

27 July 2016

ASX: EXU
QUARTERLY ACTIVITY REPORT
FOR THE PERIOD ENDED 30 JUNE 2016



Highlights

- Completion of 42-hole reverse circulation drilling program at Tampia Gold Project, Western Australia
- Program completed infill drilling of the starter pit, tested the down-plunge position of high-grade, near-surface gold intersections as well as testing new targets
- Results included:
 - 8m at 8.96 g/t Au from 68m
 - 7m at 5.99 g/t Au from 128m
 - 13m at 2.49g/t Au from 37m
 - 8m at 4.75g/t Au from 6m and
 - 5m at 7.62g/t Au from 13m
 - 4m at 13.12 g/t Au from 11m
 - 5m at 10.42 g/t Au from 50m
- Based on drilling results, the target area of the Tampia resource has approximately tripled to 1,300m in length and 950m in width with mineralisation open in all directions and at depth
- Two new mineralised zones were discovered based on testing of recent acquired gravity data: 5m at 7.62g/t Au from 13m (THRC052) located 500m west of the known resource; and 5m at 10.42g/t Au from 50m (THRC080) located 500m north of the main resource
- The down plunge extent of the high grade northern shoot (proposed starter pit location) has been doubled to approximately 400m as a result of a 10m at 2.24g/t Au intercept (THRC053) – this zone remains open with depth

Corporate

- Placement completed to raise \$978,000 through the issue of 32.6 million shares to sophisticated and professional investors
- Exercise of options raised \$300,000
- \$636,000 cash position at 30 June 2016

September Quarter Plans

- Finalise and report Tampia Scoping Study results
- Plan exploration drilling program to infill and extend known resource, as well as new regional targets based on gravity interpretation
- Complete diamond drilling program to collect additional core for metallurgical studies
- Extension and infill drilling in new zones of mineralisation

Tampia Gold Project Exploration and Development

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.

During the quarter, exploration activity focused on this 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:

Table 1. JORC 2012 Inferred Mineral Resource – Gault Prospect, Tampia Gold Project

Cut off g/t Au	Tonnes (,000)	Au (cut) g/t Au	Contained gold Ounces	Au (uncut) g/t Au
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

Forty-two exploration RC drill holes totalling 3,762m were completed during the quarter, with results for the first seven drill holes announced 3 May 2016 and the remaining holes on 8 June 2016. The locations of the RC drill holes and results are shown on Figure 1, and drill collar details and gold intersections in these holes provided in Table 1 and Table 2. Significant intersections include:

- THRC047 7m at 10.11 g/t Au from 68m,
- THRC048 6m at 6.89 g/t Au from 128m,
- THRC049 3m at 3.71 g/t Au from 46m,
- THRC049 4m at 4.90 g/t Au from 46m,
- THRC052 5m at 7.62 g/t Au from 13m,
- THRC053 10m at 2.24 g/t Au from 122m,
- THRC059 6m at 3.67 g/t Au from 0m,
- THRC060 4m at 2.92 g/t Au from 10m,
- THRC064 5m at 4.32 g/t Au from 0m,
- THRC066 12m at 3.01 g/t Au from 0m,
- THRC073 3m at 4.04 g/t Au from 48m,
- THRC074 3m at 3.73 g/t Au from 35m,
- THRC077 4m at 13.12 g/t Au from 11m, and
- THRC080 5m at 10.42 g/t Au from 50m.

A total of 28 holes were drilled in the mafic gneiss that hosts mineralisation at Tampia and 14 holes were drilled in new targets defined by data from the recent gravity survey. The holes in the Tampia mafic gneiss are spread across the gravity anomaly, intersecting mineralisation from the near surface in THRC059, THRC064 and THRC066 to 128m depth in THRC048, confirming the relationship between gravity highs, mafic gneiss and gold mineralisation. A preliminary review of the new intersections indicates that 18 of the 44 holes drilled intersected similar or better mineralisation than predicted by the current gold grade model, 22 holes intersected similar mineralisation as the model and 4 holes did not hit the mineralisation predicted by the model.

Drill hole THRC053 extends the down plunge continuity of the high grade northern shoot along the gravity trend by 175m from 200m to 375m to a vertical depth of 105m (Figure 1 and Figure 2). The continuation of the northern shoot remains open to the south east and the 175m gap between the starter pit area and the new intersection is undrilled (Figure 1 and Figure 2). If mineralisation is continuous along this trend it will add to the northern shoot resource, which is currently drilled over a 200m plunge. The RC drilling also continued to intersect narrower stacked mineralised shoots outside the thicker main northern shoot, confirming the structural model of stacked shoots of mineralisation from the surface to the base of the mafic gneiss at depth. The new intersections are similar in gold grade (up to 57.80 g/t Au) and widths to the historic data including their association with arsenic (Table 2).

The intersections of mineralisation in the southern and central shoots confirm the location and tenor of the historic intersections and these are generally narrower, but still with good continuity, that include less continuous thicker high grade zones of mineralisation that appear continuous between one to two holes on section. These shoots now require infill resource drilling to upgrade the resource category in these areas. Holes drilled between the northern, central and southern ore shoots intersected additional mineralisation that increase the potential for the shoots to join down dip and for new stacked shoots to be defined.

The intersection of 3m at 3.73 g/t Au from 35m in THRC074, to the south (Figure 1), has extended mineralisation in the main resource area by 150m to the southern Tampia mafic gneiss contact. This along with near surface intersections in the central and southern shoots confirm that the entire width of the Tampia mafic gneiss is mineralised, opening new areas for extension drilling to the south and east. Only the lower contact in the north has been tested with sufficient drill density to define continuity of the gold mineralisation there. The host mafic gneiss appears to have a true thickness of about 260m, with only the lower 90m having been tested by historic drilling. The upper contact to the south and structural trends defined by the gravity data in the central and southern areas remain poorly drilled.

One hole that was drilled 270m to the west of the Tampia mafic gneiss in the new Western mafic gneiss unit interpreted from the gravity data, intersected 5m at 7.62 g/t Au from 13m in THRC051 (Figure 1; Table 2). This is the first hole at Tampia to confirm ore grade mineralisation outside the Tampia mafic gneiss unit. The hole also intersected mafic gneiss similar to the Tampia mafic gneiss to a depth of 120m, confirming the interpretation of the gravity data. A second new zone of mineralisation was also discovered 500m to the north of the Tampia mafic gneiss in THRC080, with 5m at 10.42 g/t Au from 50m intersected in the new Central mafic gneiss (Figure 1; Table 2). The geology and association with arsenic is similar to the gold mineralisation in the main Tampia resource area.

The combined potential length of the resource target with known gold mineralisation at Tampia has increased from 650m to 1,300m and the width of the zone of interest has increased from 680m to 950m.

The Company is planning additional extension and infill drilling to follow up the new zones of mineralisation intersected between the northern, central and southern shoots and outside the Tampia mafic gneiss.

Detailed soil sampling and additional exploration drilling will be carried out over the gravity anomalies to the west, south and north to continue to establish the potential scale of the project.

Gravity Program

The successful targeting of gold mineralisation using the recent gravity data has provided encouragement to develop additional gravity models for more detailed drill targeting. A proposal to model the gravity and magnetic data over the resource and exploration areas at Tampia constrained by the new drilling data has been accepted and work started. The modelling work will focus on defining the 3D shape and extent of the main host mafic gneiss at Gault (as well as other potential mafic gneiss bodies and lithologies), and provide the basis for an initial structural interpretation for the project area. The 3D modelling and interpretations should be completed by the end of July, when the next phase of exploration drill planning will be completed.

Metallurgical test work

Preliminary results for the Bond Ball Work Index test on a 50/50 blend of the two composites was received during the quarter. The resulting BBWi of 18.9kWhr/t indicates the composite tested is considered 'hard'.

A detailed work plan and budget has been developed and agreed during the quarter. The program assumes two Master Composites are tested (to determine optimal flowsheet) and an additional two Variability Composites are also tested (to test outlying domains to the determined flowsheet). The test work will require at least 10 samples of full PQ core. Three PQ diamond core holes have subsequently been planned in the northern shoot for a total of 150m that will provide 120 kg oxide and transition material of mainly High Au:As mineralisation, 510 kg of High Au:As mineralisation and 510 kg of Low Au:As mineralisation that may include some transitional material.

A total of 168 mineralised samples from the recent exploration drilling have been submitted to ALS for bottle roll test work and 9 samples will have laser sizing analysis carried out. The results for these will be reported in the next quarterly.

Scoping Study

The consultant groups comprising the project team for a scoping study based on the recent drilling and metallurgical data for the Tampia resource area was finalised and work commenced during the quarter. The desk top environmental report has been completed and is being reviewed. The mining study is well advanced with QAQC and geostatistical studies completed in preparation for gold, arsenic and density modelling, which will be followed by a geotechnical review, a review of mining costs and optimisation studies. Plant design based on parameters from the recent metallurgical test work has started and will provide costs for major capital items including crusher, mill, flotation cells, regrind mill and tanks. A groundwater assessment program was started in conjunction with the processing study to identify likely sources of water for processing. Five water samples were analysed as part of the study from recent exploration drill holes that intersected significant water flows in the south west of the project area. The results returned salinity values of 1.97 to 5.32 g/Kg, with an average of 3.64 g/Kg. Seawater has a salinity value of 35 g/Kg on average, which means the water sampled from Tampia is not particularly saline, especially compared to Eastern Goldfields salinity values. Work will now focus on estimating the potential scale of the water source with field work to be completed this quarter.

Corporate

Placement

On 15 April, Explaurum announced it had secured commitments for \$978,000 through the issue of 32.6 million fully paid ordinary shares at an issue price of \$0.03 per share to existing sophisticated and wholesale investors under the Company's shareholder approved placement capacity. A total of 3,789,928 were issued under the Company's 10% placement capacity under Listing Rule 7.1A.

Funds raised through the placement were used to progress development of the Tampia project.

Exercise of Options

During the quarter a total of 6,091,689 options with an exercise price of \$0.05 each and 500,000 options with an exercise price of \$0.03 each were exercised, raising a total of \$319,584. The Company had 231,374,076 ordinary shares on issue at the end of the quarter.

The Company's cash position at 30 June 2016 was \$636,000.

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Competent Person's Statement

The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Gregor Partington, who is a Member of The Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists. Dr Partington is General Manager and full-time employee of Explaurum Limited and has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Partington consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

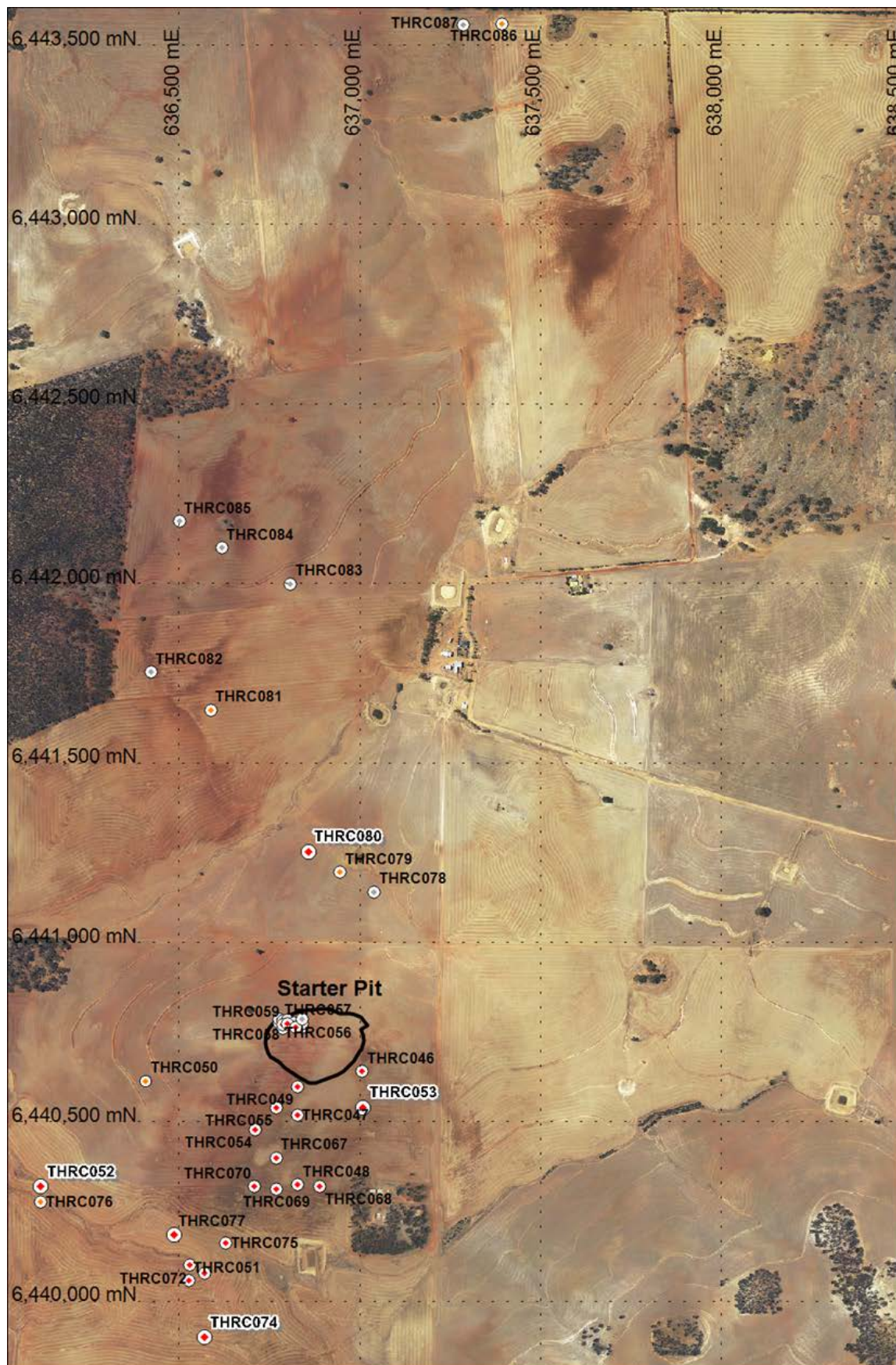


Figure 1. 2016 RC drill collar location plan, with red collars mineralised, orange collars intersected anomalous Au and As mineralisation and grey collars not mineralised. The proposed starter pit on the northern shoot is also shown.

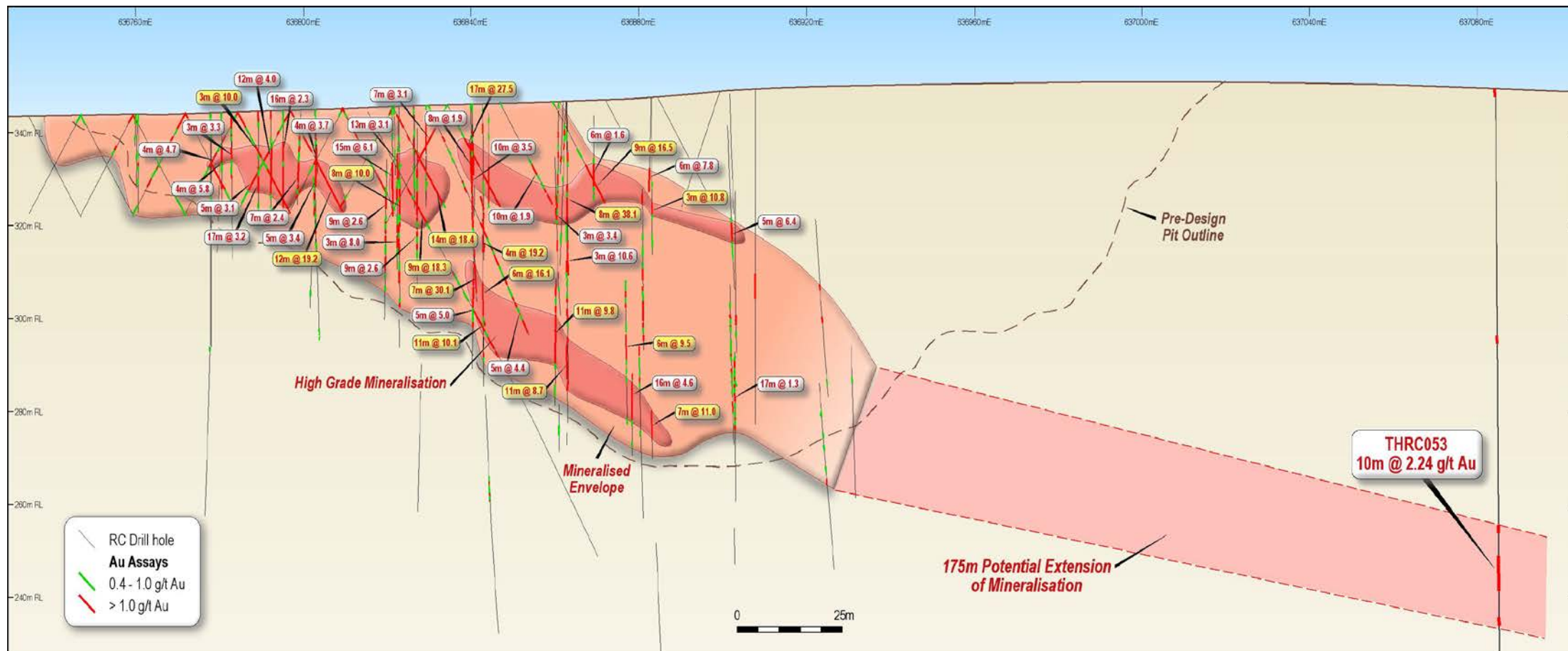


Figure 2. Long Section showing the intersection in THRC053 that potentially extends the high grade northern shoot 175m to the south east.

Table 1: Drill collar details for April 2016 RC drill hole program

Hole	Area	East (m)	North (m)	RL (m)	Depth (m)	Az. (°)	Dip (°)
THRC046	Northern Shoot	637,007	6,440,640	350	169	003	-61
THRC047	Central Shoot	636,828	6,440,519	341	140	001	-60
THRC048	Southern Shoot	636,829	6,440,324	336	150	002	-60
THRC049	Central Shoot	636,828	6,440,599	344	151	004	-60
THRC050	Western Felsic Gneiss (New)	636,409	6,440,614	337	54	004	-59
THRC051	Southern Shoot	636,527	6,440,058	331	162	003	-60
THRC052	Western Mafic Gneiss (New)	636,118	6,440,319	327	60	001	-59
THRC053	Northern Shoot	637,010	6,440,540	346	168	004	-60
THRC054	Central Shoot	636,711	6,440,479	337	120	004	-60
THRC055	Central Shoot	636,769	6,440,539	340	150	005	-61
THRC056	Northern Shoot	636,778	6,440,785	344	24	002	-60
THRC057	Northern Shoot	636,778	6,440,775	344	24	001	-60
THRC058	Northern Shoot	636,788	6,440,781	344	36	001	-60
THRC059	Northern Shoot	636,788	6,440,771	345	20	360	-59
THRC060	Northern Shoot	636,787	6,440,760	345	20	003	-61
THRC061	Northern Shoot	636,801	6,440,783	345	54	004	-60
THRC062	Northern Shoot	636,801	6,440,773	345	24	003	-60
THRC063	Northern Shoot	636,819	6,440,776	345	36	006	-60
THRC064	Northern Shoot	636,824	6,440,764	346	25	007	-60
THRC065	Northern Shoot	636,840	6,440,773	346	42	002	-60
THRC066	Northern Shoot	636,840	6,440,762	346	36	003	-60
THRC067	Central Shoot	636,770	6,440,399	337	156	000	-60
THRC068	Central Shoot	636,890	6,440,321	338	150	004	-59
THRC069	Central Shoot	636,768	6,440,313	334	150	000	-60
THRC070	Central Shoot	636,710	6,440,320	334	150	000	-60
THRC071	Northern Shoot	636,840	6,440,786	346	20	000	-60
THRC072	Southern Shoot	636,530	6,440,100	331	150	000	-60
THRC073	Southern Shoot	636,571	6,440,079	331	126	000	-60
THRC074	Southern Mafic Gneiss (New)	636,571	6,439,899	333	156	028	-60
THRC075	Southern Shoot	636,630	6,440,163	331	126	011	-60
THRC076	Western Mafic Gneiss (New)	636,119	6,440,277	328	120	360	-60
THRC077	Southern Shoot	636,486	6,440,186	330	150	000	-60
THRC078	Central Mafic Gneiss (New)	637,040	6,441,140	340	60	303	-59
THRC079	Central Mafic Gneiss (New)	636,945	6,441,195	338	84	306	-59
THRC080	Central Mafic Gneiss (New)	636,858	6,441,253	337	84	122	-58
THRC081	North Western Mafic Gneiss (New)	636,588	6,441,647	343	90	310	-59
THRC082	North Western Mafic Gneiss (New)	636,422	6,441,753	346	54	304	-59
THRC083	North Western Mafic Gneiss (New)	636,808	6,441,999	353	54	300	-60
THRC084	North Western Mafic Gneiss (New)	636,618	6,442,099	359	66	120	-60
THRC085	North Western Mafic Gneiss (New)	636,502	6,442,173	361	48	121	-59
THRC086	Northern Mafic Gneiss (New)	637,394	6,443,558	362	72	276	-59
THRC087	Northern Mafic Gneiss (New)	637,285	6,443,556	357	42	092	-60

Table 2: Composited intersections from April 2016 RC drilling *Note: NSI – No significant intersection*

Hole	From (m)	To (m)	Width (m)	Au g/t
THRC046	68.0	71.0	3.0	1.09
THRC047	68.0	75.0	7.0	10.11
THRC047	88.0	89.0	1.0	1.54
THRC047	97.0	98.0	1.0	1.17
THRC048	95.0	96.0	1.0	1.36
THRC048	101.0	103.0	2.0	1.30
THRC048	128.0	134.0	6.0	6.89
THRC049	37.0	40.0	3.0	3.71
THRC049	46.0	50.0	4.0	4.90
THRC050	NSI			
THRC051	20.0	26.0	6.0	1.58
THRC051	49.0	50.0	1.0	2.15
THRC051	91.0	92.0	1.0	12.95
THRC052	13.0	18.0	5.0	7.62
THRC053	57.0	58.0	1.0	2.73
THRC053	101.0	102.0	1.0	1.33
THRC053	106.0	116.0	10.0	2.24
THRC053	122.0	123.0	1.0	1.76
THRC054	14.0	15.0	1.0	1.89
THRC054	19.0	20.0	1.0	1.07
THRC054	46.0	47.0	1.0	1.11
THRC054	84.0	85.0	1.0	2.06
THRC054	108.0	109.0	1.0	1.37
THRC055	46.0	47.0	1.0	1.20
THRC055	51.0	52.0	1.0	1.09
THRC055	72.0	73.0	1.0	2.91
THRC055	87.0	88.0	1.0	1.04
THRC056	12.0	13.0	1.0	2.56
THRC057	10.0	11.0	1.0	1.19
THRC058	21.0	23.0	2.0	1.54
THRC059	0.0	6.0	6.0	3.67
THRC059	13.0	14.0	1.0	2.05
THRC060	10.0	14.0	4.0	2.92
THRC061	24.0	25.0	1.0	1.18
THRC062	0.0	3.0	3.0	1.67
THRC062	14.0	16.0	2.0	1.62
THRC063	NSI			
THRC064	0.0	5.0	5.0	4.32
THRC064	15.0	16.0	1.0	1.32
THRC064	20.0	21.0	1.0	2.09
THRC065	0.0	2.0	2.0	4.75
THRC065	12.0	13.0	1.0	1.49
THRC066	0.0	12.0	12.0	3.01
THRC066	16.0	17.0	1.0	3.04
THRC067	2.0	3.0	1.0	1.25

Hole	From (m)	To (m)	Width (m)	Au g/t
THRC067	37.0	38.0	1.0	10.10
THRC067	116.0	118.0	2.0	1.20
THRC068	26.0	27.0	1.0	5.15
THRC068	130.0	131.0	1.0	1.51
THRC068	137.0	138.0	1.0	2.13
THRC069	32.0	33.0	1.0	2.08
THRC069	78.0	80.0	2.0	1.73
THRC069	83.0	88.0	5.0	1.59
THRC069	126.0	127.0	1.0	4.66
THRC070	54.0	55.0	1.0	1.19
THRC070	64.0	66.0	2.0	1.62
THRC070	71.0	73.0	2.0	3.17
THRC070	78.0	79.0	1.0	1.06
THRC070	90.0	91.0	1.0	1.63
THRC070	122.0	123.0	1.0	6.50
THRC071	NSI			
THRC072	19.0	20.0	1.0	1.03
THRC072	34.0	35.0	1.0	1.04
THRC072	110.0	111.0	1.0	1.12
THRC073	10.0	11.0	1.0	1.62
THRC073	13.0	14.0	1.0	1.12
THRC073	48.0	51.0	3.0	4.04
THRC073	113.0	114.0	1.0	2.36
THRC073	119.0	120.0	1.0	1.79
THRC074	17.0	21.0	4.0	1.66
THRC074	35.0	38.0	3.0	3.73
THRC074	56.0	58.0	2.0	5.56
THRC075	50.0	52.0	2.0	2.29
THRC075	58.0	59.0	1.0	1.44
THRC076	NSI			
THRC077	11.0	15.0	4.0	13.12
THRC078	NSI			
THRC079	NSI			
THRC080	50.0	55.0	5.0	10.42
THRC081	NSI			
THRC082	NSI			
THRC083	NSI			
THRC084	NSI			
THRC085	NSI			
THRC086	NSI			
THRC087	NSI			

**Schedule of Mining Tenements and Beneficial Interests
Held as at the end of the June 2016 Quarter**

Project / Location	Country	Tenement	Percentage held / earning
Tampia – Western Australia	Australia	E70/2132, M70/815, M70/816	90%
		E70/4411, 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 June 2016 Quarter**

Project / Location	Country	Tenement	Date Acquired
N/A			

**Schedule of Mining Tenements and Beneficial Interests
Disposed of during the June 2016 Quarter**

Project / Location	Country	Tenement	Withdrawal Date
Tampia – Western Australia	Australia	E70/4720	17 May 2016