

29 January 2016



ACN 114 175 138

## **EXPLAURUM QUARTERLY ACTIVITIES REPORT**

### **Three Months Ending 31 December 2015**

#### **Highlights**

##### **Corporate**

- Two capital raising were successfully completed during the period, with \$360,000 raised in the first and \$800,000 raised in the second (before costs).
- All of the Company's Queensland and New South Wales tenements were sold to Jervois Mining Limited for 11,100,000 fully paid ordinary shares in Jervois Mining Limited (ASX:JRV) – effective date 6 November 2015.
- At the Company's annual general meeting held on 27 November, all resolutions put to the meeting of shareholders were passed unanimously on a show of hands.

##### **Exploration**

- Explaurum completed a 45-hole (total 2,798m) reverse circulation (RC) drilling program over the northern Gault Deposit at its Tampia Gold Project in Western Australia - all assays reported on schedule by end December 2015
- Results from the program:
  - Confirmed the location and tenor of mineralisation as indicated by historic drilling;
  - Confirmed continuity of high-grade mineralisation between drill holes;
  - Identified high-grade, near surface mineralisation
  - Confirmed the structural interpretation of the continuity of high-grade gold mineralisation;
  - Provided further important structural and lithological data from optical, density and acoustic downhole logging tools for 3D structural and geological mapping.

##### **March Quarter Plans**

- Assay results, along with the historic drilling results and geological and density data from the downhole analysis, to help develop a detailed 3D geological model of the toll pit area at Tampia.
- The model will constrain a detailed gold resource estimate, which will be integrated with the metallurgical test work data to finalise an economic scoping study on the feasibility of a proposed toll treatment option together with an updated resource.
- Further drilling planned to test the continuity of the new mineralisation intersected and test for extensions at depth of the stacked ore shoots intersected in the RC program.
- Additional extension and infill drilling will be carried out to the south and north to scope to potential scale of the project.
- A detailed ground gravity program is planned over the known resource and along strike to better understand the 3D geology and structural controls on mineralisation.

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Registered Office: Level 16, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000

Postal Address: PO Box 3249, Brisbane QLD 4001

Contact Details: Telephone +61 7 3333 2722 Email: [info@explaurum.com](mailto:info@explaurum.com)

[www.explaurum.com](http://www.explaurum.com)

## Explaurum Corporate Activities

Two capital raising were successfully completed during the period, with \$360,000 raised in the first and \$800,000 raised in the second (before costs). The first was a placement of 18,094,825 shares at a share price of \$0.020 and the second was also a placement of 34,782,609 shares at an issue price of \$0.023 per share. The capital raisings, which were managed by Merchant Capital Markets Pty Ltd (Melbourne), who received a 6% capital raising fee, were significantly over subscribed. The funds raised are being employed towards:

- Resource update and initial pit design;
- Limited shallow extensional RC drilling;
- The ongoing metallurgical program;
- Commence environmental planning and application process;
- General exploration including ground gravity program; and
- Ongoing working capital.

All of the Company's Queensland and New South Wales tenements were sold to Jervois Mining Limited for 11,100,000 fully paid ordinary shares in Jervois Mining Limited. The consideration shares were issued at an issue price of \$0.055 per share that implies a sale value of \$610,500. This valuation is consistent with the recent Independent Expert Report completed by BDO for the merger of Auzex Exploration Ltd (AEL) with Explaurum.

At the Company's annual general meeting held on 27 November, all resolutions put to the meeting of shareholders were passed on a unanimously show of hands.

The Explaurum Limited website has been updated with the changes from the merger with Auzex Exploration Limited and is now live, see [www.explaurum.com](http://www.explaurum.com).

## Tampia Gold Project Exploration Program

The key asset of the Company is the Tampia Gold Project located in the wheat belt of Western Australia, approximately 300km east of Perth. The Company owns a 90% interest in two mining leases and a surrounding exploration licence through a joint venture, and 100% interest in a further seven exploration licences and three prospecting licences which complement the original tenure.

Exploration activity for the Company during the September quarter was focussed on the Tampia project. No field work was undertaken on other projects.

Explaurum has previously announced (see ASX announcement 30 April 2015) a JORC 2012 Inferred Mineral Resource of 310,000 ounces of gold at 2.0g/t Au, using a 1.0g/t Au cut-off and 40g/t Au top-cut:

Cut-off Grade g/t Au	Tonnes (x 1000)	Grade g/t Au (cut)	Contained Gold (Ounces)	Grade g/t Au (uncut)
0.7	7,100	1.6	370,000	2.0
1.0	4,700	2.0	310,000	2.5
2.0	1,600	3.4	170,000	4.6

Notes:

- i. Approx. 90% of the resource (at 0.7g/t cut-off) is less than 100m below surface, 73% less than 80m below surface
- ii. Oxide resources are not significant – approx. 15,000oz at a 0.7g/t Au cut-off.

The planned infill reverse circulation (RC) drilling program reported in the September quarterly was completed during the December quarter, with the strategy to target an area for potential early mining and toll treatment (see ASX announcements 13 November 2015, 26 November 2015, 3 December 2015, 7 December 2015, 9 December 2015 and 21 December 2015). The aim of the infill RC drilling in the toll pit area was to confirm the potential mineable resource and more importantly confirm gold and arsenic ratios to estimate the amount of recoverable gold in the area. The northern lode was chosen for the toll treatment option as gold mineralisation was interpreted to come to surface in this area, has an orientation that will potentially minimise strip ratios and continuous high grade gold mineralisation has been modelled from previous drilling. A preliminary pit design was completed to help target the drill holes, which were planned to infill existing historic drill holes to a general 20m by 10m spacing. Six holes were also planned to twin selected existing high grade intersections to help confirm the location of gold mineralisation intersected by the historic drilling, so identifying which historic holes can be used for mine planning and more importantly define the Au/As relationship within the toll treatment resource. The planned program consisted of 47 RC holes totalling, 2,705 metres and the actual program consisted of 45 RC holes totalling, 2,798 metres (Figure 1).

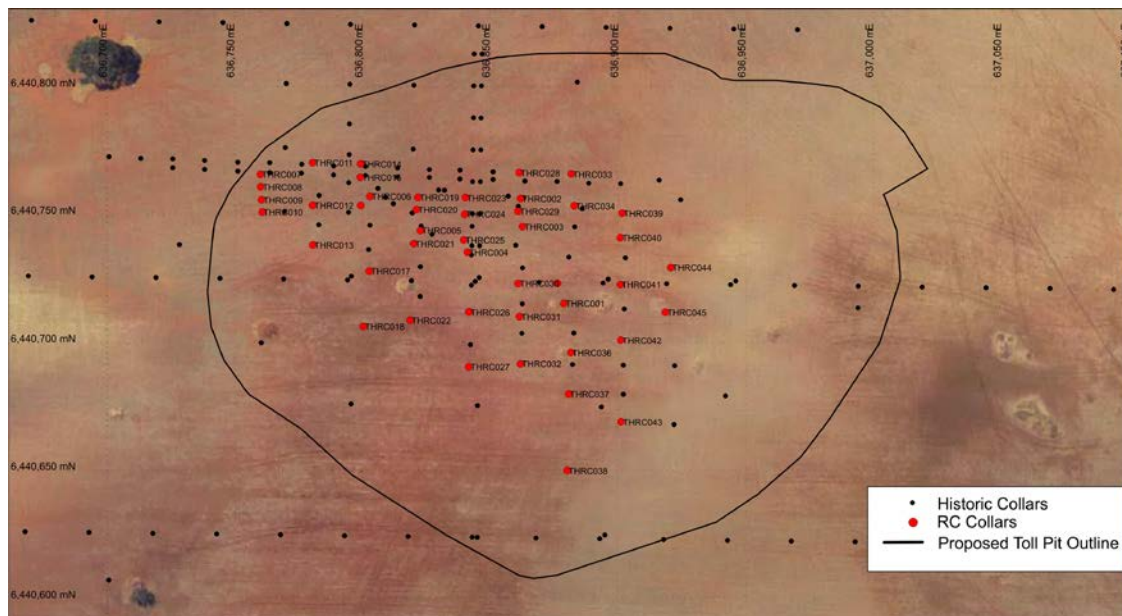


Figure 1. Location of RC infill drilling over the Toll Pit resource area at Tampia in relation to historic drill hole collars.

All but five of the 45 RC holes are mineralised and the program delivered highly promising results including:

- 5m at 21.45 g/t Au from 12m, including 1m at 101.00 g/t Au from 16m
- 8m at 6.10 g/t Au from 18m;
- 10m at 9.36 g/t Au from 66m, including 2m at 39.07 g/t Au from 74m;
- 6m at 9.48 g/t Au from 58m;
- 16m at 4.58 g/t, including 8m at 7.24 g/t Au;
- 5m at 19.09g/t Au, including 3m at 30.79g/t Au;
- 7m at 30.08g/t Au from 40m;
- 16m at 4.58 g/t, including 8m at 7.24 g/t Au;
- 5m at 19.09g/t Au, including 3m at 30.79g/t Au;
- 2m at 26.72g/t Au from 2m and 14m at 8.75g/t Au from 51m.

Five of the six twin holes returning similar results from similar depths as the historic holes. THRC001 had a poor match with the results from GDH03 with the intersection in THRC001 deeper and higher grade than in the historic diamond hole drilled by BHP. The location of all the BHP drill holes were subsequently reviewed and it was found that the collar coordinates for all the BHP holes were incorrectly located by 16.6m to the south west and 10m to the south. This error will have affected the historic and current resource estimates. The error has now been corrected in the drill database and should improve the continuity of mineralisation between drill holes, which should improve grade estimation in future resource estimates. The high grade assays from the other historic holes have been repeated in the twin holes and are clearly continuous over at least 10-20m.

The results also confirm the mineralised structure hosting the northern shoot has continuous high grade mineralisation that deepens to the south east. When the assay data are plotted with Televiewer optical and structural data, the high grade shoots have a shallower dip than previously interpreted and in the north eastern part of the toll pit area appear to form a number of stacked shoots that continue at depth. Importantly, the deeper stacked shoots, assuming a shallower dip, may continue up-plunge under the gold mineralisation that comes to surface in the north west of the toll pit area, providing an immediate target for increasing the gold resource in the area. This interpretation will be tested by drilling a number of deeper holes in the upper part of the northern shoot in the next drilling program.

There are also a number of deeper intersections, for example THRC030, that appear to have been missed by previous drilling as the mineralisation lies beneath a sheet of granite that was believed by previous explorers to be unmineralised (Figure 2). The Televiewer data has allowed the accurate mapping in 3D of the granite sheet, which will allow the targeting of additional mineralisation missed by previous drilling in the Toll Pit area. Also, importantly, recent sampling of the granite in the 2014 and 2015 RC and diamond drilling programs by AEL has confirmed that parts of the granite sheet are mineralised, although not as high grade as the mafic gneiss host, and that the granite pre-dates gold mineralisation contrary to the interpretation by previous explorers of the granite being un-mineralised. This may mean that areas not targeted because of the presence of granite could potentially be mineralised, so opening up areas considered to be adequately tested by the historic drilling as potential new targets for increasing the immediate resource in the Toll Pit area and more regionally.

The final assay results will now be used, along with the historic drilling results and geological and density data from the downhole analysis to develop a detailed 3D geological model of the toll pit area. This model will then constrain a detailed gold resource estimate for this area, which will be integrated with the metallurgical test work data to finalise an economic scoping study on the feasibility of the proposed Toll Treatment option together with an updated resource. Additional extension and infill drilling will also be planned around the northern ore shoot to infill the gap between this zone of mineralisation and the central ore shoot, test the continuity of the new mineralisation intersected to the north of the Northern Shoot and test for extensions at depth of the stacked ore shoots intersected in the south east of the Toll Pit area. Exploration drilling will also be carried out at this time to the south and north to scope to potential scale of the project.

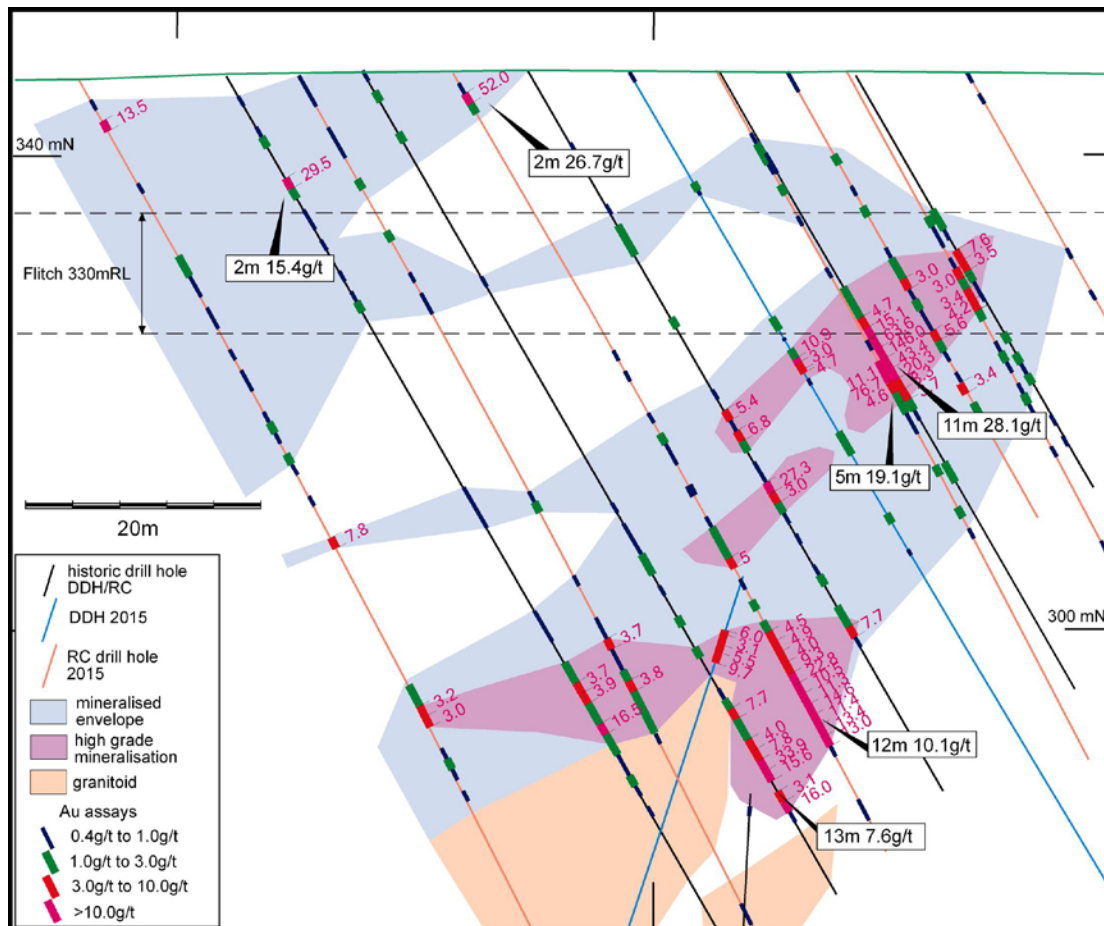


Figure 2. Section of mineralisation defined by drilling in the Toll Pit area along 636,860mN in relation to the granite sheet.

All the structural data collected from the downhole optical interpretation in the Toll Pit area, including the orientation of felsic bands, lithological contacts and foliations have been statistically analysed and suggest the main structures in the mafic gneiss that host the gold mineralisation strike north east and dip 30° to the south west. This orientation matches the trends in the magnetic data this area. This suggests that if the mafic gneiss is the main host for the gold mineralisation that any extensions along strike will be found to the north east and south west. Most of the historic exploration drilling has actually been carried out to the north and south and these areas have only been tested to a limited degree by shallow RAB drilling. Step out RC drilling along these trends will be planned for the next phase of exploration drilling on the project.

Now all the structural, geological and density data have been collected from the downhole analysis the new assay results and logged geology will be used, along with the historic drilling results, to develop a detailed 3D geological model of the toll pit area. This model will then be used to constrain a detailed gold resource estimate for this area, which will be integrated with the metallurgical test data to develop a recovered gold model for the Toll Pit area. Additional extension and infill drilling will also be planned around the northern ore shoot to infill the gap between this zone of mineralisation and the central ore shoot, test the continuity of the new mineralisation intersected to the north of the Northern Shoot and test for extensions at depth of the stacked ore shoots intersected in the south east of the Toll Pit area. Exploration drilling will also be carried out at this time to the south and north to scope to potential scale of the project.

### **Metallurgical test work**

The first phase of the metallurgical test work program based on parameters from a nearby process plant was started during the quarter. Two ore types were tested based on a high recovery sample with an average grade of 2.4 g/t Au and 142 ppm As and a low recovery sample with an average grade of 2.59 g/t Au and 6,229 ppm As. The aim of the test work is to determine the response of the different Au/As ratio ores to the most likely processing flowsheet. The program comprised sample preparation, gravity test work, bottle rolls (post gravity) at three grind sizes (coarsest 170µm) at an appropriate cyanide concentration (higher than Edna May) using Edna May site water. From these results, the gravity tail reserve (2kg/composite) will be used to undertake additional test work. Comminution test work was excluded at this stage, although samples will be available if required in cold storage.

### **For further information, contact:**

**John Lawton**  
Managing Director  
Explaurum Limited  
+61 7 3333 2722

**Mark Calderwood**  
Technical Director  
Explaurum Limited  
+61 8 6380 1333

### **Competent Persons' Statement**

*The technical information in this report which relates to the Tampia Gold Project resource estimate was first reported by the Company in compliance with JORC 2012 in a market release dated 30 April 2015 and the results of the recent diamond drilling and preliminary metallurgical test work program were released on 21 September 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements.*

**Schedule of Mining Tenements and Beneficial Interests  
Held as at the end of the December 2015 Quarter**

<b>Project / Location</b>	<b>Country</b>	<b>Tenement</b>	<b>Percentage held / earning</b>
Tampia – Western Australia	Australia	E70/2132, M70/815, M70/816	90%
		E70/4411, E70/4420, E70/4433, E70/4616, P70/1637, P70/1638, P70/1645, E70/4473, E70/4474, E70/4720	100%

**Schedule of Mining Tenements and Beneficial Interests  
Acquired during the December 2015 Quarter**

<b>Project / Location</b>	<b>Country</b>	<b>Tenement</b>	<b>Date Acquired</b>
N/A			

**Schedule of Mining Tenements and Beneficial Interests  
Disposed of during the December 2015 Quarter**

<b>Project / Location</b>	<b>Country</b>	<b>Tenement</b>	<b>Withdrawal Date</b>
Lyons Project – Western Australia	Australia	E52/28833, E52/2906, E52/2974, E54/2976	24/11/2015
Khartoum <sup>1</sup> – Queensland	Australia	EPM14797, EPM15570, EPM19112, EPM19113, EPM19114, EPM19203,	06/11/2015
Runningbrook <sup>1</sup> – Queensland	Australia	EPM14418, EPM19305	06/11/2015
Kingsgate <sup>1</sup> – New South Wales	Australia	EL8203	06/11/2015

<sup>1</sup> Tenements disposed of by sale – see ASX announcement dated 06/11/2015.