



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 31 JANUARY 2013

DECEMBER 2012 QUARTERLY ACTIVITIES REPORT

The Directors of Select Exploration Limited ("Select" or "Company") are pleased to present the quarterly report for the period ended 31 December 2012. During the quarter the Company completed the acquisition of exploration tenements in Tanzania including:

- *Strong support from investors during the capital raising process to enable re-compliance with ASX requirements following a change in activities with the offer closed over-subscribed.*
- *Trading in the listed securities on the ASX re-commenced on Thursday 1st November 2012.*
- *Completion of the acquisition of exploration tenements covering four prospective and potentially large scale coal and uranium projects in Tanzania. The tenements acquired by the Company cover approximately 3,700km² across four sedimentary basins, all with a history of coal and/or uranium occurrences.*
- *Discovery of an outcropping coal seam located within the Company's Ruhuhu Project area located in southern Tanzania.*
- *Trenching program undertaken on the outcrop was completed with sample results of up to 6060 kcal/kg CV thermal coal at surface (see Annexure 1 for detailed information).*
- *Commencement of a focused diamond drilling aiming to confirm the continuity and orientation of the coal seam(s) on PL 7051/2011 and PL 7048/2011.*
- *Maiden drill hole confirmed a continuation of the outcropping coal horizon at 39m below surface and a second intersection was achieved 89m below surface (refer ASX release dated 4 December 2012)*
- *Drilling was suspended due to the onset of heavy seasonal rainfall in the area. To re-commence in 2013 targeting along strike potential thickening of the two identified coal seams in addition to exploratory drilling for additional coal measures of greater width with the Company continuing its focus on the identification of a large scale coal deposit.*
- *An Appendix 5B for the period ending 31 December 2012 is attached. The Company was re-instated to the ASX on 1 November 2012. Prior to this period the Company was not a mining exploration entity and reported each quarter via an Appendix 4C.*

For further information contact:

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Managing Director
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Exploration Activities

Select's exploration team discovered the coal outcrop on PL 7051/2011, part of the Company's Ruhuhu Project, whilst undertaking ground traversing activities in preparation for the maiden drill campaign on the highly prospective land holding.

The outcrop is located within a sequence of carbonaceous mudstone and interbedded sandstone and is interpreted to lie in the same stratigraphic position as the adjacent Ngaka mine and Katewaka/Mchuchuma coal occurrences within the same basin.

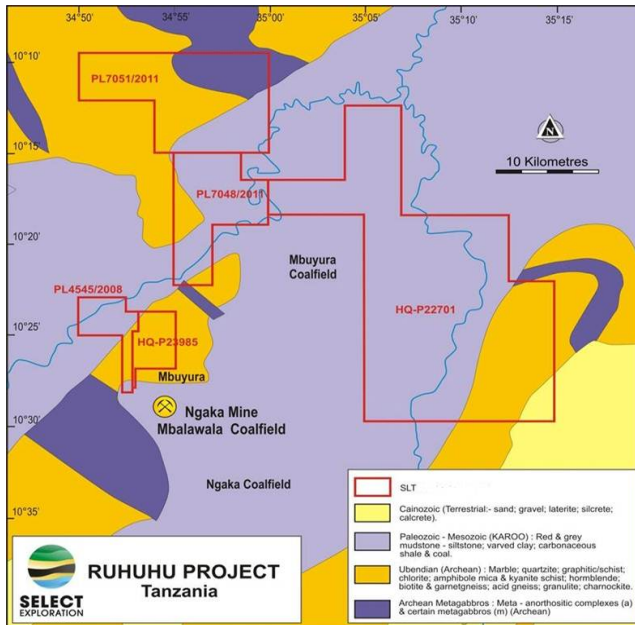


Figure 1: Ruhuhu Project tenements



Figure 2: Trenching of coal outcrop

Following the coal discovery at surface, the Company launched a focused diamond drilling campaign aiming to confirm the continuity and orientation of the coal seam(s) located on PL 7051/2011 and PL 7048/2011.

The first drill hole was located approximately 150m SSE of the coal outcrop location and achieved a depth of 203m prior to the suspension of the program due to the onset of heavy seasonal rainfall in the area. The basement was not intersected at this depth providing the potential for additional coal bearing stratigraphy within the Lower Karoo. Multiple coal-bearing and carbonaceous horizons were intersected and are interpreted to lie stratigraphically within the K4 Lower Karoo sedimentary unit.

Continuation of the outcropping coal horizon was intersected 39m below surface (0.20m seam width). A second intersection was achieved 89m below surface (0.20m seam width) and this represented a new, previously undiscovered coal occurrence within the Company's project area.

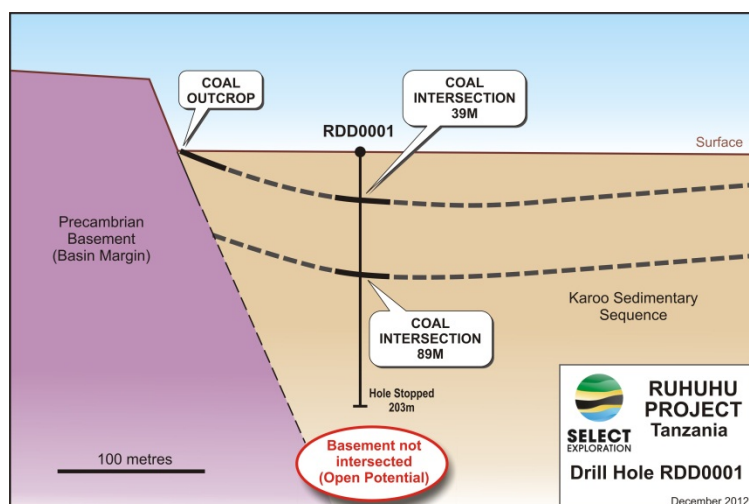


Figure 3: Drill hole RDD0001



Figure 4: Coal from outcrop on PL 7051/2011

A detailed trenching program was completed and samples dispatched for analysis. Results of the analysis confirmed the presence of high energy content thermal coal with up to 6060 kcal/kg CV thermal coal outcrop at surface. Summary table below (see Annexure 1 for detailed information) of results of the seven trenched coal samples collected:

	Samples on an As Received Basis					
	Total Moisture	Ash	Volatile Matter	Total Sulphur	Calorific Value (MJ/kg)	Calorific Value (Kcal/kg)
Minimum value	3.90%	17.50%	27.60%	1.04%	21.87	5,222
Maximum value	4.50%	28.10%	31.40%	5.32%	25.38	6,060
Average value	4.20%	22.50%	30.00%	3.20%	23.80	5,883

The Company believes that these trenching results and the maiden-hole intersections confirm prospectivity for near-surface coal deposition and intends to continue drilling within this project area post wet season in early 2013 targeting along strike potential thickening of the two identified coal seams in addition to exploratory drilling for additional coal measures of greater width. In addition, the Company plans to conduct washability test work to determine the ability to further upgrade the coal.

The information in this report that relates to exploration results is based on information compiled by Ms Cherie Leeden. Ms Leeden is a Non-Executive Director of Select Exploration Limited. Ms Leeden is a member of Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Leeden consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Annexure 1

Sample Identity	Mass as Received kg	Total Moisture	Ash	Volatile Matter	Calorific Value	Gross Cal Value	Total Sulphur	Total Moisture	Ash
		Based on ISO 589 %	Based on ISO 1171 %	Based on ISO 562 %	Based on ISO 1928 MJ/kg	Based on ISO 1928 MJ/kg	Based ASTM D 4393-08 %	Based on ISO 589 %	Based on ISO 1171 %
RPT 0107	2.870	4.5	20.2	31.3	24.53	24.19	3.66	4.5	20.2
RPT 0109	3.630	4.3	19.3	31.4	24.98	24.64	3.59	4.3	19.3
RPT 0110	4.080	3.9	22.7	31.1	23.93	23.42	5.32	3.9	22.7
RPT 0111	3.550	4.0	28.1	27.6	21.87	21.72	1.57	4.0	28.1
RPT 0112	3.930	4.2	17.5	30.9	25.38	25.14	2.55	4.2	17.5
RPT 0113	4.500	4.2	24.6	29.0	23.28	23.18	1.04	4.2	24.6
RPT 0114	4.350	4.4	25.1	28.4	22.59	22.12	4.93	4.4	25.1

Analytical results of the 7 surface (outcropping) coal samples sent for analysis (as received basis).

Appendix 5B

Mining 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

Name of entity

Select Exploration Limited

ABN

25 062 063 692

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(792)	(792)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(413)	(1,211)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	15	25
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	5	24
	Net Operating Cash Flows	(1,185)	(1,955)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	(291)	(291)
	(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	(291)	(291)
1.13	Total operating and investing cash flows (carried forward)	(1,476)	(2,246)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,476)	(2,246)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4,000	4,226
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)	(439)	(439)
	Net financing cash flows	3,561	3,787
	Net increase (decrease) in cash held	2,085	1,541
1.20	Cash at beginning of quarter/year to date	232	776
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,317	2,317

**Note: The Company was re-instated to the ASX on 1 November 2012. Prior to this period the Company was not a mining exploration entity and reported each quarter via an Appendix 4C.

Payments to directors of the entity and associates of the directors
Payments to 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	447
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: <ul style="list-style-type: none"> - Executive remuneration; - Non-executive director's fees; - Consulting fees paid to Mr Cranswick prior to his commencement as Managing Director; - Company secretarial, office rent and corporate advisory fees to Grange Consulting of which Mr Ian MacIver is a director and shareholder; and - Consulting fees paid to Cypress Management Services of which Ms Leeden and Messrs MacIver and Titchener are shareholders. 	

+ See chapter 19 for defined terms.

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

Pursuant to shareholder approval, the Company acquired its Tanzanian exploration prospects through the issue of 14,750,000 Vendor Shares, 50,000,000 Performance Shares and 993,194 Consideration Shares (in lieu of the payment of \$397,277.60 in cash).

As outlined above, the number of Consideration Shares issued to the Vendor in lieu of cash reimbursement of expenditure incurred was 993,194 at a deemed issue price of \$0.40 per share.

- 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	400
4.2 Development	-
4.3 Production	-
4.4 Administration	75
Total	475

+ See chapter 19 for defined terms.

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	2,317	232
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		2,317	232

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	Refer the attached Annexure 1		

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)			
	Class A Performance Shares 25,000,000	nil	Not applicable	Not applicable
	Class B Performance Shares 25,000,000			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Class A Performance Shares 25,000,000 Class B Performance Shares 25,000,000			
7.3	+Ordinary securities	41,525,558	25,782,364 (*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	13,333,333 (placement) 15,743,194 (vendor)	13,333,333 nil	\$0.30 Acquisition of Tanzanian exploration projects	Fully paid ordinary Fully paid ordinary (escrowed)
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options (description and conversion factor)	Options: 3,047,731 2,000,000 6,666,667 Performance Rights: 100,000 100,000 100,000 100,000 200,000	3,047,731 - - Nil Nil Nil Nil Nil	Exercise price \$0.20 \$0.36 \$0.35 Nil Nil Nil Nil Nil	Expiry date 31 July 2013 30 June 2016 30 September 2015 1 July 2013 1 July 2014 On or before 1 July 2013 On or before 1 July 2013 1 July 2013
7.8	Issued during quarter	Options: 2,000,000 6,666,667 Performance Rights: 100,000 100,000 100,000 100,000 200,000	- - Nil Nil Nil Nil Nil	\$0.36 \$0.35 Nil Nil Nil Nil Nil	30 June 2016 30 September 2015 1 July 2013 1 July 2014 On or before 1 July 2013 On or before 1 July 2013 1 July 2013
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 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 \(see note 5\)](#).
- This statement does /does not* ([delete one](#)) give a true and fair view of the matters disclosed.

Sign here: Date: 31 January 2013
(Director/~~Company secretary~~)

Print name: Shane Cranswick

+ See chapter 19 for defined terms.

Notes

- 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 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, 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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ANNEXURE 1

6.2 Interests in mining tenements acquired or increased

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
Mhukuru Project			
PL 7386/2011	Granted	-	100%
HQ-P 24982	Application	-	100%
HQ-P 24981	Application	-	100%
HQ-P 25015	Application	-	100%
HQ-P 23809	Application	-	100%
Selous Project			
PL 7381/2011	Granted	-	100%
PL 7366/2011	Granted	-	100%
PL 7400/2011	Granted	-	100%
PL 7383/2011	Granted	-	100%
PL 7380/2011	Granted	-	100%
PL 7402/2011	Granted	-	100%
PL 7365/2011	Granted	-	100%
PL 7401/2011	Granted	-	100%
PL 7397/2011	Granted	-	100%
PL 7385/2011	Granted	-	100%
PL 7790/2012	Granted	-	100%
Ruhuhu Project			
HQ-P 22701	Application	-	100%
HQ-P 23985	Application	-	100%
HQ-P 25014	Application	-	100%
PL 7791/2012	Granted	-	100%
PL 7051/2011	Granted	-	100%
PL 7048/2011	Granted	-	100%
PL 4945/2008	Granted	-	100%
Rukwa Project			
PL 7795/2012	Granted	-	100%
PL 7794/2012	Granted	-	100%
HQ-P 23805	Application	-	100%
HQ-P 23806	Application	-	100%
HQ-P 23808	Application	-	100%

HQ-P 24426	Application	-	100%
HQ-P 24980	Application	-	100%
Additional Licences			
PL 7793/2012	Granted	-	100%
PL 7792/2012	Granted	-	100%
PL 8224/2012	Granted	-	100%
PL 8223/2012	Granted	-	100%
PL 8219/2012	Granted	-	100%
HQ-P 24920	Application	-	100%
HQ-P 24919	Application	-	100%
PL 7783/2012	Granted	-	100%