Lamboo Resources is an Australian exploration company focusing on substantial flake graphite assets located in the East Kimberley

LAMBOO RESOURCES

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QUARTERLY ACTIVITIES REPORT

PERIOD ENDING 30 SEPTEMBER 2012

Highlights

- 86 RC and diamond drill holes completed in maiden drilling program at McIntosh Graphite Project.
- Diamond drilling confirms abundant flake graphite in diamond drill hole T2GDD003 at Target 2.
- Extensive graphite strike lengths confirmed with 1600 m strike length at Target 2, 700 m strike length at Target 3 and 300 m strike length at Target 1.
- Strong graphite mineralisation apparent from current drilling at Target 1.
- Proposed acquisition of South Korean flake graphite assets with JORC Inferred Resources announced.

Flake graphite floating in drilling water at Target 2

MCINTOSH PROJECT - FLAKE GRAPHITE

Lamboo owns the McIntosh flake graphite tenements that contain significant flake graphite mineralisation. The tenements are logistically well placed and extend to the Great Northern Highway affording direct access to infrastructure and the port of Wyndham, 300km to the north.

Five main target areas have been recognised within the initial project area - Targets 1, 2, 3, 5 & 6 and are typically highlighted by aerial EM anomalies that have been defined by ground geophysics. Detailed Induced Polarisation (IP) geophysical traversing has helped to provide targets for the follow – up RC and diamond drilling programs.

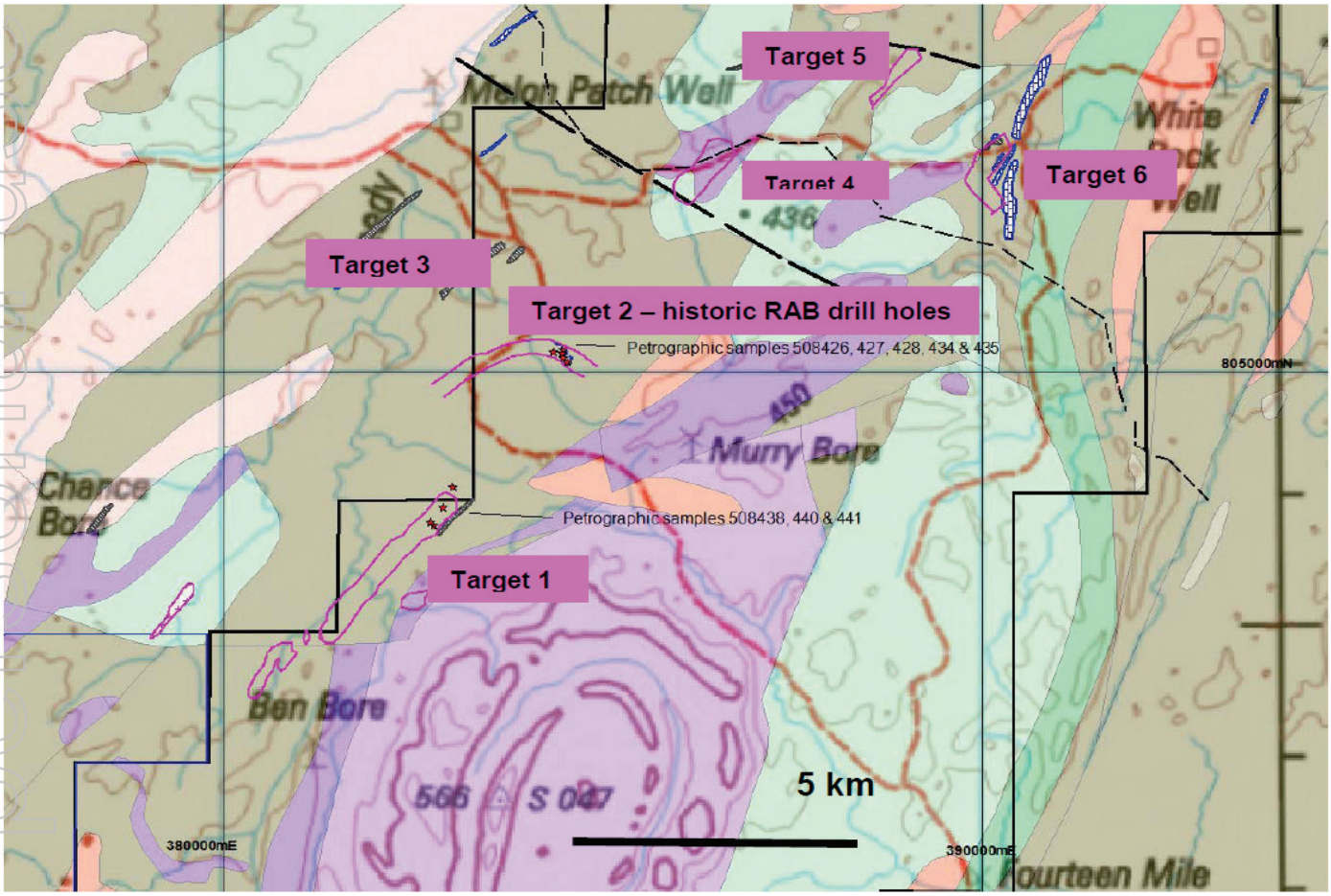

Figure 1: Detail of the McIntosh Project showing EM anomalous Targets and location of petrographic samples. Grey/fawn coloured unit represents metasediments of the Tickalara Formation. Blue lenses – marble/calc-silicate. Purple- McIntosh gabbro.

As a consequence of the initial field work, on the original tenement area, during the quarter the company applied for an additional tenement (E80/4722) adjacent to the Company's main flake graphite project which increases the aggregate area under tenure to 330 sq km in the McIntosh project area.

RC and diamond drilling to date has confirmed the presence of strong visual graphite over downhole widths of 50 m or more. Samples are being despatched for processing to a laboratory with a target of having sufficient results to produce an initial JORC resource in the first quarter of 2013. The Company will be in a position of progressively announcing the results of the comprehensive drilling programs over Targets 1, 2 and 3 in the next quarter.

RC drilling at Target 2 has successfully delineated the flake graphite schist horizon over a strike length of 1600 m while Target 3 extends over a strike length of 700 m. Target 1 has been drilled over 300 m strike length at present and would appear to comprise thicker and stronger flake graphite lenses than observed at the other target areas. A total of 86 drill holes have now been completed over Targets 1, 2 and 3 with most holes intersecting flake graphite.

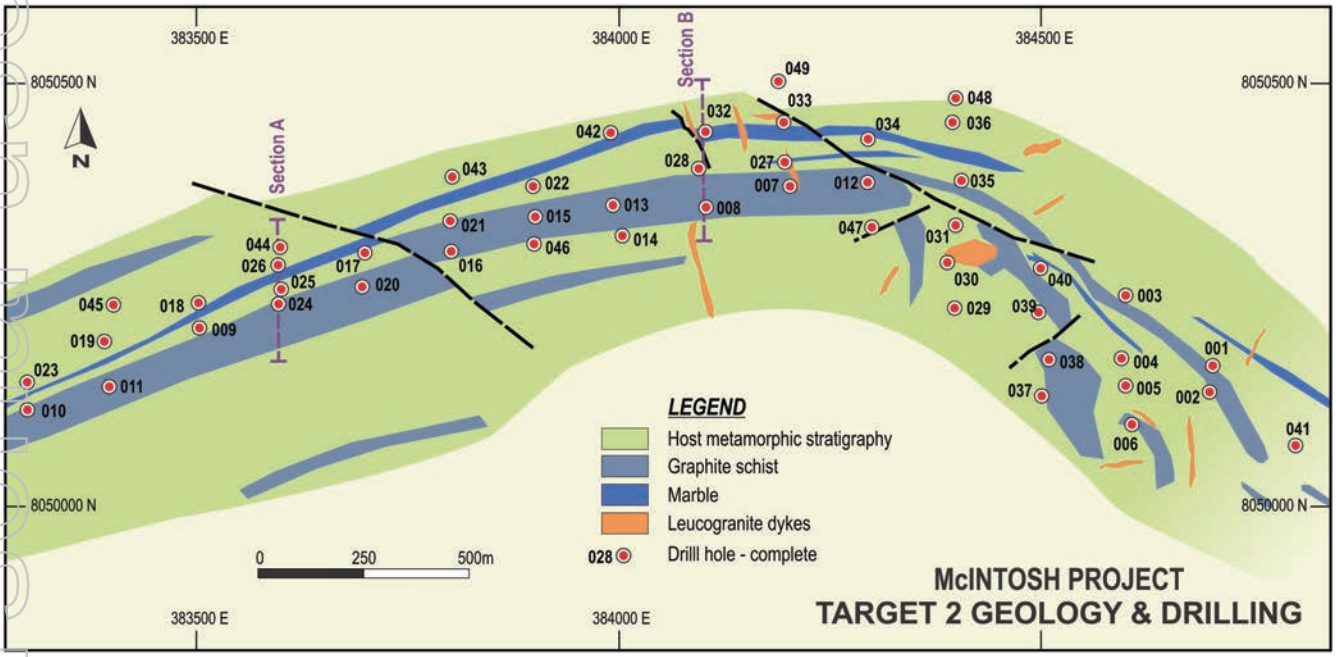

Figure 2: Target 2 RC drilling completed during the quarter

Figure 2A RC Drilling at Target 2

Figure 2B Diamond drilling – drill hole T2GDD003

Massive flake graphite is apparent under the mineragraphic microscope review (refer Figures 3A & B) of the strong visual flake graphite in the diamond core in T2GDD003.

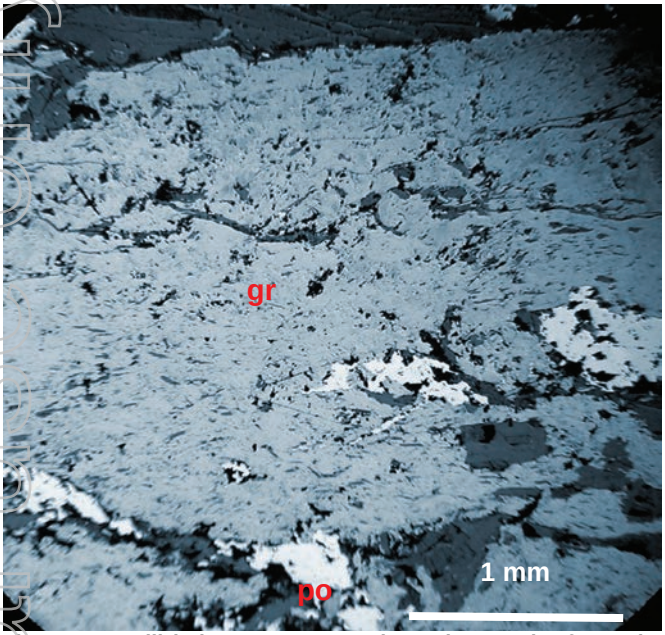

Figure 3A: Drill hole T2GDD002 – Photomicrograph of massive flake graphite (grey - gr) wrapping pyrrhotite (white - po). Plane polarised light. Width of view – 3mm.

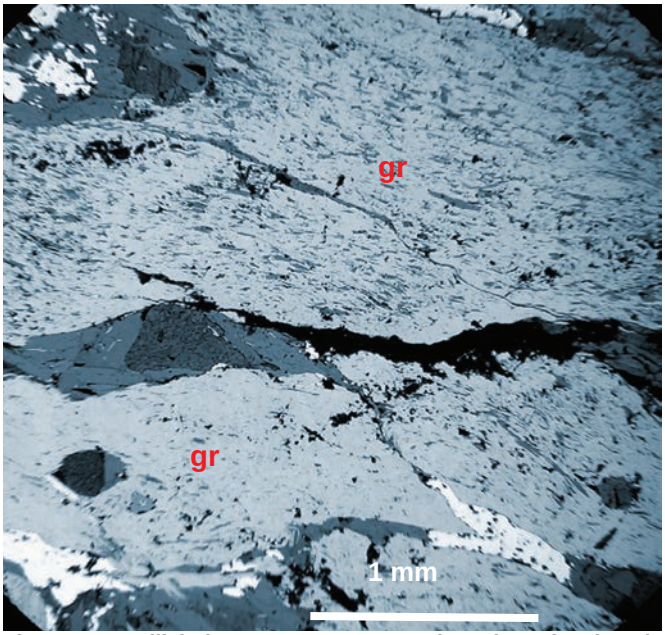

Figure 3B: Drill hole T2GDD002 – Another view showing the consistency of massive flake graphite (grey – gr). Minor pyrrhotite (white - po). Plane polarised light. Width of view – 3mm

Drill hole logging has confirmed that broad zones of graphitic mineralisation envelop units containing abundant flake graphite that are expected to represent the core of the mineralised zones in each area. For example, recent drilling at Target 1 has intersected strong flake graphite over a downhole width of 56.3 from 83.5 m to 139.8 m in drill hole T1GDD065 (refer core photos in Figure 4). Enhanced drilling conditions at Target 1 attest to the potential for a softer host rock that could help with future mining and reduce costs for the benefication of the flake graphite. Ongoing drilling has shown that the graphite units can be strongly banded and this may also help with graphite separation and beneficiation (refer core photos in Figure 4B – T2GDD 027 at Target 2). The Company will expedite this core for splitting and TGC analysis in Perth.

Figure 4A: Drill hole T1GDD075 126.4 – 143.5 m – portion of graphite schist intercept (83.5 – 139.8 m)

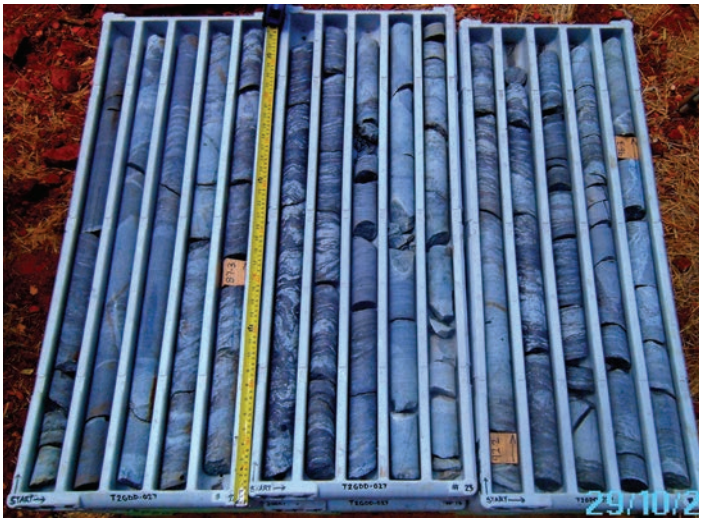

Figure 4B: Drill hole T2GDD027 83.2 – 96.5 m – strongly banded graphite schist intercepts

ACQUISITION OF SOUTH KOREAN FLAKE GRAPHITE PROJECTS

Lamboo has subsequent to the end of the quarter announced an agreement, subject to shareholder approval, to acquire Opirus Minerals Pty Ltd which owns the Taehwa, Samcheok and Geumam flake graphite tenements in South Korea together with further applications and substantial exploration upside.

The key highlights of the proposed acquisition are:

- Scrip issue of 12.5 million shares and up to 22.5 million performance rights for Opirus Minerals Pty Ltd which owns Taehwa, Samcheok and Geumam flake graphite tenements and additional applications.
- The performance rights vest in two tranches – firstly on the achievement of a JORC Resource of JORC compliant Inferred Resource of 100,000 tonnes or more of in situ carbon as graphite and secondly on the completion of a pre-feasibility study within 36 months.
- Each tenement contains a JORC inferred graphite resource and substantial exploration upside.
- Flake size jumbo to fine with carbon content 4% to 12%.
- Access to key South Korean markets and customers.
- Highly experienced additions to team ensuring complementarity and no distraction to Lamboo's existing assets.
- The Tenements are all well located near infrastructure, processing facilities and key Asian markets for graphite.
- Potential for low cost open pit operations

Further details of the terms of the proposed acquisition are detailed in the ASX announcement dated 30 October 2012.

Figure 5: Location of Oprius Minerals projects

ACQUISITION OF SOUTH KOREAN FLAKE GRAPHITE PROJECTS (continued)

Geumam flake graphite deposit
The Geumam area consists of biotite gneiss, schist and quartzite of the Precambrian Gyeonggi Gneiss Complex, and granite gneiss of the Sobaegsan Gneiss Complex. The Geumam project contains an open cut mine and mill, with at least 3 defined beds of moderately-dipping flake graphite with further exploration potential.

The JORC resource at Geumam is 200,000 tonnes at 10% contained graphite content. The aggregate strike of the JORC resource is 1.3km and up to 70m thick and contains fine to jumbo grade flake graphite.

Samcheok flake graphite deposit
The Samcheok area (which also has an open cut mine) consists of schist and gneiss of the Precambrian Yongnam Gneiss Complex and granite gneiss of the Sobaegsan Gneiss Complex. Foliation in the schist strikes north-northwest, dipping steeply to the east.

The JORC resource at Samcheok is 200,000 tonnes at 5% contained graphite content. The aggregate strike of the JORC resource is 300m and up to 80m thick and contains fine to coarse grade flake graphite

Taehwa flake graphite deposit
The Taehwa area consists of flat-lying graphite beds hosted in Precambrian biotite gneiss.

The JORC resource at Taehwa is 170,000 tonnes at 7% contained graphite content. The aggregate strike of the JORC resource is 500m and up to 7m thick and contains coarse to jumbo grade flake graphite.

About Opirus

The Opirus team are highly experienced and will complement Lamboo's existing expertise ensuring both projects continue to progress rapidly.

Chris Sennitt, Opirus's co-founder is a commercial geologist with 31 years' experience in multi-commodity exploration programs throughout Asia and Australia, operating in Korea since 1994.

Wan-Joong Kim, Opirus's co-founder, has a comprehensive knowledge of Korean Mining Law and regulations and processes. Kim is a commercial geologist with18 years' experience in exploration and mining in South Korea.

Both Chris and Kim have been involved in numerous mineral discoveries and developments over their careers and provide knowledge of historical flake graphite projects and past mining methods providing a major head-start in both processing and commercialisation.

The addition of Opirus to Lamboo's portfolio will greatly assist in the commercialisation process of both the Kimberley (McIntosh) and Korean flake graphite assets. The combined group should be able to capitalize on the proven consistency of flake graphite in the supply chain created through this strategic acquisition.

CORPORATE

Cash Position

At the end of the September 2012 Quarter, the company had approximately $4.9 million cash at bank. The net cash operating and exploration expenditure for the quarter was $0.8 million.

Share Capital

Lamboo has 67.15 million ordinary shares currently on issue and 1.04 million options.

Quarterly Share Price Activity

High	$0.40
Low	$0.24
Last	$0.29

Board of Directors

Richard Trevillion	Managing Director and CEO
Craig Rugless	Executive Technical Director
Rod Williams	Non-Executive Director
Rick Anthon	Non-Executive Chairman
Paul Marshall	Company Secretary

Share Registry

BoardRoom Limited
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www.boardroomlimited.com.au

Competent Persons Statements

Information in this "ASX Announcement" relating to Exploration Results and geological data at the McIntosh has been compiled by the Technical Director of Lamboo Resources Ltd, Dr Craig S. Rugless who is a Member of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute Geoscientists. He has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2004 Edition).

Information relating to the Inferred Resources, Exploration Results and geological data for the Taehwa, Samcheok and Geumam tenements has been compiled by Mr Christopher Sennitt who is a Fellow of the Australian Institute of Geoscientists. Mr Sennitt is a Director of Opirus Minerals Pty Ltd. He has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2004 Edition).