

31 July 2014

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge St
Sydney NSW 2000

By E-lodgment

Quarterly Activities Report For Period Ending 30 June 2014

HIGHLIGHTS

- Completion of the Gabon Transaction with Metals of Africa
- Placement completed raising \$801,000
- Value of holding in Metals of Africa Limited (ASX: MTA) appreciates

CORPORATE UPDATE

Placement

During the quarter the Company completed the second tranche of a \$750,000 placement to sophisticated investors and an additional director placement of up to \$51,000 to raise a total of \$801,000 before costs, to assess new opportunities and to provide working capital to existing operations. The two tranche and director placement was completed via the issue of a total of 200,250,000 new shares at an issue price of \$0.004 per share, as approved by shareholders at a general meeting of the Company held on 23 April 2013.

Sale Agreement with Metals of Africa

As consideration for the divestment of non-core assets in the March 2014 quarter the Company received the following equity in MTA during the quarter:

- 5,000,000 fully paid ordinary shares (subject to voluntary escrow until 7 February 2015)
- 5,000,000 unlisted options, exercisable at \$0.093 on or before 31 March 2017

The Company is now the largest shareholder in Metals of Africa Limited (ASX: MTA). The value of the Company's holding in MTA has increased significantly recently due to MTA's interest in the Montepuez Graphite project as announced by MTA on 20 June 2014.

EXPLORATION ACTIVITY

During the June quarter there was limited exploration activity due to the company assessing its project portfolio and expenditure commitments to rationalise costs and ensure that future exploration expenditure is committed to priority "de-risked" targets.

Appendix 1 – Tenement Summary – 30 June 2014

1. MINING TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
<i>Mhukuru</i> PL 7386/2011	Tanzania	Granted	100%	100%
PL 8970/2013 (HQ-P 24982)	Tanzania	Granted	100%	100%
<i>Ruhuhu</i> PL 7048/2011	Tanzania	Granted	100%	100%

2. MINING TENEMENTS ACQUIRED/DISPOSED				
Tenement Reference	Location	Nature of Interest	Interest at beginning of quarter	Interest at end of quarter
<i>Acquired</i> Nil				
<i>Disposed</i> Nil				

3. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS
Nil

4. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS ACQUIRED OR DISPOSED
Nil

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Select Exploration Limited

ABN

25 062 063 692

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	8	14
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(113) - - (110)	(359) - - (176)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - sale of plant and equipment	-	80
Net Operating Cash Flows	(212)	(436)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(212)	(436)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(212)	(436)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	726	801
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(54)	(54)
	Net financing cash flows	672	746
	Net increase (decrease) in cash held	460	311
1.20	Cash at beginning of quarter/year to date	213	362
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	673	673

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	87
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Amount includes company secretarial, financial management, rent and corporate advisory fees to Grange Consulting Group, of which Mr Macliver is a director and shareholder. Amount also includes a capital raising fee, related to the placement, to Grange Capital Partners, of which Mr Macliver is a director and shareholder.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	-
4.3	Production	-
4.4	Administration	100
Total		200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	673	213
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	673	213

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1				
7.2				
7.3	324,923,226	309,180,032 (*15,743,194 subject to escrow)		Fully paid ordinary
7.4	181,549,017 (Placement)	181,549,017	\$0.004	Fully paid ordinary
7.5				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	Options: 3,850,000 27,443,886	- -	<i>Exercise price</i> \$0.36 \$0.35	<i>Expiry date</i> 30 June 2016 30 September 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

31 July 2014

Sign here: Date:
(~~Director~~/Company secretary)

Phil Warren

Print name:

Notes

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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