



09 July 2018

**ASX Announcement**

**PURE MINERALS ENTERS INTO BINDING AGREEMENT TO EXPLORE  
FOR COBALT IN MISSOURI, U.S.A.**

- **Signed binding agreement to acquire 75% of a portfolio of exploration applications with the Bureau of Land Management in Missouri (U.S) and an agreement with a private landowner totalling 2,843 acres (11.5 km<sup>2</sup>)**
- **Properties are located within 3 miles (5 km) of the Madison cobalt mine, one of the largest known cobalt resources in the U.S., which has recently been flagged for re-opening**
- **Located within subdistrict of the historic Old Lead Belt of Missouri**
  - **Belt is recognised for its world-class lead-zinc deposits**
  - **Subdistrict is highly enriched in cobalt yet historic focus has been on lead exploration and mining**
  - **Former manganese mines and prospects in subdistrict**
- **Provides Pure Minerals with immediate local presence**

**Pure Minerals Limited** (ASX: PM1) (“Pure Minerals”, “the Company”) is pleased to announce that it has entered into a binding agreement to acquire 75% of Legend Minerals LLC (“Legend”), a Missouri-based limited liability company focussed on exploring for minerals around Fredericktown, Madison County, Missouri.

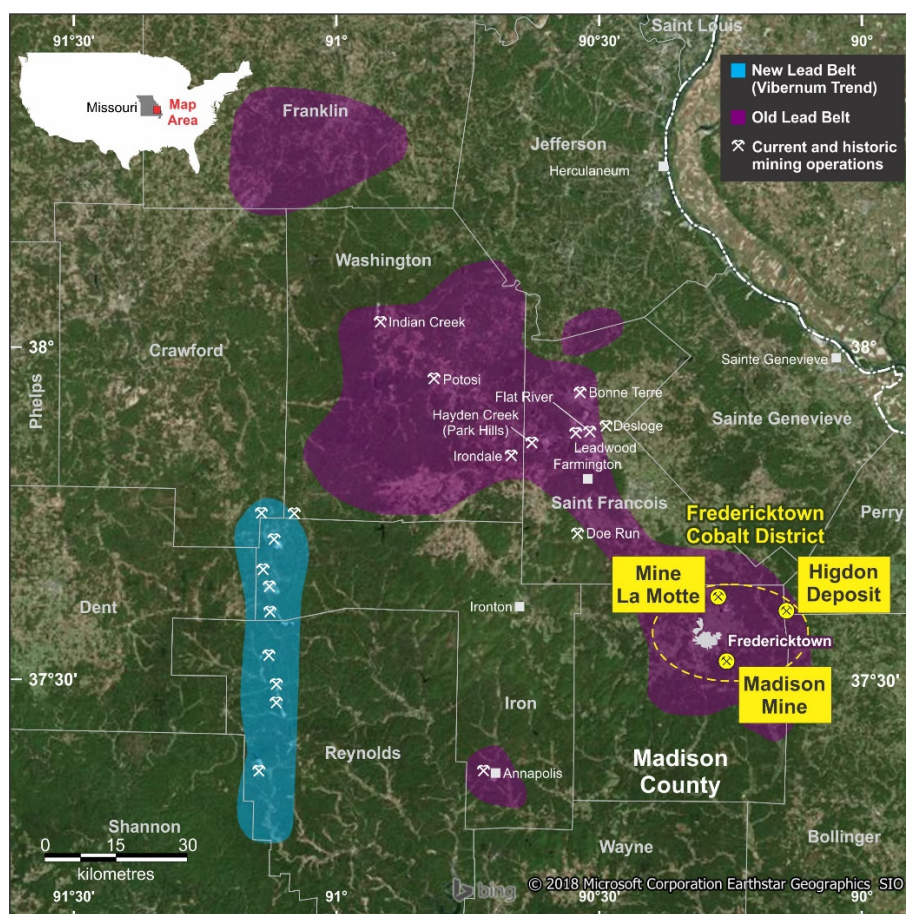
Legend has mineral exploration applications in process with the Bureau of Land Management totalling more than 2,568 acres (10.4 square km) within the Mark Twain National Forest and an exploration lease agreement with a local landowner for 275 acres (1.1 km<sup>2</sup>). Legend’s ownership and management (the “Vendors”) have decades of combined experience in mineral exploration and mining in the area, including the Madison cobalt mine that has recently been announced will re-open.

The Fredericktown area is a known historic cobalt mining and exploration area. Historic mines and projects in the immediate vicinity include:

- **the Madison mine**, currently owned by Missouri Cobalt LLC. Madison was mined up until the late 1960s, mostly for lead. It had a measured plus indicated resource of 6.0

Mt grading 0.31% Co, 0.47% Ni, and 0.74% copper using a cobalt equivalent cutoff grade of 0.20%, containing 18,360 tonnes / 40.5 Mlbs cobalt (U.S. Cobalt Inc., 2002c, Quarterly report for quarter ended June 30, 2002, as reported in U.S. Geological Survey Minerals Yearbook, 2002, p.20.2). Missouri Cobalt has recently stated that it intends to begin producing cobalt in 2018 (Missouri Cobalt New Release, May 9, 2018) and local news sources state that it has committed to invest more than US\$150 million to re-start the mine (Fox2Now, 14 May, 2018).

- **Mine LaMotte**, a historic primary lead mine that is reported to have produced 15 Mt of ore grading 2.7 % Pb, 0.69 % Cu, 0.29% Ni, and 0.23% Co, representing 34,500 tonnes (75.9 Mlbs cobalt) (U.S. Geological Survey, Open File Report (OFR) 81-518, p.16). The mine has been reclaimed.
- **the Higdon project**, owned by Doe Run Mining Company is reported to have an undeveloped primary lead resource of unknown tonnage and with an average grade of 0.14% Co and 0.17% Ni (Parra. Luis A. and others, 2009, Rediscovering South-East Missouri Mississippi Valley-Type Pb-Zn deposits: The Cobalt-Nickel Enriched Higdon Deposit).



**Figure 1:** Location of Old Lead Belt and the Fredericktown Subdistrict

Pure Minerals and the Vendors intend to utilise Legend to form a 75%-25% exploration joint venture over an area to the south-east of the Madison cobalt mine and Mine LaMotte, and

south of the Higdon project. The host rocks in the project area are the same as those hosting Mississippi Valley-type cobalt-nickel sulphide mineralisation at Madison, Mine LaMotte and Higdon. The area is also prospective for magmatic nickel-cobalt cobalt-nickel and iron-oxide copper-gold (IOCG) targets at depth, and iron and manganese near-surface. Near-surface cobalt, manganese and other base metal occurrences have been identified in the area by the United States Geological Survey and the Missouri Department of Natural Resources. Manganese mineralisation is hosted in limestones and associated with Precambrian algal mats and hot springs.

Commenting on the agreement, Pure Minerals' CEO, Sean Keenan said:

*"In this transaction Pure Minerals gets a low-risk, low-cost beachhead into an area that is being re-awakened to become the primary domestic source of cobalt in the United States. It provides Pure Minerals with immediate exposure to a prospective land package, local geological experience, and a team that is incentivised to expand its land position. We look forward to working with the team at Legend Minerals."*

#### **Transaction Terms:**

Pure Minerals may acquire 75% of Legend as follows:

1. PM1 incurring a maximum in-ground expenditure of US\$200,000 (with the final commitment amount dependent upon the amount of exploration lease acreage within a defined area of interest that Legend delivers), and
2. PM1 paying Legend:
  - US\$20,000 (or equivalent number of PM1 Shares based on a 30-day VWAP) upon Pure Minerals being satisfied with the outcome of its due diligence on Legend and its assets;
  - US\$16,000 in cash once all of Legend's mineral exploration applications with the Federal Bureau of Land Management have been permitted and approved;
  - Up to US\$35,000 (or equivalent number of PM1 Shares based on a 30-day VWAP), payable at settlement, subject to and conditional upon Legend acquiring additional mineral exploration lease agreements within the area of interest; and
  - Up to US\$40,000 (or equivalent number of PM1 Shares based on a 30-day VWAP) payable upon completion of PM1's in-ground expenditure commitment referred to above (with the final amount dependent up on the acreage Legend delivers).

The due diligence period will commence immediately. Settlement is expected to be finalised on or before 1 November, 2018, however the Company will keep the market updated with any further developments.

For and on behalf of the Board,

Mauro Piccini  
**Company Secretary**