ASX ANNOUNCEMENT

14 September 2017

Elysium drilling extends mineralisation potential at Lloyd's prospect

HIGHLIGHTS

- **Recently completed two RC drillholes in the North-East of Lloyd's prospect;**
- **Visible chalcopyrite intercepted in both holes;**
- **Intercepts suggest mineralisation extends further to the North-East than previously modelled;**
- **Assay results for both holes to be announced when available.**

Elysium Resources Limited (ASX: EYM) (**Elysium** or **the Company**) continues to return promising exploration results. The Company has completed drilling two Phase 2 exploration holes as part of the Lloyds Copper Mine extension program at its flagship Burraga Project in NSW, with both holes intersecting copper sulphide-bearing horizons which may extend known ore bodies.

PHASE 2 DETAILS

Having previously drilled to the east of the known resource at Lloyd's, intercepting 9m at 2.3% Cu, 0.1% Zn and 12.4g/t Ag (refer to ASX Announcement dated 7 August 2017), Elysium completed two RC drill holes from the same pad (EYMRC032 & EYMRC033, Figure 1) last week. Elysium Resources drilled towards 210°N and 250°N (true) angled at -80° and -60° to allow for testing of mineralisation and sampling of alteration halos.

Figure 1: Drill collars of recent RC program (Phase 1 and 2) completed as part of the Lloyds Copper Mine extension program.

Intended depth of each hole was 300 metres however, both holes were cut short due to impenetrable ground. The drill holes were designed to test targets generated from previous ore body modelling as per Figure 2.

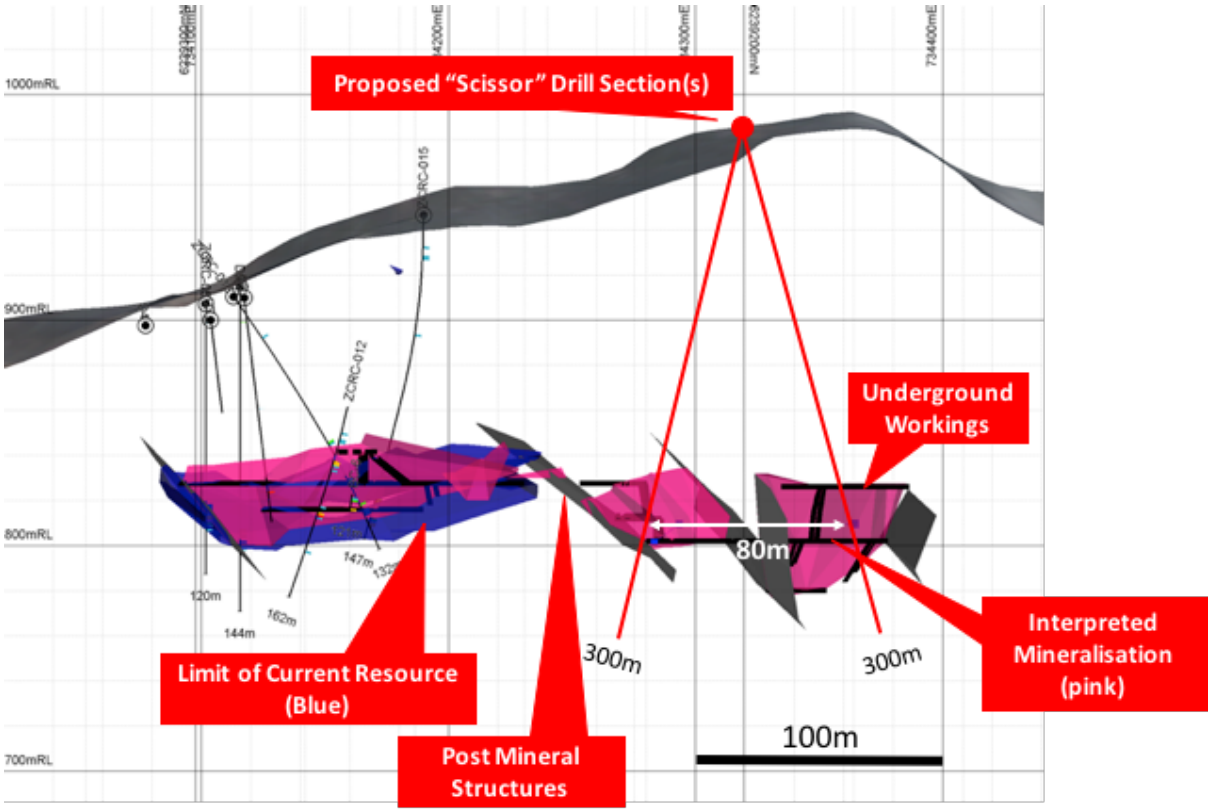

Figure 2: Phase 2 drill holes were completed as per the model. Holes shown in red form integral part of the Lloyds Copper Mine extension program.

Drilling was completed on schedule and under budget and assay results will be announced as available. The copper sulphide mineral chalcopyrite was observed over 14 metres in EYMRC032 from 183 metres depth and over 20 metres from 173 metres depth in EYMRC033. Figure 3 shows sulphide (chalcopyrite) mineralisation in EYMRC033 between 187-190m.

Figure 3: Visual signs of Mineralisation in EYMRC033 (187-190m). Note, assay results to follow.

FUTURE EXPLORATION

Core from historical (2015) drilling at Lloyd's prospect is undergoing sampling for further analysis with results to be available by year end.

Elysium is planning a 2000m RC drill program to test gold targets at Hackney's Creek.

A soil sampling program at the Isabella gold prospect is to be completed to identify future drill targets.

BURRAGA PROJECT

Elysium's flagship Burraga Project consists of three contiguous exploration licenses (ELs) (EL6463, EL7975 and EL6874) surrounding the highly prospective Burraga Granite (Figure 4). The Burraga region is in the heart of the world-class Lachlan Fold Belt, which is famed for its base and precious metal deposits such as Cadia-Ridgeway and Cowal.

EYM's ELs encompass the highly productive historical mine sites of Lloyds Copper Mine (produced 19,443 tonnes Cu @ grades of 3.5% -4.14%) and Lucky Draw Gold Mine (1.41 million tonnes of ore @ 4.2g/t Au treated from 1998 - 1991) as well as the highly prospective Isabella and Hackneys Creek gold prospects.

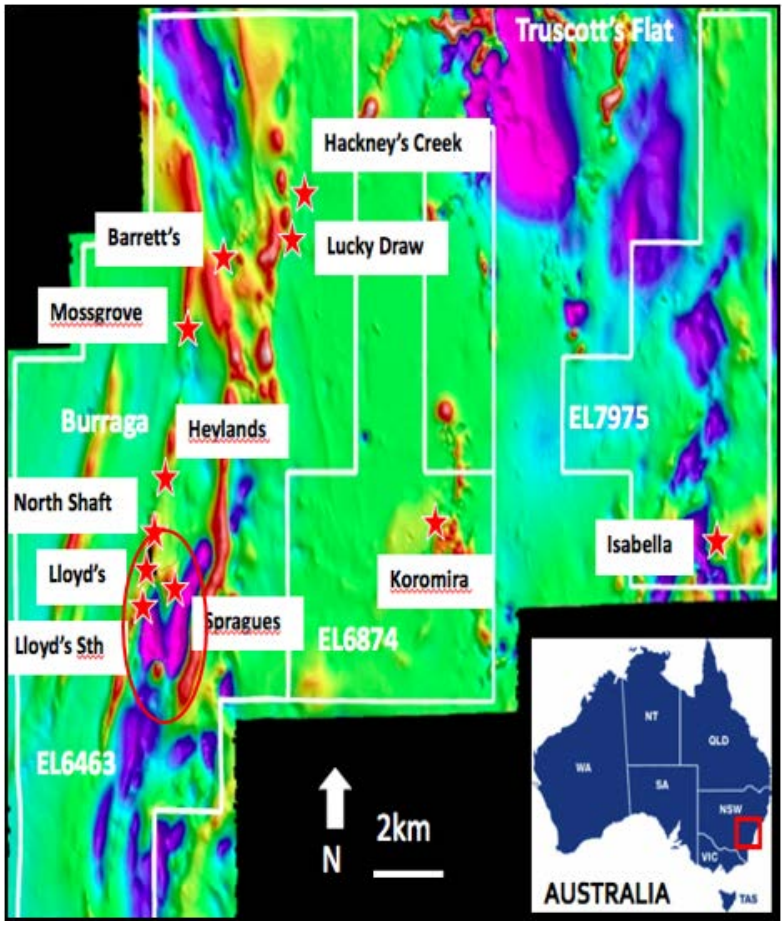

Figure 4: EYM's contiguous exploration licenses over the Burraga Granite and prospect locations. Historical sites and prospects shown by red stars.

Mineralisation at Lloyds Copper Mine is complex with stacked lenses which have some characteristics of an epithermal-style system.

The Lloyds project also includes two existing slag dumps of totaling 90kt at 1.3% Cu (all indicated, no cut-off, see ASX announcement of 22 June 2015) and a drill proven tailings resource of 280kt @ 1.2% Cu (all indicated, no cut-off, see ASX announcement of 22 June 2015).

Drilling at Lloyds targeted mineralised horizons based on previous models further to the North-East of the previously drilled defined mineral resource.

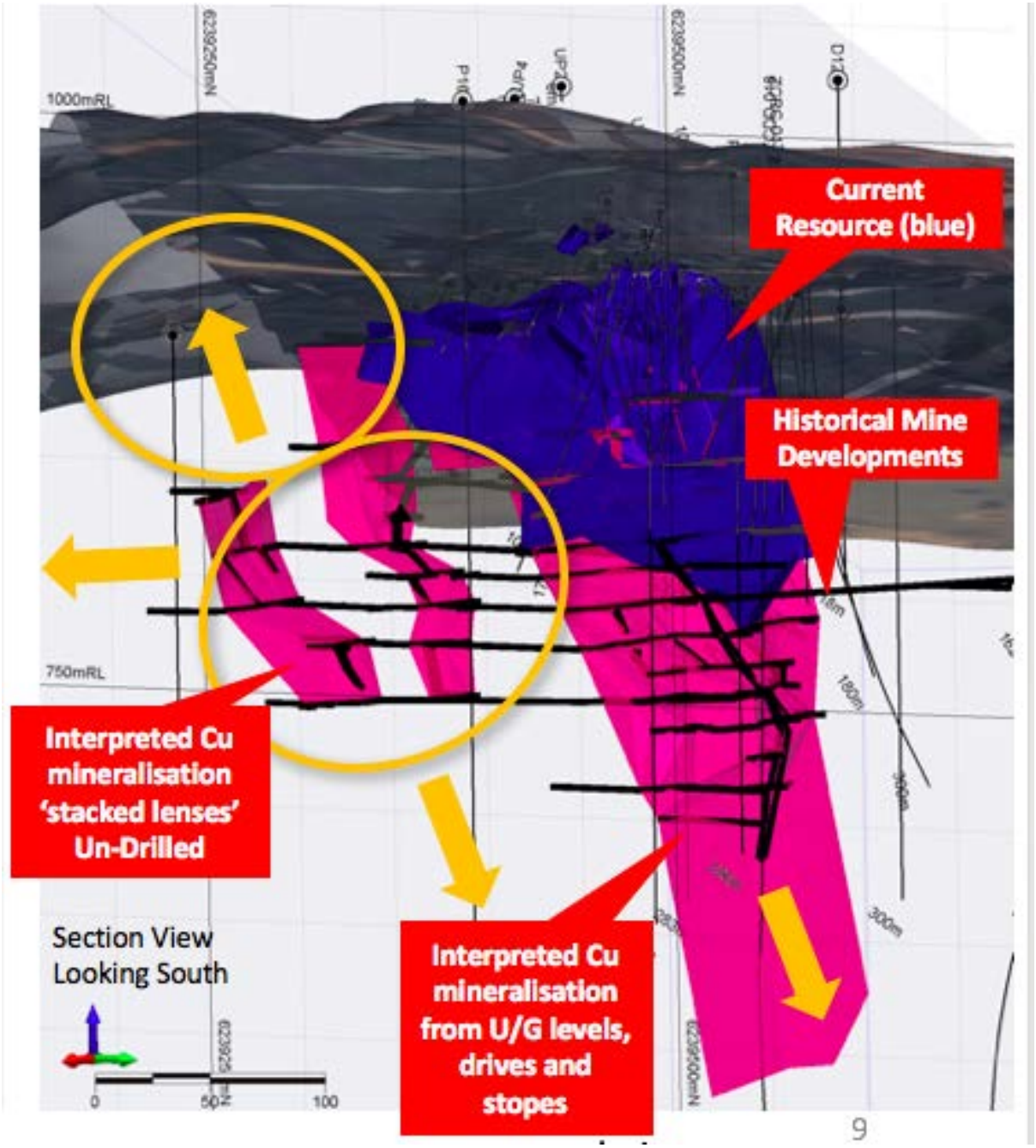

Figure 5: Modelled ore body at Lloyd's indicating extension potential.

LLOYD'S PROJECT MINERAL RESOURCES

EYM announced a Mineral Resource estimate for the Lloyd's project on 22 June 2015. Full details of the mineral resources and the methods used to estimate such are included in that announcement and are available on the Company's website at:

http://www.elysiumresources.com.au/2013-07-12-06-27-23/reports

Table 1: Mineral Resources for the Lloyd's Project.

Model		Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Cu Metal (t)
Lloyd's (0.3% Cu cutoff)	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	910,000	0.8	0.1	7	0.2	7,130
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	1,310,000	0.8	0.1	6	0.2	10,090
Tailings	Indicated	280,000	1.2	0.3	9	0.2	3,490
Slag Heaps	Indicated	90,000	1.3	0.2	7	0.7	1,170
Burraga Combined	Measured	80,000	1.0	0.1	5	0.2	800
	Indicated	1,280,000	0.9	0.1	7	0.2	11,520
	Inferred	320,000	0.7	0.1	5	0.1	2,200
	Total	**1,680,000**	**0.9**	**0.1**	**7**	**0.2**	**15,120**

Table 2: Collar details of holes announced, coordinates are in GDA zone 55.

Hole ID	East (m)	North (m)	Elevation (m)	Azimuth (degrees)	Dip (degrees)	Hole Depth (m)
EYMRC032	734327	6239353	967	210	-80	300
EYMRC033	734328	6239354	968	250	-60	300

ABOUT ELYSIUM RESOURCES:

Elysium Resources Limited (ASX: EYM) is an Australian-based mineral exploration company with tenements located in New South Wales and Western Australia. Elysium's core business is the exploration of large, high quality copper and gold deposits. Through the development of projects into profitable operating mines, Elysium aims to increase shareholder capital growth, dividends and wealth.

The Company's current focus is the Burraga Copper-Gold Project located in the world-class minerals province of the East Lachlan Fold Belt in central western New South Wales. The Burraga Project consists of three continuous exploration licences (EL6463, EL6874, EL7975) and one exploration licence application (ELA5454) covering a total area of approximately 221 square kilometres. In addition to Burraga, Elysium is also pursuing other value accretive project opportunities.

Competent Person's Statement

The information in this announcement that relates to Mineral Resources and exploration results is based on information reviewed or compiled by Kerrin Allwood (M.Sc., CP Geol), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Allwood is employed by Geomodelling Ltd. Mr. Allwood 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. Allwood consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

JORC Table 1

1.1. Section 1 Sampling Techniques and Data

The following table provides explanations required under JORC 2012. It pertains to the Lloyds Mine and areas in the immediate vicinity.

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• All sampling reported on here was from by reverse circulation (RC) drilling using a face sample hammer. • Reverse Circulation (RC) samples were collected by cyclone and bagged at 1 m intervals.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Samples collected directly from cyclone at 1m intervals. Then sampled by spike for logging and lab submission.
	• *Aspects of the determination of mineralization that are Material to the Public Report.*	• Not applicable as no assays are reported
	• *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverized to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (e.g. submarine nodules) may warrant disclosure of detailed*	• The 1 m RC sample bags were sub-sampled using a spike to gather approximately 2kg of material, these were submitted to the laboratory as either 1m individual or 2m or 4m composite samples. • Sample preparation and analytical methods are not applicable as no assays are reported.

	information.	
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• All sampling reported on here was from by reverse circulation (RC) drilling using a face sample hammer.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Visual inspection of the sample volume indicates sample recovery is better than 90%. Poor sample recovery or condition is noted in the logs. • RC sample bags are weighed prior to splitting
	• *Measures taken to maximize sample recovery and ensure representative nature of the samples.*	• RC samples are visually checked for recovery, moisture and contamination. Air is used at the beginning of each drill rod to remove excess water and maintain dry samples where possible.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Ground conditions are conducive for RC drilling and drilling returned consistent sized samples. RC recoveries are high enough to preclude the potential for sample bias.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Logging of RC drilling identifies all aspects of lithology, colour, weathering, texture, alteration and mineralization including percentage estimates of sulphide content. During logging, part of the RC sample was sieved, logged

		and placed in RC chip trays which is also photographed and included with the logging. The logging includes references to wet samples if present, voids and other information important to the resource estimation process.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Logging is qualitative. Chip trays are stored for reference and photos are included in the logs.
	• *The total length and percentage of the relevant intersections logged.*	• All drilling is logged over the full length of the hole.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• No diamond drilling completed during this program.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Sampling was dry off the cyclone. • Spike sampling to sub sample
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• The sample preparation techniques are appropriate to the style, grade and grain size of mineralisation
	• *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.*	• Field duplicate samples, blanks and standards were introduced at a rate of 1 standard and 1 blank or duplicate (alternating) per 40m and submitted to the laboratory. • Sub-sampling is done with a riffle splitter in the laboratory until the sample has been reduced to a pulp. Grinding performance (% of sample below grind size) are reported by the laboratory for every 20th sample
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including*	• Duplicate samples are inserted at a rate of approximately 1 per 80m drilled as a check on the sampling

	for instance results for field duplicate/second-half sampling.	process.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples sizes are appropriate to the grain size, mineralogy and grade of the mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Not applicable as no assays are reported.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Geophysical tools were not used.
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• In addition to the internal laboratory checks the Company submits standards, blanks and duplicate samples on a 1: 40m ratio.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Not applicable as no assays are reported
	• *The use of twinned holes.*	• No twinning of holes was carried out as it is an exploration programme.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Data is stored as both hard copy and entered into a database. • Validation checks (overlaps, gaps, out of range data) are performed on import into the database
	• *Discuss any adjustment to assay data.*	• No adjustments were made to the data.

Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Collar locations are determined by DGPS. • Down-hole surveys are electronically recorded magnetic compass and inclinometer readings at 50m intervals except for vertical holes where fewer readings are taken.
	• *Specification of the grid system used.*	• GDA94 (Zone 55)
	• *Quality and adequacy of topographic control.*	• Topographic surface in areas of likely development is from closely spaced (<10m) DGPS traverses in a grid pattern and on ridges and gullies. Elsewhere a DTM obtained from airborne geophysical surveys was used.
Data spacing and distribution	• *`Data spacing for reporting of Exploration Results.*	• The results reported on are from scout drilling into geological targets, as such drill spacing is only intended to roughly outline the extent of mineralisation.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• The drilling reported here is adjacent to the existing Lloyds Mine mineral resource. • It is unlikely that the drilling here is of sufficient density to allow a resource to be estimated in this area.
	• *Whether sample compositing has been applied.*	• Composite sampling has been carried out as a cost-saving measure, largely in zones that geological logging found no mineralisation
Orientation of data in	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and*	• Drilling is oriented as close to perpendicular to the interpreted mineralised shoot as practically

relation to geological structure	*the extent to which this is known, considering the deposit type.*	possible (and therefore, across the direction of greatest variance).
	• *If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• As per above. No bias suspected.
Sample security	• *The measures taken to ensure sample security.*	• All samples prior to submission are under the supervision of the Geologist. • Following submission to the laboratory (by Company personnel), reference samples are stored at the Company's warehouse in Orange.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been completed on the sampling techniques or data (including the database). This is because the project is not sufficiently advanced to warrant such an expense.

1.2. Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• EL6463 • ~60km South of Oberon in NSW. • EYM through a subsidiary holds 100% of EL6463 • There are no agreements over the tenement other than the usual conditions imposed by the NSW government
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Tenement is in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Various operators have held tenure over the area; the following companies have recorded work in the area to varying capacities: • CRA Ltd • General Resources Ltd • Pacific Copper Ltd • Southern Ventures Ltd • Telminex N.L. • Michelago Resources • Marlborough Resources • Getty Oil • Dominion Mining • Republic Gold N.L. The final three in the list have carried out the majority of the recent work and upon which EYM has based its exploration programs.

Geology	• *Deposit type, geological setting and style of mineralization.*	• At Lloyds mine copper mineralisation occurs as quartz – sulphide veins, and as a halo of disseminated mineralisation in the wall rocks. The predominant sulphide mineral is chalcopyrite with sphalerite on the vein walls and pyrrhotite disseminated in the wall rocks. Galena and tetrahedrite have also reported, but not at economically important levels. The mineralisation varied in width from 0.3m to 12 m, striking roughly east - west and dipping moderately north. The mined mineralisation had a strike extent of 180m, terminating in faults at both ends. The intersection of the terminating faults with the mineralisation results in the ore plunging to the northeast.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	• Refer to the body of the text of this report and table 1.
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person*	• No exclusions of information have occurred.

	should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Intercepts are reported as length weighted averages • No cutoff grades were used.
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Intercepts are reported as length weighted averages of high and low grades together • Where higher grade intervals are considered material, these are reported as 'included' intervals
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents are reported.
Relationship between mineralization widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• There is no known relationship between width and grade. Mineralisation generally occurs as a narrow (1m – 3m) high grade (>1.0% Cu) core within a variable width (1m – 20m) low grade (0.2% Cu – 1.0% Cu) halo.
	• *If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.*	• Close to perpendicular.
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this*	• Downhole widths are reported. These are close (within 80% of) to true width.

	effect (e.g. 'down hole length, true width not known').	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• To the extent relevant, maps are included in the main body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All material results are reported as intercepts
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Such results have been previously reported; see announcements to ASX: http://www.elysiumresources.com.au/images/pdfs/Lloyds-resource-final-report-20150612.pdf and http://www.elysiumresources.com.au/images/pdfs/PFS_Burraga-TailingsPlus.pdf
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or*	• Additional infill drilling to confirm the size and continuity of mineralisation would allow an update of the present Lloyds Resource Estimate

	large-scale step-out drilling).	• Further exploration drilling to increase the size of known mineralisation to the east.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• To the extent relevant, maps are included in the main body of the report.

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For further information, please contact:

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To learn more, please visit: www.elysiumresources.com.au