

SOUTH AMERICA'S EMERGING PRECIOUS AND BASE METALS EXPLORER

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QUARTERLY REPORT

30 January 2014

HIGHLIGHTS

- **Completed the Stage 2 drilling program at the Alumbre Cu-Au-Mo Project in Peru.**
- **Company has completed 3,880.9m at Alumbre.**
- **Completed a helicopter-borne magnetic, radiometric and electromagnetic (VLF) survey over the Magdalenita Concessions, Alumbre and Quinual Project Areas.**

Promesa Ltd ("Promesa", "the Company") is a Perth based ASX listed Company, with a substantial portfolio of exploration concessions in Peru. The Company has six projects in Peru, three projects in La Libertad, two projects in Ancash and one project in Huancavelica Departments. The Alumbre and Quinual projects are advanced to drill-ready stage. The company has been:

- Focused in Peru since 2010.
- Targeting high tonnage, low cost deposits in proven, world- class mineral provinces.
- Exploration footprint of more than 35,000 ha within Peru.
- An exciting opportunity for investors, Promesa is actively generating new prospects to expand its project pipeline.
- Promesa is one of a small group of ASX listed companies providing investors an exposure to Peru.

SUMMARY OF PERUVIAN PROJECTS

Peru is one of the world's most exciting exploration regions for prospective geology and project development, offering significant and low cost gold and gold-copper deposits. It also presents a strong and attractive business development environment, with low sovereign and financial risk, a mature stable mining law and sophisticated business, legal and operating practices.

Promesa's precious and base metal exploration projects are located in Peru's mineral rich Western Cordillera region. They are prospective for gold (Au), silver (Ag), copper (Cu), molybdenum (Mo) and associated minerals.

Exploration concessions are located close to world class deposits developed by Barrick, Newmont, Xstrata, BHP Billiton and Vale.

During the quarter the Company made several announcements regarding the progress of exploration at the Alumbre Project following earlier outstanding geophysics results from these properties, located in the La Libertad Department. The region hosts several world class gold and copper mines including El Galeno, Conga and Tantahuatay.

The Company also holds projects in Ancash and Huancavelica Departments.

Promesa has an experienced management team with substantial Andean porphyry exploration and development experience. Promesa has focused on Peru since 2010 and is targeting bulk-mineable copper and gold deposits in world-class mineral provinces. The Company currently holds 340 square kilometres of exploration concessions in Peru.

ALUMBRE PROJECT

Background

The Alumbre Project is a Cu-Mo-Au porphyry system located 70km southeast of Trujillo in northern Peru (refer to Figure 1 and 2). The project is serviced by the nearby Pan Americana Highway and includes good infrastructure to the project area. The Alumbre Project area consists of approximately 2,200ha which adjoins the Company's larger regional concession holding area of approximately 24,600ha. Promesa has control of the concessions either through outright ownership or through option to purchase agreements.



Figure 1 – Project location of Alumbre and Quinual Project



Figure 2 - Alumbre Project regional view eastward towards Cerro Alumbre in the centre of the view.

The Company has completed extensive exploration work on the Alumbre Project. This includes detailed geological mapping, rock geochemistry, ground magnetics, induced polarisation (IP) geophysics and alteration mineral mapping. Alteration mineralogy has been determined using a hand held spectrometer and thin-section microscopic petrology. Sulphide mineral identification has been determined using a scanning electron microscope. This work indicates that a significant sulphide-bearing porphyry system exists at Alumbre. The data indicates that the present land surface is between the lower parts the epithermal environment and the upper parts of the porphyry environment.

Various intrusive rocks, subvolcanic rocks and porphyry related hydrothermal alteration exist. The petrographic study has confirmed areas of phyllic alteration. This alteration type, containing quartz, sericite and pyrite, generally carries copper mineralisation in economic porphyry systems. The area exhibits the zoned alteration styles expected in porphyry systems grading from propylitic in the outer parts of the system to phyllic alteration in the central “hotter” parts of the porphyry system where the bulk of mineralisation would be expected. The rocks are variably stockworked and contain disseminated sulphide, mostly pyrite, with traces of sphalerite, chalcopyrite, chrysocolla, digenite, monazite, pyrrhotite and cassiterite.

Also of note is the Project’s enviable location from an infrastructure perspective:

- 35kms from the coast,
- low altitude of 1100masl,
- 220kVA power line runs along the Pan American highway, the country’s main coastal highway only 30kms away; and
- 70km from Peru’s second largest city (Trujillo).

Exploration Update

During the quarter the Company completed the Stage 2 Diamond Core Drilling program for a total of 2,395m following positive assay results and geological observations during the first round of drilling in the previous Quarters (refer to Figure 3 and Table 1).

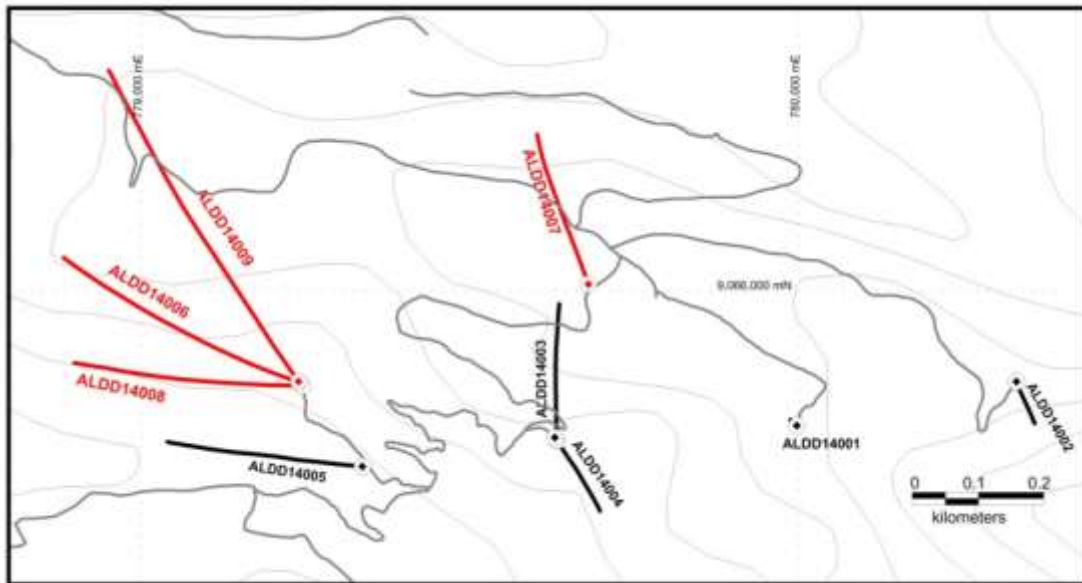


Figure 3 – Alumbre drillhole locations and downhole traces (Stage 2 red and Stage 1 in black)

The four drillholes completed during the quarter tested a region north and west of the area previously drilled. The ground based magnetics data received as part of the IP geophysics program conducted in 2013 was re-modelled. The method utilized is known as magnetic inversion vector modelling (refer to Figure 4). The method aims to determine the direction and amplitude of increasing magnetic susceptibility.

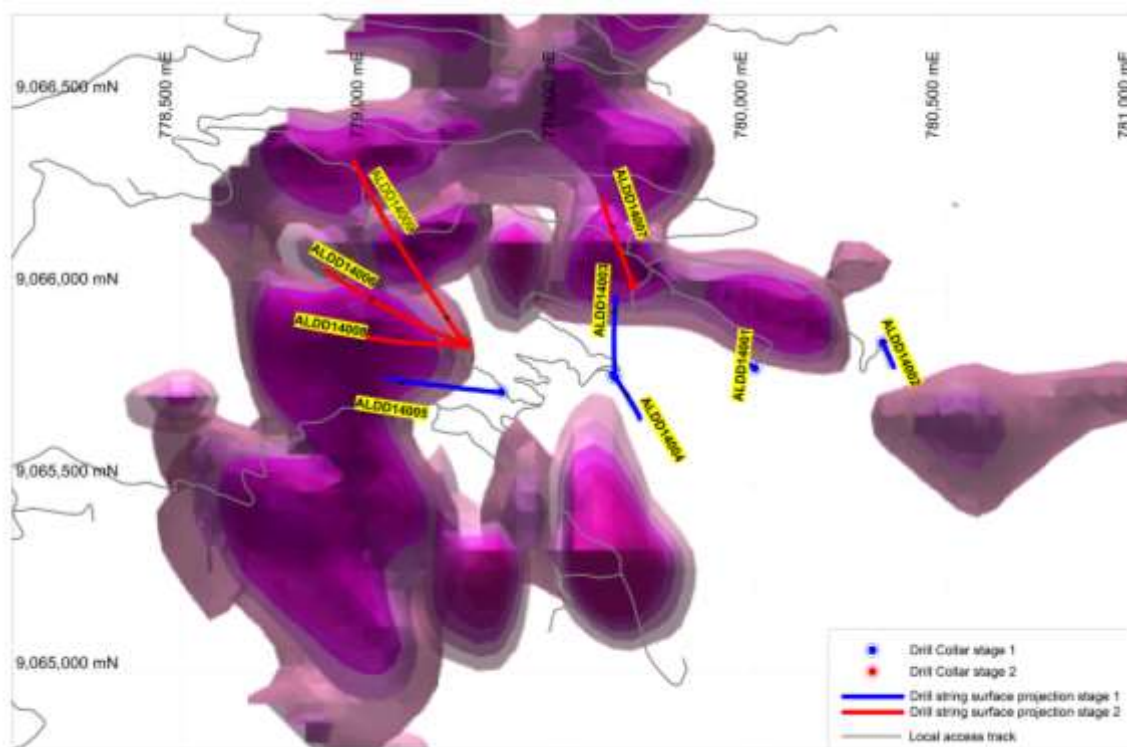


Figure 4 - Alumbre Project magnetic susceptibility 3D MVI model, Stage 1 drillholes and the proposed Stage 2 drill program.

The modelling indicated that there is a very large magnetic anomaly present at Alumbre. The surface sampling conducted by the company indicated that the surface area above the MVI anomaly is anomalous in copper (refer to Figure 5), molybdenum and gold. Four drill targets were identified of which all four have been completed during the before the end quarter.

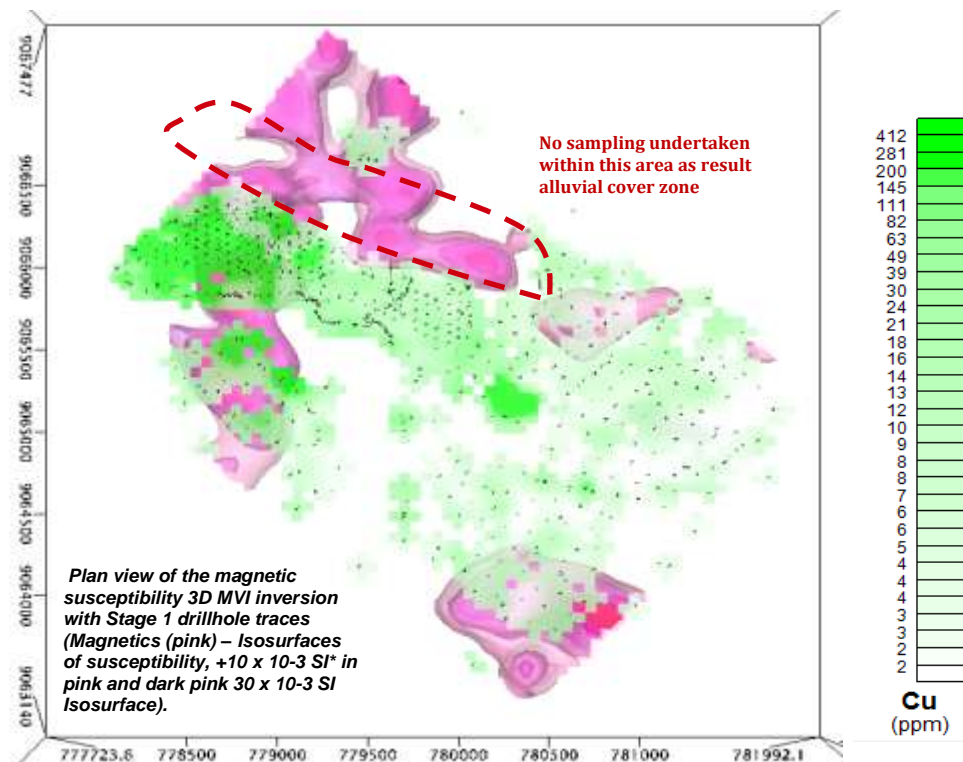


Figure 5 - Alumbre Project - Geochemistry Rock Samples Cu (ppm) and magnetic susceptibility model 3D MVI.

The large MVI anomaly is open in all directions outside the Company's surveyed magnetic data area. The MVI image indicates the potential for multiple porphyry intrusive centres. Large porphyry systems are generally clustered within camps extending for about ten kilometres. The extension of the MVI image outside of the current data area indicates the potential for discovery of a new regional porphyry camp. The magnetic vector modelling using the MVI method, geochemistry, structure, alteration and geophysics indicate the district-scale potential of the Alumbre project.

A total of 3,880.9m has been drilled at Alumbre (refer to Table 2) result were still pending at the end of the Quarter.

Table 2 –Drill Hole Locations at Alumbre Project.

HOLE	wgs84mE	wgs84mN	RL	AZIMUTH	DIP	DEPTH_m
ALDD14001	779996	9065795	1095	0	-90	500
ALDD14002	780330	9065862	1176	160	-70	207.40
ALDD14003	779631	9065772	1009	0	-60	401.10
ALDD14004	779628	9065777	1009	150	-70	401
ALDD14005	779335	9065733	920	277	-60	476
ALDD14006	779239	9065861	930	290	-50	629.25
ALDD14007	779679	9066010	1075	340	-70	659.5
ALDD14008	779244	9065856	930	270	-50	539.25
ALDD14009	779238	9065862	930	325	-15	567.4

Final drill results are expected in February 2015. The full Alumbre data set will be modelled and analysed to determine the appropriate next exploration steps.

GENERAL EXPLORATION ACTIVITIES

During the quarter the Company's focus was on the Alumbre drilling programme and a helicopter-borne magnetic, radiometric and electromagnetic (VLF) survey over the Magdalenita Concessions, Alumbre and Quinual Project Areas (refer to Figure 6). This programme achieved a significant milestone in our option to purchase agreement with Oban Mining Corporation (TSXV:OBM) enabling the Company to maintain a 70% interest in the Magdalenita concessions.



Figure 6 - Airborne geophysics flight programme area.

One the key aims of this programme is expand our geophysical data and identify magnetic and radiometric anomalies around the Company's flagship project of Alumbre. The extension of the MVI image outside of the current data area indicates the potential for discovery of a new regional porphyry camp. Large porphyry systems are generally clustered within camps extending for about ten kilometres.

Whilst the Alumbre project remains the Company's flagship project, the Magdalenita concessions controlled by Promesa extend 10km north and west and 6 km south and east of the Alumbre project. The results of the airborne geophysics programme will aid in reducing the evaluation time of this large area. Globally, porphyries often form in clusters so the identification of further porphyry copper-molybdenum-gold systems will be aided by the airborne programme. In addition, the area has potential for a variety of mineralization styles including volcanic-hosted massive sulphides, sulphide-bearing mantos and epithermal gold. Several historical targets identified by regional field work programmes will also be investigated with respect to their geophysical properties.

The Quinual project was also covered by the airborne EM programme. Previously, a significant chargeability response at a depth of 200m has been identified at Quinual (refer to Figure 7). The recent geophysics program may provide more evidence supporting the gold and/or copper potential at Quinual.

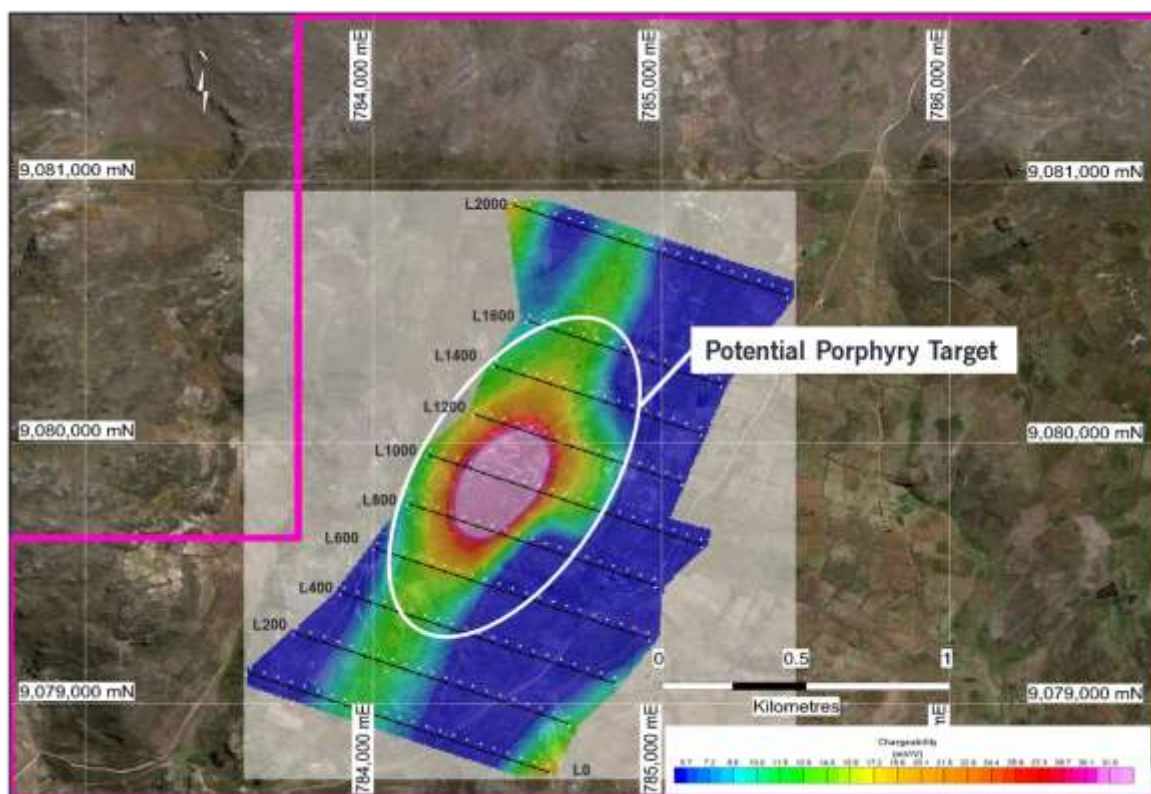


Figure 7 - Quinual Project – Geophysics IP Chargeability Model (@ 200m depth).

The geophysical data will be used to identify magnetic and radiometric anomalies associated with base-metal sulphide mineralisation and hydrothermal alteration. The data will also assist the Company's exploration team in geological mapping of the larger concession area. It is expected that the programme will generate a number of exploration targets which may be followed up by field staff in 2015.

The preparation of the semi-detailed Environmental Impact Assessment over the expanded drill area at Alumbre is advancing. Environmental scientists, archaeologists and community relations specialists have completed their initial field activities. The Company is excited about the exploration and discovery potential that these key exploration and corporate activities bring to the Alumbre, Quinual and Magdalenita project pipeline.

NEW PROJECTS

Promesa continues to be active in evaluating potential new projects in order to complement existing exploration activity within Peru.

The current market and financing difficulties in the global junior resources sector has made available several projects from other companies seeking project participation. Promesa is reviewing a number of these opportunities.

NEXT STEPS

The completion of the Stage 2 drill program pending assay drill results and magnetic, radiometric and electromagnetic (VLF) survey will further refine our strategy in Peru and allow the company optimise the future exploration and drill program.

CORPORATE

During the quarter the company had the following corporate activity:

Capital Raising

The Company announced on 14 November 2014 a raising of \$803,000 in equity capital via the issue of 77.3 million new ordinary shares via a share subscription. This was undertaken by the allotments of shares at price of \$0.011 per share.

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 B - ASX Listing 5.3.3 - Tenements for Gold, Copper and associated ore bodies

Projects (Peru Company)	Location	Concessions	Resource	Interest
Alumbre (Peru Mineral S.A.C)	La Libertad , Peru	Gaya 104, Magdalenita 15,18 19 and Aurifer Chorobal	Gold , copper and associated ore bodies	100%
Quinual (PEGOCO S.A.C)	La Libertad, Peru	Gaya 103 and Katros 101 to 103	Gold , copper , Zinc and associated ore bodies	100%
Huajoropampa (Peru Mineral S.A.C)	Huajoropampa, Peru	Gaya 101	Gold, Zinc and lead	100%
Yarpun (Peru Mineral S.A.C)	Ancash , Peru	Gaya 102	Gold, Zinc , lead and	100%

			silver	
Olleros (Peru Mineral S.A.C)	Ancash, Peru	Baldur 101 to 106	Gold , copper and associated ore bodies	100%
Magdalena (Peru Mineral S.A.C)	La Libertad, Peru	Magdalenita 1 to 14, 16,17, 19 to 31, and 2011	Gold , copper and associated ore bodies	Up to 70%
Genex (Peru Mineral S.A.C)	Ancash, Peru	Baldur 107	Gold , copper and associated ore bodies	100%