

29 October 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 September 2014

HIGHLIGHTS

- Continued on-going strategic review
- Revenue generated from sale of financial assets
- Appointment of new non-executive director and company secretary

CORPORATE UPDATE

Select Exploration Limited (ASX: SLT) (“Select” or “the Company”) advises that it either sold or exercised the 5m unlisted options (\$0.093, 31 March 2017) in held in Metals of Africa Limited (ASX: MTA) and in addition sold the majority of the 5m fully paid ordinary shares it held in MTA. The Company retains 174,667 fully paid ordinary shares in MTA.

In return for the above transactions, the Company received total net proceeds of approximately \$1.04 after costs.

Director and Company Secretary Changes

During the quarter Ms Cherie Leeden resigned from her position on the Board as non-executive director due to other work commitments. Ms Leeden was replaced on the board by in-coming non-executive director, Mr Phil Warren. Accordingly Mr Warren resigned from his position as company secretary and was superseded by experienced company secretary Mr Steven Wood.

EXPLORATION ACTIVITY

During the September quarter there was limited exploration activity due to the Company assessing its project portfolio and expenditure commitments to rationalise costs.



Appendix 1 – Tenement Summary – 30 September 2014

| 1. MINING TENEMENTS HELD | | | | |
|---|-----------------|---------------------------|---|-----------------------------------|
| Tenement Reference | Location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
| Nil | | | | |
| 2. MINING TENEMENTS ACQUIRED/DISPOSED | | | | |
| Tenement Reference | Location | Nature of Interest | Interest at beginning of quarter | Interest at end of quarter |
| Acquired Nil | | | | |
| Disposed <i>Mhukuru</i> PL 7386/2011 | Tanzania | Relinquished | 100% | 0% |
| PL 8970/2013 (HQ-P 24982) | Tanzania | Relinquished | 100% | 0% |
| <i>Ruhuhu</i> PL 7048/2011 | Tanzania | Relinquished | 100% | 0% |
| 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 September 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors | - | 14 |
| 1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration | (149) - - (174) | (508) - - (349) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 4 | 8 |
| 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 | (319) | (755) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets | - (232) - | - (232) - |
| 1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets | - 1,329 - | - 1,329 - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (transaction costs of investing activities) | (57) | (57) |
| Net investing cash flows | 1,040 | 1,040 |
| 1.13 Total operating and investing cash flows (carried forward) | 721 | 285 |

+ 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) | 721 | 285 |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | 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) |
| | Net financing cash flows | - | 747 |
| | Net increase (decrease) in cash held | 721 | 1,032 |
| 1.20 | Cash at beginning of quarter/year to date | 673 | 362 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 1,394 | 1,394 |

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 | 122 |
| 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 director fees, company secretarial, financial management and rent to Grange Consulting Group, of which Mr Macliver and Mr Warren are related parties.

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 | 1,394 | 673 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 1,394 | 673 |

+ 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 | PL 7386/2011 | Relinquished | 100% | 0% |
| | | PL 8970/2013 (HQ-P 24982) | Relinquished | 100% | 0% |
| | | PL 7048/2011 | Relinquished | 100% | 0% |
| 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 | Preference securities (description) | - | - | - |
| 7.2 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | - | - | - |
| 7.3 | +Ordinary securities | 324,923,226 | 309,180,032 (*15,743,194 subject to escrow) | Fully paid ordinary |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | | |
| 7.5 | +Convertible debt securities (description) | | | |

+ 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 (description and conversion factor) | Options: 3,850,000 27,443,886 | - - | Exercise price \$0.36 \$0.35 | Expiry date 30 June 2016 30 September 2015 |
| 7.8 | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | Debentures (totals only) | | | | |
| 7.12 | Unsecured notes (totals only) | | | | |

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.

29 October 2014

Sign here: Date:

(~~Director~~/Company secretary)

Steven Wood

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.

== == == == ==