

Gravity Surveying Begins over Prospective Olympic Dam Style, Copper-Gold Targets

HIGHLIGHTS

- High amplitude gravity anomalies prospective Olympic Dam Style Iron-Oxide Copper-Gold (IOCG) to be surveyed for drill targeting.
- Discrete magnetic bodies identified with magnetite skarn and/or with potential carbonatite affinities, prospective for rare-earths and copper.

Petratherm Limited (“Petratherm” or “the Company”) (ASX: PTR) is pleased to announce that gravity survey operations have begun over an eastern portion (EL 6333) of its Mabel Creek Project Tenement holdings over several highly prospective Iron Oxide-Copper-Gold (IOCG) targets. The gravity surveys will define gravity anomalies in more detail to aid 3D modelling from which optimal drill test locations can be selected. The initial survey will take approximately 2 to 3 weeks to complete covering 7 key target areas (Figure 1).

The survey is the first part of a larger targeting campaign planned over the coming months on adjoining prospective areas the Company holds under licence (Figure 2). These initial targets occur over an approximate 400 km² area however, the Mabel Creek Project in its entirety spans 2852 km² of tenure.

The Mabel Creek Ridge is an ENE trending zone of shallow covered basement rock which display high magnetic and gravity relief along the eastern margin of the Gawler Craton. It is prospective for large Olympic Dam Style Copper-Gold (IOCG) mineralised systems but is also considered highly prospective for related, magnetite skarn copper and high value rare-earths (Figure 2).

The Mabel Creek Inlier has only been lightly explored for IOCG style mineralisation, however at the Cadi Prospect (Figures 1 & 2) which is adjacent to Petratherm’s tenements, limited widely spaced historical drilling intersected mineralised magnetite-amphibole-pyroxene rock containing significant concentrations of copper and rare-earths (refer to BHP,1992, SA Govt. Records ENV08647 and Goldstream, 1999, SA Govt. Records ENV 09248).

Historic drill intercepts include (not true widths):

- NC9202 - 44m @ 0.10% Cu, 0.5 % La + Ce from 148m
- 99WS003 - 16m @ 0.57% Cu and 0.17% La + Ce from 184 m to end of hole
- 2000Cadi6 – 52m @ 0.43% La + Ce from 100m

Petrological analysis by BHP of drill hole NC9202 suggested the geochemistry and mineralogy of the rocks may indicate they are part of a carbonatite ring complex (BHP,1992, SA Govt. Records ENV08647). Carbonatites are a distinctive class of igneous rock defined by mineralogic composition consisting of greater than 50% carbonate minerals. They are the source of the much of the world’s supply of high value light and heavy rare-earths (i.e. Mt Weld, WA) and in some instances include economic copper concentrations such as at the world-class Palabora Copper

Deposit in South Africa (total copper resource ~ 1200 Mt @ 0.59% Cu). The mineralised portions of these intrusive systems are typically magnetite rich and therefore easily identified with magnetic surveying.

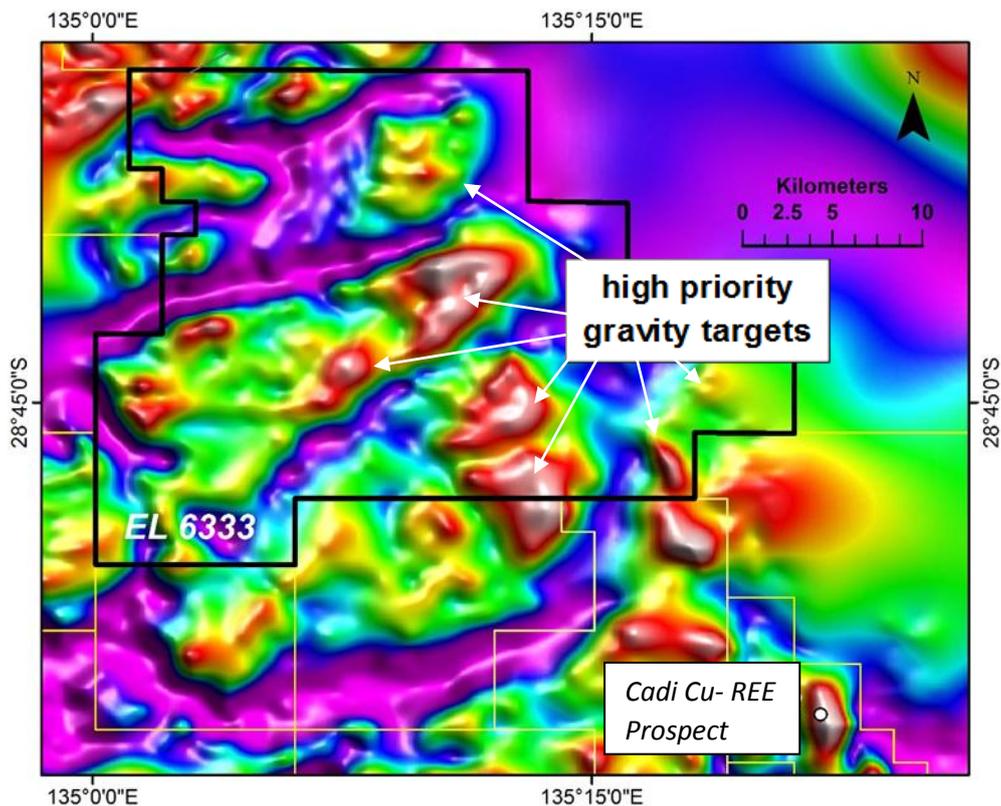


Figure 1- Pseudo-colour residual gravity image over EL 6333 (compiled from Sth.Aust. Government data). Several large gravity features are apparent which will undergo infill gravity surveying ahead of drill testing.

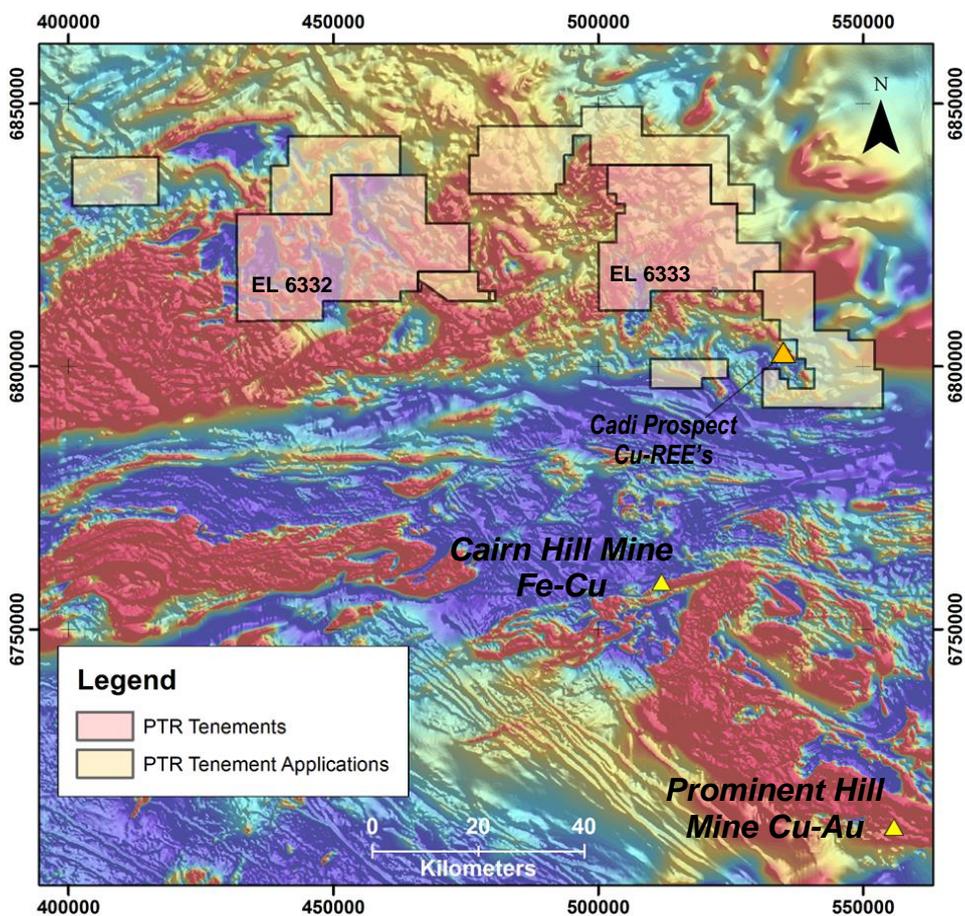


Figure 2 - Location map of major IOCG related mines, and outline of Petratherm's Mabel Creek Project areas overlying a regional reduced to pole aeromagnetic image (compiled from Sth. Aust. Government data).

The better drill intercepts at Cadi Prospect to date, relate to the most magnetic portions of the target with mineralised intervals containing typically greater than 20% magnetite. On Petratherm's ground immediately to the north several discrete magnetic targets have been identified which are prospective for this style of mineralisation (Figure 3). In addition to the gravity surveying the Company will undertake ground magnetics over these discrete magnetic anomalies in the coming weeks to aid drill targeting for this new potential style of mineralisation in the region.

The Company has been working with Native Title Holders to complete Mining Access Agreements to allow geophysical surveying over the remainder of the tenement package and to allow subsequent drilling activities. This work is advanced, and it anticipated agreements will be finalised in the coming weeks. Once completed heritage drill clearance surveys will be undertaken for currently planned drill testing of some the better targets during the spring period.

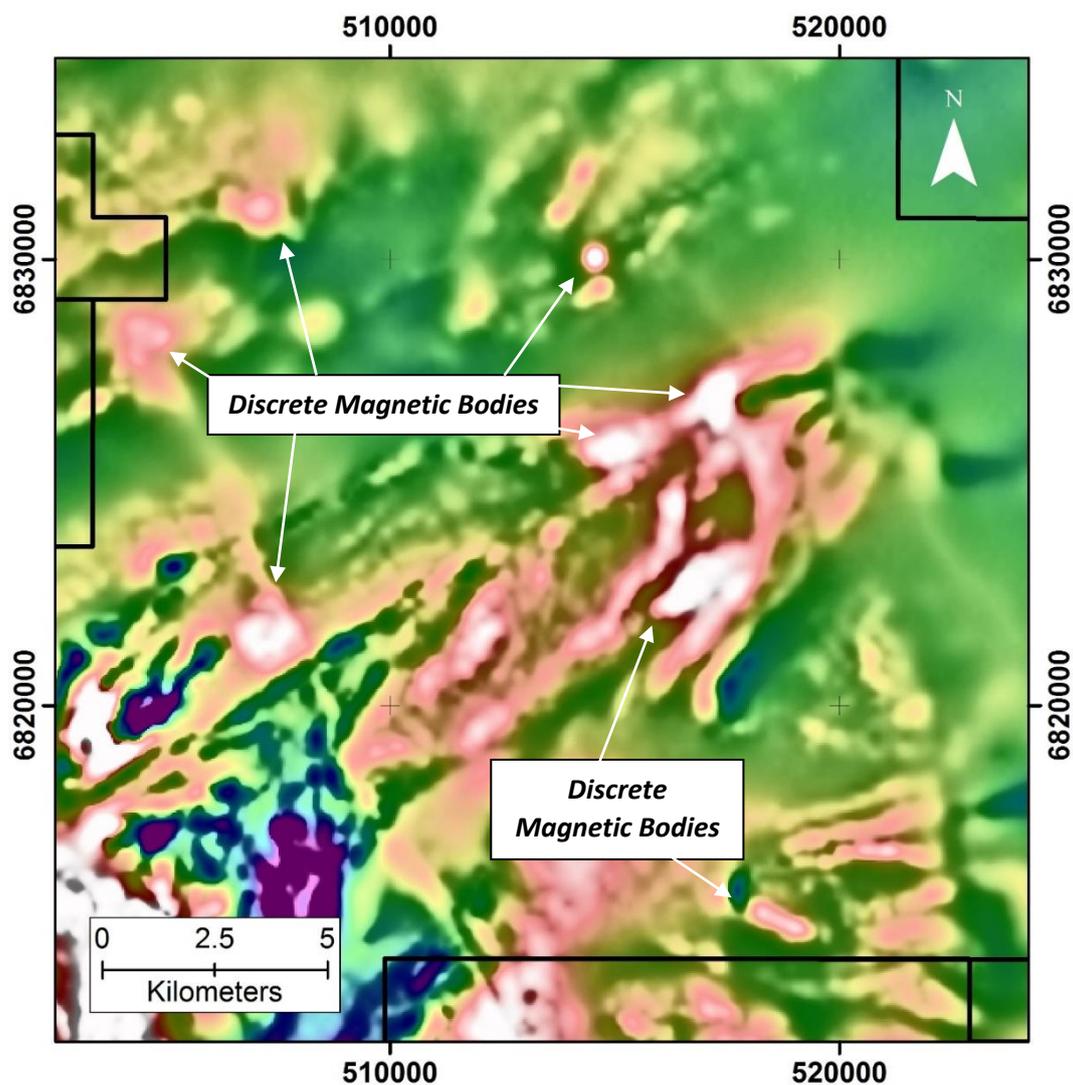


Figure 3 – RTP colour on IVD Intensity magnetic image of the Mt Barry area highlighting discrete high intensity magnetic bodies (red to white colours) that may represent magnetite skarn and/or potential carbonatite related magmatism. These bodies are prospective for copper and rare-earths (compiled from Sth. Aust. Government data).

For further information, please contact:

Peter Reid
Exploration Manager
Tel: (08) 8133 5000

Competent Persons Statement: The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Peter Reid, who is a Competent Person, and a Member of the Australian Institute of Geoscientists. Mr Reid is not aware of any new information or data that materially affects the historical exploration results included in this report. Mr Reid is an employee of Petratherm Ltd. Mr Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.