaporitic” sandstones and minor interbeds of stromatolitic dolomites. Traced disseminated pyrite. **Stratigraphic Summary** 0 - 81 Oxidised siltstones and mudstones Paradise Creek Formation 81-89 possible Mt Oxide Chert 89-110 Oxidised laminated mudstone siltstone possible LMDc – upper Gunpower Creek Formation 110-156 Oxidised laminated mudstone siltstone Formation 156-185 Fault zone in LMDa/b- upper Gunpower Creek Formation 185-214.3 LMDb- upper Gunpower Creek Formation 214-221 LMDa and dolomitic sandstones- upper Gunpower Creek Formation 221-333.4 Dolomitic arkose and sandstones, stromatolites and dolomitic siltstones, chaotically recrystalised carbonate

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		(evaporates) and evaporitic sandstones and mudstones. Upper-middle Gunpower Creek Formation **Mineralised Interval** 185-221m oxidised hematite after probable Pyrite Including: 198-208 15% hematite 213.1-214.3 8% hematite 219.13-221.1 4% hematite, 3% pyrite
	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.	This information has not been excluded.
Data aggregation methods	*In reporting Exploration Results, weighting 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.*	N/A – Visual description of mineralisation only
	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.	N/A – Visual description of mineralisation only
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are reported.
Relationship between mineralisation widths and intercept lengths	*If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.*	The Grunter Fault and associated shear zones which contain the copper mineralisation at Grunter North are orientated at approximately 060/60NW in this area. This suggests that drill hole PB08-18 intersected the mineralised units at a high angle and hence down hole depths will be close to true thicknesses. The Lower Mineralised Dolomite units of the Gunpowder Creek Formation containing the zinc-lead mineralisation at JB Zone and JE Zone are interpreted to dip at moderate angle to the south-west. The structural orientation data collected in drill hole PB09-18 and drill hole PB07-18 suggests that the drill hole intersected the mineralised units at a

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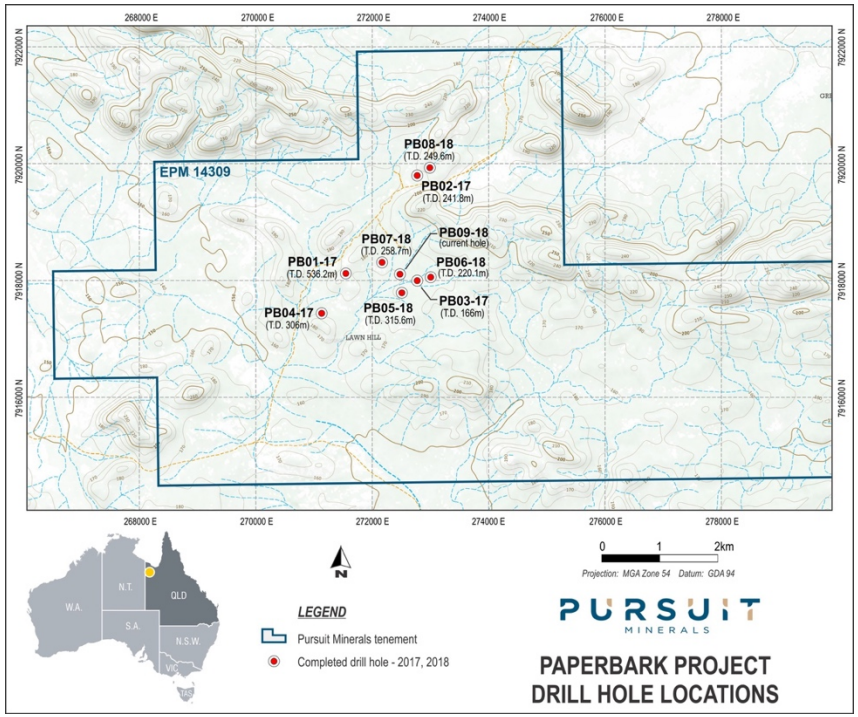
		high angle and hence down hole depths will be close to true thicknesses.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Down-hole widths were reported. The exact true width is not known, but down hole widths are anticipated to be close to true thicknesses.
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.*	

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		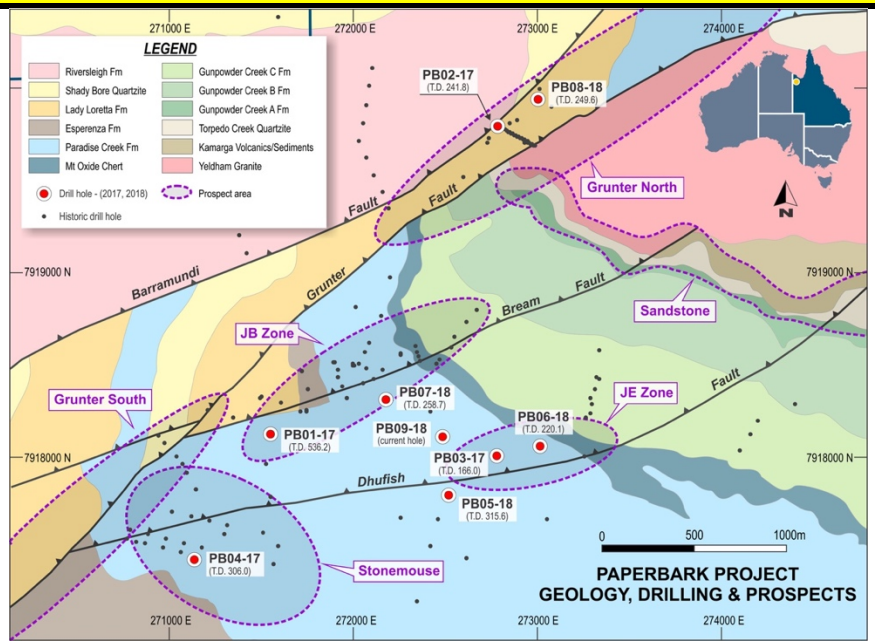

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		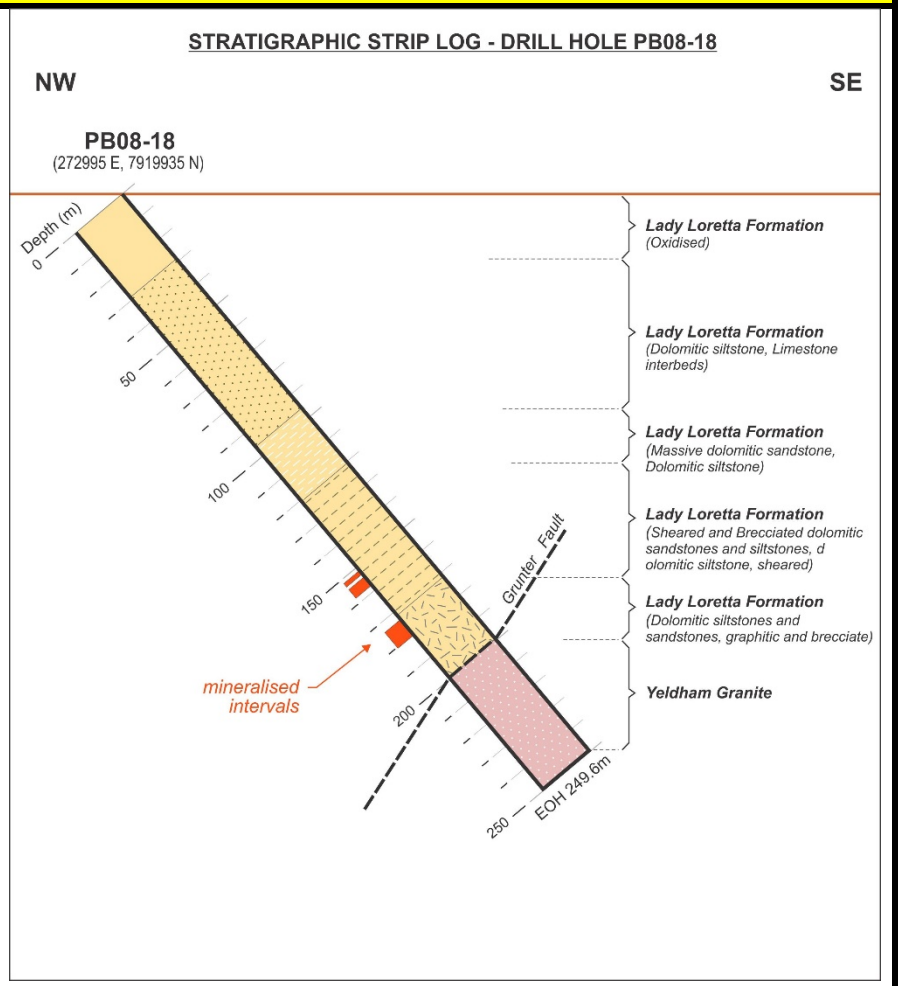

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		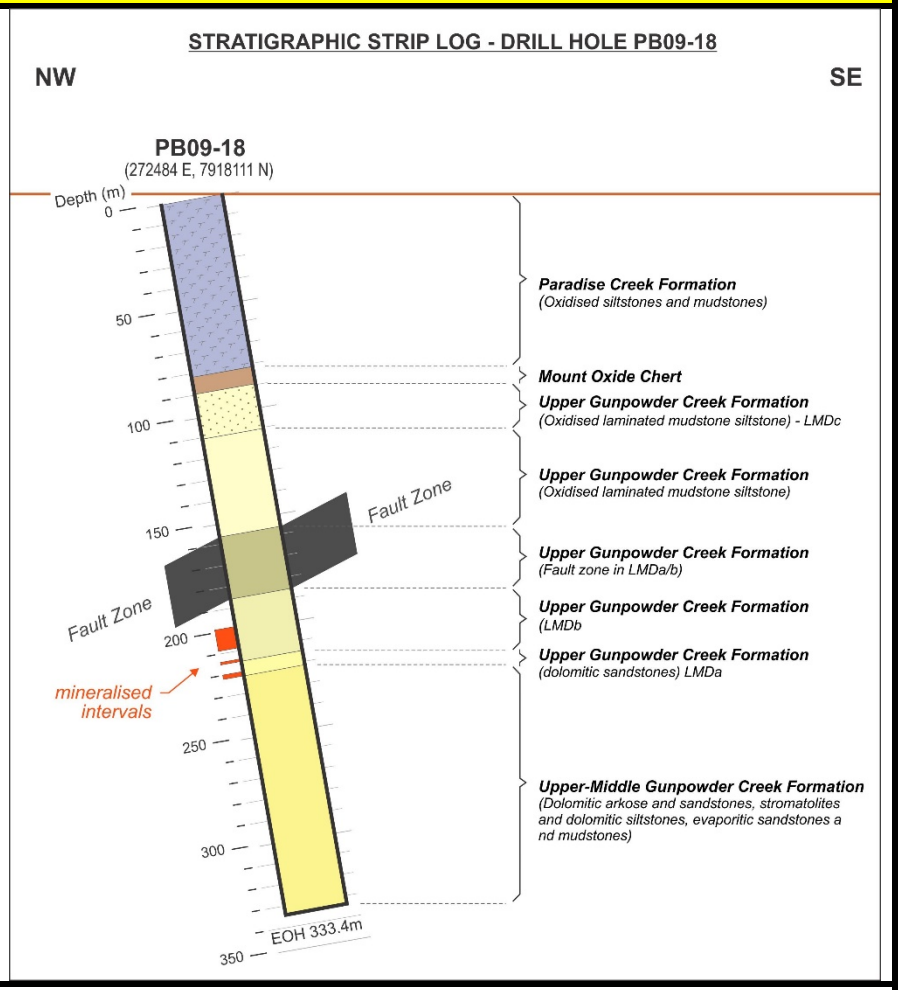
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	N/A – Visual description of mineralisation only

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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.*	N/A – Visual description of mineralisation only
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).*	Follow up drilling will need to be planned and conducted in order to attempt to define the further extents of the mineralisation intersected in both PB08-18 and PB09-18. However, no further drilling on the Paperbark Project will be completed in the near future as these drill holes complete the current program in this area.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.