

ASX ANNOUNCEMENT**18 November 2020**

Skarb Exploration Corp. upsizes and closes CAD\$11.4 Private Placement

Highlights

- Skarb announces they have closed a non-brokered private placement of 57,030,000 shares at CAD\$0.20. The shares include a 1 for 2 warrant with an exercise price of CAD\$0.50 per share for an exercise period of 2 years. The private placement completes one of the key conditions precedent to the Proposed Transaction
- Due to significant demand the original CAD\$6m financing was upsized to CAD\$11.406m

As previously announced on 12 October 2020 (ASX Announcement: Definitive Agreement Executed – sale of VIC gold assets), Petratherm Limited (“Petratherm” or “the Company”) (ASX: PTR) executed a Definitive Agreement to sell the Company’s Victorian Gold Project Assets to Skarb Exploration Corp. (“Skarb”), a Canadian mineral exploration company listed on the Canadian Securities Exchange (“CSE”) (“Proposed Transaction”).

The Proposed Transaction will see Skarb acquire the Company’s gold projects located in Victoria, Australia (“the Project”), comprising of the following assets:

- Yuengroon Gold Project (EL 6897 & ELA 7280)
- Silver Spoon Gold Project (ELA 6951)
- Glenfine Gold Project Farm-In & Joint Venture (EL 5434, EL 5537 & EL 5344)
- Ballarat West Gold Project (ELA 7276)

The 100 million Skarb shares will be distributed in specie to the Company’s shareholders “pro rata” in accordance with their shareholdings in Petratherm.

Key Terms

Skarb will acquire the Victorian gold assets and in return issue the Company 100,000,000 shares in Skarb.

Within 125 days (the “Distribution Wait Period”) after closing of the Proposed Transaction, the Company will distribute (the “Distribution”) the Consideration Shares in specie to shareholders, pro rata in accordance with their shareholdings in the Company. The Record Date for determining entitlements to these shares in Skarb will be at the end of the Distribution Wait Period.

Key Conditions Precedent

- Skarb completing a private placement for gross proceeds of not less than CAD\$4 million at or prior to closing of the Proposed Transaction, this condition has now been met;
- The receipt by Skarb of all required regulatory, consents, permits, waivers, exemptions and orders, including but not limited to approval of the CSE;
- The Company obtaining all approvals required by it in connection with the Proposed Transaction under Australian and/or Canadian law including, among other things, approval to distribute the Consideration Shares in specie to its shareholders. Petratherm's Annual General Meeting will be held on the 11th of December 2020 whereby these approvals will be sought;
- Approval of the Proposed Transaction by the shareholders of Skarb;
- Other condition precedents customary for a transaction, such as the Proposed Transaction.

Completion

It is expected that the completion date of the Proposed Transaction will be before Christmas 2020.

For further information, please contact:

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This ASX announcement has been approved by Petratherm's Board of Directors and authorised for release

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