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PROMESA

SOUTH AMERICA'S
EMERGING PRECIOUS AND BASE METALS EXPLORER

ASX ANNOUNCEMENT

1 May 2014

DRILL CORE INTERPRETATION INDICATES DISCOVERY OF A POTENTIALLY LARGE COPPER PORPHYRY SYSTEM

HIGHLIGHTS

- **Drill core interpretation indicates discovery of a potentially large copper porphyry system.**
- **Drill hole ALDD14004 was completed at 401m and intersected chalcopyrite mineralisation over a 340m interval in a Potassic alteration zone.**
- **Classic porphyry "A" and "B" type veining in evidence hosting Chalcopyrite, Molybdenite and Bornite, with significant secondary Biotite occurring throughout extensive mineralised intervals.**

This ASX announcement replaces the announcement lodged on the 29 April 2014. It replaces the announcement heading term "ore body" with "porphyry system".

Promesa Ltd ("Promesa", the Company") is pleased to provide an update on the progress of drilling activities at the Alumbre Project in Peru. The Alumbre Project is a Au-Cu-Mo porphyry system located 70km southeast of Trujillo in northern Peru. Approximately 2,200 metres of diamond core drilling is planned to test several areas of a large geophysical anomaly at down hole depths to approximately 500 metres (Figure 3, Table 1).

A large Potassic zone of mineralisation has been intersected in drill hole ALDD14004. Fine grained copper and molybdenum mineralisation (represented by Chalcopyrite, Bornite and Molybdenite) is observable in veinlets through more than 340m of drill core in drill hole ALDD14004. Mineralisation occurs mainly in 1mm to 4mm veinlets with secondary biotite alteration haloes. Chalcopyrite, Bornite and Molybdenite have been encountered in both "A" type and "B" type veinlets and in disseminated form throughout the drill hole sequence from 62m to the end of the drill hole at 401m. Chalcopyrite also occurs sporadically with pyrite as semi-massive and massive veining up to 50mm wide (Figure 1).

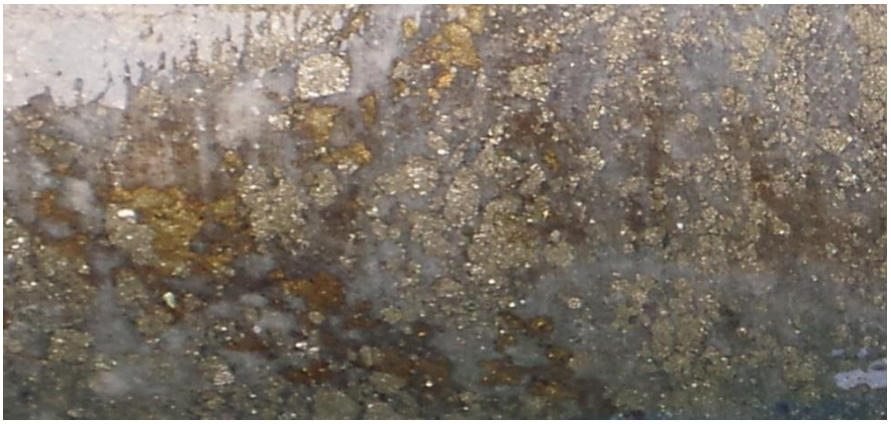

Figure 1 – Semi-massive Pyrite – Chalcopyrite veining at 184.6m in ALDD14004 (width of view 50mm).

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The combination of chalcopyrite and pyrite veinlets with biotite alteration halos provides strong evidence that this drill hole has entered the targeted Potassic zone (Figures 4 to 13).

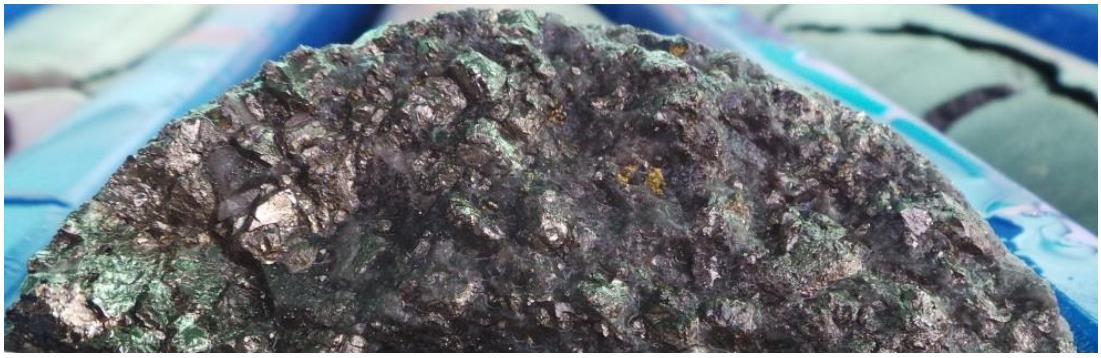

Figure 2 - Massive Pyrite – Chalcopyrite vein at 183.4m in ALDD14004 (width of view is 63mm).

Chalcopyrite is associated with pyrite in most cases. Generally pyrite content is less than 5%, which is common in porphyry systems as Chalcopyrite concentration increases. Secondary biotite, the strongest potassic zone indicator, is moderately developed throughout the drill hole (Figures 4,5,6,8,11). Bornite occurs in several locations in the later part of the drill hole and is associated with Chalcopyrite at those locations (Figure 7). Molybdenite occurs in several locations within the interval from 300m to 400m as veinlets and in disseminated form and occurs in association with either pyrite or chalcopyrite (Figure 9).

Various andesitic volcanic units and dykes were intersected to 231.5m. A xenolithic diorite extended from 231.5m to 259.3m. Below this, the drill hole intersected a porphyritic Tonalite with weak to moderate secondary biotite alteration through to the end of the drill hole at 401m. The Tonalite is strongly xenolithic and several sections have been hydrothermally brecciated and carry chalcopyrite mineralisation (Figure 12). Importantly, copper and molybdenum mineralisation are present throughout both the volcanic and intrusive rocks in this drill hole.

The geological observations of the drillcore validate the Company's exploration model. The core will be sampled and assayed once logging is completed. The Company is excited to bring this news to shareholders. The geological information from this drill hole will greatly assist in further refining the geological model and target future drill holes.

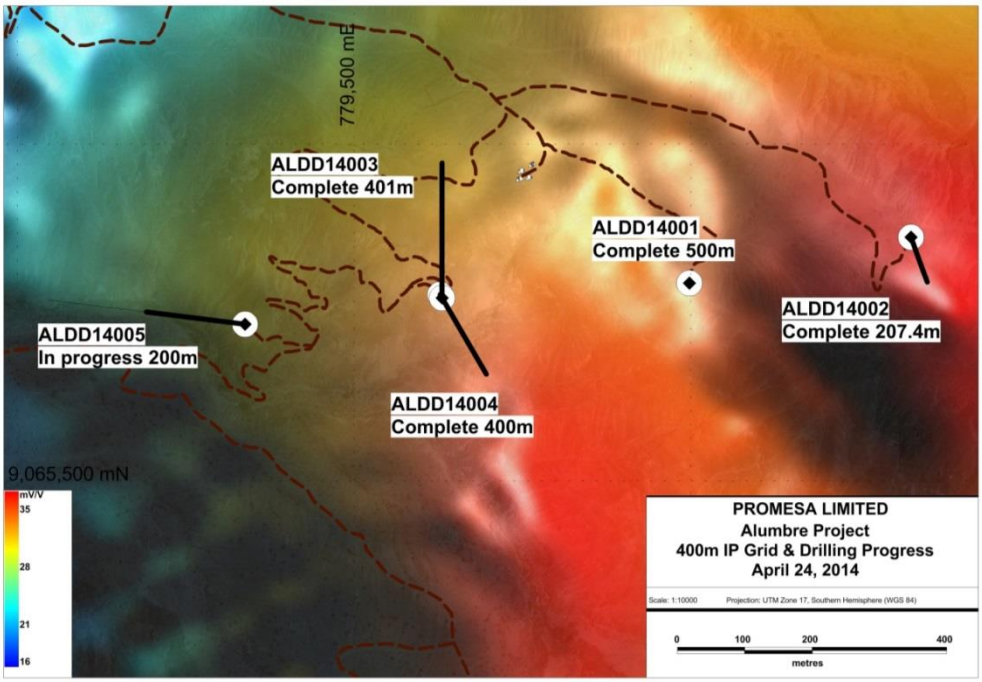

Figure 3 - Alumbre Project showing the very strong chargeability response at a depth of 400m and the drill program progress.

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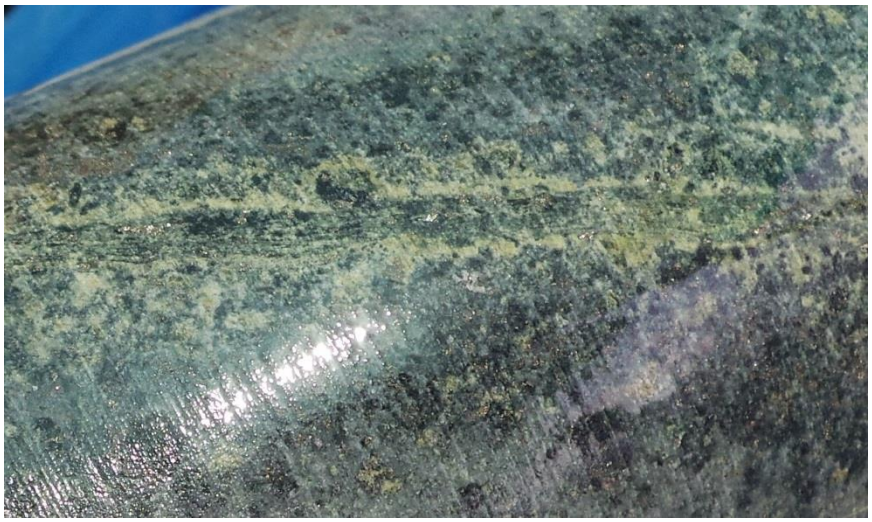

Figure 4 - Secondary biotite halo extends 10mm either side of Pyrite-Chalcopyrite veinlet at 113.4m in ALDD14004

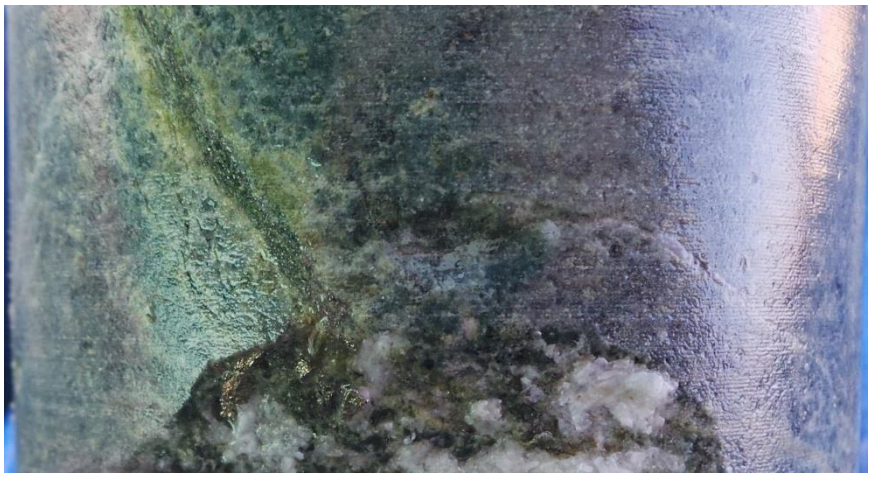

Figure 5 - Pyrite – Chalcopyrite "B" type veinlet with biotite alteration halo and epidote alteration at 123.45m in ALDD14004 (width of view is 63mm).

Figure 6 – Quartz vein with a halo of Pyrite and Biotite at 194.5m in ALDD14004 (width of view is 55mm).

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Figure 7 – Bornite, Chalcopyrite, Pyrite veins at 248.1m in ALDD14004 (width of view is 63mm).

Figure 8 – "B" veins of Pyrite and Chalcopyrite with Biotite halo at 250m in ALDD14004 (width of view is 63mm).

Figure 9 – "B" type veins of Chalcopyrite, Pyrite and Molybdenite at 396.6m in ALDD14004 (width of view is 75mm).

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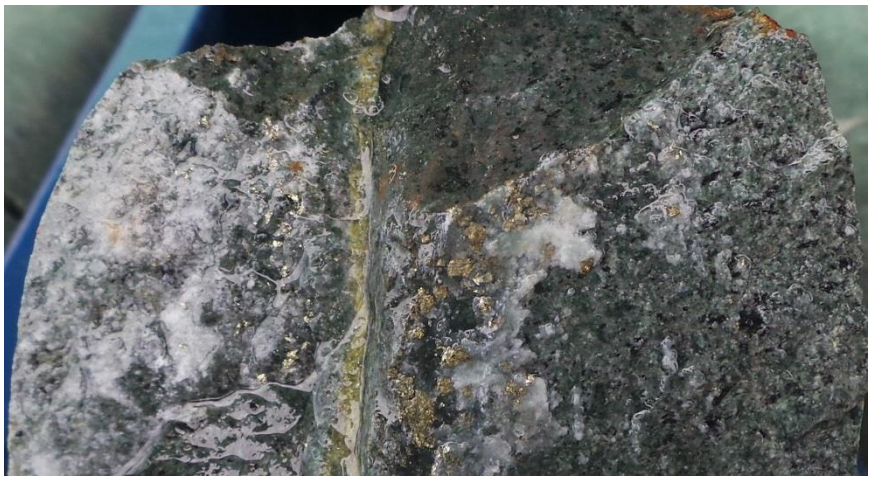

Figure 10 - Quartz-Epidote veinlet with Pyrite and Chalcopyrite Mineralisation halo at 136.8m in ALDD14004 (width of view is 63mm).

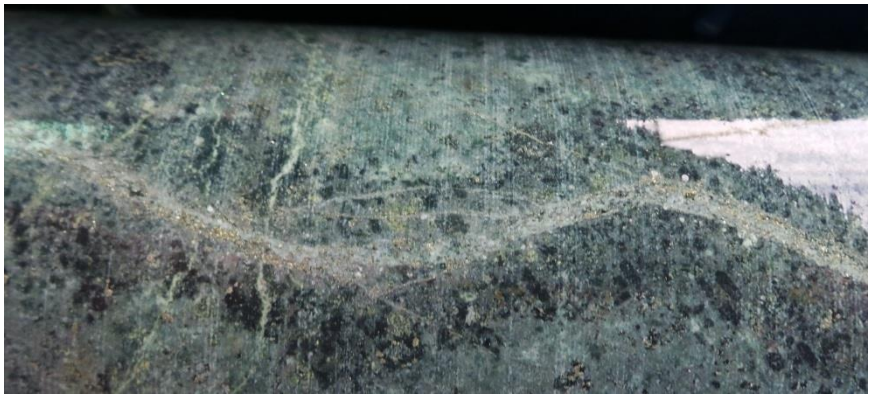

Figure 11 - Sinusoidal Pyrite-Chalcopyrite veinlet with well-developed secondary biotite alteration at 145.5m in ALDD14004 (width of view is 60mm).

Figure 12 – Hydrothermal Breccia with Chalcopyrite at 205m in ALDD14004 (width of view is 63mm).

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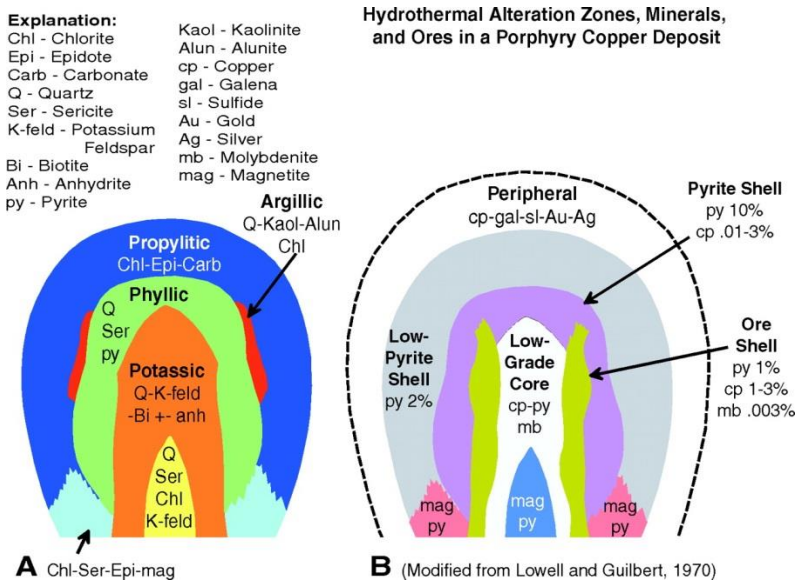

Figure 13 – Section View illustrated deposit model of a porphyry copper deposit (modified* from Lowell and Guilbert, 1970**).

Table 1 – Characteristics of the first stage drill holes at Alumbre Project.

Hole ID	Easting (m) WGS84	Northing (m)	Elevation (m)	Azimuth (degrees	Declination (degrees)	Progress to Date (m)	Planned Depth (m)
ALDD14001	779,998	9,065,794	1,119	0	-90	500	500
ALDD14002	780,324	9,065,863	1,157	160	-70	207.4	207.4
ALDD14003	779,631	9,065,772	1009	360	-60	401	401
ALDD14004	779,628	9,065,777	1009	150	-70	401	400
ALDD14005	779,338	9,065,733	905	277	-60	200	400

Drilling continues in the fifth drill hole, ALDD14005 collared on platform Pcf12. The Company will provide further updates on the drilling of the fifth hole as drilling progresses.

Drill core from the first drill holes is currently being assayed and results will be released as they come to hand.

For further information on the Alumbre Project please visit our website, www.promesa.com.au, or contact Ananda Kathiravelu.

On behalf of the Board,

Ananda Kathiravelu
Executive Director
Promesa Ltd

*** Geosphere May 2006 vol. 2 no. 3 161-186 **Lowell, J.D., and Guilbert, J.M., 1970, Lateral and vertical alteration-mineralisation zoning in porphyry ore deposits: Economic Geology, v. 65, p. 373–408.**

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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 A - JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data – Alumbre Project

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	Promesa Limited ("Promesa" or "Company") has commenced diamond core drilling from hole number ALDD14001 on Monday 17th March 2014 Lima Time - Peru. Drill data is referenced in this announcement in Table 1 and Figure 3. The drill core is being cut and sampled. No assay results from the core were reported in this announcement.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	The drill hole locations were determined by handheld GPS both during planning and execution.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Drill core will be inspected and logged in detail noting visible mineralisation, lithology and alteration. Drill core is being logged in detail. All sampling will be carried out under the Companys' protocols, with industry best practice QAQC procedures.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	The drilling rig is a Boart Longyear LF70. Rock conditions are very good and a standard diamond core tube is being used. Drill hole orientations in the current hole are taken each 50m. Currently a HQ diameter bit is being used. Generally core recovery has been excellent.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Core barrel length and core length measurements will be made during the course of the program an all significant core loss reported. At this stage no significant core loss has occurred. Drill core will be cut and sampled after initial logging, core recovery and rock quality determination measurements. Not applicable as no assays were reported in this announcement.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Drill core was inspected, lithologies and mineralisation styles noted. Core is being logged in detail. Rock quality and fracture densities are noted.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	Logging of drill core is qualitative. Drill core will be logged in detail and photographed.

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	100% of drill core will be inspected and logged. 100% of core referred to in this announcement was inspected and photographed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	Drill core is being half cut with a diamond saw. The half core will be sampled.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	Not applicable as no sampling of drill cores has yet been undertaken in this announcement.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Not applicable as no sampling of drill cores has yet been undertaken in this announcement.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	Not applicable as no sampling of drill cores has yet been undertaken in this announcement.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	Not applicable as no sampling of drill cores has yet been undertaken in this announcement.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Not applicable as no sampling of drill cores has yet been undertaken in this announcement.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Not applicable as no sampling of drill cores has yet been undertaken in this announcement.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	No geophysical tools were used to determine any element concentrations.
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Not applicable as no sampling of drill cores has yet been undertaken in this announcement.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	Not applicable as no sampling of drill cores has yet been undertaken in this announcement.
	• *The use of twinned holes.*	Not applicable as no drilling has been undertaken by the Company.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	Not applicable as no sampling of drill cores has yet been undertaken in this announcement.
	• *Discuss any adjustment to assay data.*	Not applicable as no sampling of drill cores has yet been undertaken in this announcement.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collars were located using handheld GPS.
	• *Specification of the grid system used.*	UTM grid, Datum WGS84 zone 17 is used.
	• *Quality and adequacy of topographic control.*	All drill holes are located by handheld GPS. The topographical control is considered adequate for this initial phase of explorations and drilling.

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Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	The Alumbre Project area is at an early exploration assessment. The drill hole spacing of 400m to 500m is sufficient for the current initial stages of exploration drilling. Work currently does not support Mineral Resource and Ore Reserve estimation. Future drill programs will determine the ultimate spacing required for a Mineral Resource estimation. No resource estimation and thus no compositing has occurred.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The drill holes subject of this announcement were planned to intersect a geophysical chargeability anomaly associated with intrusive and volcano-sedimentary rocks bearing low-grade, bulk mineable replacement, disseminated or stockwork style mineralisation. No structural bias is expected.
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Geological information to date suggests that there will be no sampling bias when sampling occurs.
Sample security	• *The measures taken to ensure sample security.*	A chain of custody of samples is used and managed by Promesa. Samples are stored on site and either delivered by Promesa personnel to the assay laboratory in Trujillo or Lima in Peru. Whilst in storage, they are kept in a locked yard. Tracking sheets have been set up to track the progress of batches of samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Industry best-practice standard diamond core sampling methods and sample intervals are used.

Section 2 Reporting of Exploration Results – Alumbre Project

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Alumbre project area is located at low attitude, in the Department of La Libertad in northern Peru. There are no historical sites, wilderness or national parks or environmental issues. The current project area consist of group of concessions with one concessions which is 100% owned by Promesa Limited, plus one other adjoining concession which are subject to option agreement, these include three concessions owned by Oban S.A.C which allows 70% farm-in and includes an NSR royalty.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Concessions and agreements are in good standing and the company has social and government approvals in place to explore.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	The region was explored by Santa Cristina de Chorobal from 1993 to 1994. Newmont, from 1994 to 1996, undertook regional exploration work. Savage Resources, between 1996 and 1999 undertook sampling, mapping, geophysics and drilling within some of the current project area at Alumbre. Savage conducted a nine-hole RC and RC/Diamond drill program and collected 573 rock sampling program along channels of various lengths from 1 to 27m in length within part of the Alumbre area and the ad. Historical Savage RC drill samples were composited up to 4m and diamond drill holes were composited up to 2m. This drilling produced anomalous results which were considered worthy of follow up drilling by Savage. Location of these drill

Criteria	JORC Code explanation	Commentary
		holes have be verified as the collars are visible. Samples were assayed by SGS laboratory; however this cannot be verified as the original laboratory certificates are not available and were pre-JORC. Promesa have undertaken confirmation field sampling of Savage surface sampling which supports the results obtained by Savage. Savage Resources was taken over by Pasminco in 1999 who subsequently went into receivership 2001 and suspended work on the project area. From 2001 to 2010 the area was not held by any party. Alikante Mining Company 2010 acquired the Gaya 104 concession and released it to Kirio Mining S.A.C in 2011 who then optioned it to Promesa in 2012. and acquired 100% of the concession in August 2013.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Mineralisation styles on the properties are epithermal gold and porphyry copper with molybdenum or gold credits.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar.* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.* ○ *dip and azimuth of the hole.* ○ *down hole length and interception depth.* ○ *hole length.*	Details of location and orientation of the drill holes mentioned in this announcement are given in the body of the announcement (Table 1). Locations of the drill holes are also marked on a map which places them in context with previously released exploration results according to the JORC code (2004 edition and 2012).
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Not applicable, the information has been provided above.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	Not applicable – no assay results from drill holes are subject of this announcement.
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	Not applicable – no assay results from drill holes are subject of this announcement.
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable – no assay results from drill holes are subject of this announcement.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	No intercept lengths or mineralisation widths were reported in this announcement.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These*	Appropriate maps are included in the body of the announcement to show the location of the drill holes subject of the announcement and their relationship to previously

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Criteria	JORC Code explanation	Commentary
	should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	announced geophysical targets.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Other exploration (mapping, geochemistry and geophysics work) data has been previous reported to the market by Promesa. Information will be provided in future announcement with respect to grade and mineralisation of rocks encountered after core is cut, sampled and assayed.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	The company has previously reported geochemical, geophysical and geological results. This announcement discusses the geology of the second and third drill holes. Drill core has not been sent to the laboratory as yet, thus no geochemistry results are available. No economic or extractive measurements such as bulk sampling or metallurgical tests are appropriate at this stage of exploration
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The Company proposes to undertake a total of 2,200 m in a stage 1 drill program that will determine future exploration work at the project. This drill program is aimed at targeting the potential porphyry Cu-Au-Mo mineralisation associated with various parts of a chargeability anomaly supported by geological and alteration mapping assisted by the use of a Terraspec spectrometer and the results of the petrography study which was previously announced. Not applicable due to the early stage of drilling at Alumbre.

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