

DRILLING RE-COMMENCES AT BURRAGA

Elysium Resources Limited ("Elysium" or "Company") (ASX:EYM) is pleased to announce the re-commencement of drilling at its Burraga Copper Project ("Project") in NSW.

Highlights

- **770m of RC to complete Lloyds resource development drilling.**
- **240m of diamond drilling into high potential targets near historic Lloyds Mine.**
- **Bulk sample dispatched for metallurgical test-work.**
- **Completion of Burraga fieldwork anticipated in first quarter 2015.**

As announced on December 3rd, diamond drilling was underway to source material for metallurgical test-work. This drilling was completed and a 200kg bulk sample was dispatched to the Bureau Veritas laboratory in Adelaide for comminution and initial flotation characterisation of the in-situ mineralisation at the historic Lloyds Mine. The test-work is critical to finalizing the capital cost estimate for the proposed metallurgical process facility. Current drilling will source further metallurgical sample; the initial results from the bulk sample test-work will indicate what level of variability test-work will be required.

Before the final metallurgical drilling is undertaken the Company will complete the Lloyds resource drilling. This is anticipated to entail 12 reverse circulation (RC) drill-holes for a total of 770m. Following this drilling the Company will engage a consultant to carry out a resource estimate for the Lloyds hard-rock, tailings and two slag dumps; anticipated to be high confidence as defined by JORC.

Diamond drilling to be undertaken is anticipated to total 840m across approximately 13 drill-holes. As well as the metallurgical drilling, pit and infrastructure site drilling will take place to assess geotechnical criteria. This will complete the field work requirements and will allow for pit optimisation, design and mine scheduling to take place. Sterilization drilling at the sites marked for major infrastructure will be included in this drilling; note that the drilling will take place over high potential exploration targets as defined by geophysics surveys undertaken during 2014 and summarized in Figure 2.

This final fieldwork will result in feasibility level estimates and provide the Elysium Board with the final results to allow for a decision to proceed with project commissioning.

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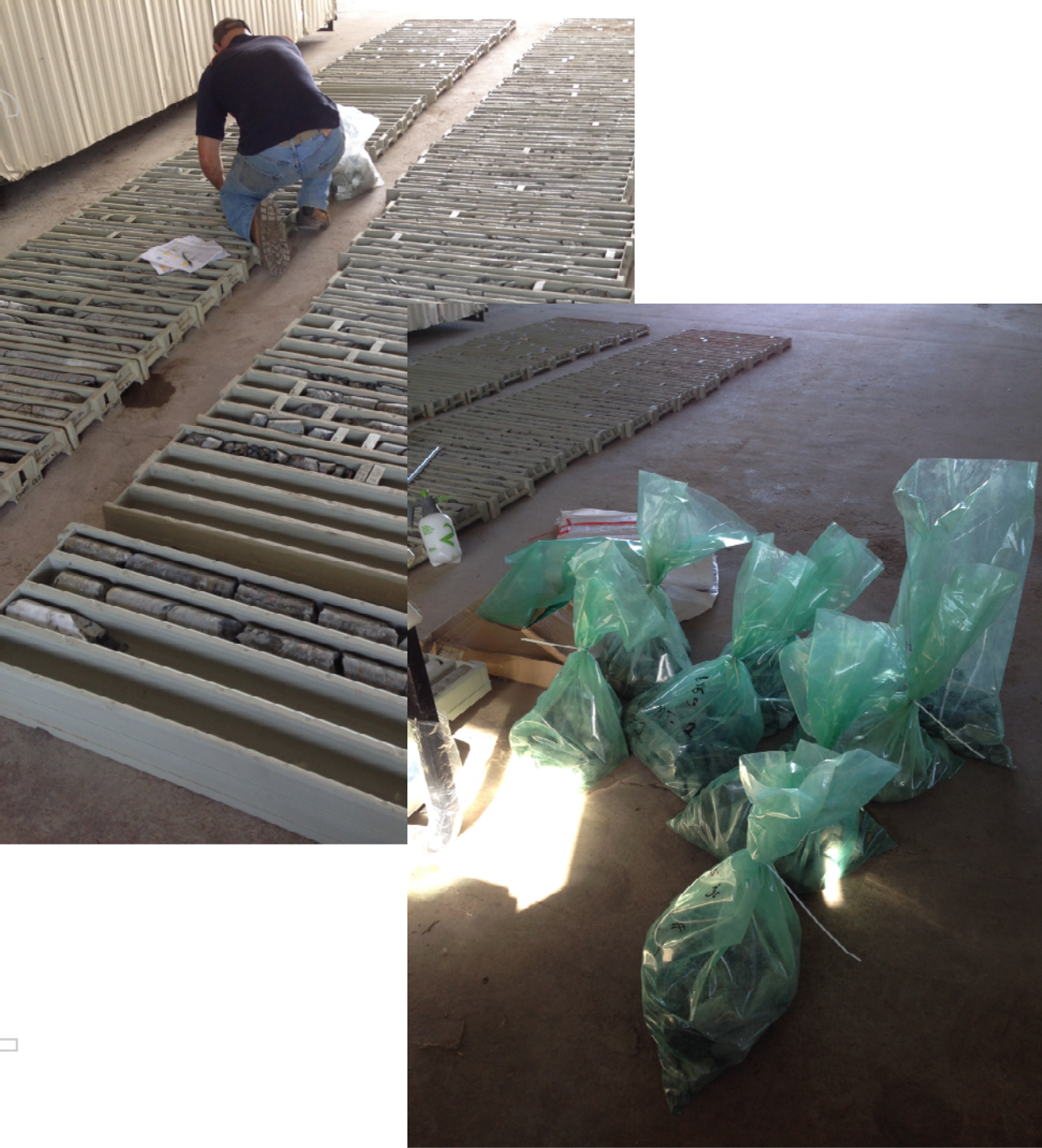
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Figure 1 Selection of bulk sample for metallurgy and comminution test-work.



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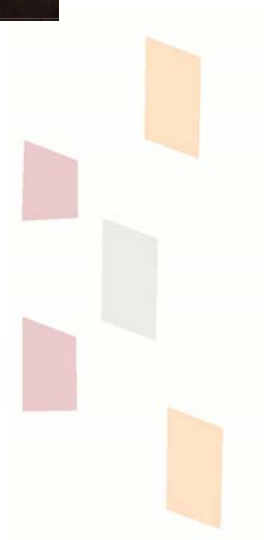
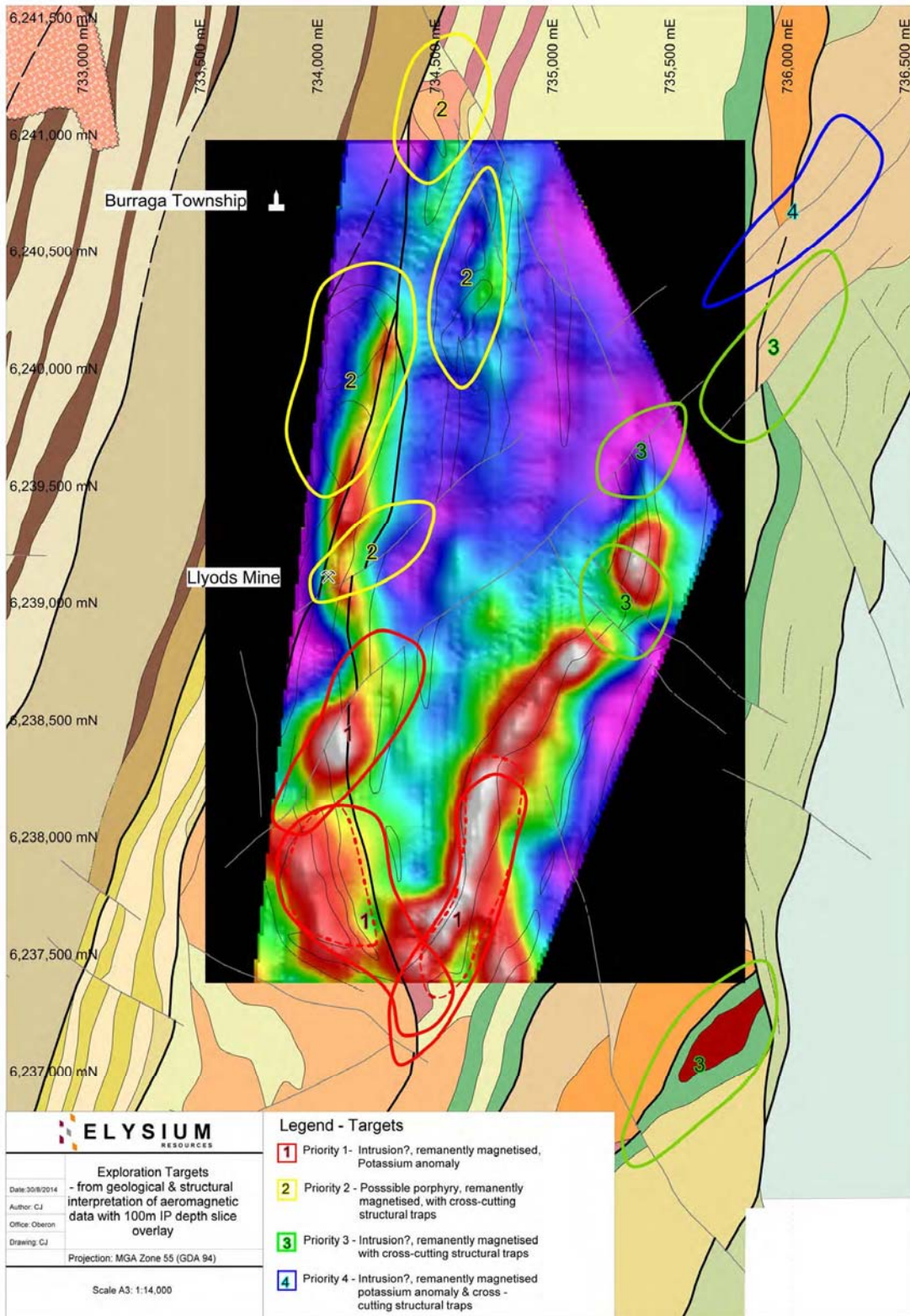


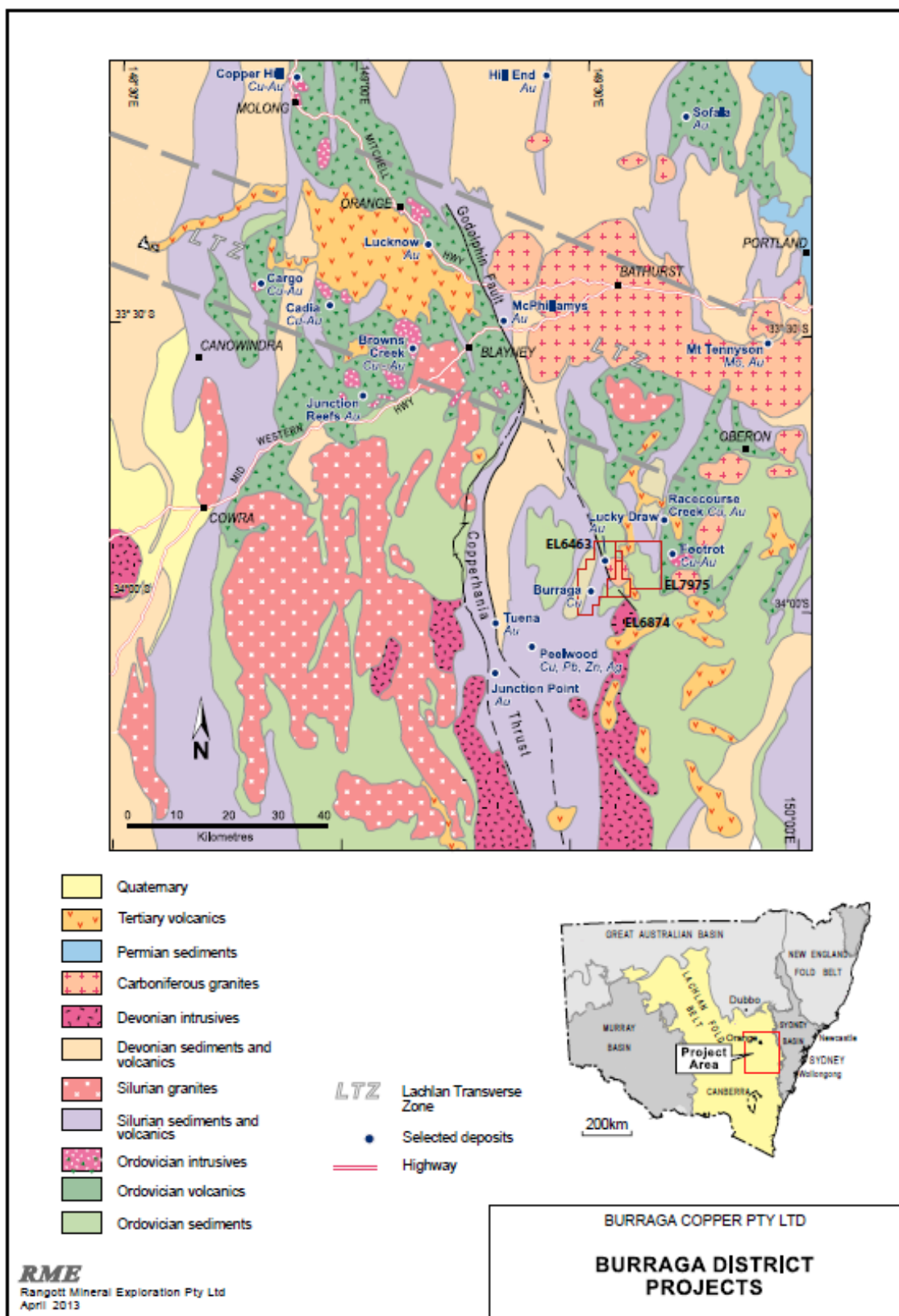
Figure 2. Priority 1 and 2 targets being drilled directly north and south of the Lloyds Mine.



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Figure 3. Location of the Company's Burraga Projects and Regional Geology.



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About the Burruga Copper Project

As announced on 9th April 2014, the Company engaged Endure Environmental to carry out an Environmental Impact Study ("EIS"), pivotal to gaining the necessary permits to commence production at the historical Lloyds Mine near the township of Burruga in NSW. The decision to progress towards production is based on the preliminary findings of the 2011 prefeasibility study ("PFS") which is available for reading on the Company's website. The findings suggested an economically viable operation was plausible within a relatively short period and at a relatively low upfront capital investment. The operation is anticipated to yield a cash-flow to allow Elysium to explore the attractive upside potential across its entire tenement holding (refer Figure 2 "priority targets" showing prospective areas near Lloyds Mine).

The Lloyds Copper Mine produced 19,443 tons of Copper from 469,626 tons of ore implying a recovered grade of 4.14% Cu, between 1880 and 1920, then intermittently up to 1961. As a result of mining at the Lloyds Mine, and to a lesser extent at nearby mines, there now exists a tailings dump and two slag dumps of up to 350 Kt. The tailings resource contains a drill proven 234Kt @ 1.2% Cu (see Company website for detail). Metallurgical testing of the tailings confirms a greater than 70% recovery rate from re-processing of the tailings and greater than 50% from re-processing the slag can be expected. The PFS assesses the commercial potential of reprocessing the tailings, slag and hard rock resources from the surface of Lloyds Mine, and concludes that such a project, subject to further testing and financial investigation, is financially and commercially viable with start-up capital expenditure estimated at \$10.8 million, generating a net profit of \$75 million over 4.4 years of operation.

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For and on behalf of the Board of Directors



**Mark Ohlsson,
Company Secretary,
Elysium Resources Limited**

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore reserves is based on information reviewed or compiled by Neb Zurkic BAppSc (Geol), MSc (Min & Energy Economics), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and a Registered Professional Geoscientist with the Australian Institute of Geoscientists. Mr. Zurkic is employed by Zurkic Mining Consultants Pty Ltd. Mr. Zurkic has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr. Zurkic consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. Zurkic Mining Consultants Pty Ltd, which is owned and controlled by Mr. Zurkic, owns shares in Elysium Resources.

