

31 July 2013

Manager of Company Announcements  
ASX Limited  
Level 6, 20 Bridge St  
Sydney NSW 2000

By E-lodgment

## **Quarterly Activities Report For Period Ending 30 June 2013**

### **HIGHLIGHTS**

- Due to prevailing market conditions the Company has focussed on extensive project review and cost reduction initiatives over the past quarter.
- Select has continued to focus on creating value from the Company's existing exploration assets with the ongoing detailed analysis of Tanzanian country-wide airborne geophysical survey and historical coal and uranium data.
- Extensive database used to undertake a detailed review of its current portfolio of tenements to rank and prioritise targets within the extensive coal and uranium tenement holding.
- Further prospective targets identified by the Company's technical team for Base Metals with specific focus on Copper are progressing through the application process in Tanzania with Offers to Grant expected in August 2013.
- Along with the Tanzanian Base Metals Projects the Company has lodged a number of applications over Significant Base Metals targets in Gabon.
- Announced a Non-Renounceable Rights Issue to raise \$831,090 before costs.

### **Strategic and Corporate Review**

Due to prevailing market conditions, it has been prudent for the Company to assess its current project portfolio and expenditure commitments to rationalize costs and ensure that future exploration expenditure is committed to priority "de-risked" targets.

The Company has embarked on an extensive cost cutting program over the past two months which has resulted in day to day operational overheads being cut by 60%. Further cost reductions are planned in the next quarter. During the quarter the Company suspended all Non-Executive director fees.

During the quarter the previous Managing Director resigned. Existing director Mr. Mark Titchener has assumed control of the day to day operations.

The Directors thank the Company's staff and contractors in Australia and Africa for assisting in achieving this substantial reduction in overheads in a timely and seamless manner.

As part of the overall cost and project review, Select has refined its coal / uranium exploration expenditure to focus on analytical review of the Tanzanian data (country wide airborne magnetics) to potentially derisk exploration targets before any field costs are incurred.

Tanzanian Authorities are currently in the process of reviewing the guidelines relating to Exploration Activities within Game Parks and Reserves. Until those guidelines are released the Directors consider it prudent to restrict expenditure on licenses that sit within such areas. This may in turn result in certain licenses that sit within Game Reserves being relinquished.

## **Operations**

General Manager – Project Generation, Ms Regina Molloy has been focussing her attention on pursuing areas identified as prospective for multiple commodities, via new license applications and/or joint venture/buy out negotiations (where the prospective area is currently under tenure).

Ms Molloy has 18 years of geological experience on a range of mineral resource and exploration projects in Australia, South America and Africa. She has joined Select from BHP Billiton after 12 years of service in Australia and the African region. Her prior position was Principal Geologist - Early Stage Projects, for the African Minerals Exploration Group based in Johannesburg.

The Company has applied for multiple licenses over five individual project areas in Tanzania targeting Base Metals hosted in Hydrothermal, Carbonatite and IOCG styles of mineral settings. A detailed study has been completed of the largely under explored Tanzanian Western and Eastern Rift terrains and has identified several high priority base metals targets with a particular focus on Copper which in turn have been applied for.

Acknowledging the structural weakness in the coal markets worldwide the Company is broadening the asset base to be a multi commodity explorer. The majority of Base Metals licenses currently under application are expected to be granted in the coming months.

Technical overviews will be released to the market upon granting of all the licenses specific to any one particular project.

## **Corporate**

During the quarter the prior Managing Director Mr Shane Cranswick resigned from his role. Existing director Mr Mark Titchener has undertaken the Managing Director duties in the interim.

As announced on 21 June 2013, the Company has recently undertaken a Renounceable Rights Issue to raise \$831,090 before costs. Under the rights issue all eligible shareholders had the right to subscribe for two (2) new shares for every one (1) share held at the issue price of 1 cent (\$0.01).

As announced on 25 July 2013, the Rights Issue raised \$212,195.52 including shares applied for under the shortfall. The directors are now in the process of placing the shortfall balance and will advise the market on successful placement.

For further details please contact the Company Secretary on (08) 9322 7600.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Select Exploration Limited

ABN

25 062 063 692

Quarter ended ("current quarter")

30 June 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	6	11
1.2 Payments for (a) exploration & evaluation	(561)	(1,041)
(b) development	-	-
(c) production	-	-
(d) administration	(301)	(472)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other		
- Capital items	(84)	(84)
- Data acquisition	(177)	(177)
<b>Net Operating Cash Flows</b>	<b>(1,111)</b>	<b>(1,744)</b>
<b>Cash flows related to investing activities</b>		
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 (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,111)</b>	<b>(1,744)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,111)	(1,744)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	26
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 (share issue costs)	-	(33)
	<b>Net financing cash flows</b>	-	(7)
	<b>Net increase (decrease) in cash held</b>	(1,111)	(1,751)
1.20	Cash at beginning of quarter/year to date	1,677	2,317
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	566	566

\*\*Note: The Company was re-instated to the ASX on 1 November 2012 after compliance with ASX Listing Rule 11.1.3 and Chapters 1 and 2 of the ASX Listing Rules. Prior to this period the Company was not a mining exploration entity and reported on a different basis each quarter via an Appendix 4C.

**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	172
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

<p>Amount includes:</p> <ul style="list-style-type: none"> <li>- Executive remuneration;</li> <li>- Non-executive director's fees;</li> <li>- Company secretarial fees, financial compliance, office rent and corporate advisory fees to Grange Consulting of which Mr Ian Macliver is a director and shareholder; and</li> <li>- Consulting fees paid to Cypress Management Services of which Ms Leeden and Messrs Macliver and Titchener are shareholders.</li> </ul>
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+ See chapter 19 for defined terms.

### 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

### 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	260
4.2 Development	-
4.3 Production	-
4.4 Administration	140
<b>Total</b>	<b>400</b>

### 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	566	1,677
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>566</b>	<b>1,677</b>

+ See chapter 19 for defined terms.

## 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	PL 7397/2011	Relinquished	100%	0%
	PL 7385/2011	Relinquished	100%	0%
	PL 7795/2012	Relinquished	100%	0%
	PL 7794/2012	Relinquished	100%	0%
	PL 8967/2013	Relinquished	100%	0%
	PL 7793/2012	Relinquished	100%	0%
6.2 Interests in mining tenements acquired or increased	Godegode region			
	HQ-P 27217	Application	0%	100%
	HQ-P 27216	Application	0%	100%
	HQ-P 27219	Application	0%	100%
	HQ-P 27240	Granted	0%	100%
	HQ-P 27218	Granted	0%	100%
	Mukombe Region			
	HQ-P 27238	Application	0%	100%
	Majeleko Region			
	HQ-P 27172	Application	0%	100%
	Kizumbi Region			
	HQ-P 27171	Application	0%	100%
	HQ-P 27173	Application	0%	100%
	Rufiji Region			
	HQ-P 27127	Application	0%	100%
	HQ-P 27126	Application	0%	100%
	HQ-P 27125	Application	0%	100%
	HQ-P 27123	Application	0%	100%
HQ-P 27124	Application	0%	100%	

## 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 (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> (description)	Class A Performance Shares 25,000,000	nil	Not applicable	Not applicable
	Class B Performance Shares 25,000,000			

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**Appendix 5B**  
**Mining exploration entity quarterly report**

7.9	Exercised during quarter	33		\$0.35	30 September 2015
7.10	Expired during quarter	Performance Rights:			
		100,000	Nil	Nil	1 July 2013
		100,000	Nil	Nil	1 July 2014
		100,000	Nil	Nil	On or before 1 July 2013
		100,000	Nil	Nil	On or before 1 July 2013
		200,000	Nil	Nil	1 July 2013
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

**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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: .....Date: 31 July 2013  
 (~~Director~~/Company secretary)

Print name: Phil Warren

**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

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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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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