



## ASX/Media Announcement

Perth: 8 January 2016

### Termination of High Cost Peru Project

- **Platypus earn-in over the copper exploration project in Peru has been terminated as part of cost saving measures and a focus on high value opportunities**
- **Board continues to assess alternative opportunities, including quality lithium opportunities in Australia and internationally**

Perth-based explorer Platypus Minerals Ltd (ASX:PLP) ("Platypus" or "Company") advises that the agreement under which its subsidiary company, Platypus Resources Ltd ("PRL"), was earning an interest in a copper-porphyry project located in the Chanape area in the Andes region of Peru has been terminated.

As has been consistently indicated to the market since early October 2015, Platypus has been reviewing its position in relation to its existing exploration projects. On 22 October 2015, Platypus announced it had relinquished the San Damian project concessions in Peru and on 23 November 2015 Platypus announced the divestment of the greenfields E80/4820 exploration licence in Western Australia.

The Company continues with its farm-in over the promising E45/3326 exploration licence in the East Pilbara region of Western Australia, which contains the Gobbos (Cu-Mo-W), Pearl Bar (Cu-Ag), Bridget (Cu-Au) and Cyclops (Ni) prospects.

In addition, the Board believes it can add value to the Company by pursuing alternative ventures and is currently focusing on identifying quality lithium opportunities to complement the retained Gobbos/Pearl Bar project.

To that end, Platypus continues to assess both domestic and international opportunities in the lithium space, including hard-rock, brines, and waste/tailings re-treatment opportunities. Further, as previously announced, the Board also continues to assess opportunities outside the resources sector with the assistance of its corporate adviser, GTT Ventures Pty Ltd ("GTT Ventures").

Under the earn-in agreement over the Peru Project, PRL held a 15% interest in Minera Chanape S.A.C. ("MC"), the owner of the project, which it had earned over the preceding 2 ½ years by payment to MC and the MC vending shareholders ("Vendors") of approximately A\$1 million. For Platypus to further maintain or increase its interest in MC, PRL would have had to make additional vendor payments of A\$1.56 million over the next four years and provide exploration funds of US\$3 million over the next three years. The Board considered that in light of present market circumstances this commitment was high risk and too large a burden on the Company, especially in light of the Company's inability in the preceding two years to attract sufficient investor support to raise the earmarked \$1.5M - \$2.0 M it considered necessary to commence a meaningful exploration campaign in Peru.

Since announcing the appointment of GTT Ventures as its corporate advisor on 5 October 2015, GTT Ventures has assisted the Company by underwriting fundraisings of approximately \$1.08 million, raised through a combination of a placement and a rights issue. In each case, none of those funds were allocated to the Peru Project.

Consequently, the Company had made the Vendors aware that it was reviewing its position in relation to the Peru Project and that it was unlikely to continue making payments under the agreement and commenced discussions regarding the termination of the agreement. Contemporaneously, MC and two of the Vendors issued PRL with a default notice, requesting remedy within 30 days. If not remedied within that period, as per the terms of the agreement, the earn-in agreement would come to an end.

The Company continued to discuss with MC and the Vendors all forms of potential termination, however, the default notice period expired and the earn-in agreement has now been terminated.

Consequently, as per the terms of the agreement, the agreement is “mutually rescinded” and PRL’s 15% interest in MC will be returned to the Vendors pro-rata to their MC shareholdings.

Updates on the progress of the Company’s activities in relation to Gobbos or any new ventures will be provided in due course.

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