



**Advanced copper and gold  
exploration in Cyprus**

**Corporate Presentation**

**September 2020**

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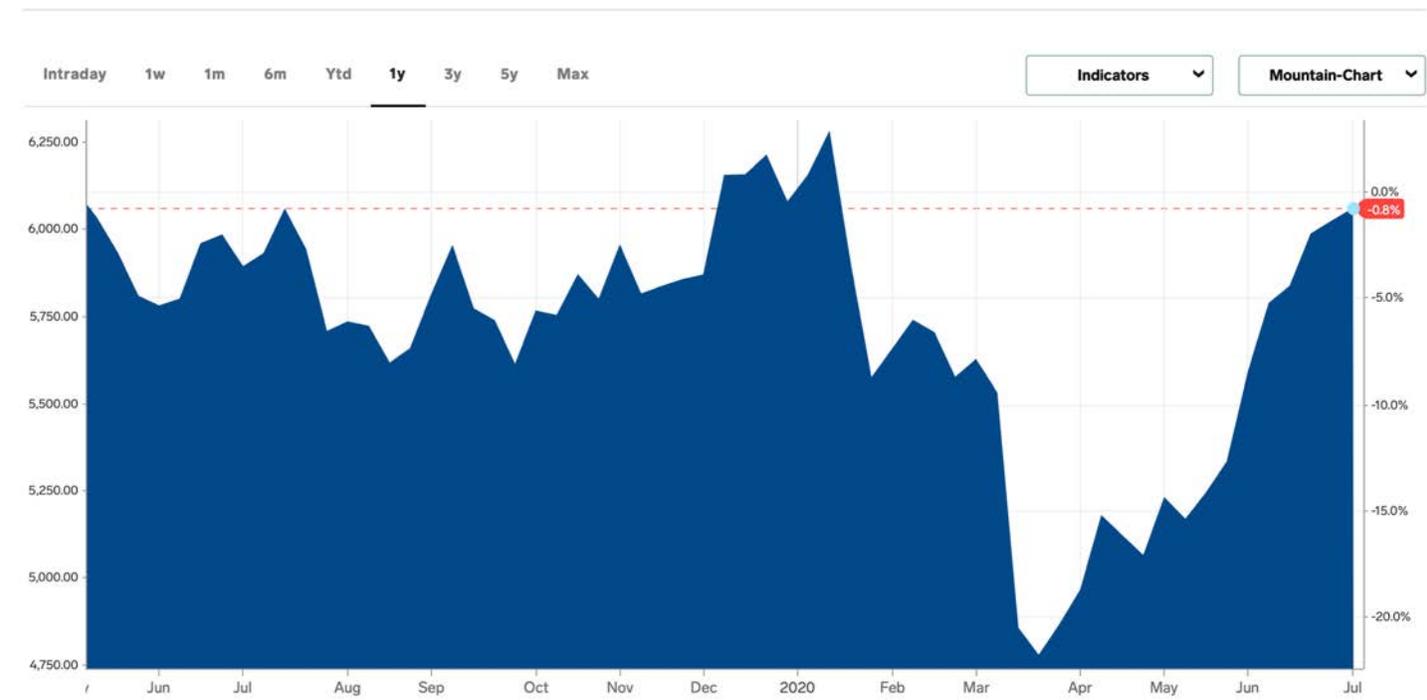
# ● What is Chesterfield?

- **Chesterfield Resources (CHF.L) is a new venture.** It was Standard listed on the LSE as a shell company in August 2017. It obtained a number of mineral licences in Cyprus via an RTO in July 2018 to explore for copper. It has since greatly expanded its licence area in Cyprus.
- **The key exploration rationale** is that whilst numerous VMS deposits have been mined through the centuries in Cyprus, almost all were discovered because they were on surface. Since the invasion by Turkey in 1974 there has been only limited exploration, and we believe that numerous buried deposits, just 50-200m underground, remain undiscovered. Chesterfield is undertaking the first modern large scale and systematic exploration programme in Cyprus to search below surface.
- **Integrated test programme through September and October:** we have spent twelve months in detailed work to develop strong list of over 30 prospects and targets. A very busy period through September and October will use AMT geophysics, percussion and diamond drilling to test multiple targets.
- **Primed for leveraged value growth:** we are a low market cap early-stage investment, and one of the few copper-focussed plays on the LSE. Apart from Troodos West exploration programme, future growth opportunities lie in a large unexplored landbank, waste dumps and leaching.

# The copper price has bounced back to pre-Covid levels

- The copper price has moved through \$6,000, and is up over 25% this quarter. Why? For three reasons:
- China's economic recovery continues to surprise. The country is building up an inventory of metal for infrastructure
- Covid supply disruptions are getting worse as the epidemic is hitting Latin America.
- Copper traders have been caught short and have had to cover. They are now net long.
- Excellent medium-term story for copper as \$12 trillion of stimulus programmes target electrification of energy and clean tech. Clean and Green = Copper

- Copper discoveries are much in demand by mid-tier miners. Ariana Resources in April 2020 farmed into a nearby project in Cyprus



# Cyprus

- “Copper” comes from the Latin name for Cyprus, “Cuprum”. It was the world centre of copper and gold in classical times.
- A long tradition of mining, and part of Tethyan belt. Cyprus was a major copper mining centre in the twentieth century. From 1920 - 1974 over 74 million tonnes were extracted from 30 deposits.
- Cyprus became member of the EU in 2004 and the eurozone in 2008.
- Legal system is based on English common law. Strong cultural links to the UK, large Cypriot population based in London. RAF bases on the island.
- Supportive mines department. Economy needs to diversify from tourism and finance. Prospective areas are well away from the coast and in brownfield mining territory.



● **A major mining industry in the 1960s and 1970s**



# Mining and exploration mostly halted in 1974

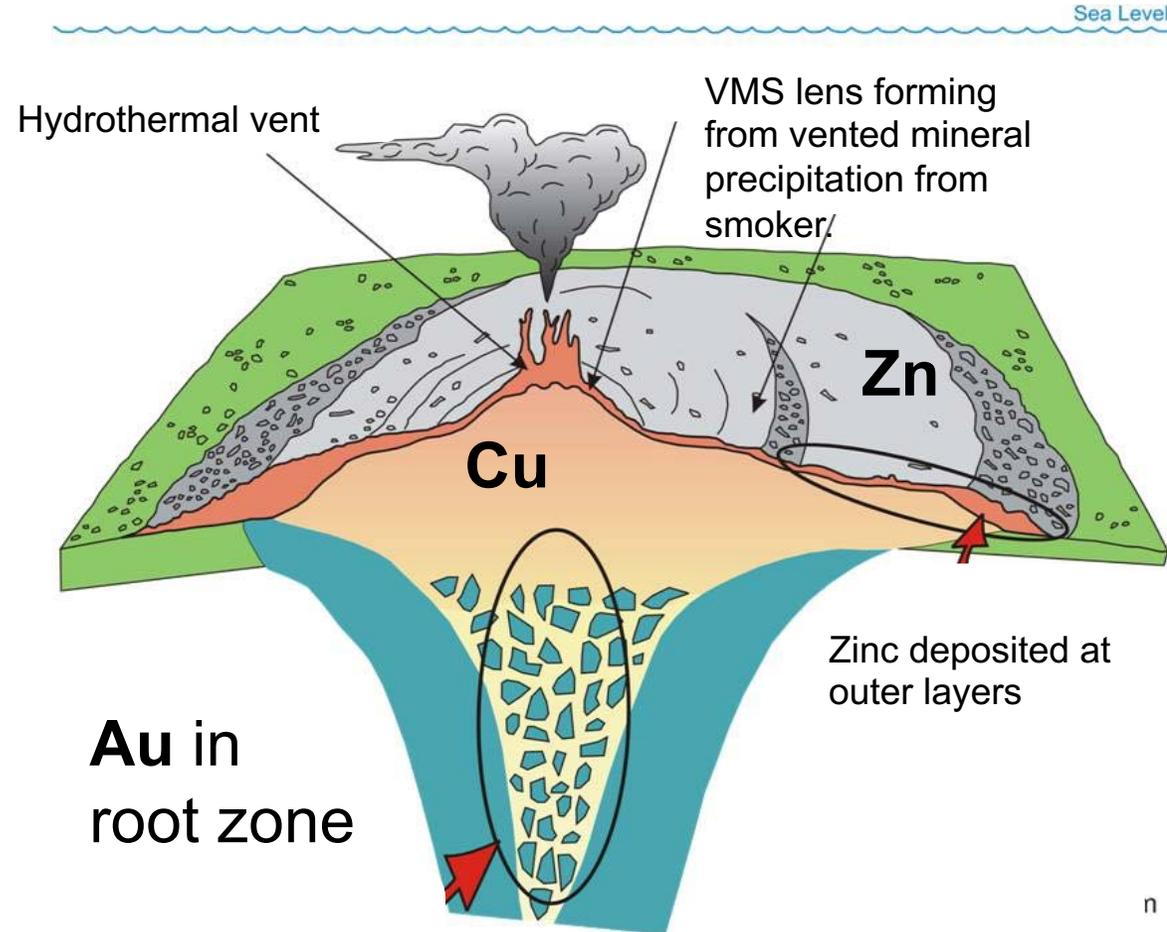
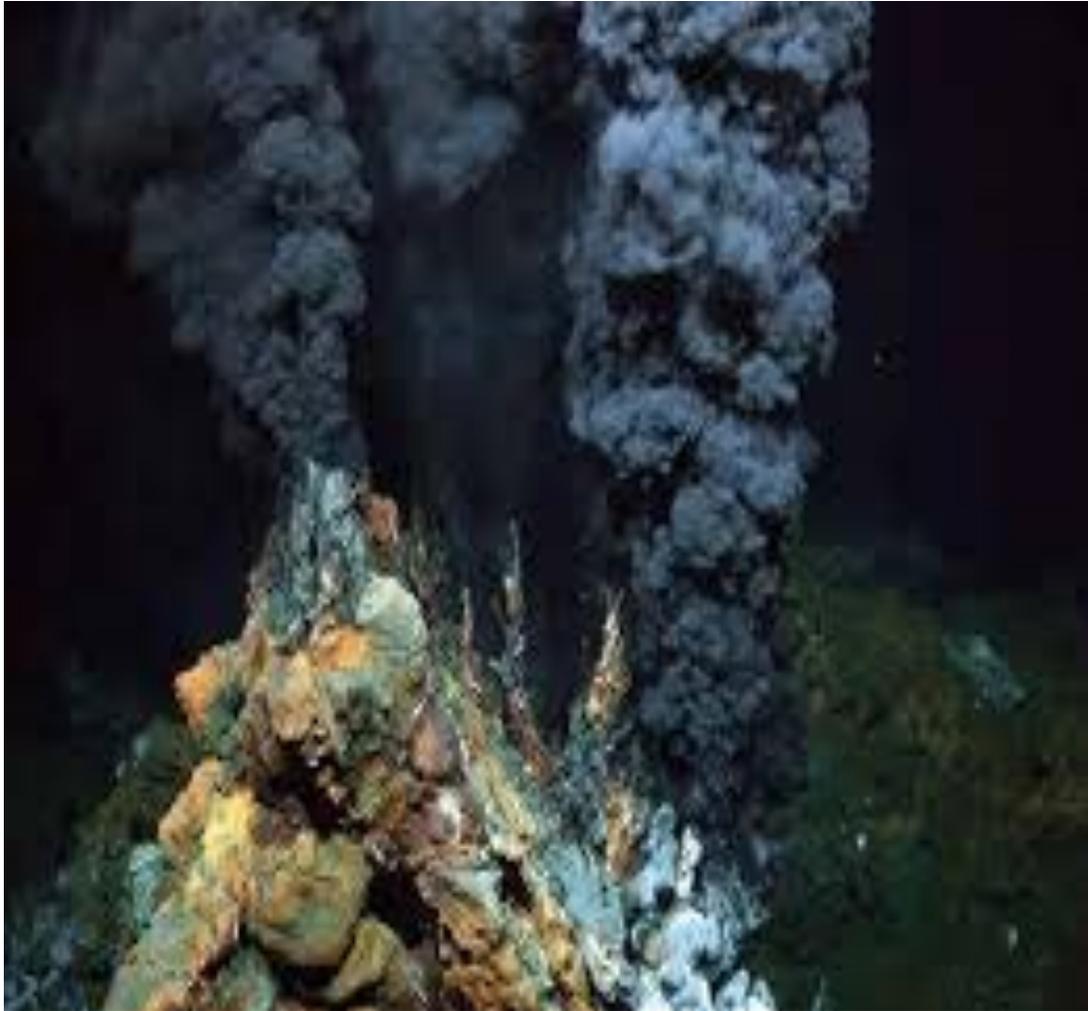
- Modern mining commenced in the 1920's with approximately 1.3 million tonnes of copper metal extracted in a 60-year period (*source: Cyprus Mine Services*)
- Mavrovouni is the largest known deposit where 16.5 Mt at approximately 4.5% Cu was officially reported as extracted between 1929 and 1974. Other significant large copper mines also operated in Cyprus.
- Most copper mining was brought to a halt in 1974 due to the Turkish invasion, not because of depletion. Poor commodity prices and the new focus of copper in Latin America, prevented the industry re-starting. Cyprus misses out on gold exploration.
- Cyprus has seen only limited modern exploration since then, with two or three juniors doing some piece-meal work during the mining boom. However, there has been no systematic broad-based exploration programme in Cyprus for 45 years.



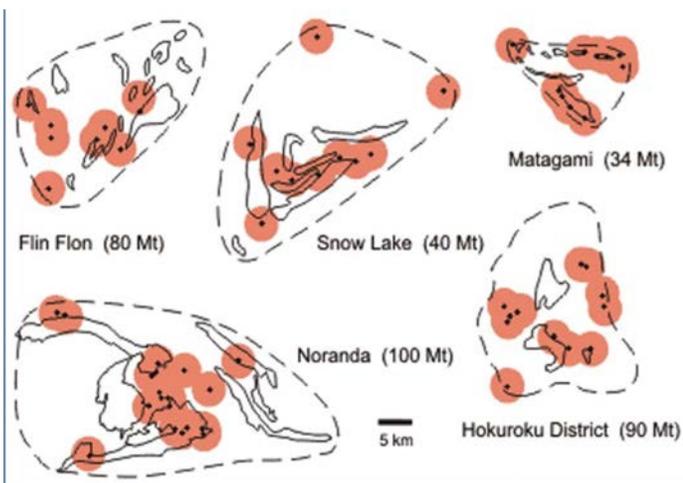
● **VMS mineralogy outcropping on surface, a common sight**



# What is a VMS (volcanogenic massive sulphide) deposit?



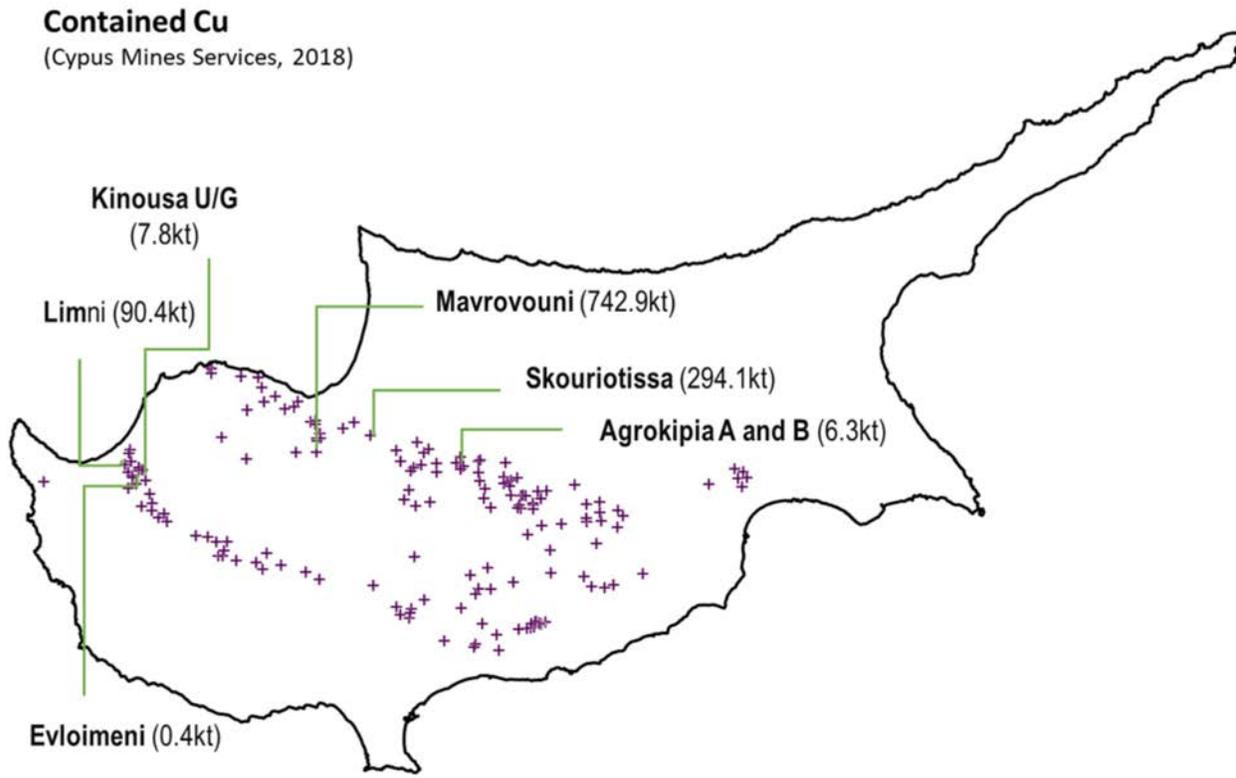
# VMS deposits form in clusters, stacks and districts



- Black smokers tend to occur in groups (left). VMS lenses are often then covered by lava flows or sedimentary deposits. Later, further black smokers can erupt, forming stacks of VMS lenses within host rocks. A “massive” sulphide is defined as when more than 50% of the rock is comprised of sulfides. Active black smokers were only discovered in 1978.
- VMS lens clusters are common, for example, in Canadian commercial mining operations (below left). While average deposit size is only 5mt, VMS accounts for 27% of Canada’s historically mined copper and 47% of its Zinc.
- A reasonable Cyprus VMS lens may be 3-5 MT, 2-3% Cu, plus Zn on the lens periphery. Feeder (or “root”) zones may contain concentrations of gold, perhaps, 1g pt. Intersection width may be around 20m. However these figures will vary considerably according to the individual deposit.

# Numerous historical mines, but only discovered at surface....

- There are over 200 historic mines and deposits on Cyprus's prospective belt, on the flanks of the Troodos mountains. These were discovered by mineralisation outcropping at surface. 1.3 M tonnes of copper was extracted in the last century alone.
- The prospective region in Cyprus is only around 100km long and closely confined within two narrow bands. Within this many deposits are closely grouped. This provides good potential for a centralised plant to be fed by several ore-bodies.
- While VMS deposits tend to be small and high grade, however some in Cyprus are larger. The largest three mines were: Mavrovouni 16.5 MT @ 4.5% Cu, Skouriotissa 34 MT @ 2.5 to 0.43% Cu, Limni 12 MT @ 1.11% Cu.



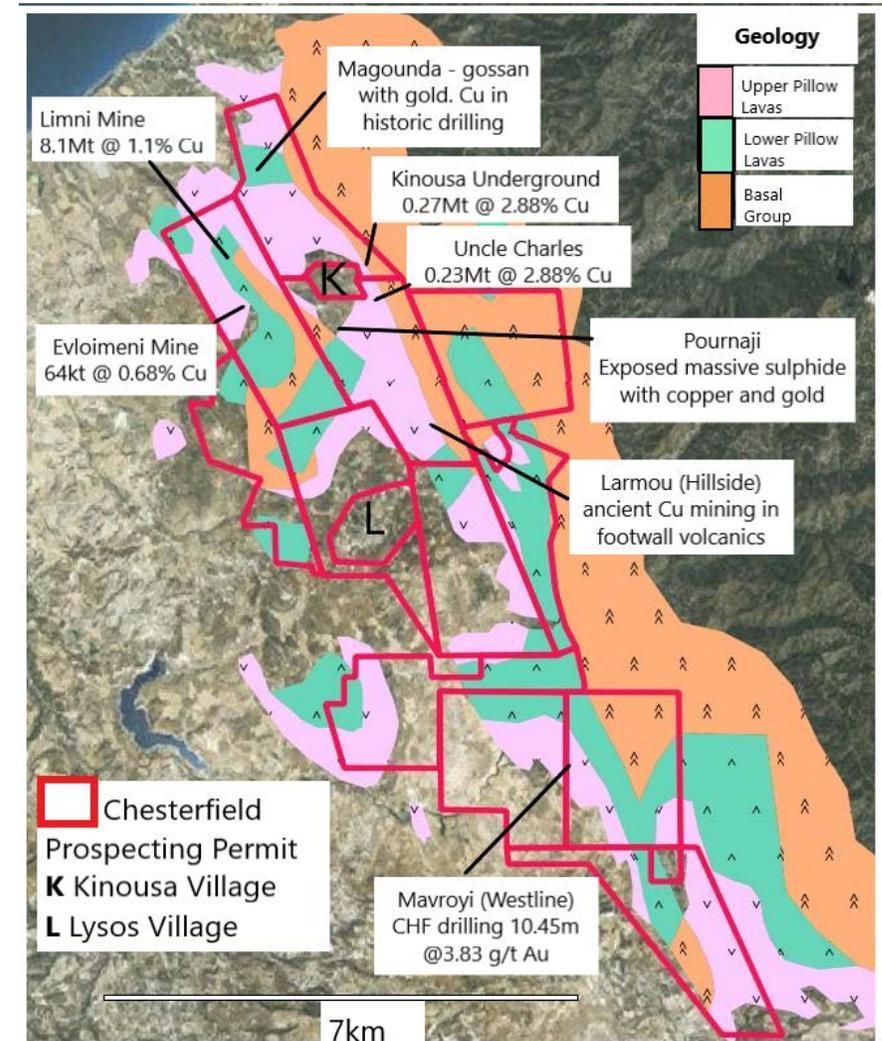
# ● The hunt for buried VMS deposits in the Troodos foothills

- *Image to right: a clear example of a massive sulphide orebody trapped below a basalt flow*
- In the last 30 years there have been huge advances in geological understanding and exploration techniques for VMS deposits buried 50-200 below surface. Cyprus is under-explored in this regard.
- Exploration is not just about looking for an ore deposit, it is about recognising an ore system, understanding fluid pathways and trapping mechanisms.
- There are two types of VMS deposits. Black smoker hydrothermal vents form massive sulphide mounds on the ocean floor (“exhalative VMS”), fed by mineralised feeder systems. VMS deposits can also be formed by fluids pooling under impervious rocks before they reach the surface and becoming trapped. (“stratabound” VMS).



## Initial focus on our Troodos West license area

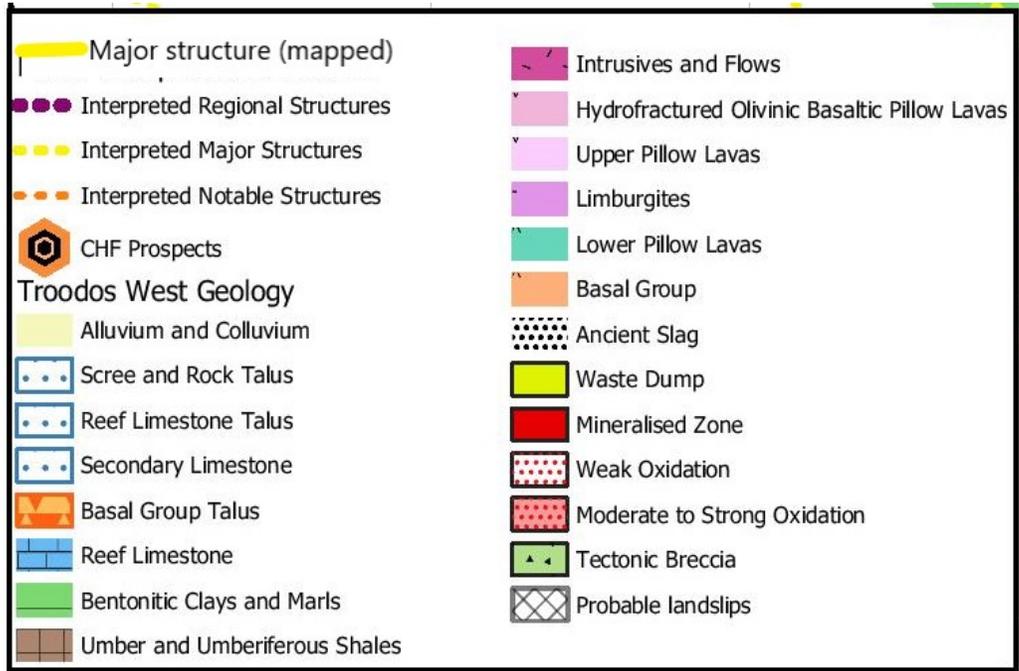
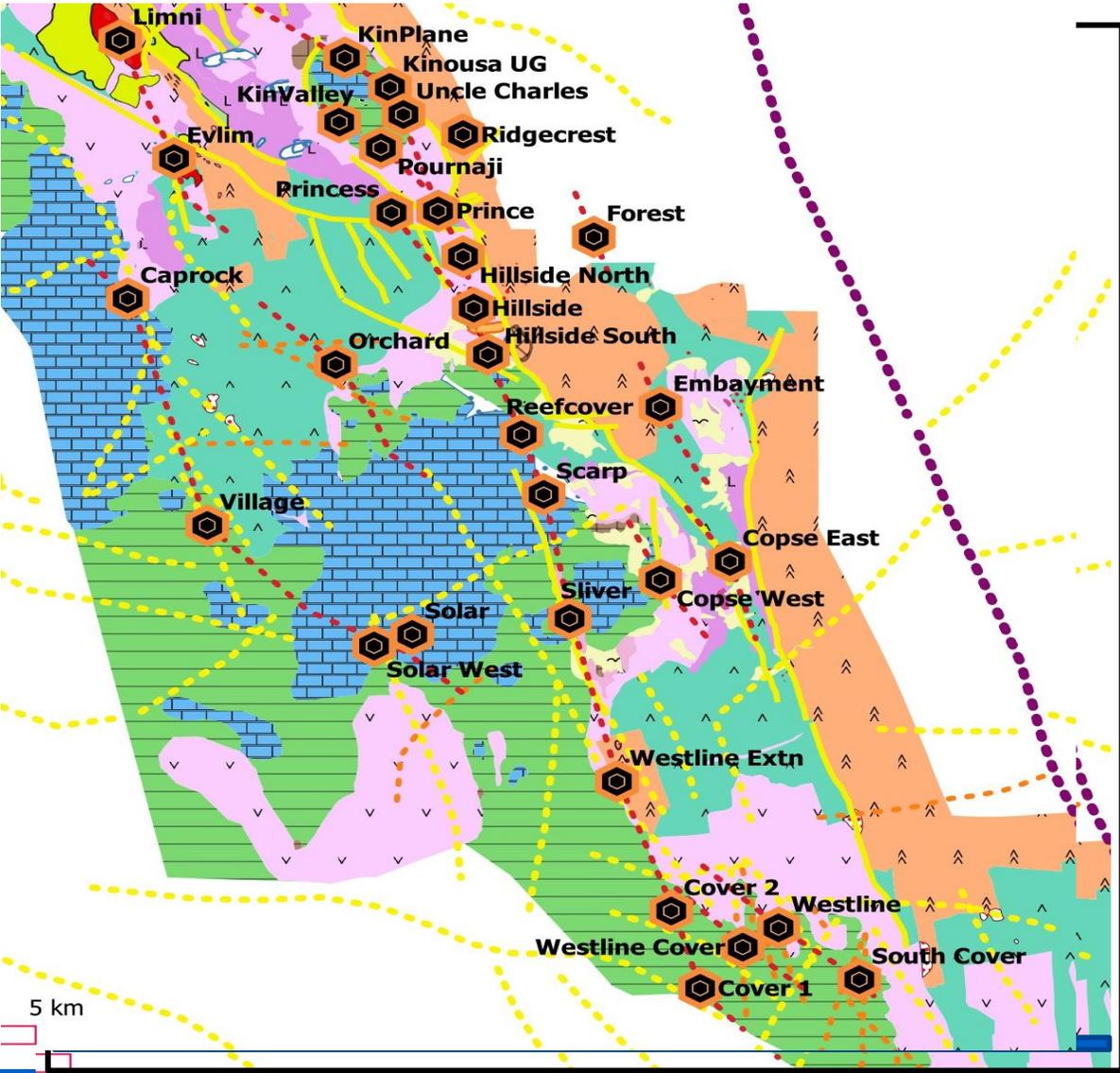
- Chesterfield has a combination of drilling permits and exploration licences in application. All are 100% owned. All are purchased directly from the government.
- The initial focus is on the Troodos West license group, which has the bulk of the permits that are approved to drill
- This is a highly prospective area containing numerous historic mines
- Further licences are under application. Once a permit is applied for, we have exclusivity over the tenement during the application period.
- Additional licences have been granted or are under application in two further areas called Troodos North and Discovery South.



# Troodos West: over 30 buried VMS targets now defined

Extensive target list at Troodos West the culmination of 12 months work in the field, the archives and on desktop. Targets closely grouped for potential centralised plant.

Area dominated by 10km long structure with multiple targets in various settings at top of volcanic pile (exhalative) or within volcanic pile (stratabound).



# ● Target ranking: multiple layering of coincident data evidence

## Exploration tool box

Satellite remote sensing

Archive data

Analysis of fresh core

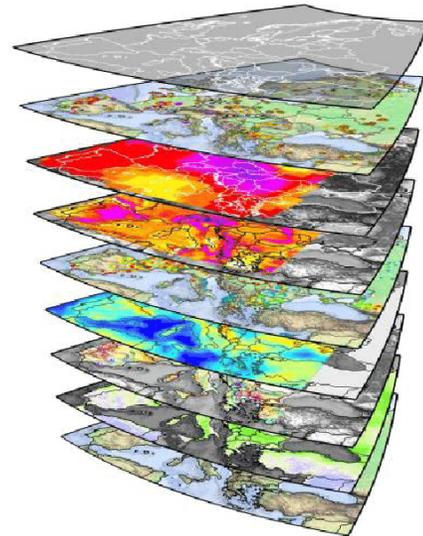
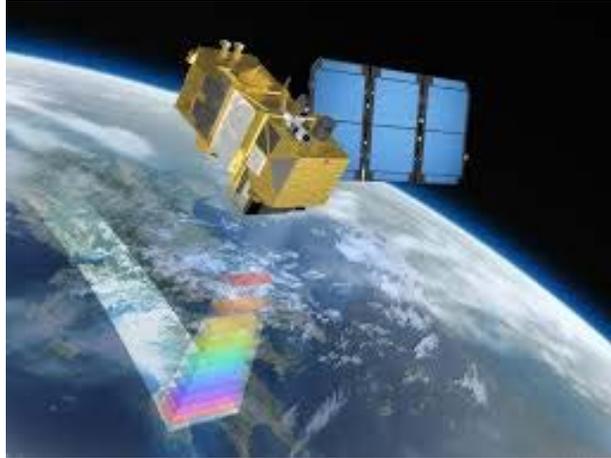
Mapping and XRF survey

Soil sampling

Stream sampling

Mag drones and IP

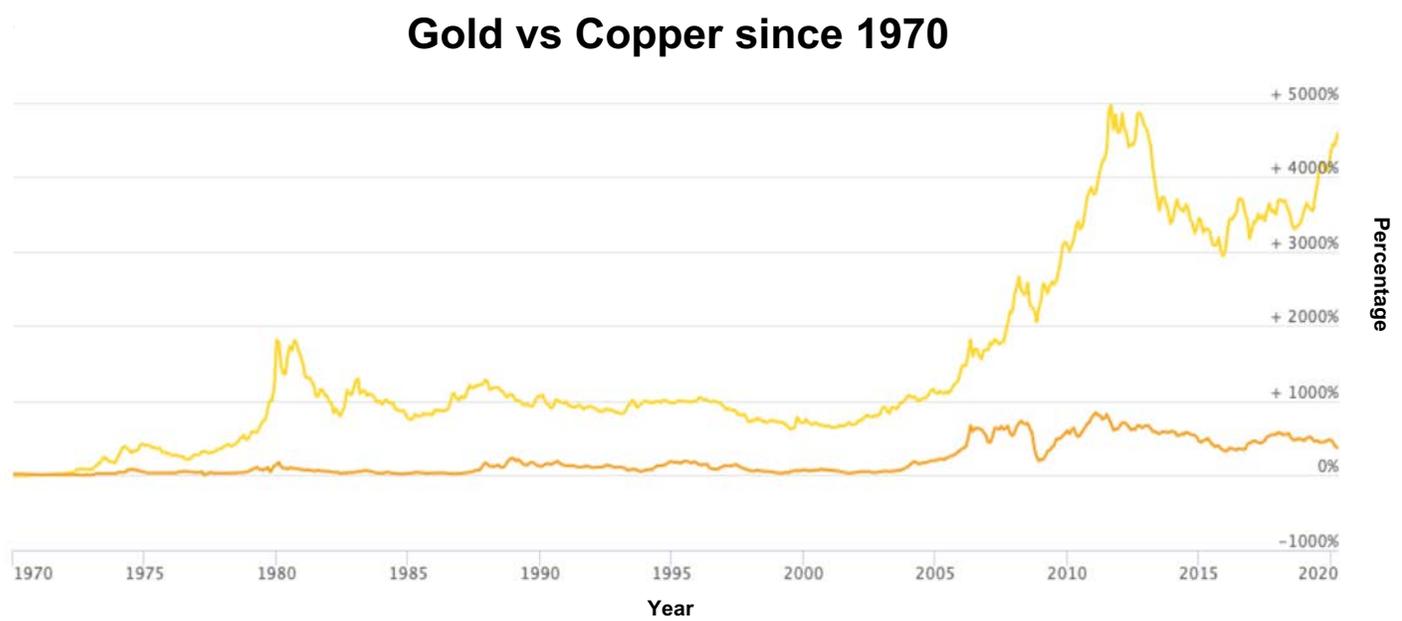
GIS data collation and interpretation



# ● Gold: The forgotten metal of Cyprus

- Cyprus produced no gold during its mining boom in the 1960s and 1970s because the gold price was fixed at just US\$35 per ounce until 1971, and so mining gold was uneconomic.
- Assays were unable to accurately detect gold at less than around 3 g/t. Although gold oxide and silver worth \$46m at today's prices exported from Cyprus in 1938.
- The gold price disconnected from the copper price around 1974 (see chart right), the year coincidentally that Turkey invaded Cyprus and most mining halted.
- The gold price started a 40 year rally in which it increased fifty-fold.

- Because Cyprus was still considered risky after the invasion it did not benefit from the new wave of explorers searching both for buried deposits and also gold associated with the copper. This hiatus presents Chesterfield with its exploration opportunities.



# First pass exploratory drilling: strong gold results



Evliomeini – 29.8 m grading 1.1g/t Au from 8.8m

Double 7 – 18.9m grading 1.3 g/t Au 13.2 g/t Ag, 0.62% Cu from 100m

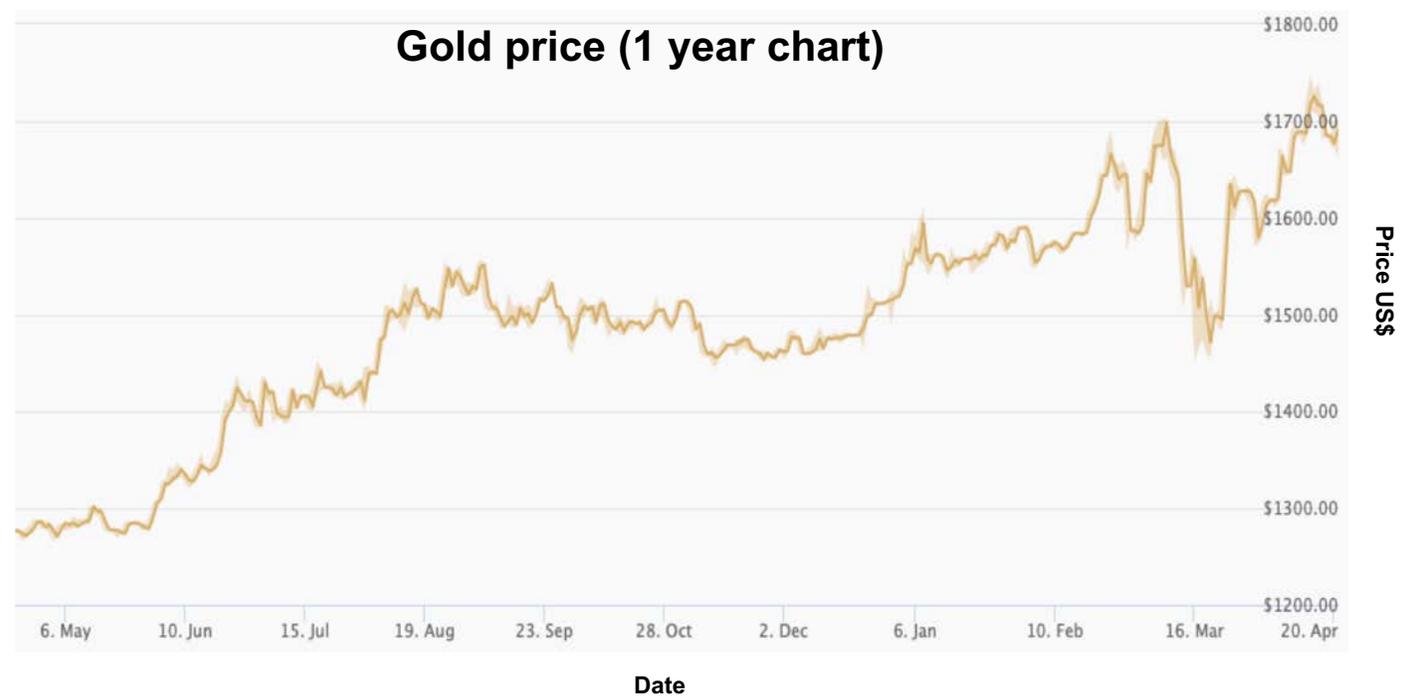
Mavroyi – 20.2m grading 0.89 g/t Au from 56.0m



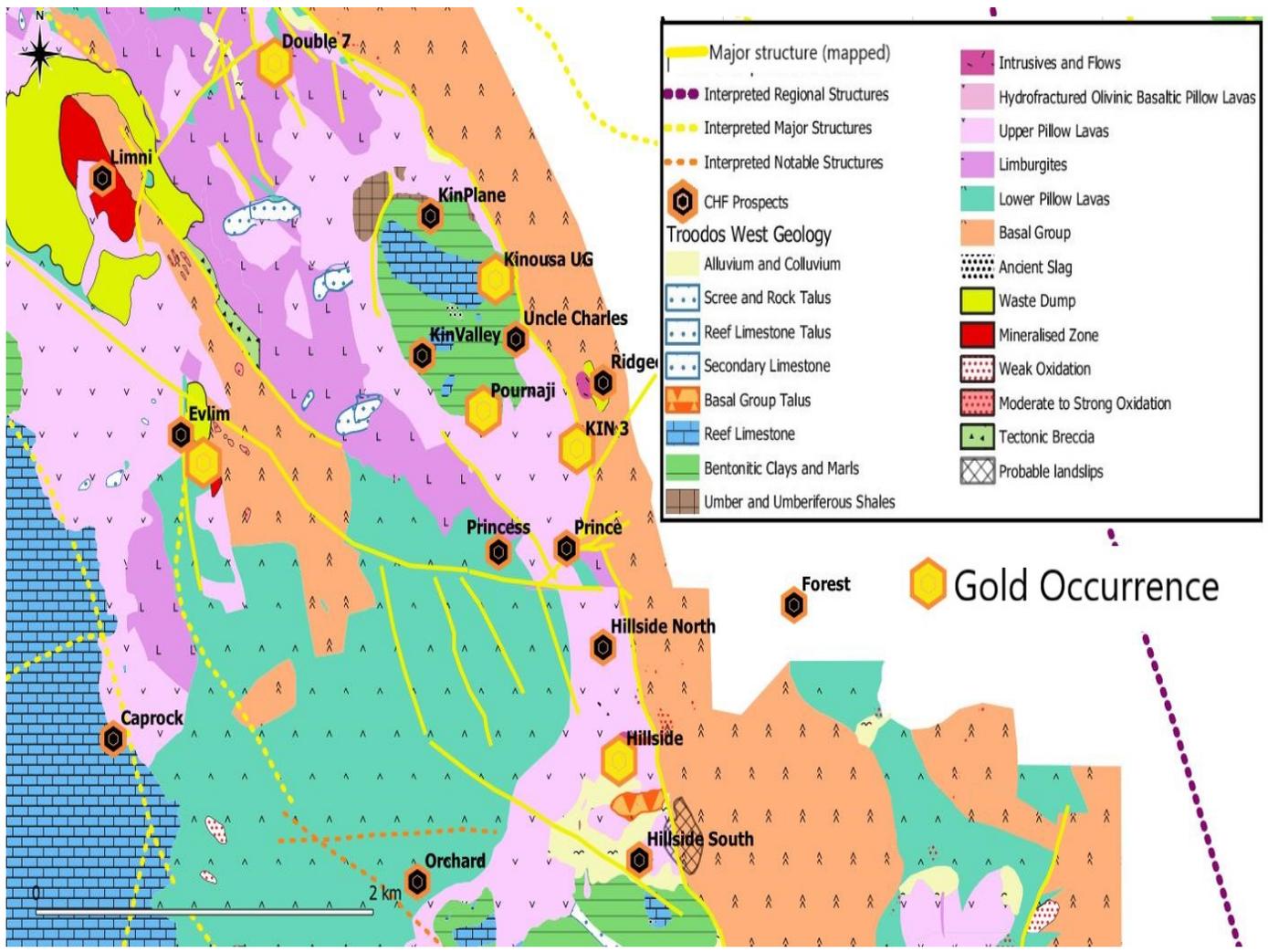
# Cyprus VMS systems are gold rich, producing a clean product

- Gold price has risen over 40% since Chesterfield's 2018 drilling.
- Company's technical team conducted an evaluation of gold potential in licence areas in April 2020.
- Gold has already been encountered at five locations on a 4km strike on a major prospective structure.
- Cypriot VMS systems are above the global average for gold content.
- Cyprus capable of producing clean, gold-rich copper mineral concentrates that are in increasingly high demand from smelters globally.
- Percussion drilling in January 2020 has again hit gold.

- Gold is booming once again. Price likely to remain robust this year as uncertainty persists. Chesterfield ready to resume drilling quickly after lock-down released.



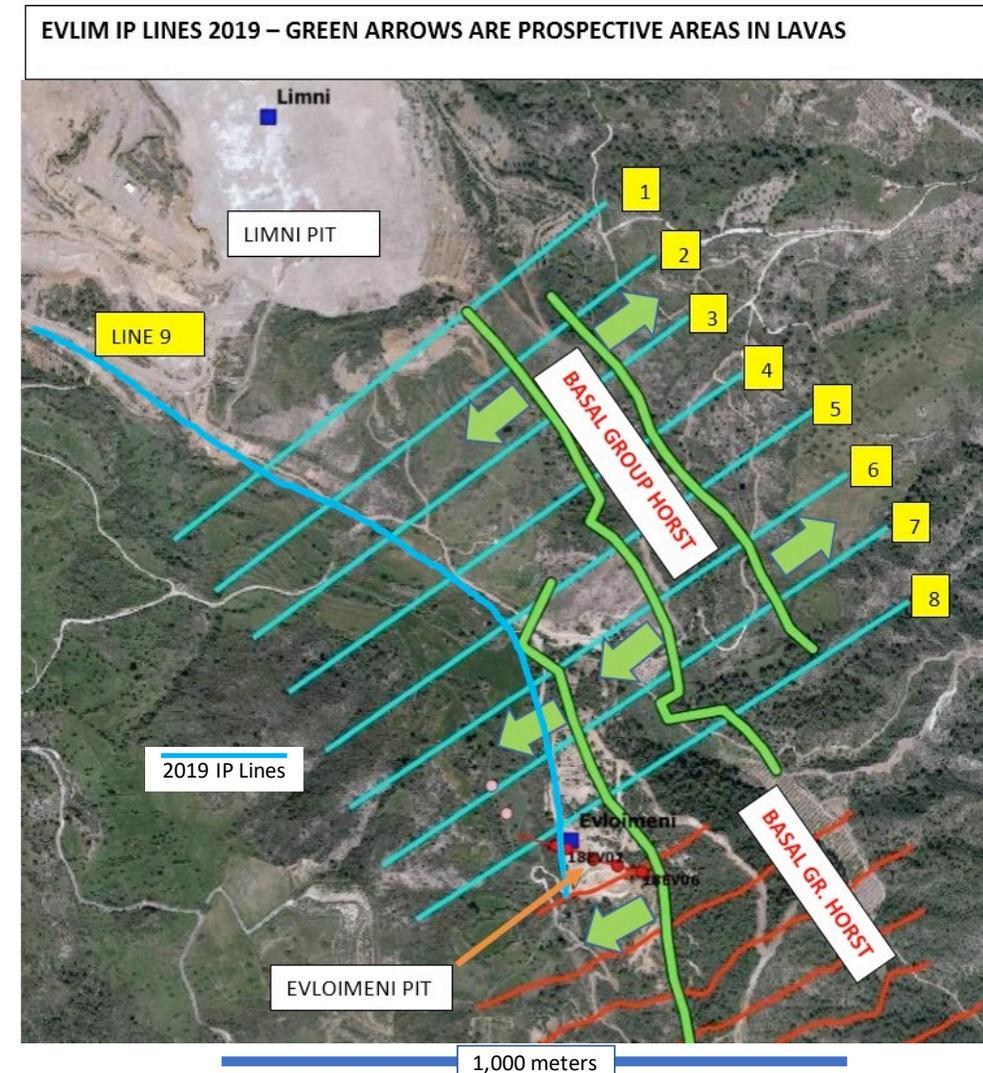
# Five gold occurrences already identified in target area



- Gold occurrences spread over 4km strike length on a major prospective structure.
- Double 7: 11.1 and 18.9m thick grading 1.29 g/t Au, sample intervals up to 2.99 g/t Au.
- Kinousa Underground Mine (historic): 2.57 and 6.48 g/t Au.
- Pournaji 2.82 and 5.59 g/t Au in association with anomalous Cu and Zn values.
- Loana (historic): 6m grading 3.89 g/t Au.
- Hillside significant intersections of zinc-rich VMS sulphides containing >1 g/t Au.

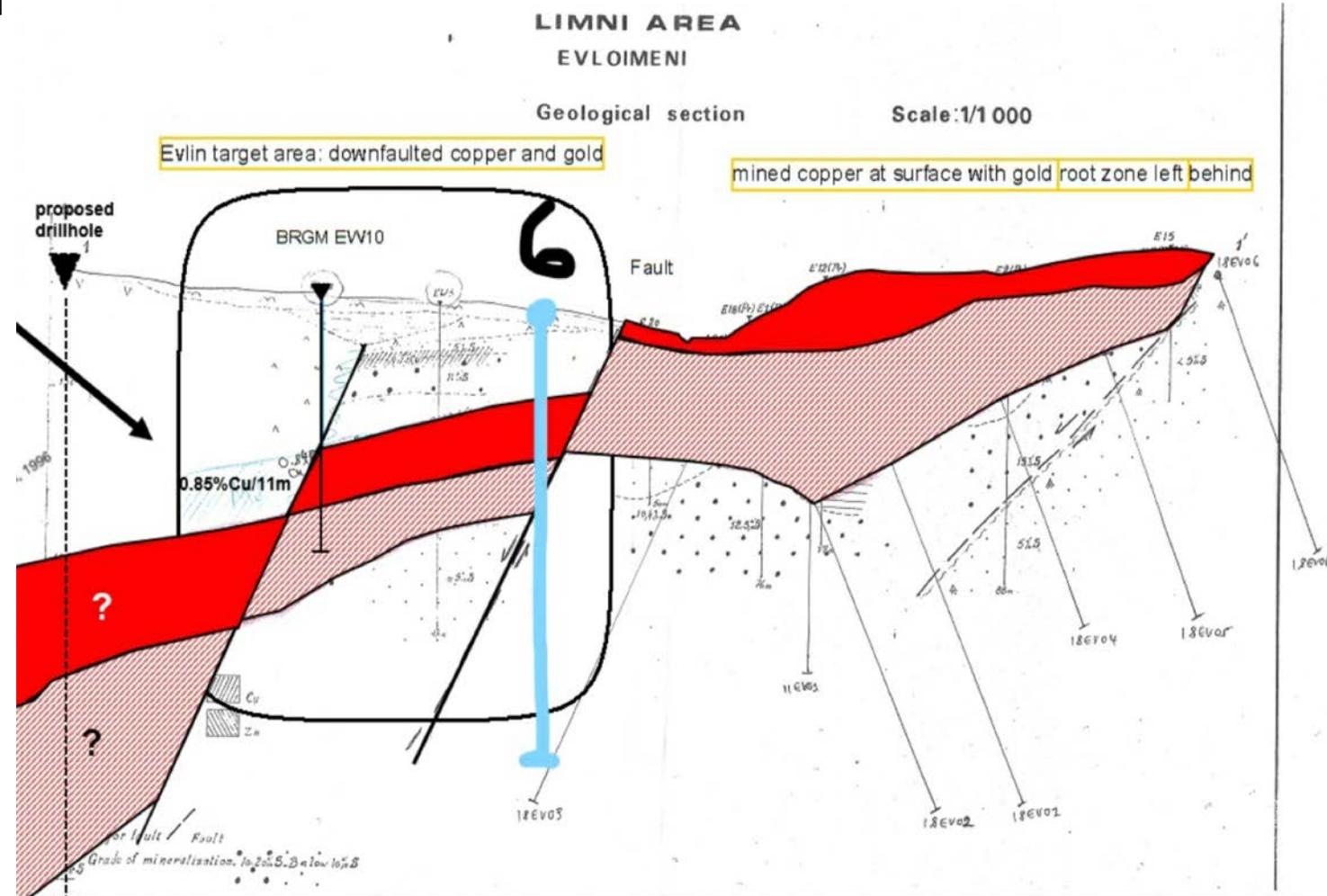
# ● Evlim: an example of co-incident Chesterfield target development

- Remote satellite sensing indicates target between two historic abandoned mines, the Evloimeni Pit and Limni pit (hence name "Evlim").
- Archive research reveals Limni Pit produced and estimated 150,000 tonnes of copper and closed in 1979.
- Discussion with Cypriot geologists from 1970s reveals that Evloimeni Pit was also mined for copper on surface, but gold deposit may have been left behind.
- Q4 2018 Chesterfield test-drilled the old Evloimeni workings and confirmed significant gold mineralisation underlying the mined pit:
  - 29.8m @ 1.10g (from 13.2m)
  - 27.9m @ 0.97g (from 8.75m)
- Mapping has provided evidence that an extension to Evloimeni has faulted down with copper and gold continuing at depth under the basal cover.



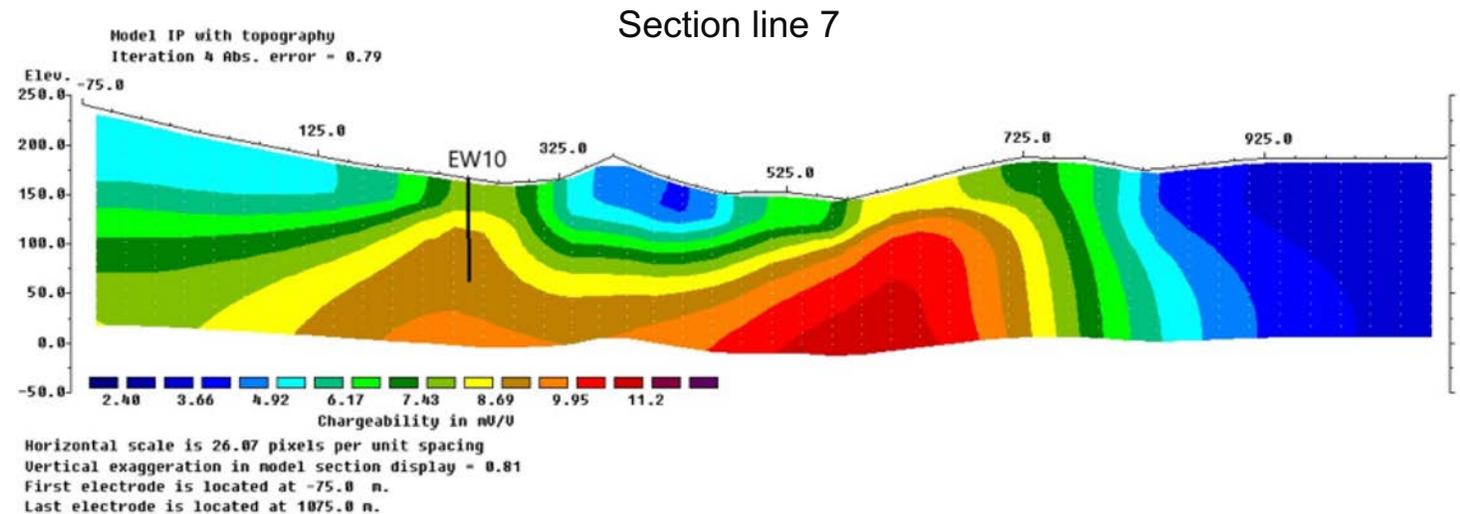
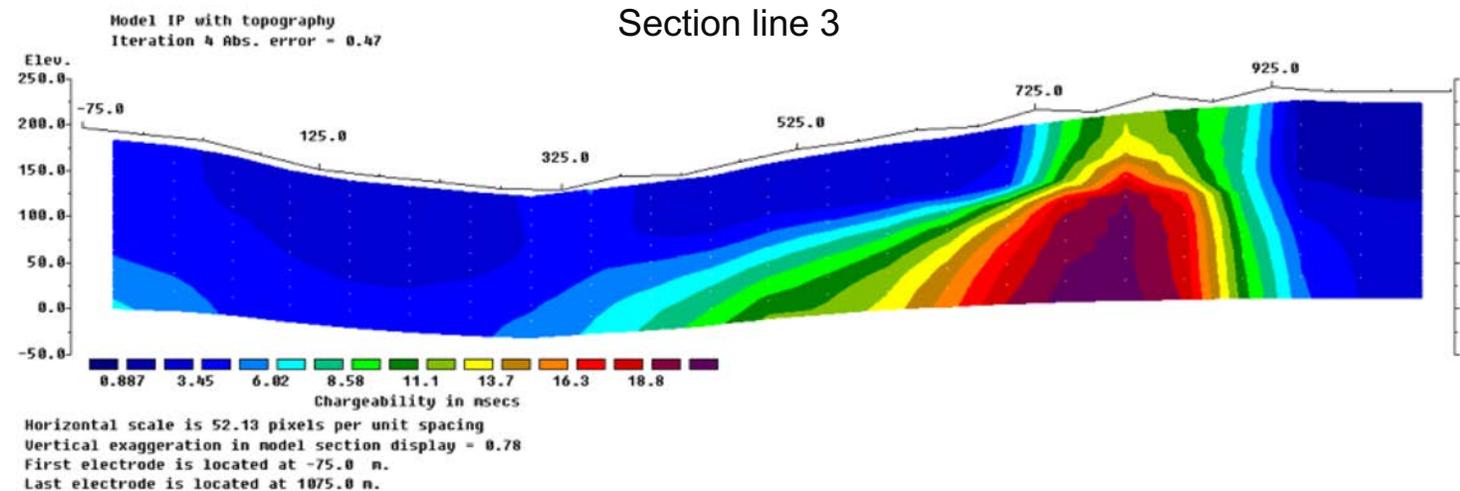
# Evlim: search of the archives yields BRGM historic data

- Historic BRGM document discovered in Government archives.
- Area to the right shows where copper bearing sulfides have been mined. Remnant root zones were drilled by Chesterfield late 2018 revealing good gold intercepts.
- A fault identified on the left of the diagram would suggest the that the copper and gold system has been downfaulted.
- BRGM hole was drilled to test for downfaulted copper and came back positive. CHF targeting copper zone, but also now for gold root zone beneath.



# Evlin: Mapping, geophysics, geochemistry and archival work combine

- Soil sampling of basal group provides further targeting guidance.
- An IP survey was conducted in July 2019 to test theory of downfaulted mine extension. A positive result.
- Section line 3: extent and size of the anomalies suggests considerable sulphide presence.
- Archive work discovers 11m intersection of 0.85% Cu from an historic hole (EW 10, 1984). This provides an encouraging correlation between the IP anomaly.
- Target will be percussion drilled when weather clears, to provide accurate guidance for diamond drilling.



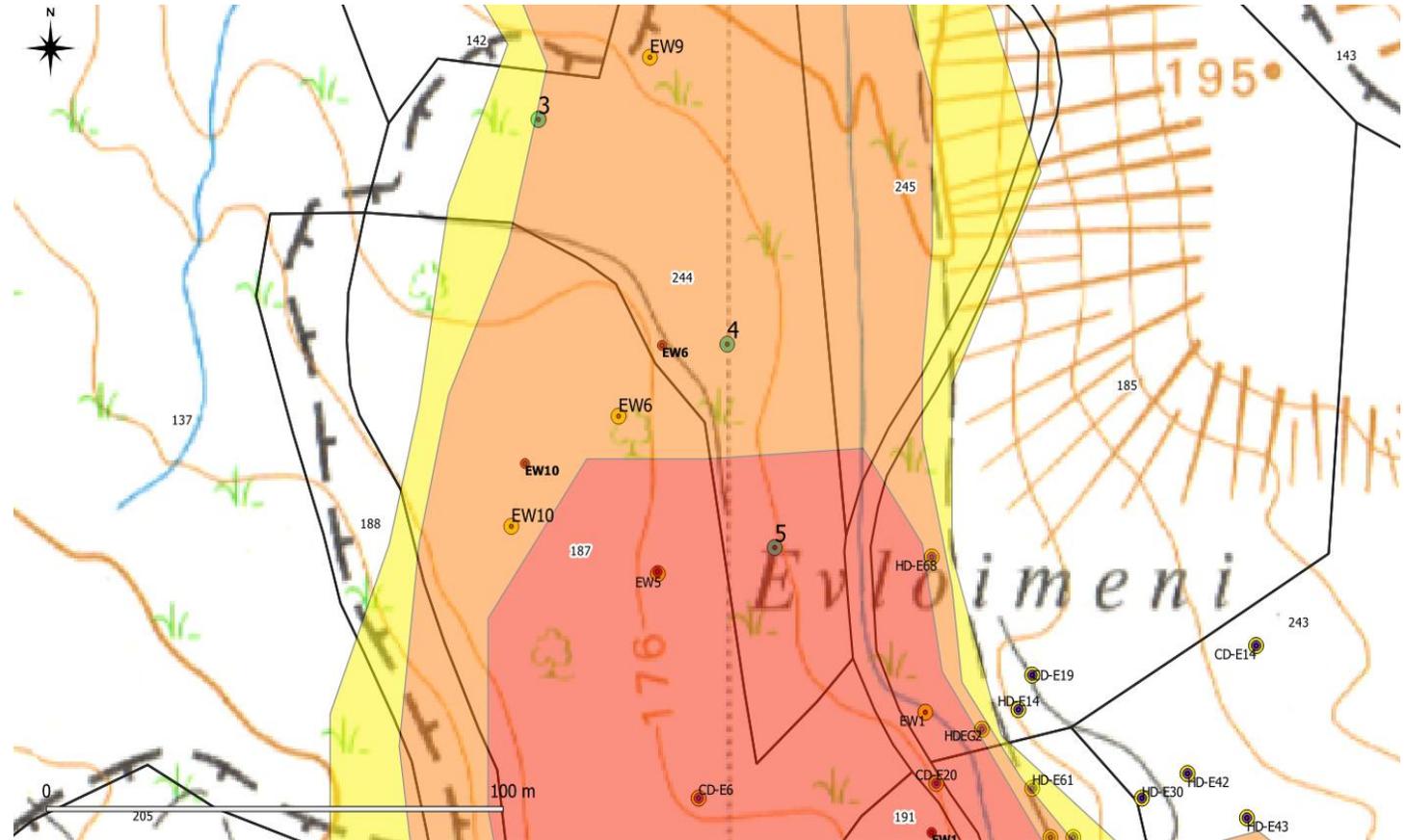
## ● Advanced testing by percussion drill

- Percussion drilling is a cost-effective and rapid method to investigate targets at depths of up to 200m. Drill costs are around just 15% those of diamond drilling, with no mobilisation costs. It is also quite rapid. A hole can usually be drilled in a day.
- The drilling produces rock chips from a wide diameter hole that yield good data for geological logging including the presence of mineralisation, its extent, and potential thickness. XRF analysis is used on site. However, the suitability of the chips for assay is limited.
- Percussion drilling as an excellent final test prior to diamond drilling (coring) programmes. If the percussion drills through sulphides this helps greatly in planning diamond drill holes.
- Very important information is learned about structures, traps and the causes of anomalies. This means that the diamond drill holes can be efficiently planned to encounter the mineralised sulphides that we are seeking.



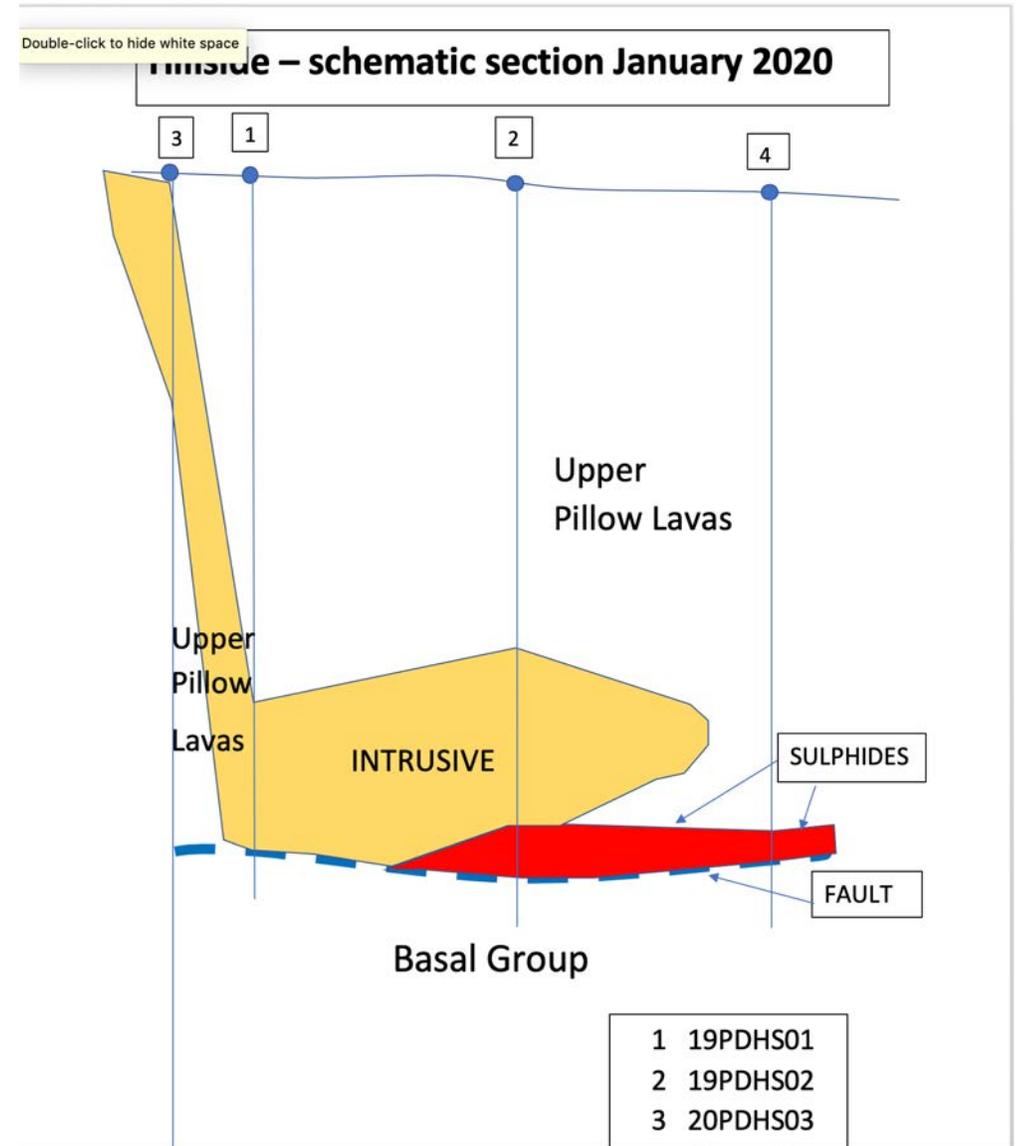
## ● Evlim: 30-40m intersections of sulphide mineralisation at three holes

- All three percussion holes drilled at Evlim in July 2020 intersected significant zones of mineralised sulphides, of widths of between approximately 30m and 40m. The target is now a high priority for diamond drilling
- At EW6 Sulphides were encountered from approximately 40m of sulphides from 33m to 54m and at another zone at 74m to 93m, before hitting the fault.
- Step out holes were then drilled at locations A and D, 100 and 140m west of EW6, downdip. Hole A encountered 39m of sulphides from 84m depth, while hole C encountered 30m of sulphides from 120m depth.



## Percussion drilling at Hillside

- Four percussion holes were drilled at target Hillside, of which two encountered sulphide deposits that displayed evidence of mineralisation via XRF gun analysis at site.
- While the other two holes missed the VMS deposit, they provided valuable information about an igneous intrusive that is likely trapping the deposit as a cap rock.
- Gold assayed at more than 1 g/t.
- Good indications of zinc suggest this may be the edge of a larger deposit.
- Further percussion holes are planned at Hillside, and also adjoining target of Hillside South and Hillside North targets which indicate similar geological characteristics.



# ● AMT geophysics programme commissioned

- AMT is an advanced technology that measures the natural electro-magnetic signals in the earth's crust, which have been induced by lightning strikes over time. The method is capable of imaging the sub-surface with resolutions good enough to detect features a few meters across.
- AMT has been well-proven as a VMS target definition tool in similar VMS regions, such as the Iberian Pyrite Belt. It is man portable, providing a rapid and cost effective survey.
- The survey will be conducted across key areas of the Troodos West exploration area as part of an integrated advanced testing programme to include percussion and diamond drilling.



# ● Targets to be tested with initial 2,000m of diamond drilling

- Diamond drilling is to commence in mid September on targets in the Troodos West area.
- Evlim target has been tested with a percussion drill which has already encountered significant sulphide mineralisation. Diamond drill will now test this for grade and scale.
- Kin Valley target will also be tested. This large target is on constrained ground and so has been unable to accommodate the percussion drill.
- Initial 1,000m of drilling on pre-planned drill locations. An additional 1,000m is being kept flexible to respond to initial drilling and other test work.

Three level test programme through September and October will co-ordinate AMT geophysics, percussion drilling and diamond drilling. Diamond hole depth will typically be 150m to 200m, contracted to Geops Bolkan drilling.

**Sandvik DE710 drill**



## ● World class geologists combine in a junior explorer

Unusually for a junior, Chesterfield has very senior exploration team drawn from some of the world's best known exploration and mining companies.



**Neil O'Brien:** Previously **Head of Exploration at Lundin Mining**. Neil was one of the longest serving employees at Lundin Mining, and he is a leading authority on the Tethyan belt and VMS deposits. Neil is Technical Consultant to Chesterfield and has also invested in the company.



**Dave Cliff:** Previously **Head of Exploration Europe, Rio Tinto**. Dave worked for Rio Tinto for 26 years. He played a leading role in the discovery of the Copler gold mine in eastern Turkey, which has reserves of 3.7m ounces. Dave is a director of Chesterfield.



**Mike Parker:** Twenty year career with **First Quantum Minerals (FQM)**. Mike was instrumental in two major copper discoveries for FQM, the Lonshi and Frontier mines. He was also the Country Manager of DRC and then Peru for FQM, and managed a team of over 100 exploration personnel. Mike is Managing Director of Chesterfield.

# ● Executive team

## ● Martin French

Executive Chairman

- Over 30 years of experience in investment banking and mining
- Previously at Merrill Lynch and country manager for Credit Lyonnais Securities Asia (CLSA) Asia
- MD of North River Resources plc brownfield lead-zinc project through to bankable feasibility study and sourced a strategic funding partner

## ● Peter Damouni

Non Executive Director

- Over 18 years of experience in investment banking and capital markets, with expertise in mining and oil and gas
- Worked on numerous IPOs, fundraisings and restructurings
- Director of a number of TSX and LSE listing companies

## ● Mike Parker\*

Managing Director

- Over 30 years experience in mining and exploration
- 20 year career with First Quantum Minerals developing projects globally
- Played a key role in two major copper discoveries, the Lonshi and Frontier mines containing over 3Mt Cu
- Member of the Australasian Institute of Mining and Metallurgy

## ● Malcolm Titley

Resource consultant

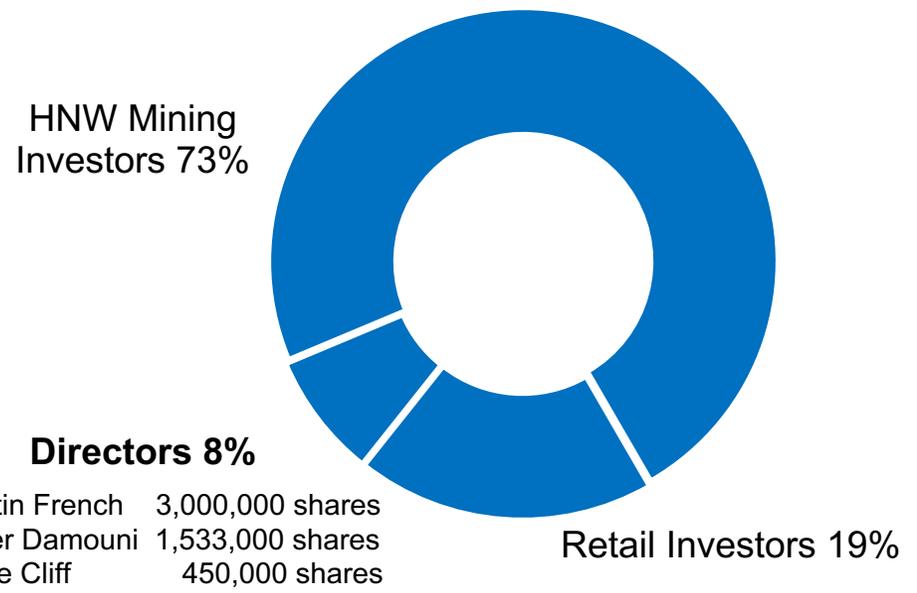
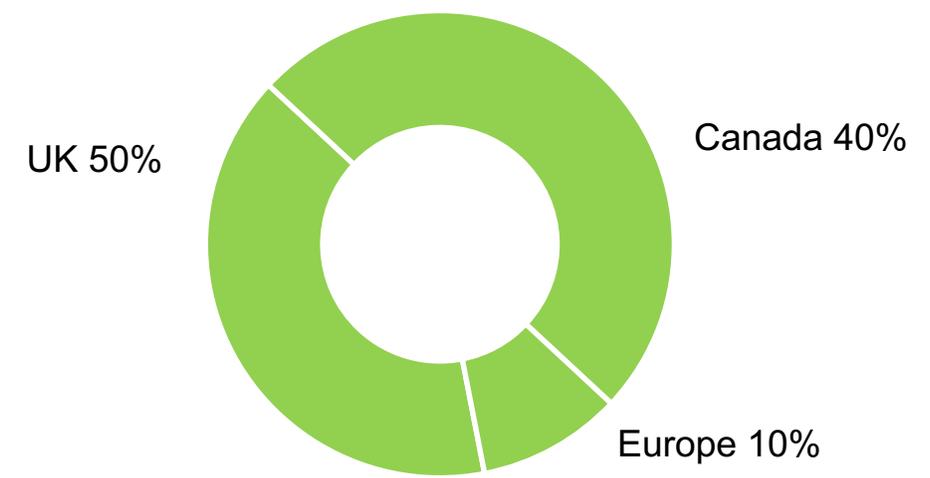
- Specialist in resource modelling, conceptual mine planning and mine economics
- Over 30 years of specialist experience
- A founder of CSA Global

\* Mike Parker is not a Board Director of the company

# Low market cap provides good leverage for growth

Listing	Standard List of LSE
Ticker Symbol	LSE:CHF
Shares outstanding	73,933,334
Warrants and options	14,914,334
52 week price range	8.40p – 1.50p
Price	6.85p
Market capitalisation	£5.1m
Fully diluted market cap	£6.0m

Source: Company, London Stock Exchange  
 • As of market close 31 July 2020



# ● Why invest in Chesterfield?

- **A very strong target list** A junior explorer with the geological team of a major. Three world class geologists have spent a year developing its target list that is now ready to drill
- **A comprehensive drill progame** through the summer that will commence immediately. Percussion drilling will provide accurate vectoring for diamond drilling to follow
- **Micro-cap valuation provides high leverage growth for discoveries.** One of few copper plays on the London Exchange and with a market cap of just £3.5m, by far the most leveraged.
- **Investor led company.** Will seek to establish value
- **Both Copper and Gold are looking strong:** Copper is looking both an excellent near-term and medium term story. Numerous gold shows indicate that Cyprus VMS systems have above average gold content, with a clean product in demand by smelters.
- **Stock has recently attracted a liquid retail following:** On April 21 CHF was the top performing stock on the London Exchange and turned over 18 million shares, around 30% of the register.



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