



## ASX ANNOUNCEMENT

### LAMBOO RESOURCES Limited

ABN 27 099 098 192

ASX: LMB

### CORPORATE OFFICE

Level 7, Christie Offices, 320  
Adelaide Street  
Brisbane QLD 4000

### OPERATIONS OFFICE

Unit 2, 7 Packard Street  
Joondalup WA 6027  
Telephone: +61 7 9301 1047

### CONTACT

Richard Trevillion  
**Chief Executive Officer**  
richard@lambooresources.com.au  
0412 307 087

Ken Banks  
**Investor Relations**  
kbanks@bigpond.net.au  
0402 073 999

24 June 2014

## McINTOSH SCOPING STUDY CONFIRMS POTENTIAL FOR HIGH-MARGIN OPERATION

### Highlights

- The McIntosh Flake Graphite Project Scoping Study has estimated a total production cost of US\$483 per tonne of flake graphite concentrate over a 21-year mine life.
- The cost estimates follow the recent signing of a binding Supply Agreement at a marked-to-market floor price of no less than US\$2,000 per tonne for 50,000 tonnes per annum with China Sciences Hengda Graphite Co Ltd (Hengda).
- McIntosh Project to be cash-positive during the first year of full-scale flake graphite production.

Lamboo Resources Limited (ASX:LMB) is pleased to announce the highly encouraging results of its scoping study for its 100%-owned McIntosh Flake Graphite Project, located in the East Kimberley Region of Western Australia (refer Figure 1).

Managing Director and CEO, Mr Richard Trevillion said, "This is a very exciting result and validates Lamboo's strategy to move quickly to capitalise on the global demand for high quality flake graphite."

"With our recently announced Supply Agreement with Hengda Graphite, the scoping study provides strong confirmation of the attractive project economics for our McIntosh Flake Graphite Project."

### Cautionary Statement re Scoping Study Results including Inferred/Indicated Resources and Exploration Targets

Lamboo Resources Limited (ASX: LMB) advises the Scoping Study results and production targets reflected in this announcement are preliminary in nature as conclusions are drawn partly from Indicated Mineral Resources, partly from Inferred Mineral Resources and primarily from an estimated Exploration Target. The Scoping Study is based on lower level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. There is a low level of geological confidence associated with Inferred Mineral Resources and Exploration Targets as there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

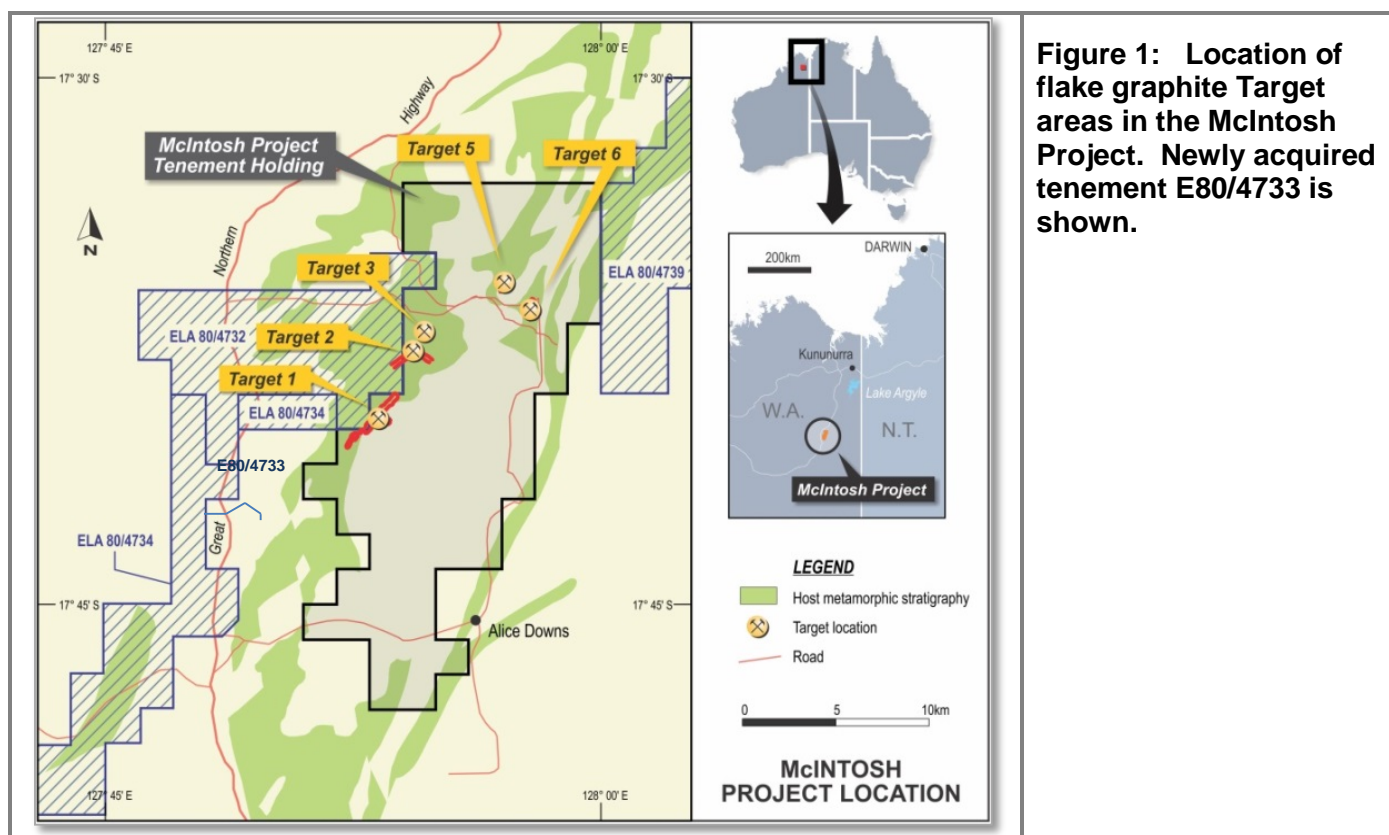
## Scoping Study

Following six months of investigations, the scoping study has been received for the McIntosh Flake Graphite Project.

In September 2012, Lamboo Resources Ltd identified economic flake graphite mineralisation at Target 1 and subsequently confirmed an indicated and inferred resource of 7.13Mt grading 4.73% TGC (4.95% TC) (refer ASX:LMB Announcement 20 January 2014). The announced resource at McIntosh has been estimated from approximately 20% of the host graphitic schist drilled and assayed to date from Target 1. Drilling at targets 2, 3, 5 and 6 is expected to add considerable tonnage to the global resource of the McIntosh Project.

The scoping study has targeted a 21 year mine life based on an initial production of 87,000 tonnes per annum of flake graphite concentrate. A flake graphite concentrate price of USD\$2,000 was used as the basis to estimate the Internal Rate of Return (IRR) and the Net Present Value (NPV) for the project.

Lamboo Resources Ltd recently announced a binding offtake agreement with China Sciences Hengda Graphite Co Ltd. for the supply of 50,000 tonnes of flake graphite concentrate (90% TGC) per annum (refer ASX:LMB Announcement 18<sup>th</sup> June 2014). There are several factors such as graphite price, operating cost, capital cost, graphite grade and recovery that could potentially impact the project.





The following are the key commercial drivers for the McIntosh Flake Graphite Project:

- China is now in deficit in terms of high quality flake graphite requirements.
- Full-scale production will be a throughput of 2.4 Mtpa for the production of **87,000** tpa of flake graphite grading >95% TGC.
- Capital costs for the full-scale project are estimated to be **US\$35.2M** (including contingencies and excluding capital costs associated with a trial beneficiation phase). Much of the equipment and the processing plant, in a modular form, will be purchased from China. Exploration costs are excluded.
- An estimate of cash costs per concentrate tonne are in the order of **US\$483** and will be dependent on final metallurgical studies and process design. Bulk mining open-cut techniques using mechanical surface miners will be employed to significantly reduce mining costs. A distinct advantage is that graphite mineralisation outcrops at the surface, effectively reducing the initial waste to ore ratio to low levels (ie <1) with the overall ratio expected to be approximately between 1.5:1 and 2:1.
- **The project will be cash positive in the first year of full-scale production.**
- At a market price for flake graphite of US\$2,000, based on the recently announced a binding offtake agreement with China Sciences Hengda Graphite Co Ltd., the current project achieves an NPV (10%) of **US\$580M**, with a high Internal Rate of Return (IRR) of **520%** based on an estimated 21 year mine life and payment of government royalties. An increase in the graphite price will significantly enhance the economics of the project.

**Cautionary Statement concerning Scoping Study Results including Inferred / Indicated Resources and Exploration Targets**

Lamboo Resources Limited (ASX: LMB) advises the Scoping Study results and production targets reflected in this announcement are preliminary in nature as conclusions are drawn partly from Indicated Mineral Resources, partly from Inferred Mineral Resources and primarily from an estimated Exploration Target. The Scoping Study is based on lower level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. There is a low level of geological confidence associated with Inferred Mineral Resources and Exploration Targets as there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

## Estimated Capital Costs

The McIntosh Project area is logistically well placed in terms of being close to an established haul road and the all-weather Great Northern Highway providing ready access to the port of Wyndham 300 km to the north. Bulk shipment of the flake graphite concentrate will be via Singapore and then onto China.

The capital cost estimates for the scoping study were developed to a Class 4 estimation accuracy for the proposed infrastructure and is based on a full-scale production of 2.4Mt of ore for 87,000 tonnes of flake graphite concentrate annually.

Capital costs include the development of a tailings dam, which may require plastic liners, it is envisaged that the processing methods will ultimately remove all deleterious materials, eliminating the requirement for dam liners. Table 1 outlines the capital costs for full-scale production (in \$USD).

**Table 1: Capital Costs at McIntosh**

Capital Estimate	Expenditure (\$USD)
Mining Equipment & Construction	\$15,000,000
Processing / Treatment Plant, Laboratory, Office, Camp	\$15,600,000
Contingency	\$4,600,000
<b>Total</b>	<b>\$35,200,000</b>

## Estimated Operating Costs

The operating cost estimates for full scale production are based on an owner / operator mining and processing model, along with 80% metallurgical recoveries and 95% mine / mill efficiency. Lamboo believes these parameters are achievable due to the consistently wide graphite mineralisation at McIntosh. Table 2 outlines the operating costs for full-scale production (in USD\$).

**Table 2: Operating Costs at McIntosh**

Estimated Operating Costs	Expenditure (\$USD)
Mining and Mill Operating Cost	\$24,000,000
Administration / Labour / Power / Transport	\$17,900,000
<b>Total operating costs per annum</b>	<b>\$41,900,000</b>
<b>Estimated cost per tonne concentrate</b>	<b>\$483</b>

## Mineral Resource

The McIntosh Project comprises 4 defined flake graphite project areas - Targets 1, 2, 5 and 6. Figure 2 shows the location of the target areas and the extensive development of aerial EM anomalies directly correlated to the flake graphite horizons. It is important to note that only a small portion of the Target 1 anomaly has a JORC compliant resource, drilling at the Targets 5 and 6 anomalies has confirmed wide zones of graphite mineralisation. (refer ASX:LMB Announcement 3 June 2014).

**A 21 year mine life is considered to be a likely outcome based on the presence of an announced JORC resource plus drilling at Targets 2, 5 and 6 confirming strong graphite mineralisation.**

The previously announced **inferred and indicated JORC resource** estimate of 7.13Mt grading 4.73% TGC (4.95% TC) is interpreted to represent approximately 20% of the potential resource at Target 1 (Table 3, refer ASX:LMB Announcement 20<sup>th</sup> January 2014).



**Table 3: Target 1 Flake Graphite Resource estimated at 2.0% TGC lower cut off (\*).**

Project Area	Ore Type	Resource Classification	Tonnes	Graphite (%TGC)	Contained graphite (tonnes**)
<b>Target 1 Resource</b>	Primary	Indicated	4,470,000	4.71	210,350
<b>Upgrade</b>	Oxide	Inferred	540,000	4.51	24,350
	Primary	Inferred	2,125,000	4.84	103,000
	Oxide + primary	<b>Resource</b>	<b>7,135,000</b>	<b>4.73</b>	<b>337,700</b>

\* Resource modelling was undertaken with IMS mining software by Mr R.E Williams from Norvale Pty Ltd.

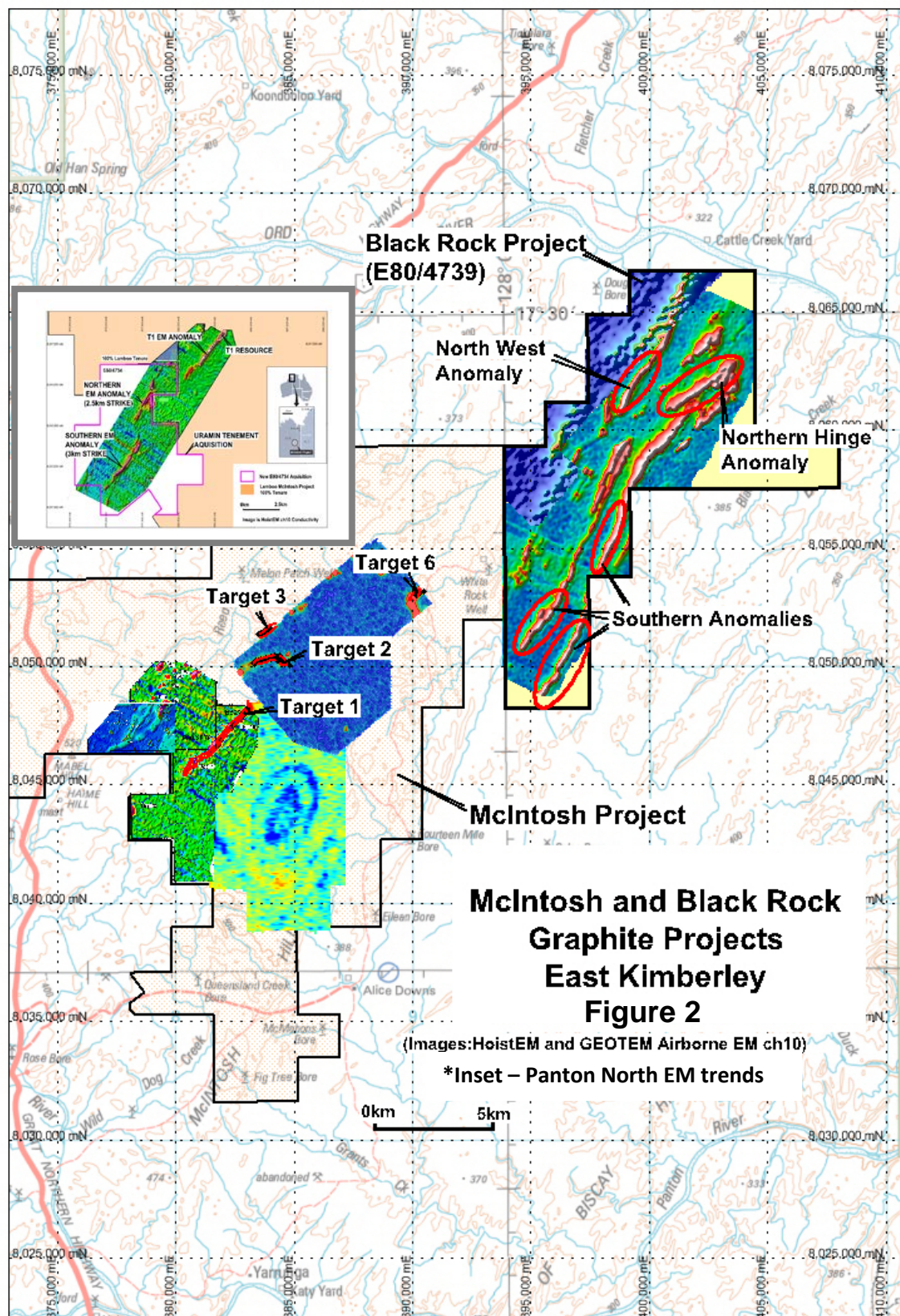
**Targets 5 and 6** – aggregate 2,500 m strike length representing an **exploration target** of 25 to 30Mt grading 4% to 5%TGC. (refer ASX:LMB Announcement 20<sup>th</sup> December 2013). Drilling to date has confirmed broad downhole intercepts of flake graphite at Target 6 including 72 m grading 5.0% TC from 37 m in drillhole T6GRC 159 and 91 m grading 4.1% TC in drillhole T6GRC161 (refer ASX:LMB Announcement 3<sup>rd</sup> June 2014). Completion of resource drilling for Targets 5 and 6 is scheduled for the 3<sup>rd</sup> quarter 2014.

**Target 2** – 500m strike length representing an **exploration target** of 3 to 5Mt grading 4 to 5%TGC based on previous drilling including 14 m grading 7.4% TC from 4 m in T2GRC039 and 11 m grading 7.4% TC from 17 m in T2GRC040 (refer ASX:LMB Announcement 20<sup>th</sup> November 2012). Completion of a resource estimation is scheduled for the 3<sup>rd</sup> quarter 2014.

#### **Exploration Targets - Cautionary Statement**

Information in this “ASX Announcement” relating to Exploration Targets has been compiled by the Technical Director of the McIntosh Project, Dr Craig S. Rugless who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute Geoscientists. The potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Estimation of a potential mine life is based on an announced indicated and inferred JORC resource estimates at Target 1 and evidence of strong graphite mineralisation, based on RC drilling and correlated with established geophysical aerial electromagnetic (EM) anomalies at Targets 2, 5 and 6. The EM anomalies provide an additional level confidence for the interpreted extent of the graphite schist horizons. Dr Rugless has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined by the JORC Code 2012. He consents to the inclusion of this information in the form and context in which it appears in this report.





## Metallurgy and Processing Flowsheet

Results from metallurgical beneficiation of flake graphite from Targets 1, 2, 5 and 6 at the McIntosh Project have shown that high purity concentrates are readily achievable (refer ASX:LMB Announcements 6<sup>th</sup> November 2013 and 12<sup>th</sup> March 2014). Nagrom Laboratories in Kelmscott WA achieved high concentrate grades of 96.1% TGC for Target 1 flake after using a caustic bake technique. Similar results have been achieved for Targets 2, 5 and 6 with concentrate grades of 98.03%, 96.26% and 97.43% TGC respectively, achieved by the Guangzhou Research Institute of Non-ferrous Metals (**GZRINM**) in Southern China (Tables 4 and 5). The results of bulk testing of graphite from Target 1 by Nagrom Laboratories will be available shortly.

A conceptual optimum flow sheet has been prepared by Nagrom Laboratories (Figure 3). Both Nagrom and GZRINM estimate flake graphite recoveries >80% for all of the Target areas. The flow sheet is based on the beneficiation of a 70 kg bulk sample of RC pulps (Figure 3). Metallurgical testwork is underway to confirm the large graphite flake size for Targets 2, 5 and 6 apparent in the petrographic analysis of rock chip samples (refer Figures 4 and 5).

The flow sheet is based on Target 1 graphite metallurgy, however testwork results from Targets 2, 5 and 6 have confirmed a more efficient separation of flake graphite along with higher recoveries achievable.

**Table 4: The graphite flotation results (after GZRINM)**

Sample	Assay of head (%TGC)	Graphite Concentrate (%TGC)	Recoveries (%)
Target 1	8.35	55.90	80.73
Target 2	4.43	80.22	88.30
Target 5	8.52	80.61	80.59
Target 6	4.83	78.43	95.82

**Table 5: Flotation concentrate after chemical leaching**

Sample	Chemical Leaching (HF + HCl) Results (%TGC)
Target 1	95.04
Target 2	98.03
Target 5	96.26
Target 6	97.43

## Conceptual Optimum Process Flow

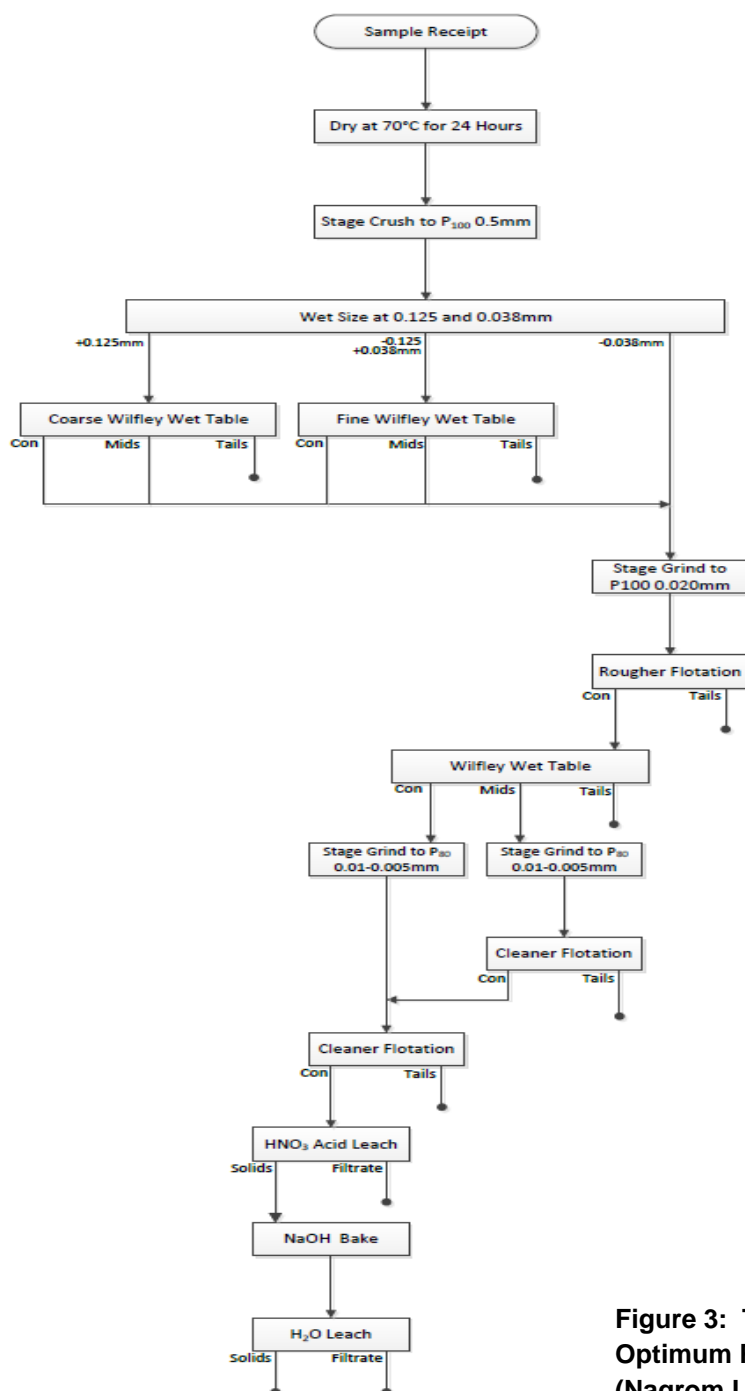


Figure 3: Target 1 – Conceptual Optimum Process Flow Sheet (Nagrom Laboratory)



Petrographic studies (Table 6) and sieved concentrates (Table 7) have shown Targets 5 and 6 to contain medium to coarse flake graphite up to 500 µm or 35 mesh (refer photomicrographs, Figures 4 and 5) and are typically coarser grained than Target 1. The samples analysed by the metallurgical laboratories represent RC pulps that have already been subject to grinding during RC drilling process, thus reducing the size of the coarse flake. Ongoing metallurgical testwork will be conducted on bulk samples from drill core or pit/costean samples to fully assess the flake size.

**Table 6: Flake size (short diameter) distribution based on microscope studies of RC pulps (after GZRINM).**

Size (µm)	Target 1	Target 2	Target 5	Target 6
-640+320	-	3.15%	0.9%	
-320+160	3.05%	3.93%	3.12%	0.98%
-160+80	8.95%	16.91%	9.82%	15.28%
-80+40	14.0%	25.22%	18.3%	25.46%
-40+20	30.75%	28.73%	38.44%	36.43%
-20+10	32.58%	19.23%	25.67%	18.67%
-10	10.67%	2.83%	3.75%	3.18%

**Table 7: Flake size distribution based on sieved concentrates from Target 1 (after Nagrom).**

Size (µm)	Mesh size (A.S.T.M)	Target 1 (cumulative flake size distribution after sieving)
-500	- 35#	98.17%
-425	- 40#	95.68%
-355	- 45#	92.46%
-250	- 60#	85.03%
-180	- 80#	77.65%
-125	- 120#	67.21%
-106	- 140#	62.76%
-90	- 170#	58.21%
-75	- 200#	53.53%
-53	- 270#	43.73%
-38	- 400#	37.49%



# Photomicrographs of flake graphite from Targets 5 and 6 under the polarising microscope

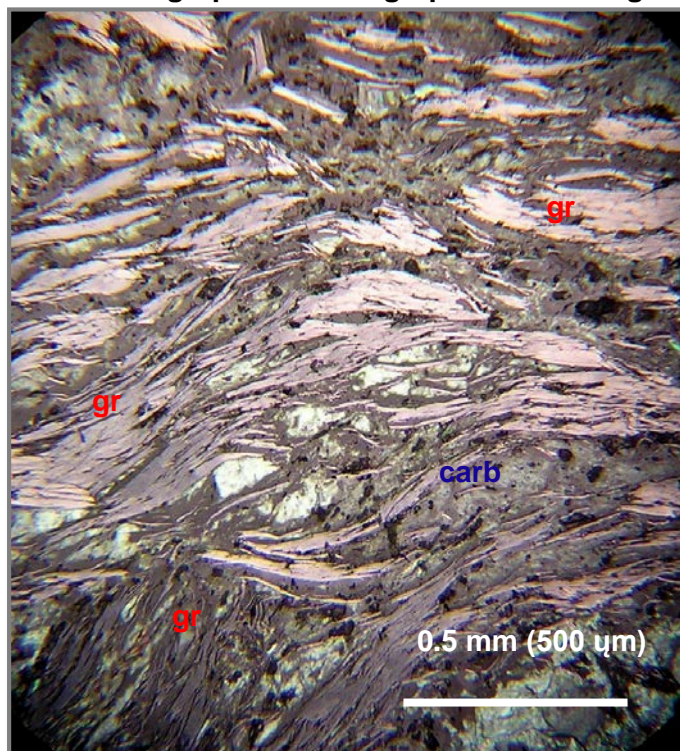


Figure 4A Target 5 (Sample 508507) showing coarse flake graphite (gr) aggregates or "clumps" paralleling an anastomosing schistosity. Crossed polars under reflected and transmitted light. Field of view – 1.5 mm.

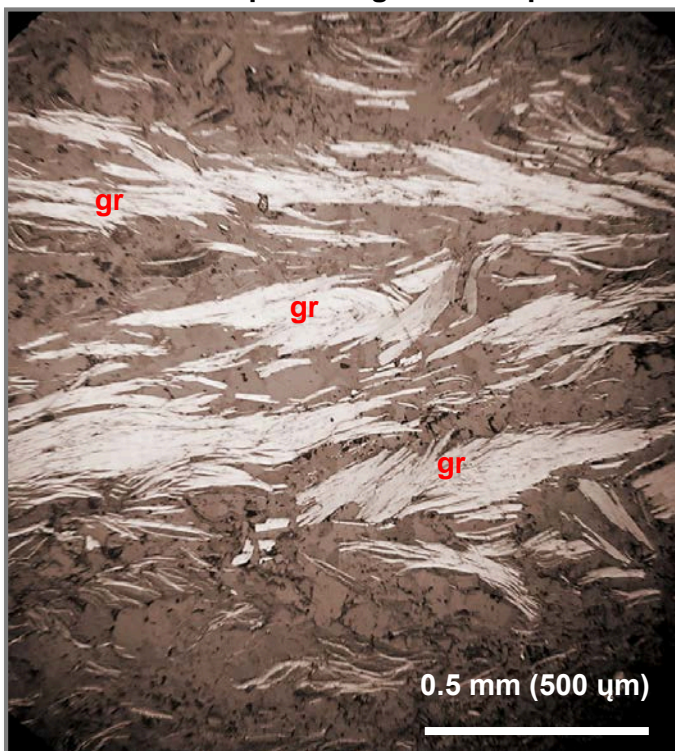


Figure 4B Target 5 (Sample 508511) – detail of coarse flake graphite. Plane polarised reflected light. Field of view – 1.5 mm.

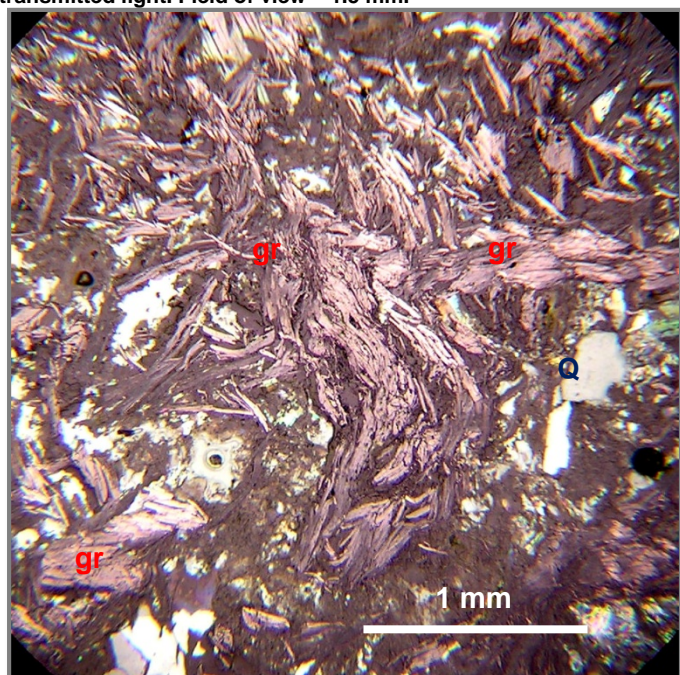


Figure 5A: Target 6 (Sample 508455 - strong flake graphite (gr) aggregates or "clumps" associated with minor quartz in the graphitic schist host. Plane polarised reflected light. Field of view – 3 mm.

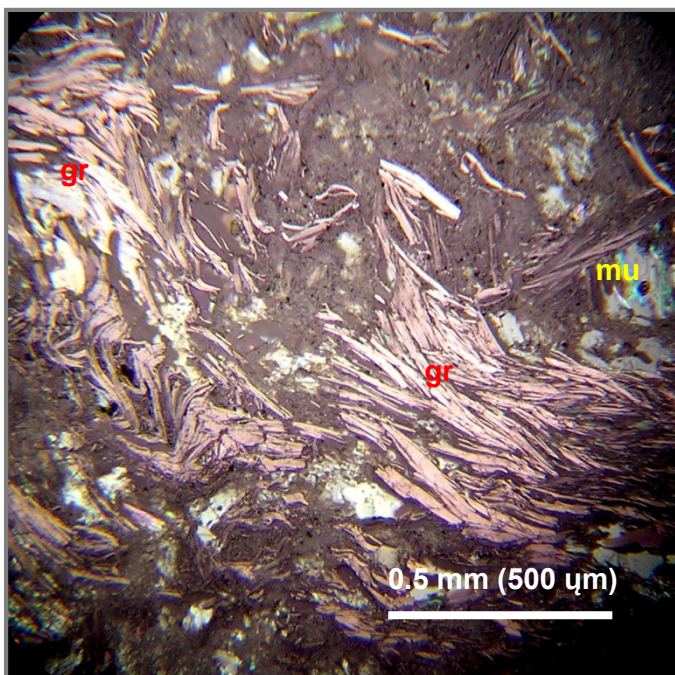


Figure 5B: Target 6 (Sample 508455) – detail of flake graphite aggregates associated with platy muscovite (mu) in the graphitic schist host. Note the flake size relative to the bar scale. Plane polarised reflected light. Field of view – 1.5 mm.



## Exploration

The recently acquired Panton North and Black Rock Creek tenements contain aerial EM anomalies in excess of 50 km in strike length, attributable to graphite mineralisation. Lamboo's applications in the recent round of Government co-funding for exploration drilling were successful for both projects. The aim of the grant provided by the State Government is to provide stimulus to geoscience exploration and contribute to the development of regional areas in Western Australia, Lamboo believes the successful awarding of the grant to be validation of the project's potential.

## EPA Project Submissions

Lamboo is advancing its environmental studies at the McIntosh Project in the East Kimberley, having completed the wet season flora and fauna studies which will form an integral part of the EPA Part IV submission. The Target 1 Indicated and Inferred Resource combined with Targets 5 and 6 will facilitate the application for a mining lease. Hydrogeological studies involving flow testing of existing drill holes indicate there is sufficient fresh water within the project area suitable for use in the processing of graphite ore. Water licences have been now granted by the Department of Water.

**Richard Trevillion**  
Managing Director

### Competent Persons Statement

Information in this "ASX Announcement" relating to a Scoping Study, Exploration Targets and all geological data has been compiled by the Technical Director of the McIntosh Project, 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2012 Edition). He consents to the inclusion of this information in the form and context in which it appears in this report.

The information relating to the McIntosh Resource Estimate is extracted from the ASX release 'Significant Flake Graphite JORC Resource Increase at McIntosh Target 1' dated 20 January 2014 and is available to view on <http://www.lambooresources.com.au>. The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

### Cautionary Statement

The Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

In discussing parameters under the Mineral Resource and Metallurgy headings the Company is confident of achieving both the global resource required for a long term – 21 year mining operation and achieving the metallurgy recoveries required. The EM anomalies occurring within the McIntosh Project tenements are extensive and can be directly correlated to the presence of graphitic schist. The style of flake graphite mineralisation is compatible with documented graphite deposits and the Company's extensive metallurgical investigations confirm that the required concentrate grades and recoveries are achievable and would appear to be consistent throughout the target graphite schist horizon from the surface to the primary zone. Scoping



Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. In this case there is no implications the Ore Reserves have been established or that economic development is assured.

## **Appendix 1 – JORC 2012 Criteria**

In accordance with clauses 18 and 19 of the 2012 JORC Code, the criteria in sections 1 and 2 of Table 1 need to be addressed when first reporting new exploration results. These are listed below and comments made on an “if not, why not” basis. The criteria in section 3 are required when reporting a mineral resource.

### **Section 1 Sampling Techniques and Data – Targets 1, 2, 5 and 6**

<b>Section 1 Criteria</b>	<b>Commentary</b>
<b>Sampling techniques</b>	RC samples represent 2 to 3 kg splits taken from the cyclone during the drilling process.
<b>Drilling techniques</b>	Reverse circulation (RC) using a 5.5 inch face sampling hammer
<b>Drill sample recovery</b>	RC split samples have been recovered from rotary splitter in a cyclone attached to the rig. Sample recovery and physical state were recorded.
<b>Logging</b>	RC chips were geologically are logged in the field and will be verified by using a binocular microscope in the office.
<b>Sub-sampling techniques and sample preparation</b>	Sample splits from the RC drilling rig were submitted to either Actlabs or 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.
<b>Quality of assay data and laboratory tests</b>	The RC samples that have been collected to submit to the laboratory include a duplicate, sand blank and certified standard at approximately every 20 <sup>th</sup> sample submitted. The duplicate and standard samples were statistically analysed to assess any untoward variations in the data and were found to be satisfactory.
<b>Verification of sampling and assaying</b>	Verification was based on use of duplicates, standards and blanks used.
<b>Location of data points</b>	Drill hole collars were surveyed by Whelans Surveyors Kununurra using a differential GPS and ground station. Preliminary RC collars were located by hand-held Garmin 62S and Garmin 76c Global Positioning System (“GPS”) units with a typical ±5 metres accuracy. The map projection used is the Australian Geodetic MGA 94 Zone 52.
<b>Data spacing and distribution</b>	RC drill holes at the Target 1 Extension and Targets 2, 5 and 6 are spaced on traverses 80 to 250 m apart.
<b>Orientation of data in relation to geological structure</b>	RC drill holes were drilled normally to the strike of the graphitic schist horizons. Diamond drill core has been oriented using a Reflex ACE tool (Act II), with $\alpha$ and $\beta$ angles measured and positioned using a Kenometer instrument.
<b>Sample security</b>	Samples were collected in calico bags and placed in self seal plastic bags prior to being put into bulka bags before being transported by road to Actlabs in Perth. The samples were processed and the pulps despatched to Actlabs Laboratories in Canada or ALS in Brisbane. The sample security is considered to be adequate.
<b>Audits or reviews</b>	Sampling techniques and data have been handled by an independent data management services in Perth, WA – Rock Solid Data Pty Ltd.

## 2: Reporting of Exploration Results

Section 2 Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	Lamboo Resources Limited holds eight (8) granted ELs and three (3) ELAs within the McIntosh Project area in the East Kimberley, WA. The tenements cover a total area of 665.3 km <sup>2</sup> . All granted mining tenements are in good standing and there are no encumbrances, royalties or impediments except for E80/4733 that is subject to a mill gate net royalty of 1%.
<b>Exploration done by other parties</b>	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.
<b>Geology</b>	Lamboo Resources Ltd recognised the potential for graphite schist horizons to occur in the high grade metamorphic terrain of the Halls Creek Mobile Zone in the East Kimberley of Western Australia. The host stratigraphy has been mapped as the Tickalara Metamorphics extending for approximately 130 km along the western side of the major transcurrent 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 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 10 km within the granted tenements with potential for another 25 km strike length of graphite schist in EL applications. The McIntosh target areas contains typical flake graphite and include five (5) identified target areas – Targets 1, 2, 3, 5 & 6. Targets 1, 2, 3 and 5 have been drilled to date with additional drilling planned for Targets 1, 5 and 6.
<b>Drill hole Information</b>	A total of 162 RC and diamond drill holes have been completed at Targets 1, 2, 3, 5 and 6 at McIntosh Graphite for a total metreage of 17986 m.
<b>Data aggregation methods</b>	All data is handled by an independent database manager in Perth, WA - Rock Solid Pty Ltd.
<b>Relationship between mineralisation widths and intercept lengths</b>	There is a 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.
<b>Diagrams</b>	Refer Figure 1 for regional geology and location of flake graphite targets – Targets 1, 2, 3, 5 and 6. Figure 2 Aerial EM anomalies highlighting McIntosh, Black Rock and Panton North Projects. Figure 3 Conceptual Optimum Process Flow Sheet. Figures 4A & B Target 5 Photomicrographs showing flake graphite. Figures 5A & B Target 6 Photomicrographs showing flake graphite.
<b>Balanced reporting</b>	All RC samples from drilling at Targets 1, 2 have been analysed and reported on. Analyses from Phase 4 RC drilling at Targets 5 and 6 are pending.
<b>Other substantive exploration data</b>	All exploration data for Phase 1, 2 and 3 drilling has been reported on and has resulted in an indicated and inferred JORC resource estimate at Target 1. Analyses from Phase 4 drilling at Targets 5 and 6 are pending.
<b>Further work</b>	JORC compliant RC and diamond drilling programs are planned for graphitic schist Targets 1 Ext, 5 and 6.