

NewPeak Update, Argentina Gold Drilling Program

ASX ANNOUNCEMENT

FRIDAY, 9 OCTOBER 2020

ASX Code: NPM

Shares on Issue

4.36 Billion

Cash on Hand

\$1.85m

Market Capitalisation

A\$13.0m (at A\$0.003 per share)

Directors

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HIGHLIGHTS

- **Argentine Cachi Gold Project maiden drilling program to commence December 2020 utilising Perforadora Santacruceña Drilling Company with a CS14 diamond coring drilling rig.**
- **Designed to prove the high grade Gold mineralisation discovered on surface extends at depth, leading towards the ultimate definition of a JORC Gold Resource.**
- **Cachi is a Caldera hosted epithermal Gold vein system with multiple large targets where rock chips have returned 17.8 g/t Gold and 50 g/t Silver, diamond sawn channel samples of 9 g/t Gold, and trench samples with 1.2g/t Gold over 11m width.**
- **New Zealand Cap Burn Project drilling program in final stages of design and planning for proposed commencement in December 2020.**
- **New permit addition to the Otago Gold Project titled Serpentine. The Serpentine EPA is 7,966 ha and NewPeak's total ground footprint is 51,595 ha. The EPA area covers a possible sheared boundary between two distinct textural terranes similar to the geological setting at Macraes Mine.**
- **Finland Tampere Gold exploration permits transferred to NewPeak. Drilling program implementation plans in progress.**

NewPeak Metals Ltd, (Company, NewPeak, ASX:NPM) is pleased to announce a maiden drilling program for the Cachi Gold Project in Santa Cruz Province, Argentina, planned to commence in late 2020. The program will test two of the main mineralised targets at Cachi; Vetás Cachi and Vetás NW.

CEO David Mason commented: "NewPeak's drilling programs for the Finland and New Zealand Gold projects are also both under final preparation. New Zealand is planned to commence December 2020 and Finland early 2021. NewPeak has established adequate organisational resources in each jurisdiction to carry out the drilling programs successfully, and has adequate funding for their full implementation.

All Finland Tampere Gold exploration permits have now been transferred to NewPeak, which allows the implementation of drilling plans. The transfer of the Sweden Bergslagen Tungsten exploration permits to NewPeak should conclude shortly."

Cachi Gold Project, Argentina

NewPeak has several Gold properties in the Santa Cruz province of Argentina including Cachi, Halcon, Rosita Norte and Cañadon Agustin (refer locations on **Figure 1**). The exploration of these properties is primarily in search of near surface epithermal vein systems. Across these properties the **Cachi Gold Project** is currently the most advanced, and the major target of NewPeak in Argentina.

The Cachi Gold Project is a 46,892ha lease package located in the central-western region of Santa Cruz Province, Argentina, 90 km north of the city of Gobernador Gregores and 40 km west of the major arterial highway National Route N°12.

The region is host to numerous multi-million-ounce, epithermal style Gold-Silver deposits and large operating mines including Cerro Vanguardia owned by AngloGold Ashanti, and Cerro Negro owned by Newmont (**Figure 1**).

Over the last 18 months, extensive mapping, ground magnetics, Induced Polarisation (IP) and rock-chip sampling programs have been completed at the Cachi property. 15 large mineralised targets have been identified, the five main ones being Vetás Cachi, Morena, Vetás NW, Patricia and Puma (**Figure 2**). Vetás Cachi and Vetás NW are the highest priority targets as they are large, well exposed at surface and have the highest grade rock chip and trenching Gold and Silver assays. These two targets will be tested in the upcoming drilling program.

Results from all of these mineralized targets point to the Cachi Gold Project as having significant potential for the discovery of a large precious metal system, similar to others in the region. NewPeak plans to drill Cachi as the next phase of work to test this theory. NewPeak's objective for the drilling is designed to prove the high grade Gold mineralisation discovered on surface extends at depth. Should the project yield anomalous results, the Company will expand the drilling program and ultimately move towards the definition of a Gold Resource to JORC standards.

An initial program of diamond core drilling is proposed to test the priority targets, Vetás Cachi and Vetás NW. **Vetás Cachi Target** will be drilled to test the continuity of gold anomalies below 50 and 100 meters from surface under the best outcrop anomalies. **Vetás NW Target** will be drilled to test the continuity of surface Gold-Silver anomalies at a depth of 50m.

Vetás Cachi Target

Vetás Cachi is located in the southeastern part of the Cachi property, immediately north of the Caldera boundary (**Figure 2**). It resides within fine grained felsic tuffs and a silica and white clay altered intrusive within rocks of the Chon Aike Formation.

It is the largest of the Cachi targets and contains a multitude of veins, exposed over **a structural corridor of 1,000m long by 315m wide**, with a north-east to south-west orientation, open in all directions (**Figure 3**). Numerous anomalous Gold and Silver rock chip and trench samples have been obtained, which include:

- **17.8 g/t Gold** from individual surface rock chip sampling ([refer ASX release 22 November 2019](#))
- **1.2m @ 9 g/t Gold** from diamond channel sampling ([refer ASX release 22 November 2019](#))
- **11m @ 1.2g/t Gold** from trench sampling ([refer ASX release 28 January 2020](#))

Arsenic, Antimony and Molybdenum are all elevated, indicating that the system is highly fertile. The types of quartz found in most of the veins (saccharoidal quartz containing vughs with drusy quartz and chalcedony bands) suggests that the deposit is relatively high in the epithermal system. A significant fault breccia adjacent to the Caldera margin has been exposed by trenching at Vetas Cachi over a length of more than 500m and width of 150m ([refer ASX release 28 January 2020](#)). Geological and geophysical analysis of exploration data indicates the presence of extensive veining at depth, which will be tested in this upcoming drilling phase.

Vetas NW Target

Vetas NW is located in the western part of the Cachi property and approximately 1 km north of the mineralized Morena target (**Figure 2**). There are a series of north-south sheeted veins with hydrothermal breccias splaying off a large topographical lineament, with the same orientation as Morena, indicating they are connected.

The Vetas NW prospect has the highest Silver values within the Cachi project, with **Silver values recorded of greater than 100g/t**. This system is also anomalous in Gold with many rock chip samples between 0.2 and 0.6g/t Gold with best results of ([refer ASX release 22 November 2019](#)):

- 1m @ 1 g/t Gold and 434 g/t Silver
- 0.5m @ 3.72 g/t Gold and 121 g/t Silver
- all with significant Arsenic in the order of 3,000 ppm As

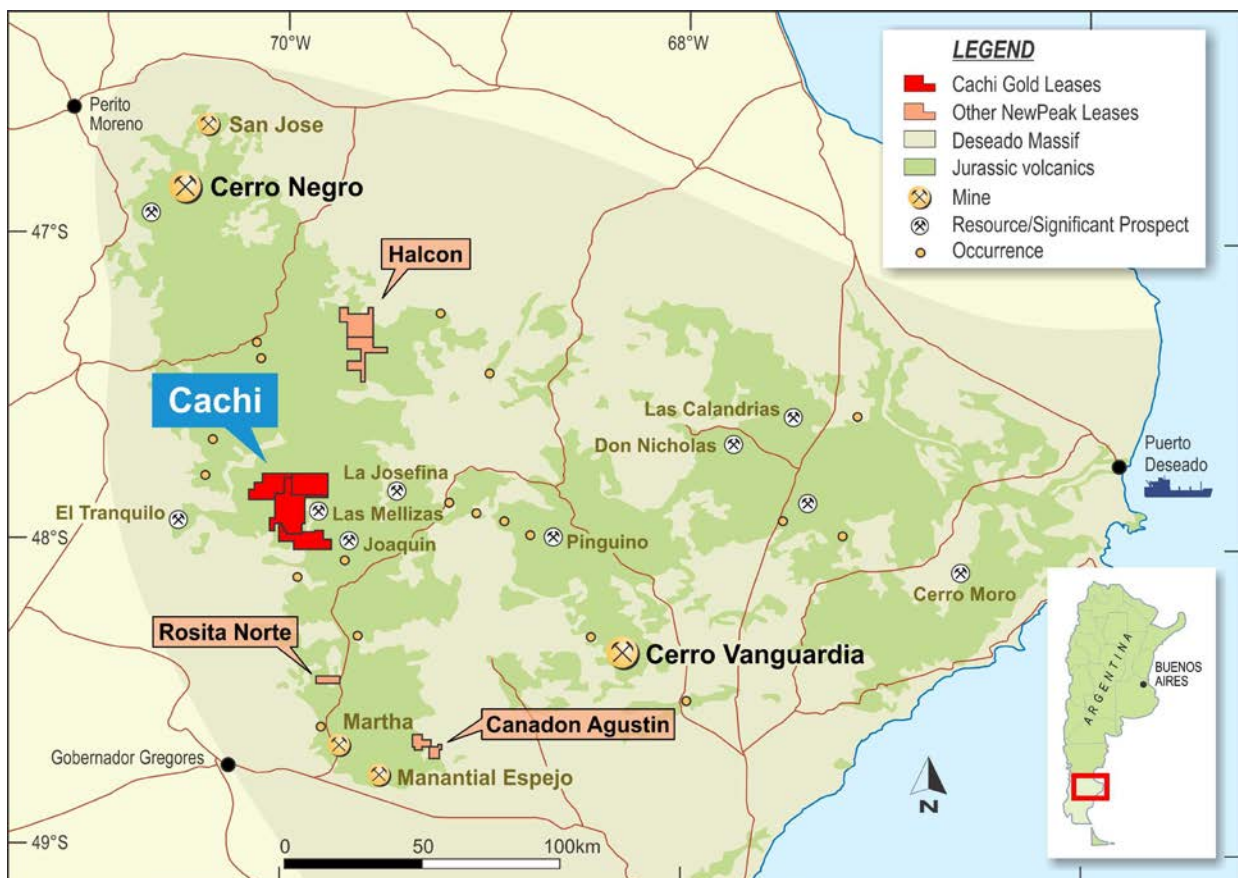


Figure 1: Cachi (red) is located in the Deseado Massif in Santa Cruz Province, which is host to numerous multi-million-ounce, epithermal style Gold-Silver deposits. Newpeak's other leases are shown in pink.

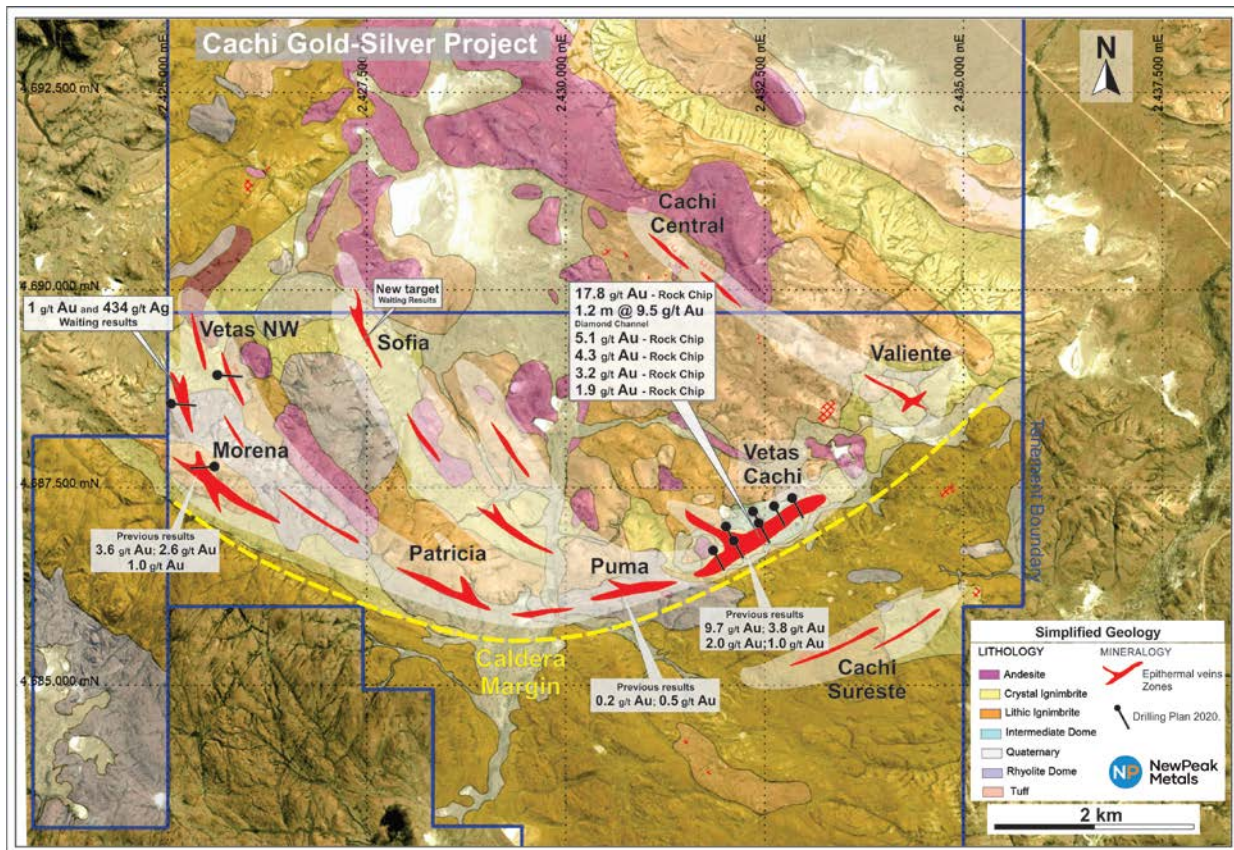


Figure 2: Fifteen large mineralised targets have been identified within the Cachi property, with the five main ones being Vetas Cachi, Morena, Vetas NW, Patricia and Puma.

Cachi Gold Project Drilling Program

Surface exploration activities at the Cachi Gold Project have been exhausted by the Company for the main target areas and the project now warrants drilling. The program consists of:

- **Vetas Cachi Target** – drilling to test the continuity of gold anomalies below 50 and 100 meters from surface under the best outcrop anomalies. This is a high grade Gold epithermal target, associated with multiple parallel vein-breccias developed in Caldera border faults.
- **Vetas NW Target** – drilling is designed to test the continuity of surface Gold-Silver anomalies at a depth of 50m. This is a Gold-Silver epithermal vein-breccia target, distal to the Caldera border but still considered to be linked to mineralisation on the border.

Perforadora Santacruceña Drilling Company has been contracted to carry out diamond core (DD) drilling utilising an Atlas Copco Christensen CS14 type drilling rig capable of drilling to 1,200m depth. NewPeak's Argentinian Exploration Manager Nicolás Stoessel will be on site to supervise the drilling program in conjunction with qualified geological support. The Company had its Environmental Impact Study permit for drilling approved in December 2019 and is now waiting on the additional local water permit (expected during November 2020) as the final step before pressing the button on commencement. All other tasks including logistics and accommodation matters are in place to carry out a successful program.

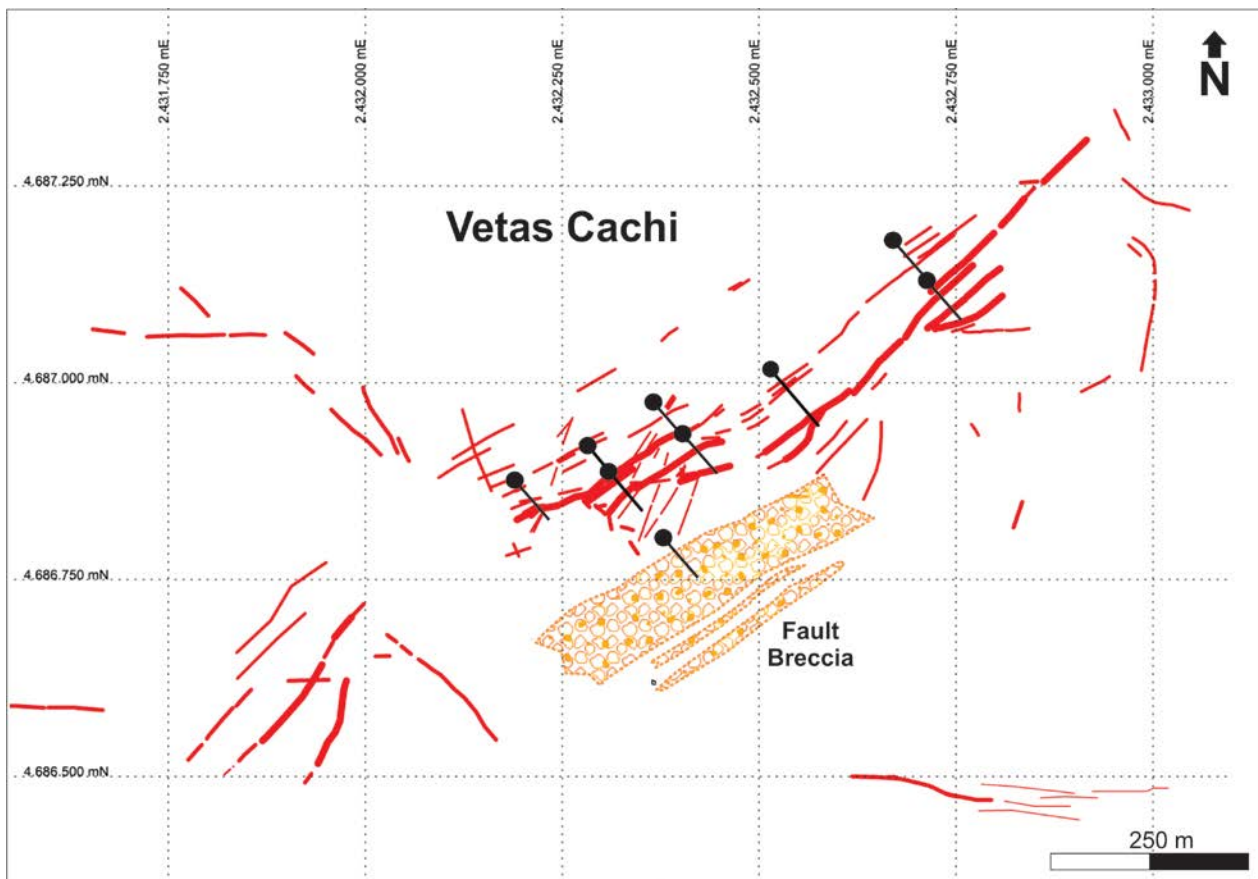


Figure 3. Vetas Cachi map showing the multitude of Gold veins (red traces) discovered from surface exploration work. Some of the proposed drillhole locations are also shown (black circles with lines indicating hole orientation).

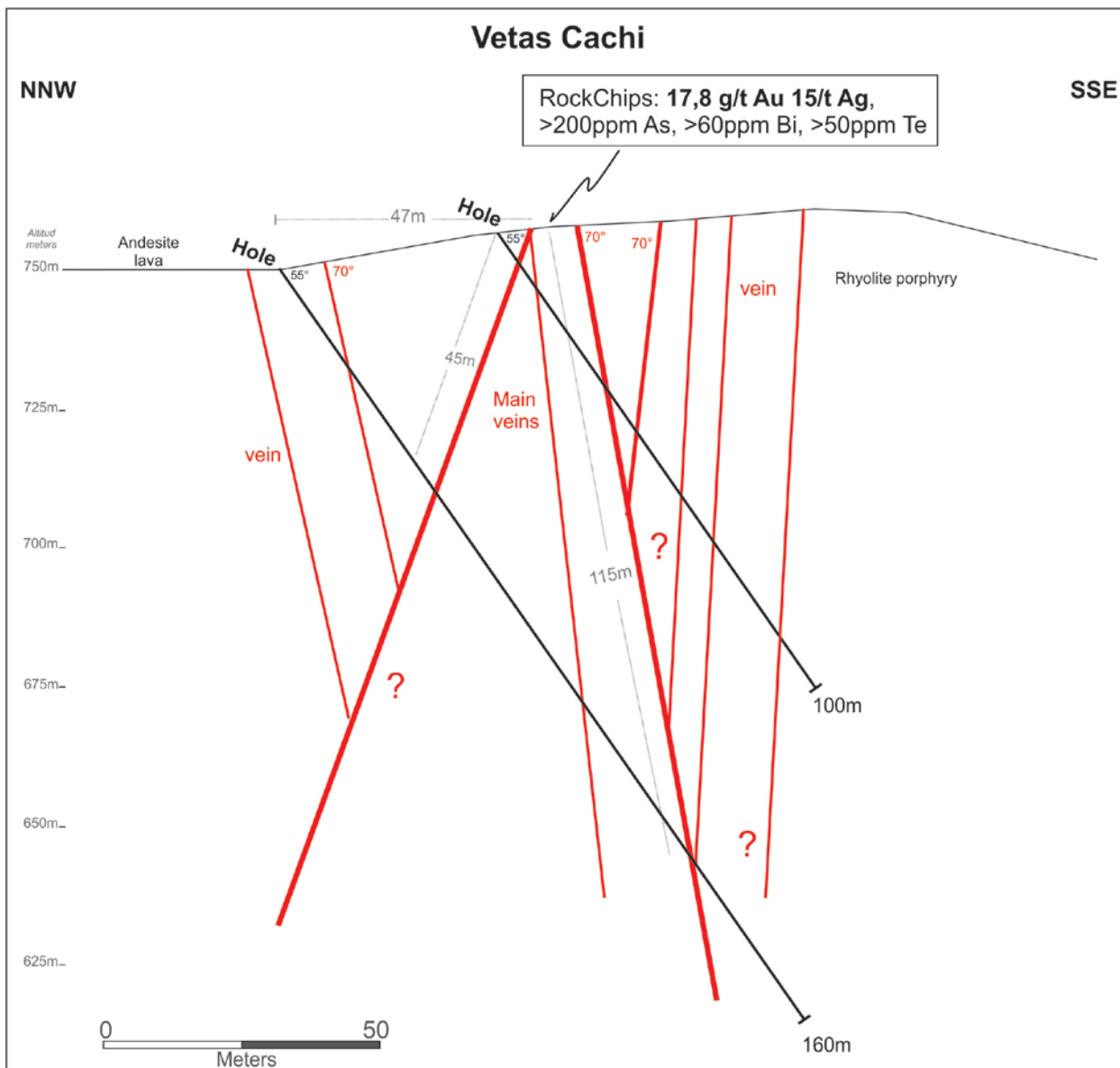


Figure 4. Schematic cross section through Vetas Cachi. Gold veins shown in red and some of the proposed drillholes with their orientation and expected target depths in black.

NewPeak is pleased to take the next major step towards discovery and ultimate resource definition and classification to the internationally recognised Australian JORC Standard for the Cachi Gold Project and looks forward to updating the market once the drilling rig has been mobilised.

Update of Cap Burn Gold Project, New Zealand

NewPeak is working closely with its joint venture partner Mineral Rangahau on the Cap Burn Gold Project drilling program and is in final stages of design and planning for proposed commencement December 2020, immediately following Otago's spring lambing season ends. The program will consist of over 1,000m of combined Reverse Circulation (RC) and diamond core (DD) drilling, targeting a 800x600m Arsenic soil anomaly on surface. The program will test the potential of the underlying schist to host economic mineralisation.

Gold mineralisation in the area is typically associated with Arsenic in mineralised schists, as seen at the Macraes Mine currently operated by OceanaGold. Alton Drilling has been selected for the program because they are:

- 1) familiar with the district having drilled in the area for many years, and
- 2) have a multi-drill rig available capable of drilling both RC and DD.

For details on the tenure, geology and mineralisation of the Cap Burn and NewPeak's other Otago Gold projects, please refer to the Company's [ASX release of 7 September 2020](#).

Addition of Serpentine to Suite of Otago Gold Properties

NewPeak is also pleased to announce that it has added another Exploration Permit Application (EPA) to its Otago portfolio, **Serpentine (Figure 5)**. It has been successful in its Serpentine Gold Project EPA 60698 and now awaits granting from New Zealand Petroleum and Minerals, the government authority which manages mineral tenure, along with its other exploration and prospecting permits and applications. Serpentine EPA is 7,966 ha and NewPeak's total ground footprint is 51,595 ha. The EPA area covers a possible sheared boundary between two distinct textural terranes similar to the geological setting at Macraes Mine. Regional magnetics suggests the boundary runs along the northeastern edge of the EPA with vein and placer gold having been mined along or near this line of magnetic contrast.

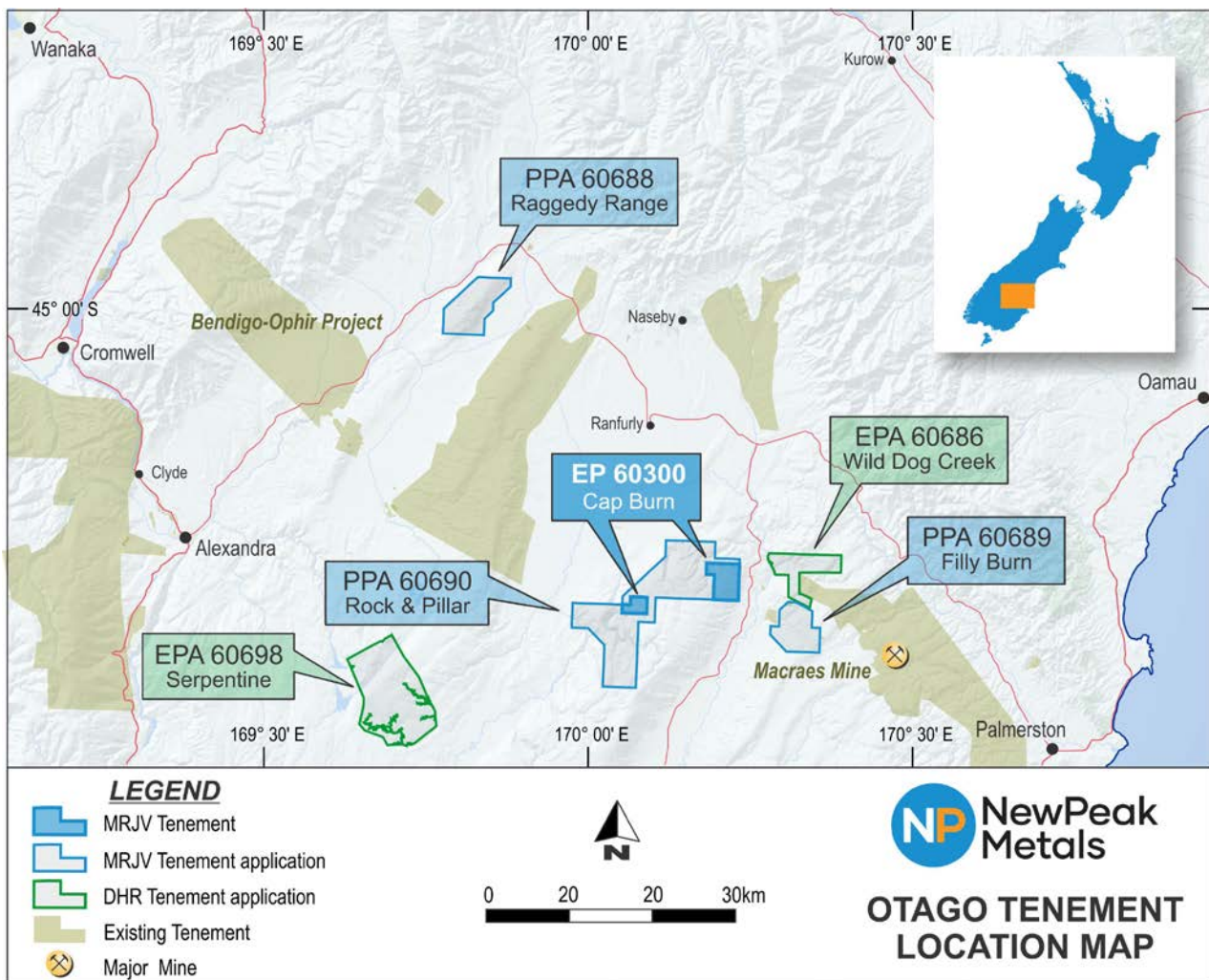


Figure 5: Another EPA added to the suite of Otago Properties titled Serpentine (EPA 60698) with a total area of 7,966 ha which brings NewPeaks total ground footprint to 51,595 ha.

Update of Tampere Gold Project , Finland and Bergslagen Tungsten Project, Sweden

The majority of the Tampere Gold Project exploration permits are now under the control of NewPeak's 100% owned Finland subsidiary company NewPeak Finland Oy. The permits are Hopeavuori (2 permits), Isovesi, Järvenpää, Kalliojärvi, Lavajärvi and Metsäkylä lying in close proximity covering a total area of 286Ha. The Company disclosed the drilling program to the market on [3 September 2020](#). Drilling will be carried out on the most advanced Hopeavuori area, with some drilling also at Kalliojärvi and Metsäkylä. The program will comprise up to several thousand metres of diamond drilling, initially in the known mineralised areas, and then will follow the structures along strike to test their extent. Negotiations are underway to engage a local well-respected, and experienced drilling company, as is permitting, logistical planning and developing a technical team to supervise the work.

The Sweden Bergslagen Tungsten exploration permits are in the final process for transfer to NewPeak's 100% owned Finland subsidiary company NewPeak Sweden Oy, and are expected to conclude shortly.

This Announcement has been authorised by the Board of Directors

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COMPETENT PERSON'S STATEMENT

The information herein that relates to Exploration Targets and Exploration Results is based information compiled by Mr Jason McNamara, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr McNamara is employed as NewPeak's Exploration Manager.

Mr McNamara has more than twenty five years experience which is relevant to the style of mineralisation and types of deposits being reported and the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves" (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.