

30 October 2014



ASX: EXU

**QUARTERLY ACTIVITY REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

HIGHLIGHTS

- All Lyons project exploration licences approved
- Five target areas identified for follow up exploration. Prospective for gold and base metals

December Quarter Plans

- Preparations for field work including heritage clearance where required.

Perth-based explorer Explaurum Limited (ASX: EXU) is pleased to report its activities for the September 2014 quarter.

LYONS PROJECT, WESTERN AUSTRALIA (100%)

The Lyons Project, located about 230km northwest of Meekatharra and 65km west of the Abra polymetallic deposit, covers a highly prospective portion of the Edmund Subgroup of the Western (lower) Bangemall Basin close to the northern margin of the Yilgarn Craton or 'reworked' lower Proterozoic Craton remnants. Refer figure 1 below.

The three remaining exploration licence applications were approved in October 2014. The project comprises four exploration granted licences totalling 1,457km².

During the quarter desktop studies continued, with work undertaken focused on selecting initial target areas based on the following criteria;

- i) have favourable geology and structural settings based on published geology and interpretations from recently acquired geophysical data;
- ii) have highly anomalous geochemical and/or rock chip sampling results from wide spaced historic exploration, which were not followed up;
- iii) have returned anomalous results from the initial field work by the Company (details reported in the December 2013 quarterly report); and
- iv) not covered by transported regolith and predominately comprise erosional regolith and outcrop so can be explored at minimal cost and do not require drilling at an early stage;

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From target selection process an initial five areas were highlighted.

Mt Candolle - The Mt Candolle area has anomalous base metal and precious metal mineralisation over a large area, however an area about 1.5km by 0.5km is particularly noteworthy for its high success rate in historic rock chip sampling and its relatively modest level of outcrop. Within this area rock chip samples reported from International Nickel and Rio Tinto in 1979 and 2000 returned up to 17.5% Cu, 3.7% Zn and 120g/t Ag in ferruginous quartz veining, up to 5.8% Cu from siltstone and up to 1.2% Pb in dolomitic limestone. Limited orientation soil sampling showed it to be a successful sampling method however systematic exploration was never undertaken. An initial visit by the Company during the December 2013 quarter confirmed the area to have anomalous metal enrichment. Systematic gridded soil and rockchip sampling using an XRF instrument should be successful in further narrowing down the area of focus. Refer figure 2 below.

Walberg - The Walberg area was identified by the Company through historic highly anomalous regional stream sediment sampling (WAGS) and anomalous radiometric (U) data. Limited hand held XRF readings by the Company confirmed anomalous Zn, Mo, Cu, Ni and As within a stratigraphic horizon that has a sub-cropping strike of about 10km and with a width of probably less than 200m. The zone can be easily tested by systematic soil sampling and rockchip sampling using an XRF and laboratory analysis of the most significant areas only.

Woodlands West – The Woodlands West area is probably related to the Walberg and Woodlands East mineralised horizons but is separated by folding and transported cover. The area is partially covered by 400m x 100m geochemical LAG sampling undertaken by WMC in 1992, returning a number of highly anomalous Cu, Zn results which were never followed up. Limited recent insitu XRF and rock chip sampling confirmed anomalous levels of Cu, Zn, Mo, Au and As. A strike of about 6km is the most promising and again can be easily tested by soil and rock chip sampling using mostly hand held XRF.

Dingo Bore – Located at the contact of Bangemall Basin and Gascoyne Province historic exploration was very limited returning values up to 1.6g/t and 0.31% Cu from scattered rock chip sampling (by Metallica NL, 1996). Hand held XRF readings by the Company in 2013 returned up to 3.8% Cu from a narrow shear zone and 0.26% Cu, 0.61% Zn, 0.5% W and 0.17% Co from gossanous dolomitic limestone. The area of interest is 7km long and 1-1.5km wide, the most promising rocks are meta-limestone overlying granitoids which have potential for skarn style mineralisation. Soil sampling and rock chip sampling using a hand held XRF should be successful in highlighting areas of significance.

Lyons – A strong Cu, Zn soil anomaly was defined by the 1992 WMC LAG sampling lying over an antiform with associated untested magnetic and EM “bullseye” anomalies. The strongest two areas cover about 1 sq km and limited rock chip sampling has confirmed the presence of base metal gossans, seven LAG samples were assayed for gold returning up to 34ppb Au.

Planned Exploration

During the December Quarter, the Company plans to undertake heritage clearance and detailed planning to commence work on the five initial target areas during the March Quarter.

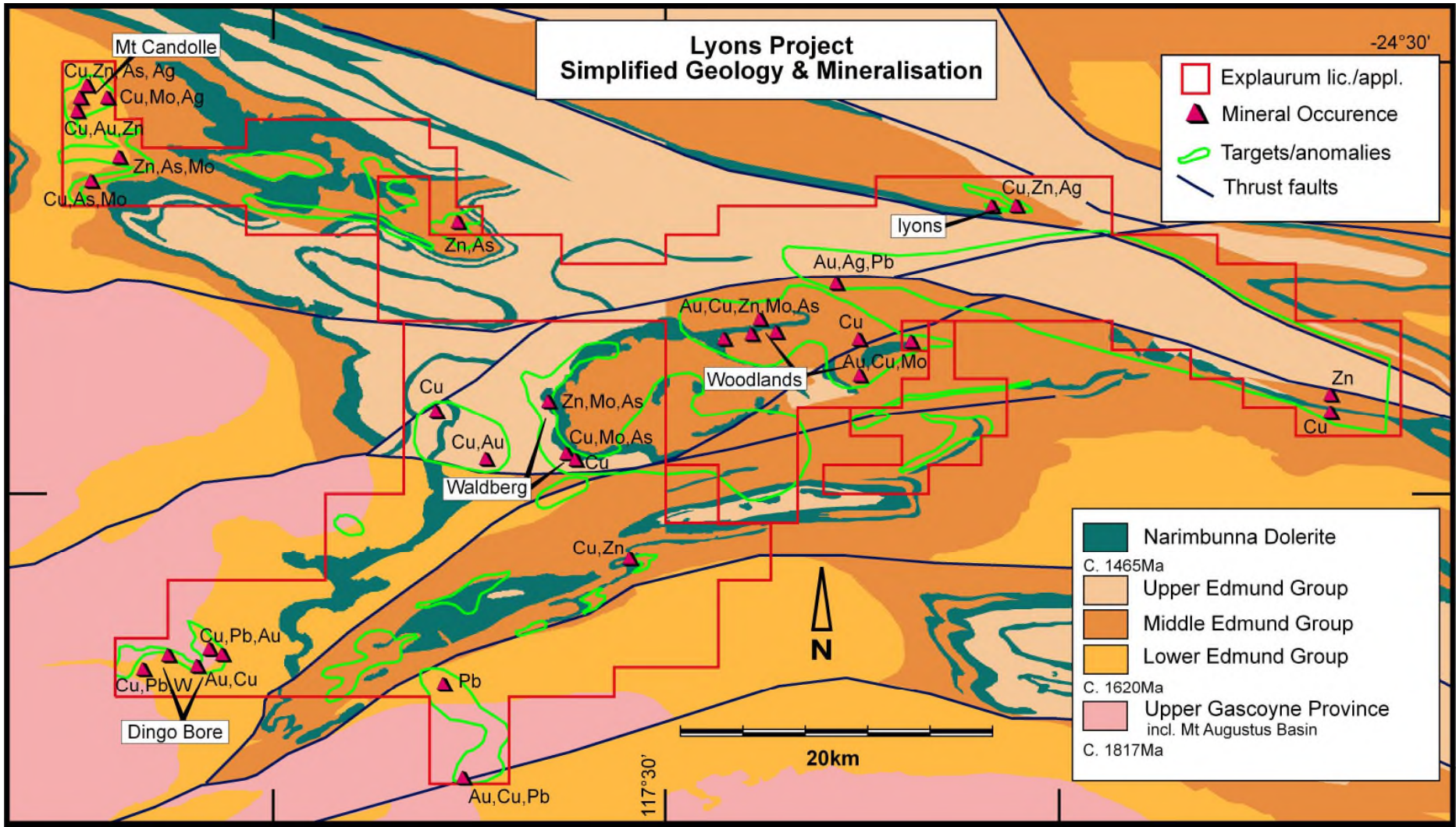
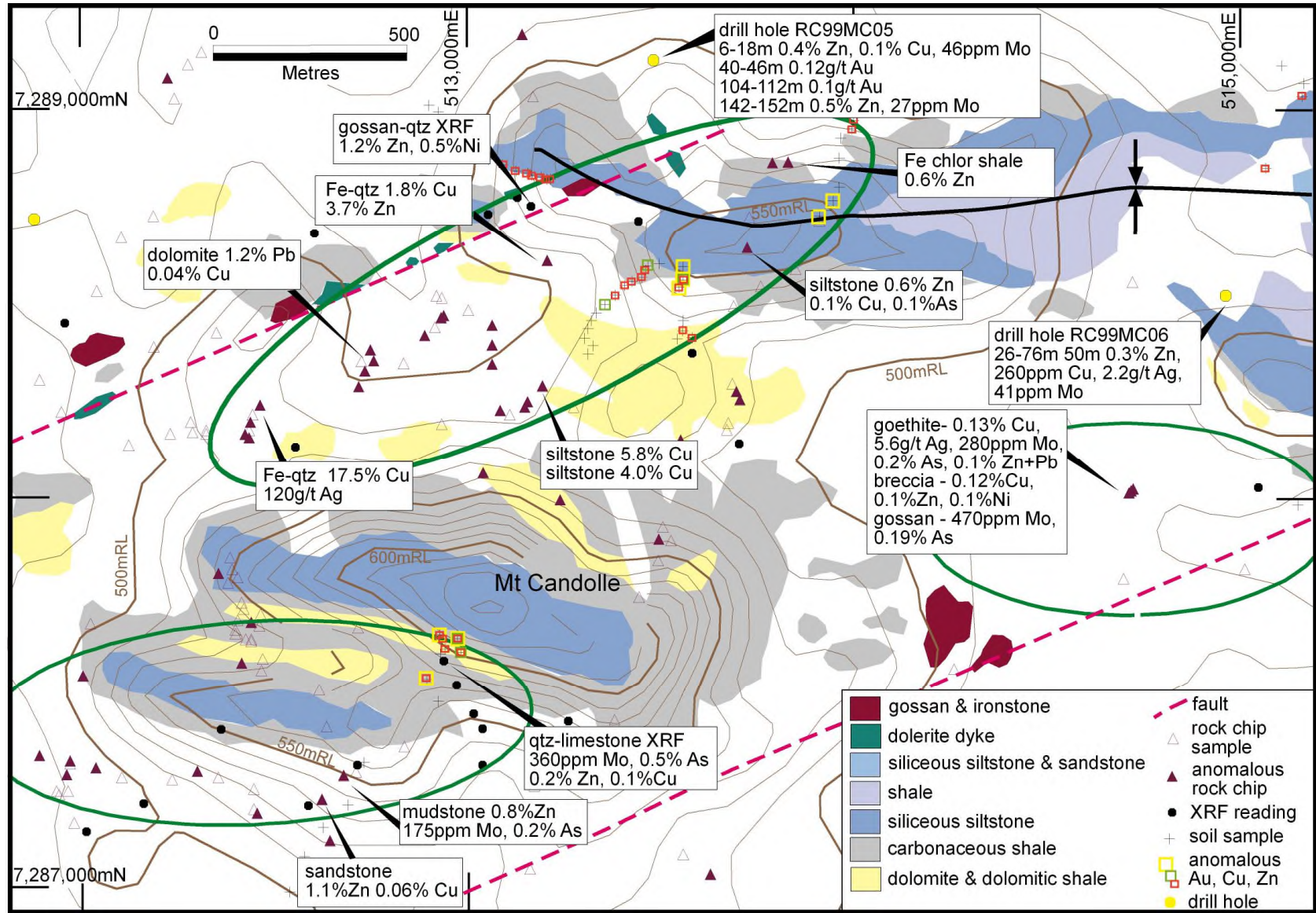


Figure 1: Lyons Project, Simplified Geology and Target Areas

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OTHER PROJECTS

During the quarter the Company continued to review new project opportunities to complement the existing asset portfolio.

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Competent Person's Statement

The information in this report that relates to the Lyons Project was first reported by the Company in compliance with JORC 2012 in a market release dated 30 January 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement dated 30 January 2014.

Explaurum Limited
Schedule of Mining Tenements and Beneficial Interests
Held as at the end of the September 2014 Quarter

Project/Location	Country	Tenement	Percentage held/earning
Lyons Project - Meekatharra	Australia	E52/2883, E52/2906, E52/2974 and E52/2976 ¹	100% ²

¹ E52/2976 is a granted exploration licence and applications E52/2883, E52/2906 and E52/2974 were granted in October 2014.

² In the event that Explaurum sells or enters into a Joint Venture on the Lyons project, Mr Calderwood or his nominee will be entitled to a production royalty equal to 1% on minerals sold.

Schedule of Mining Tenements and Beneficial Interests
Acquired during the September 2014 Quarter

Project/Location	Country	Tenement	Granted Date
N/A			

Schedule of Mining Tenements and Beneficial Interests
Disposed of during the September 2014 Quarter

Project/Location	Country	Tenement	Withdrawal Date
N/A			

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

EXPLAURUM LIMITED

ABN

50 114 175 138

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 (3 months) \$A'000
1.1 Receipts from sales	-	-
1.2 Payments for		
(a) exploration and evaluation	(9)	(9)
(b) development	-	-
(c) production	-	-
(d) administration	(74)	(74)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other revenues	-	-
Net Operating Cash Flows	(81)	(81)
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 –	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(81)	(81)

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(81)	(81)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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 - costs of share issues	-	-
	Net financing cash flows	-	-
Net increase (decrease) in cash held			
		(81)	(81)
1.20	Cash at beginning of quarter/year to date	456	456
1.21	Exchange rate adjustments to item 1.20	5	5
1.22	Cash at end of quarter	380	380

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	42
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Relates to Directors fees and salaries for executive and non-executive directors and payments made for company secretarial services and occupancy expenses.

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.

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

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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	30
4.2 Development	-
4.3 Production	-
4.4 Administration	60
Total	90

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	380	456
5.2 Deposits at call	-	-
5.3 Bank overdraft		
5.4 Other –		
Total: cash at end of quarter (item 1.22)	380	456

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		-	-

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Appendix 5B
Mining exploration entity quarterly report

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 (cents)	Amount paid up per security (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	256,490,660	256,490,660		
7.4 Changes during quarter				
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
7.7 Options <i>(description and conversion factor)</i>	-	-	<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled/Expired during quarter				
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

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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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30 October 2014
(Company secretary)

Print name: Paul Jurman

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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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