LAMBOO RESOURCES

. . . developing high purity flake for new technologies

ASX ANNOUNCEMENT

31 July 2015

LAMBOO RESOURCES Limited
ABN 27 099 098 192

ASX: **LMB**

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QUARTERLY ACTIVITIES REPORT

PERIOD ENDING 30 JUNE 2015

HIGHLIGHTS:

McIntosh Flake Graphite Project:

- **The Conceptual Study of the McIntosh Flake Graphite Project highlighted a technically and financially viable project at production scenarios of 50 ktpa (1.2Mtpa throughput) and 100 ktpa (2.4Mtpa throughput) flake graphite concentrate.**
- **Given the significant size of the Exploration Target for flake graphite at McIntosh, Lamboo will have considerable flexibility in open-cut mine scheduling allowing the company to scale to market demand and different product specifications.**
- **Mine optimisation studies suggests a low strip ratio of 3 : 1 with an initial mine life of 13 years to 26 years depending on the production rate applied.**
- **Both 2.4 Mtpa and 1.2 Mtpa plant throughput rates returned positive study outcomes.**
- **Bench-scale metallurgical test work supports the assumed recovery rate of 80%.**
- **Cost estimates have been based upon data from recent projects and industry standard estimating factors but there is considerable scope for refinement during future study.**
- **Substantial upside exists to enhance McIntosh by exploring for the medium- to jumbo-sized crystalline flake graphite at identified priority areas of Targets 3, 4, 5 and 6.**
- **Diamond drilling commences following final Heritage Approval.**

Corporate:

- **Appointment of Mr Garry Plowright as Non-Executive Director**
- **Successful completion and placement of 20 million ordinary shares at $0.06 each with existing Lamboo Resources sophisticated investors raising a total of $1.2 million.**
- **Repayment of Convertible Note**

Cautionary Statement - Conceptual Study

The Conceptual Study referred to in this announcement is based on conceptual technical and economic assessments. There is no assurance of an economic development case at this stage, or any certainty that the conclusions of the study will be realised. The Conceptual Study is based on the Company's Exploration Targets and should not be solely relied upon by investors when making investment decisions.

Geological and geophysical evidence was used to develop the Exploration Targets but the potential quantity and grade of the Exploration Targets are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

MCINTOSH FLAKE GRAPHITE PROJECT

CONCEPTUAL STUDY

EXPLORATION TARGET

CSA Global utilised a combination of reverse circulation (RC) and diamond drilling (DD) data, geological mapping of graphitic mineralisation, geophysical data and interpretation to determine reasonable Exploration Targets of graphitic material at Targets 2, 3, 4, 5, 6, 10 and 11. The exploration target estimates, as announced by the Company are presented in Table 1 (refer ASX:LMB announcement 23rd February 2015).

Table 1: McIntosh Flake Graphite Project - Exploration Targets.

Target	Tonnage Range (Mt)	TGC Range (%)
Target 2	5 - 15	2.5 - 5.0
Target 3	30 - 42	2.5 - 4.5
Target 4	5 - 8	2.5 - 4.5
Target 5	4 - 6	3.0 - 6.0
Target 6	18 - 25	3.0 - 5.5
Target 10	15 - 25	3.0 - 6.0
Target 11	3 - 6	3.0 - 5.5
Total	**80 - 127 Mt**	**2.5 - 6.0% TGC**

**Note: Exploration Targets used a TGC% cut-off grade of 1.9%*

Cautionary Statement - Exploration Target

The potential quantity and grade of the exploration targets are conceptual in nature, there has been insufficient exploration to estimate a mineral resource and it is uncertain if further exploration will result in the estimation of a mineral resource.

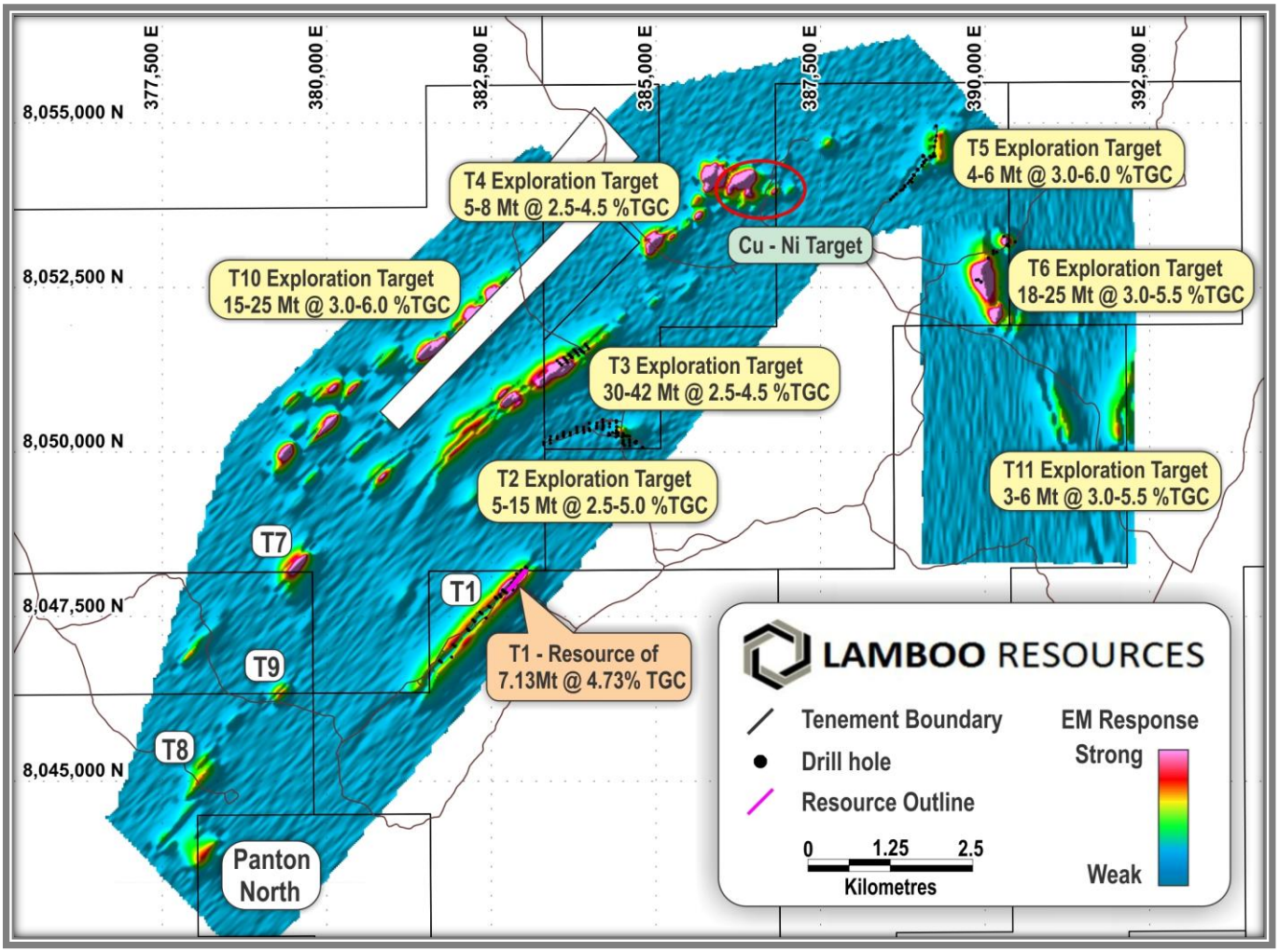

Figure 1: Exploration Target Estimates at the McIntosh Flake Graphite Project East Kimberley, Western Australia.

For the Conceptual Study the upper and lower grade ranges were used for initial pit optimisations. Note that in each case all material within the Target is assigned the single grade for that Target. For all runs, wire-frame models were used which represented the currently interpreted geology based on all available current data (geophysical interpretations supplemented by mapping, logging and sampling). The optimisation process selects only those tonnes that meet the mining cut-off grade after considering all assumed operating costs and allow for expected waste stripping.

STUDY APPROACH & PARTICIPANTS

The Conceptual Study was undertaken and prepared by independent geological and mining consultant CSA Global Pty Ltd (CSA Global) of Perth, Western Australia (W.A.). CSA Global was engaged to evaluate the technical and economic potential of the McIntosh Flake Graphite Project and to provide recommendations for further work.

The Conceptual Study has assessed the likely economics, mining process and infrastructure requirements for a conceptual crystalline flake graphite project at McIntosh.

This work was supported by specialist metallurgical work undertaken by Nagrom Metallurgical in Perth, W.A.; SGS in Perth, W.A.; Wuhan University of Technology in China; and Guangzhou Research Institute of Non-ferrous Metals (GZIRM) in China.

The metallurgy and process engineering inputs to the conceptual Study were provided by independent consultants Battery Limits Pty Ltd (BatteryLimits) in Perth, W.A. based on their experience in several other graphite projects.

STUDY ASSUMPTIONS & PARAMETERS

The key project assumptions and input parameters are summarised below.

- Exploration Targets were developed using geophysical, mapping and drill sampling data as detailed in Lamboo's ASX announcement released on 23rd February 2015.
- Preliminary open pit optimisations were based on grade ranges established for the Exploration Targets referred to above to determine the tonnage required for optimum project development at those grades. Successful outcomes were indicated if grades are obtained at the high end of the Exploration Target ranges.
- Assumed mining and production schedules based on the optimisation outputs were used to develop order of magnitude production scenarios.
- A conceptual metallurgical process flow sheet was based on previous experience at comparable projects, with an assumed 80% metallurgical recovery and an assumed concentrate grade of >90% TGC.
- Preliminary capital and operating cost estimates were based on the mining and processing production scenarios using data from relevant projects and industry standard estimating factors.
- Pricing estimates were based on 'basket prices' for assumed flake graphite size ranges, using published 2015 marketing data and forecast 2020 prices.
- Required infrastructure was assessed including power, water, camp and transport.
- Environmental and heritage impacts have been determined from field studies with no major issues identified to date.

MINERALOGY

The mineralogical characteristics of the graphite mineralisation were investigated by Townend Mineralogy and CSA Global using samples from drill core, RC chips and outcrops. The graphite generally occurs in bunches or as separate flakes showing locally consistent orientation. Inclusions of fine mica and interleaved micaceous minerals are evident. *In situ* flake sizes generally range from 100 to 200 µm at Targets 2 and 5, and from 200 to 500 µm in length at Target 6.

The Company understands that the *in situ* flake size is not necessarily the final liberated flake size after mineral processing and further size determination work is planned at all Targets.

GRAPHITE MARKETING

As with most industrial minerals, graphite markets are not transparent and prices are set between producer and trader or consumer depending on tonnages and grades, with information sources often trade journals (see Table 2). Graphite pricing is complex and parameters include:

- Type of graphite which may be vein, flake, amorphous or synthetic
- Mesh Sizes which have historically ranged from fine flake (<200 Mesh, or -0.075 mm) to large flake (>80 Mesh, or +0.18 mm) and recently jumbo flake (>48 Mesh, or +0.3mm)
- Carbon content – measured as a percentage, with flake graphite generally >90% C.

Table 1: Flake graphite prices used for the Mcintosh Conceptual Study.

Sizing	Market Terminology	Current 2015 ($USD)	Stormcrow* 2020 ($USD)	% Change 2015 to 2020
>300 µm (+48 Mesh)	Extra Large or 'Jumbo' Flake	$2,000	$6,175	310
>180 µm (-48 to +80 Mesh)	Large Flake	$1,250	$1,165	-10
>150 µm (-80 to +100 Mesh)	Medium Flake	$1,000	$517	-53
>75 µm (-100 to +200 Mesh)	Small Flake	$800	$493	-34
<75 µm (-200 Mesh) 80-85%C	Fine Flake	$450	$359	-20

*Assumed Pricing (90-97%C for > 75 µm product)
Sources: CSA Global; Industrial Minerals Magazine; others

MINING CONCEPTS

The mining method used in the Conceptual Study assumes conventional drill and blast, open pit mining operated by a mining contractor with appropriately sized digging and trucking equipment.

The approach was to determine a notional mineral inventory, based on the 3D models of the Exploration Targets, to progress to a sequencing stage so that the likely required size of the Project could be evaluated for economic and development potential. The planned mine production profile is based on mining shell optimisations using Whittle software. A series of nested shells were created for each of the identified Targets and a maximum-value shell for each was selected.

The preliminary mining costs used in the optimisation are based on 200 t excavators and 120 t trucks. An allowance for drill and blast was applied for all open pit mining of each Target. A nominal wall angle of 45 degrees was used for the overall pit slopes.

The processing cost used in the Whittle optimisations allowed for processing, power, grade control, fixed costs including administration, haulage and selling costs based on a processed ore production rate of 2.4 Mtpa. As previously mentioned, the commodity price used for the Whittle exercise was established as a ‘basket price’ for each Target based on analysis of the expected flake size distribution.

The Whittle optimisations using all these inputs were completed for the low-grade and high-grade scenarios. The Whittle software sequencing tool Milawa was used to identify an initial mining sequence that achieves a production rate of 2.4 Mtpa of notional ore mined per year. An option was also considered to run the operation at a reduced throughput of 1.2 Mtpa. At this Conceptual Study stage this is an appropriate method to establish a mining sequence.

METALLURGY AND CONCEPTUAL PROCESS DESIGN

BatteryLimits used the previous metallurgical test work and previous experience with graphite projects to provide an order of magnitude estimate (±40%) for a conceptual processing route and conceptual process flow charts.

Key assumptions for the process route were defined as:

- Carbon in concentrate 90% C
- Process recovery 80%
- Feed Rate 360 tph
- Feed grade 4.8% TGC

COST ESTIMATES

Preliminary capital costs estimates for a notional 2.4 Mtpa flake graphite operation were prepared by CSA Global and BatteryLimits (Table) to produce a sized, graphite flake concentrate product.

Table 3: Preliminary capital cost estimates (A$ Millions).

Capital Cost Estimates	
Item	**($M/AUD)**
Earthworks and Access Roads	2
Power Supply and Diesel Storage	3
Crushing, Screening, Milling, Floatation	45
Reagents and Services	18
Plant Infrastructure	5
Concentrate Handling	21
Water Systems and Utilities	6
Tailings Storage Facility	6
Camp	12
Offices, Workshops, Vehicles, etc.	5

Expected project operating costs were based on a recent contractor mining quotation for a project of similar scale and location to cover mining of ore and waste to a ROM plant feed pad and waste dump respectively.

INDEPENDENT REVIEW OF TARGET 1 MINERAL RESOURCE

CSA also completed an independent review of the Mineral Resource estimate for Target 1 (refer to LMB announcement 20th January 2014). This was achieved by reviewing the underlying data, the data collection protocols and procedures, the geological and mineralisation model, the estimation and modelling techniques, and the mineralogy and test work data.

CSA concluded that the data review, modelling and estimation work completed was reasonable for the density of data and stage of exploration of the project. They highlighted a potential bias in the RC drilling results from a review of twin DD / RC holes and suggest the RC method may underestimate total contained graphite by as much as 25%. Further diamond coring was recommended during further resource drilling programs to address this issue, as well as for collection of additional samples for mineralogical and processing test work.

ADDITIONAL MINERALOGY WORK

To assist with review of the mineralogical characteristics of the graphite mineralisation an additional 21 samples were selected for petrographic investigation. The samples consist of 6 polished thin sections and descriptions of 3 drill core and 3 rock chip samples along with 15 polished thin sections and descriptions of 15 RC chip samples.

The fresh samples can be summarised as being composed of a high grade metasediment that is a mixture of schist and gneiss lithologies. The graphite generally occurs in bunches or as separate flakes showing locally good orientation and lacking inclusions of deleterious minerals, allowing for a more simplified extraction process and the ability to achieve a high purity graphite concentrate. Flake sizes range up to 500µm in length and commonly >200µm at Target 6 and are generally >100µm and commonly >200µm at the other prospects investigated.

OTHER DEVELOPMENT ISSUES ADDRESSED

As part of the Conceptual Study CSA Global has collated information from a number of sub-consultants. Preliminary water studies by Groundswell Geoscience Pty Ltd used existing data to consider requirements for water supply to the proposed plant, camp and for mining activities as well as potential pit dewatering. This has set water exploration targets to facilitate the eventual project development. Airlift testing and water depths suggest that eventual pit dewatering may provide a possible supply for the camp and ore processing requirements. Water quality was good with around 600 mg/l of total dissolved solids, with acidity in the range pH 7 to 8.

Onshore Environmental Consultants Pty Ltd have completed the first part of a two season Level 2 flora and vegetation survey. Biologic Environmental Survey Pty Ltd conducted a dry season program of vertebrate fauna trapping and invertebrate fauna sampling across the project area. These initial studies have not highlighted any issues or species of significance that would prejudice the eventual development of the mining and processing scenarios envisaged in the Conceptual Study.

HERITAGE APPROVAL

The Malarngowem people are the traditional owners of the land on which the McIntosh Flake Graphite Project is being defined. During the quarter final advice from the Heritage Clearance Survey conducted from the 22nd April 2015 through to the 26th April 2015 was received. The Heritage Survey was conducted with members of Lamboo staff, representatives from the Traditional Owner group, the Marlargowem, along with representatives from Environmental, Heritage and Social Impact Services ("EHSIS"). The Heritage Survey covered Target areas 1, 2, 3, 4, 5, 6, 10, 11 along with the campsite, no sites of significance were identified.

DRILLING COMMENCES AT MCINTOSH

Diamond drilling commenced at McIntosh during the quarter following final heritage approval, the drilling program will consist of drilling at Targets 5 and 6 focussing on the large scale fold hinges, with first pass drilling at Target 4 focussing on both the graphitic schist and copper / nickel sulphide anomalies. Drilling at Target 3 will aim to define the structure, grade and metallurgy of the deposit with further resource definition drilling planned for 2016. The fold hinges (antiforms) at Targets 5 and 6 followed by the fold hinges (synforms) at Targets 3 and 4 are the clear priorities for the Company (Figure 2). To date these targets are relatively untested. These fold hinges are high grade metamorphic environments and are well suited for concentration of crystalline flake graphite and the generation of large to jumbo flake size.

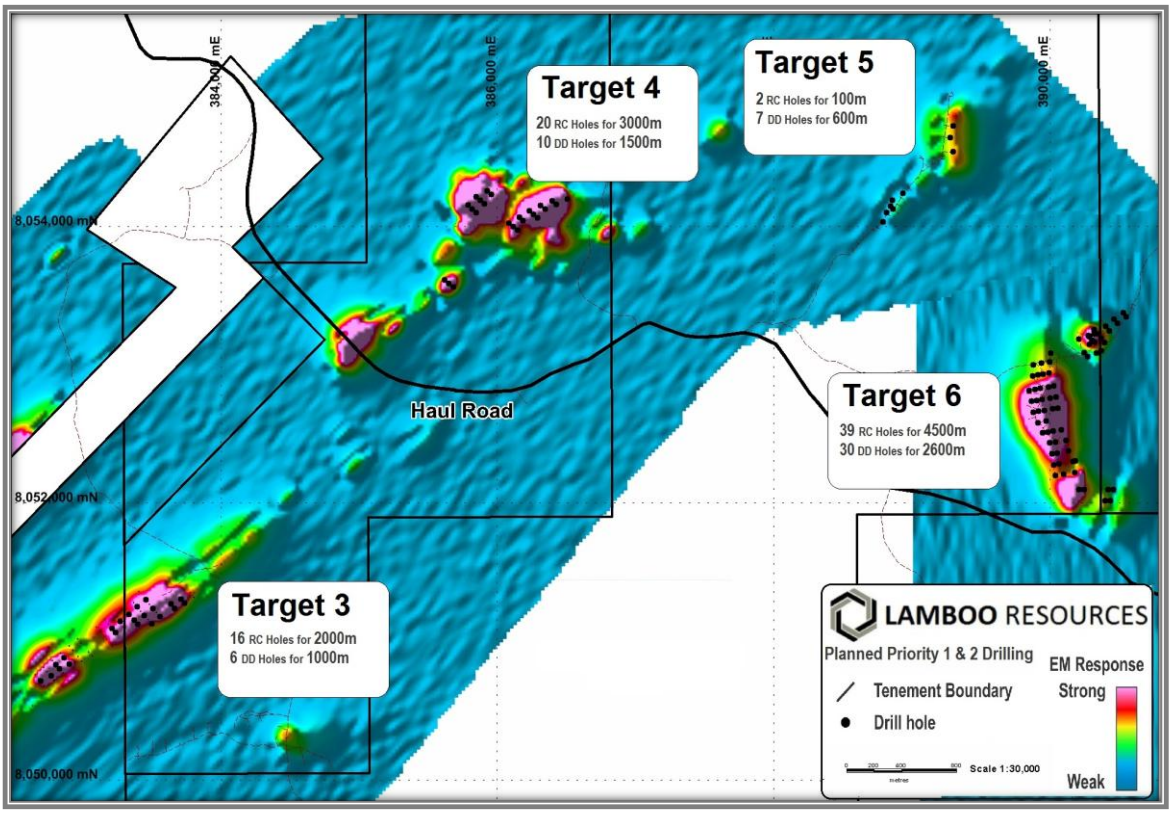

Figure 2: Priority 1 & 2 planned drilling at the McIntosh Flake Graphite Project.

LAMBOO TENEMENTS - AUSTRALIA

Project	Tenement	Type	Number	Status	Acquired/Disposed
McIntosh, WA	Melon Patch	E	E80/3864	100% Lamboo	
	McIntosh Hills	E	E80/3928	100% Lamboo	9 block compulsory partial surrender
	Melon North	E	E80/3906	100% Lamboo	
	Melon South	E	E80/3907	100% Lamboo	
	Black Granite	E	E80/4396	100% Lamboo	
	White Rock South	EL	E80/4688	100% Lamboo	
	Panton West	EL	E80/4734	100% Lamboo	
	Black Rock Creek	EL	E80/4739	100% Lamboo	
	Togo	EL	E80/4732	100% Lamboo	
	Edle Creek	EL	E80/4825	100% Lamboo	
	Alice Downs	EL	E80/4842	100% Lamboo	
	White Rock	EL	E80/4841	100% Lamboo	
	Carolyn Hills South	P	P80/1821	100% Lamboo	
	Panton North	E	E80/4733	100% Lamboo	
	Mabel Hill	ELA	E80/4879	100% Lamboo	
	Wills Creek	ELA	E80/4931	100% Lamboo	
Mabel, WA	Mabel Downs	E	E80/4385	100% Lamboo	
	Spring Creek	E	E80/4797	100% Lamboo	
	Six Mile Bore	E	E80/4814	100% Lamboo	
Halls Creek, WA	Golden Crown South	E	E80/4794	100% Lamboo	
	Highway	E	E80/4793	100% Lamboo	
	Granite	E	E80/4795	100% Lamboo	
	Granite	P	P80/1816	100% Lamboo	
	Granite	P	P80/1817	100% Lamboo	
	Granite	P	P80/1815	100% Lamboo	
	Granite	P	P80/1818	100% Lamboo	
	Granite	P	P80/1414	100% Lamboo	
	Granite	P	P80/1799	100% Lamboo	
	Granite	P	P80/1801	100% Lamboo	
	Granite	P	P80/1800	100% Lamboo	
Valla, NSW	Valla	EL	EL6702	100% Lamboo	

GEUMAM FLAKE GRAPHITE PROJECT

During the quarter Lamboo Resource did not complete any field work, or advance any studies or testwork on the Geumam Flake Graphite Project in South Korea.

LAMBOO TENEMENTS - SOUTH KOREA

Geumam Flake Graphite Project

Tenement Number	Registration Number	Area (ha)	Registered Holder	Grant Date	Expiry Date
Dangjin 54-4	200432	44	*Won Kwang Mines Inc*	30 July 2014	31 July 2021
Dangjin 56-3	200433	68	*Won Kwang Mines Inc*	30 July 2014	31 July 2021
Dangjin 66-1	200434	68	*Won Kwang Mines Inc*	30 July 2014	31 July 2021
Dangjin 55-3	80077	68	*Won Kwang Mines Inc*	7 February 2012	6 February 2032
Dangjin 65-1	80014	68	*Won Kwang Mines Inc*	8 December 2011	7 December 2031
Dangjin 65-2	78355	68	*Won Kwang Mines Inc*	17 December 2009	16 December 2029
Dangjin-54-2	200258	135	*Won Kwang Mines Inc*	23 May 2013	22 May 2020
Dangjin-55-4	200259	64	*Won Kwang Mines Inc*	23 May 2013	22 May 2020

Taehwa Flake Graphite Project

Tenement Number	Registration Number	Area (ha)	Registered Holder	Grant Date	Expiration Date
Hongcheon 91-2	079948	68	*Won Kwang Mines Inc*	15 November 2011	14 November 2031

Samcheok Flake Graphite Project

Tenement Number	Registration Number	Area (ha)	Registered Holder	Grant Date	Expiration Date
Samcheok-09-2	**200216**	68	*Won Kwang Mines Inc*	10 January 2013	9 January 2020

CORPORATE

MANAGEMENT CHANGES

During the quarter Mr Garry Plowright was appointed as a non-executive director on 10 June 2015. Mr Plowright has extensive mining and board experience, managing resource operations in both Australia and South Korea.

Mr Anthony (Tony) Cormack, Executive Director and Head of Operations, was appointed as interim Chief Executive Officer (CEO). Mr Cormack has been with Lamboo since June 2014 as Operations Manager, McIntosh Project and became an Executive Director and Head of Operations in December 2014. Mr Cormack brings strong operational experience as well as technical expertise to the role as Lamboo transitions from exploration into production.

Mr Richard Trevillion resigned as Managing Director and CEO on 16 April 2015.

Mr Alvars Lee resigned as Non-Executive Director on 26 May 2015

REPAYMENT OF CONVERTIBLE NOTE

The buy back notice was issued on the 9 June 2015 with the payment of the funds announced on 29 June 2015.

RETURN OF HENGDA DEPOSIT

China Sciences Hengda Graphite Corp. (“Hengda”) has defaulted on the Settlement Deed (“Settlement Deed”) for the repayment of the US$2,000,000 deposit announced to ASX on 30 March 2015. To date Hengda has failed to pay any of the three repayments scheduled for 30 April, 30 May and 30 June 2015. Lamboo will continue its efforts to secure the repayment of the deposit, but while Lamboo is considering its position, it believes that there is a material risk of Hengda remaining in breach of the Settlement Deed in the foreseeable future.

CAPITAL RAISE

On 15 June the company completed the placement of 20 million ordinary shares at $0.06 each with existing Lamboo Resources sophisticated investors resulting in the raising of $1.2 million, before costs.

The placement price of 6 cents per shares was determined by Directors after having regard to the 15 day VWAP of 7.5 cents and 30 day VWAP of 7.6 cents, and represented a 20% discount. The placement was fully underwritten by Investorlink Securities Limited for an underwriting fee on normal commercial terms. Allotment of the shares was completed on 26 June 2015.

ADMINISTRATION COSTS

The company is continuing to cut administration costs across the business, including the closure of the Brisbane and Hong Kong offices, relocation to the of the Seoul office to the existing field office and the relocation of the Perth office to a more affordable premises in Kewdale.

The company has also incurred significant legal costs in relation to securing the return of the US$2,000,000 deposit paid to China Sciences Hengda Graphite Corp ("Hengda"). The company is continuing its engagement with Hengda in relation to the return of the deposit.

Tony Cormack

CEO / Head of Operations

Competent Persons Statement

The information in this report that relates to Exploration Targets is based on information compiled by Mr David Williams and Dr Andrew Scogings, Competent Persons, who are both Members of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Williams and Dr Scogings are employed by CSA Global Pty Ltd, an independent consulting company. They have sufficient experience that is relevant to the style of mineralisation and type 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Scogings consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

The information in this report relating to Exploration Results and Geological Data at the McIntosh Project is based on information previously compiled and / or reviewed by Mr. Tony Cormack, Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Lamboo Resources Limited. Mr. Cormack has sufficient experience which is relevant to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Cormack consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

APPENDIX 1

JORC Table 1 Assessment

Table 1 (Section 1) – Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. 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.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	Sampling methods- Reverse Circulation (RC) drilling used high pressure air and a sophisticated cyclone with a cone splitter. Sampling was taken as continuous one metre intervals. Diamond drill (DD) core was generally sampled at one metre intervals. Where geology indicated an obvious change, sampling was undertaken so that the one metre samples could be composited. Duplicate samples were taken during RC drilling. RC drilling samples of 3 to 5 kg weight were shipped to the laboratory in plastic bags; samples were pulverized and milled for assay. Diamond core was marked up and cut into half and quarter core using a large diamond bladed saw.
	Aspects of the determination of mineralisation that are Material to the Public Report. 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 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 (e.g. submarine nodules) may warrant disclosure of detailed information	Industry standard RC and DD methods were used. It is noted that although RC drilling may yield samples sufficient to estimate graphite content (total graphitic carbon, or "TGC"), RC samples are generally considered insufficient to estimate graphite flake size and purity. Diamond core drilling is recommended to twin selected RC holes so as to verify TGC, flake size and purity or liberation characteristics.
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.).*	RC drilling (5 ½" hammer) accounts for majority of the drilling database at Targets 2, 3, 5 and 6 Minor diamond core drilling (NQ) at targets 2 and 3. All diamond core drilling at target 6 is HQ.
Drill sample	*Method of recording and assessing core and chip*	RC split samples were recovered from a cyclone and rig-mounted

Criteria	JORC Code Explanation	Commentary
recovery	*sample recoveries and results assessed.*	cone splitter. The sample recovery and physical state were recorded. Sample recovery of the diamond core is recorded on core blocks after each run and recorded in the logging.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	A face sampling hammer is used to reduce contamination at the face. Diamond drilling samples are half and quarter cored, with core sawn using a diamond blade core-saw.
	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.	RC samples in one pair of twin holes are noted to report lower graphite content than DD core at Target 1, therefore it is suggested that RC samples are biased due to loss of fine material. HQ diamond core drilling has been employed for future drilling.
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.*	All RC chips and diamond core were geologically logged in the field by qualified geologists. Lithological and mineralogical data is recorded for all drill holes using a coding system developed specifically for the Project. Diamond core is geotechnically logged. Primary and secondary lithologies are recorded in addition to texture, structure, colour, grain size, alteration type and intensity, estimates of mineral quantities, graphite intensity and sample recovery. The oxidation zone is also recorded and a general lithological description is made of the interval. Logging is qualitative in nature.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Geological logging is qualitative in nature.
	The total length and percentage of the relevant intersections logged.	The vast majority of intersections have been geologically logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Diamond drilling samples are half (metallurgical testing) and quarter core (assaying), with core sawn using a diamond blade core-saw.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	1m samples from the RC drilling were submitted to either Actlabs or

Criteria	JORC Code Explanation	Commentary
		ALS Laboratories in Perth. The samples were riffle split on a 50:50 basis, with one split pulverised and analysed for Total Graphitic Carbon (TGC), Total Carbon (TC) and Total Sulphur (TS) using a Leco Furnace, and the other split held as in storage.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation techniques represent industry good practice
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Sampling procedures represent industry good practice.
	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	Duplicate assay results exhibit good correlation with the original assays and no consistent bias is evident. Limited twin hole drilling has indicated negative bias in the RC graphite results compared to core samples. Diamond core drilling has been engaged.
	Whether sample sizes are appropriate to the grain size of the material being sampled	The sample sizes are considered to be appropriate to the grain size of the material being sampled.
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.*	The assaying and laboratory procedures used are appropriate for the material tested.
	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.	VTEM geophysical work was carried out by Geotech Limited with the data validated and processed by reputable consultants.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	The RC and DD samples that were submitted by Lamboo to the laboratory include a duplicate, washed sand blank and certified standard at approximately every 20th sample submitted. The duplicate and standard samples were statistically analysed as part of the QAQC process and the data and was found to be satisfactory.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	CSA verified several graphite intersections in core and RC chip samples from Targets 1, 5 and 6 during a visit to Lamboo's Joondalup warehouse during January 2015.

Criteria	JORC Code Explanation	Commentary
		Samples from Exploration Targets 5 and 6 have been submitted to a petrographic laboratory for mineralogical examination and estimation of flake size and possible liberation characteristics.
	The use of twinned holes.	Twinned RC and DD core holes were completed on Exploration Targets 2 and 3. An initial comparison of RC and DD twins suggests that the RC method may be under-reporting Total Graphitic Carbon and that this needs addressing in future exploration.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The Lamboo database is hosted in a SQL backend database, ensuring that data is validated as it is captured and exports are produced regularly. Assay results are merged into the database from the lab certificates limiting transcription or mapping errors from occurring.
	Discuss any adjustment to assay data.	Verification was based on use of duplicates, standards and blanks used. No adjustments to assay data has been made.
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.*	Drill hole collars were surveyed by Whelans Surveyors Kununurra using a differential GPS and ground station. Preliminary RC collars were located by handheld Garmin 62S and Garmin 76c Global Positioning System ("GPS") units with a typical ±5 metres accuracy.
	Specification of the grid system used.	The map projection used is the Australian Geodetic MGA 94 Zone 52.
	Quality and adequacy of topographic control.	Adequate for purposes of Exploration Target estimation
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	RC drill holes at Targets 2, 3, 5 and 6 are spaced on traverses 80 to 250 m apart.
	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.	Not applicable

Criteria	JORC Code Explanation	Commentary
	Whether sample compositing has been applied.	Not applicable
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.*	RC drill holes were drilled at near perpendicular to the strike of the graphitic schist horizons. Diamond drill core has been oriented using a Reflex ACE tool (Act II), with α and β angles measured and positioned using a Kenometer.
	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.	The relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bias.
Sample security	*The measures taken to ensure sample security.*	RC samples were collected from the cone splitter, DD samples were cut using a diamond blade core saw; samples were then placed in calico bags and then placed in self-sealing plastic bags prior to being put into bulka bags. The bulka bags were then transported by road to the laboratory in Perth. The samples were processed and the pulps despatched to Actlabs in Canada or ALS in Brisbane/Adelaide. In this announcement the samples were taken in personal luggage on a commercial plane to Perth. The sample security is considered to be adequate
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Sampling techniques and data have been handled by an independent data management consultancy in Perth, WA. CSA completed an audit of the database and found it to be reliable.

Table 1 (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.*	Lamboo Resources Limited holds thirteen (14) granted ELs, two (1) ELAs and one (1) Prospecting Licence within the McIntosh Project area in the East Kimberley, WA. All granted tenements are in good standing and there are no encumbrances, royalties or impediments except for E80/4733 that is subject to a mill

Criteria	JORC Code Explanation	Commentary
		gate net royalty of 1%.
	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.	There are no known impediments.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The East Kimberley has been largely explored for base metals and diamonds with no active previous exploration for graphite. Graphite had been noted by Gemutz during regional mapping in the Mabel Downs area for the BMR in 1967, by Rugless mapping and RAB drilling in the vicinity of Melon Patch bore, to the east of the Great Northern Highway in 1993 and has been located during nickel exploration by Australian Anglo American Ltd, Panoramic Resources Ltd and Thunderlarra Resources Ltd over the last 20 years.
Geology	*Deposit type, geological setting and style of mineralisation.*	The McIntosh Project graphite schist horizons occur in the high grade metamorphic terrain of the Halls Creek Mobile Zone of Western Australia. The host stratigraphy is the Tickalara Metamorphics which extend for approximately 130 km along the western side of the major Halls Creek Fault. The metamorphic rocks reach granulite metamorphic facies under conditions of high-temperature and high pressure although the metamorphic grade in the McIntosh Project area appears to be largely upper amphibolite facies with the presence of key minerals such as sillimanite and evidence of original cordierite. Lamboo has identified graphite schist horizons and accompanying aerial EM anomalies over a strike length in excess of 15 km within the granted tenements, with potential for another 35 km strike length of graphite schist in EL applications. The McIntosh target areas contain graphite and include seven (7) identified exploration target areas – Targets 2, 3, 4, 5, 6, 10 and 11.

Criteria	JORC Code Explanation	Commentary
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:* *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.*	Reported in the body of the announcement. No down hole intercepts have been completed as yet. The announcement only refers to 3, 1m sample assays.
	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 explain why this is the case.	Only 3, 1m samples have been reported. No down hole intercept information is available at this time.
Data aggregation methods	*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.*	Based on a statistical analysis of drill data, lower cut-off grade of 1.9% total graphitic carbon was assumed for the Exploration Target estimates. This is similar to the 2% cut-off applied at the Target 1 Mineral Resource.
	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.	RC samples were all 1m in length. Diamond core samples will vary between 1m and 2m samples.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Metal equivalents are not reported, as this is an industrial mineral project where the mineral properties define grade (e.g. flake size and purity).
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Mineralised widths at Targets 5 and 6 are estimated to be typically between 5 and 70 metres, compared with RC samples of 1m width. There is a very close relationship between the graphitic schist unit and Total Graphitic Carbon TGC% assays. The presence of graphitic schist is clearly evident in both the RC chips and diamond drill core so that the assay widths can be clearly related to the geological logs.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should	RC and Diamond core drill holes were drilled at or near perpendicular

Criteria	JORC Code Explanation	Commentary
	be reported.	to the strike of the graphitic schist horizons
	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').	Not relevant
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.*	Sections illustrating representative graphite intersections at Target 6 have been included in 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.*	Not relevant
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.*	The September 2014 VTEM Supermax survey over the McIntosh Flake Graphite Project covered a total of 642 line kilometres and identified a total of 12 high-priority anomalies. Five of these were previously identified by induced polarisation (IP) and historical electromagnetic (EM) techniques and confirmed to be flake graphite schist by geological field mapping, petrographic analysis, rock chip sampling and exploration drilling.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Initial diamond core drilling has been recommended to twin and verify existing RC holes at Targets 5 and 6. These cores are planned to be assayed for total graphitic carbon and also examined petrographically to assess graphite flake characteristics. It is likely that other targets (e.g. 4, 10 and 11) where there is no previous drilling, will be tested by RC drilling.