

4th September 2013

Company Announcements
Australian Stock Exchange

Drilling Targets Defined South of Horseshoe Lights Mine

Elysium Resources Limited ("EYM" or "Company") has completed a full review of its WA tenements with drilling targets being defined at its Horseshoe South tenement E52/2569 which lies approximately 4km to the south of the Horseshoe Lights Mine.

Highlights:

- **Two MAG high targets conform with near-surface anomalous grades**
- **200-300m drill-holes being planned over MAG targets**

As has been previously reported, the Company retained this tenement from the preceding management due to its location in reference to the Volcanogenic Massive Sulphide (VMS) hosted Horseshoe Lights Mine (ASX:HOR). Recent reviews of the existing data which includes ground and airborne geophysics, soil and Rotary Air Blast (RAB) sampling, has revealed specific drill-ready targets.

In 1993 Sabminco NL (Sabminco) completed a 12 drill-hole Reverse Circulation (RC) program over an area called Saturn West which includes the western part of EL52/2569. SWRC1-11, located approximately 200m to the west of the tenement, targeted anomalous gold in outcropping pyritic cherts and intersected heavily oxidised and sheared mafic volcanics with quartz veining and chert. The best result was reported from clays and quartz (shear?) in SWRC5 with **9m @ 10.32 gpt Au¹** from 19m (inc 1m @ 44.8 gpt Au). The remaining hole (SWRC12) was drilled to a 60m vertical depth within the boundary of EL52/2569 with best results being 6m @ 0.21 gpt Au from 20m and 2m @ 0.23 gpt Au from 34m. Base metal results in all holes were reported as generally background. The RC drilling was followed up with a series of RAB holes, with MRB294-365 and MRB380-488 drilled within the Company's current tenement.

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¹ Saturn West Project, Report on Exploration Activity for period 1 July 1993 – December 1994, Sabminco NL

The deepest holes in this program were 75m angled depth. Several of these RAB holes returned anomalous results with MRB388 ending in 3m @ 0.42 gpt Au from 72m.

Significant Mn was intersected in the siltstones which are up to 25m thick. The Mn was interpreted as a primary sedimentary feature and shows strong positive correlation with As, Co, Cu, Mo, Ni, Pb and Zn.

Ground TEM and magnetic (MAG) surveys were carried out over an area including the western portion of EL52/2569 (Figure #2). No significant results were obtained from the TEM survey. A deep (>100m) magnetic anomaly located 100m east of the outcropping chert targeted by SWRC1-11 was interpreted as the down dip extension of the shear zone, within volcanic rock mineralised with pyrrhotite or magnetite. The Sabminco surveys have been merged with existing airborne data and present as a drill-ready target on the western boundary of the tenement (Figure #2).

EYM forms the following opinion:

- The occurrence of chert and anomalous Mn, As, Cu, Zn, Co, Ni, Pb rich sediments on or near major mafic sediment contact suggests that the area was proximal to an active submarine vent which possibly formed VMS style mineralisation.
- Drill-hole SWRC5 (9m @ 10.32g/t Au) shows that conditions have existed to deposit gold at economic grades.
- Previous RAB and RC drilling does not penetrate sufficiently deep to test the MAG anomalies.
- Geology, surface and near-surface results provide supporting evidence for the prospectivity of the MAG anomalies.

A reconnaissance visit will take place to confirm the reported outcrops and assess the logistics for drilling which will include the identification of a potential drilling contractor. It is anticipated that 3 drill-holes, each 200-300m deep will be sufficient to test the MAG anomalies identified. Two of the holes will be optimally planned into the larger western anomaly (Figure #2 & 3) and one hole into the smaller north-central anomaly (Figure #2).

The reconnaissance trip will also include a visit to the Company's other WA tenement (EL70/4073) at Redmond where initial reviews of existing reports and available geophysics has been completed. Historical records report the mining of reefs up to 7m wide and up to 14 gpt Au². Reviews of available geophysics suggest an EW structure exists coincident with a creek from which visible gold has been reported. The visit will include mapping of the site and sampling to confirm the presence of anomalous gold. A ground geophysics survey may be required to confirm the location of the potentially mineralising structure if any drilling is to be considered.

² D. Gellatly, 1995. Wilga Mines NL memo – open file data source.

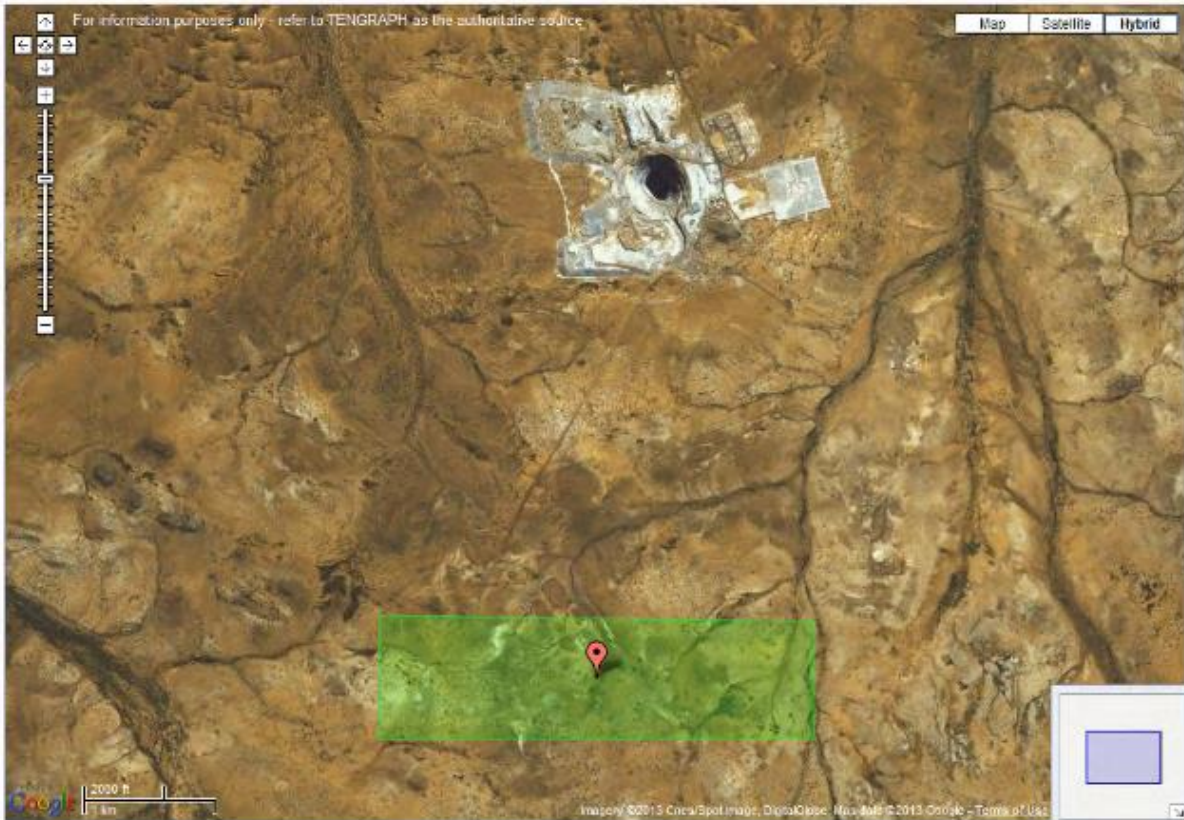


Figure #1. Location of EYM tenement E52/2569 in reference to the Horseshoe Lights Mine.

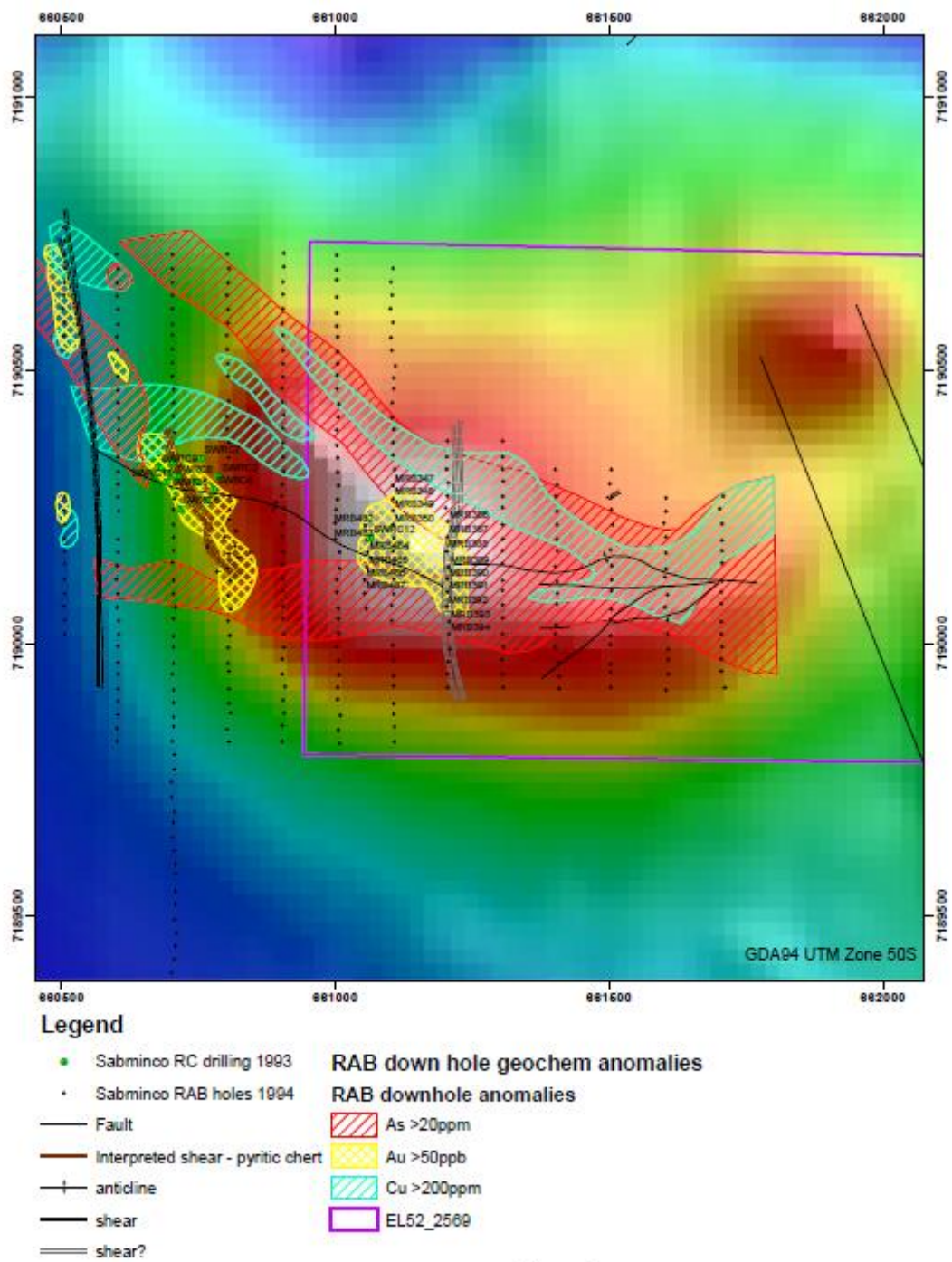


Figure 2
Anomalous downhole RAB geochemistry
RTP merged magnetics

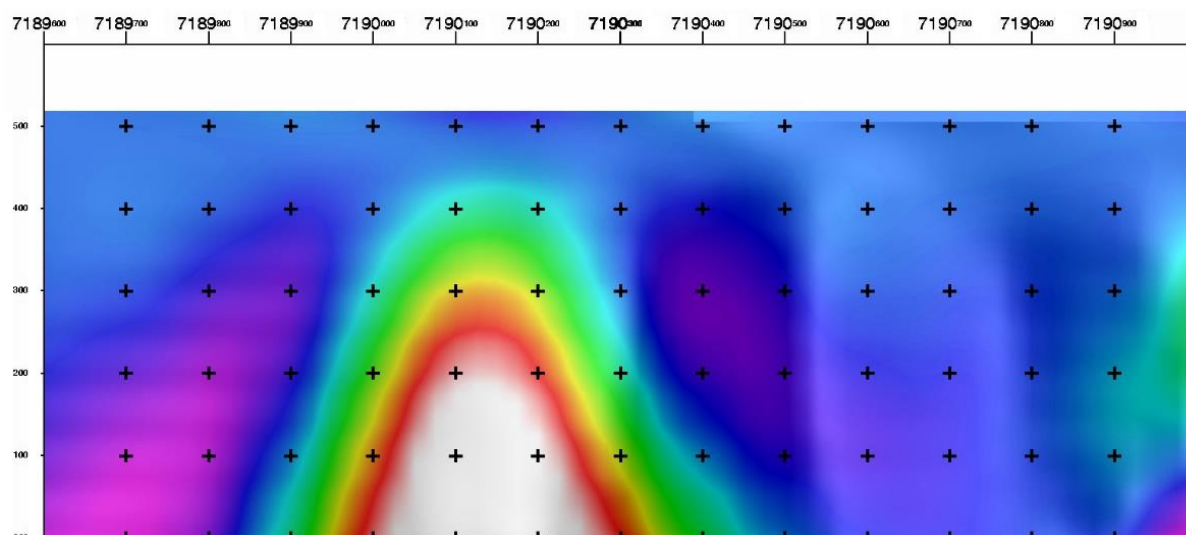


Figure #3. NS Section 661150E showing western MAG high, 200-300m below surface.

JORC Compliance Statement

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.

The Following table provides explanations required under JORC 2012

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised 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.</i>	Historical, RC, RAB and soil samples.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Systematic and representative of near-surface area. Testing does not reach target depths.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	VMS and shear hosted mineralisation.
	<i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised 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 mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	Historical reporting not sufficient to demonstrate whether the results meet industry standards. 1-2m samples taken from RC drilling. RAB drilling samples taken at 1m and composited to 4m for assaying.
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).</i>	Rotary Air Blast (RAB) and Reverse Circulation (RC).
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Not known / reported.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Not known / reported.
	<i>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.</i>	Water was reported at the bottom of the RC holes but not throughout.
Logging	<i>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.</i>	Each sampling interval was geologically logged.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc)</i>	Not known / reported.

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	photography. The total length and percentage of the relevant intersections logged.	1,316m of RC (SW1-12) and 20,514 of RAB (MRB1-534)
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Not applicable at this time, no core drilling reported.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Sub-sampling method not known / reported.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Not reported / known.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Not reported / known.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Not reported / known.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Not reported / known.
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.	All samples prepared and assayed at the commercial laboratory AMDEL (Meekatharra). Gold is fire assayed on a 50g charge. The remaining elements are assayed using ICP optical spectrometry.
	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 not used to determine grade.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Not reported / known.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Not reported / known.
	The use of twinned holes.	Not reported / known.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Data is historical and as sourced from government department records.
	Discuss any adjustment to assay data.	No adjustments were made to the data.

Criteria	JORC Code explanation	Commentary
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.	Not applicable at this time, no Mineral Resource estimation undertaken.
	Specification of the grid system used.	GDA94
	Quality and adequacy of topographic control.	Not reported / known.
Data spacing and distribution	'Data spacing for reporting of Exploration Results.	The RC drilling is variable, targeting specific geology. The RAB drilling is reported as being spaced at 25m on 100m lines, with the grid oriented based on geology.
	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.	No Resources estimation is carried out.
	Whether sample compositing has been applied.	The first 4 RC holes were composited to 2m; the remainder were assayed as individual 1m samples. The 1m RAB samples were composited to 4m intervals for assaying.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The RC drilling is targeting specific geology types and designed accordingly. The systematic RAB drilling occurred over 3 phases and ranged from vertical to -60 degrees northwards. Lineaments were targeted in phase 1, with phases 2 and 3 targeting anomalies as defined by the RC and phase 1 RAB results.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Not reported / known.
Sample security	The measures taken to ensure sample security.	Sampling is historical, no samples are available.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Not reported / known.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	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.	- EL52/2569 140km N of Meekatharra in Western Australia. - EYM holds 100%
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Tenement is in good standing.
<i>Exploration done by other parties</i>	Acknowledgment and appraisal of exploration by other parties.	Various operators have held tenure over the area; Sabminco NL has carried out the majority of the most recent work reported here. Barrack Exploration Limited held tenure over the area prior to Sabminco.
<i>Geology</i>	Deposit type, geological setting and style of mineralisation.	Rocks are part of the Early Proterozoic Glengarry Group, with Narracoota Volcanics (ultramafic / mafic basalts with minor argillised felsic volcanics) overlain or interdigitated with pelites and psammities of the Thaduna Greywacke unit. Pyritic chert at the contact between the two units is locally associated with Au anomalism. Mineralisation styles known to occur in the area and sought are VMS and shear hosted.
<i>Drill hole Information</i>	- 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: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length.	Not relevant, results are historical.
	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 should clearly	The exploration results reported are not current and are only important in supporting evidence to the

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	<i>explain why this is the case.</i>	geophysics results and in the context of drill target generation.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	Not known / reported.
	<i>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.</i>	Not known / reported.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents reported.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	Reported results are relevant in the context that economic mineralisation in the area is plausible.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Geometry of mineralisation not defined.
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	True widths are not known.
Diagrams	<i>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.</i>	To the extent relevant, included in report.
Balanced reporting	<i>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.</i>	Reference is made to both significant and insignificant results over the area in question and in the context of the relevance to drill targeting.
Other substantive exploration data	<i>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.</i>	Data considered most comprehensive and most relevant has been reported.
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Reconnaissance field visit to confirm reported outcrops and assess logistics for

Criteria	JORC Code explanation	Commentary
		proposed drilling.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Drilling has been proposed but actual hole locations will not be known until the reconnaissance visit is completed.