

*Lamboo Resources is an Australian company
focusing on substantial flake graphite assets
located in the East Kimberley and South Korea*



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QUARTERLY ACTIVITIES REPORT

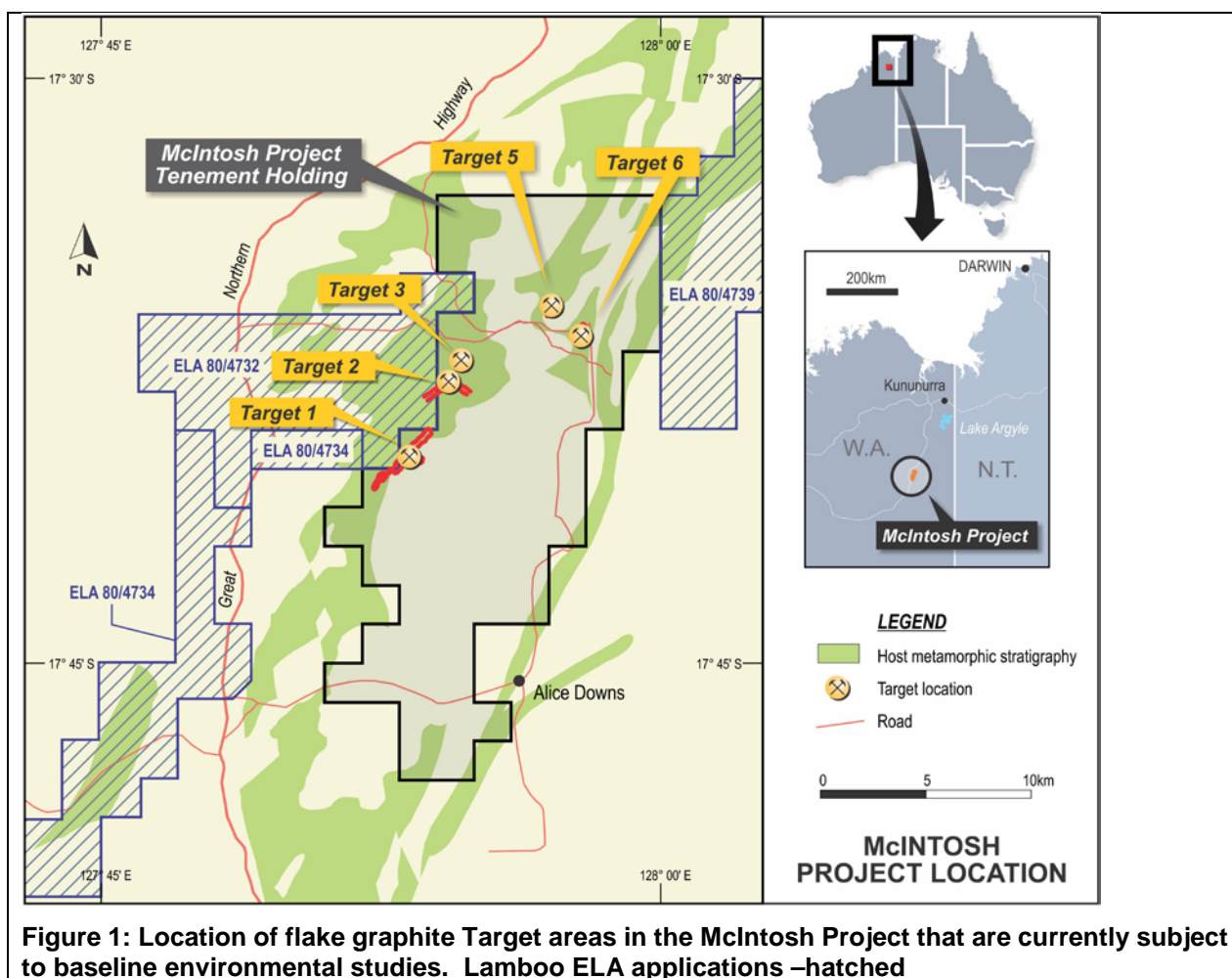
PERIOD ENDING 31 DECEMBER 2013

HIGHLIGHTS:

- **Lamboo entered into a MoU with China Sciences Hengda Graphite Group to share information and facilitate an offtake agreement for McIntosh flake graphite.**
- **McIntosh Target 1 indicated and inferred JORC resource increased to 7.135M tonnes grading 4.73%TGC (4.95%TC) for 337,700 tonnes of contained graphite (representing a 30% increase).**
- **Graphite concentrates from McIntosh have achieved grades of 96.1% TC (which can be upgraded) with trace element contents below the level of detection at Target 1.**
- **Diamond drilling has achieved broad intercepts of significant flake graphite grading in Areas B and C at the Geumam project in South Korea.**

An additional 4,392 m of RC drilling during 2013 has successfully increased the JORC resource at McIntosh Target 1 and confirmed that the aggregate strike length of the Target 1 graphitic schist horizon extends at least 3,000 m. In addition, RC drilling has confirmed that Targets 5 and 6, containing coarse (up to 0.5 mm) flake graphite are associated with broad, ~50 m flake graphite intercepts with an aggregate strike length of over 2,500 m.

Recent diamond drilling at the Company's Geumam graphite project in South Korea has confirmed the presence of broad downhole intercepts over 53m, 44m and 34m showing strong visual graphite at Area B with additional downhole intercepts of up to 13m at Area C.



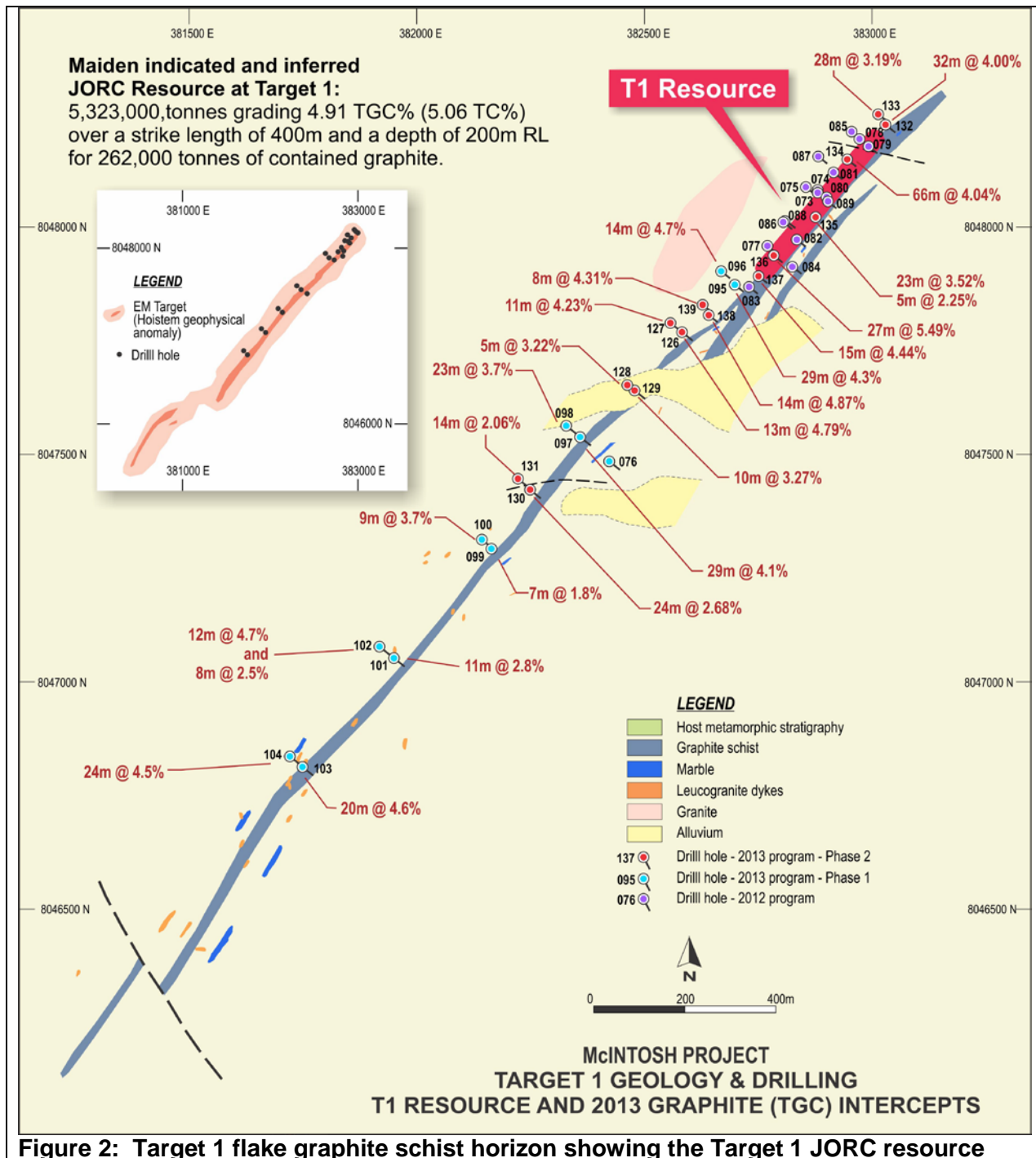
MoU with China Sciences Hengda Graphite Group

Lamboo Resources Limited (Lamboo or the Company) announced (refer to ASX announcement titled 'Lamboo Resources Enters Into Memorandum of Understanding With China Sciences Hengda Graphite Group' dated 3 January 2014) that the Company has entered into a Memorandum of Understanding (MoU) with China Sciences Hengda Graphite Company Limited (Hengda).

Hengda represents the only miner and supplier of flake graphite in Southern China and after recent rationalisations by the Chinese government represents one of the few suppliers in the country. Hengda is fully vertically integrated with a 300,000 tpa mine at Yinjiaping producing 30,000 tonnes of graphite that is manufactured in Yichang on the Yangtze River, 100 km away, into an impressive array of industrial products that can only utilise high quality flake graphite. Hengda also produces lithium battery grade graphite and plans to introduce a graphene production facility in 2014.

This MoU forms the basis of a partnering arrangement between Lamboo and Hengda, established to demonstrate the parties commitment to collaboration and innovation in the delivery of flake

graphite concentrate. It is planned that the MoU will lead to an offtake agreement for McIntosh flake graphite.



Target 1 JORC Resource Estimate

The Company has recently announced an increased JORC Resource at the McIntosh Project (refer ASX Announcement titled 'Significant Flake Graphite JORC Resource Increase at McIntosh Target 1' dated 20 January 2014). Additional RC drilling at McIntosh - Target 1 (Figure 1) was conducted in two phases during July and October 2013 and involved 24 holes for a total metreage of 2538 m (refer Tables 2 & 3, Appendix 1). RC drilling has confirmed that the graphite schist continues 2000 m southwest of the current resource. More detailed resource drilling was conducted on 80 m traverses immediately to the south and north of the maiden JORC resource estimate (refer ASX:LMB Announcement – April 2013) and has succeeded in extending the resource by an aggregate 160 m to a strike length of 580 m. Future resource extensions will be completed by diamond drilling as it is considered that RC drill sampling is potentially under reporting graphite grades.

The Target 1 graphite schist host remains open along strike and at depth. The current JORC resource estimate is based on a strike length of 580 m representing only approximately 20% of the overall strike length of the graphitic schist at Target 1 (refer Figures 2 and 3).

Table 1: 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**)
Target 1 Resource	Primary	Indicated	4,470,000	4.71	210,350
Upgrade	Oxide	Inferred	540,000	4.51	24,350
	Primary	Inferred	2,125,000	4.84	103,000
	Oxide + primary	Upgraded Resource	7,135,000	4.73	337,700
Target 1 Maiden Resource	Primary	Indicated	3,615,000	4.89	176,770
(ASX:LMB Ancmt April 2013)	Oxide	Inferred	350,000	5.03	17,600
	Primary	Inferred	1,359,000	4.93	67,000
	Oxide + primary	Initial Resource	5,323,000	4.91	261,370

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

** Rounding of figures occurs during resource modelling under JORC.

McIntosh Target 1 JORC resource upgrade study for the updated resource covered the oxidised and primary zones at Target 1. The oxidised zone extends to an average depth of approximately 20 m and exhibits little difference in grade and flake graphite quality compared with the primary zone. The main difference between the two zones is the specific gravity (SG or rock density). The average SG for the oxidised zone was found to be 2.38 and the primary zone to be 2.72 that is reflected by the higher sulphide content in the primary zone. The higher SG values in the primary zone will result in increased tonnes of graphite per cubic metre of ore for the same grade of graphitic carbon.

The JORC 2012 Code compliant resource has been estimated from a drill hole database at Target 1 comprising a total of 17 RC and diamond drill holes (including diamond drill hole tails) from the

initial program in 2012 plus 8 RC holes from the 2013 program. The persistent nature of the EM and IP anomalies coupled with geological mapping confirmed the continuity of the graphitic schist horizon and facilitated drilling on traverses at 60 to 80 m intervals. Hole spacing varies from 20 to 50 m along the traverses.

In 2013 the RC samples were split on site using the cyclone on the rig with the individual meter split samples sent directly to either ALS or Actlabs Laboratories in Perth, WA for sample preparation. Prepared samples were then forwarded to either ALS in Brisbane or Actlabs in Canada for total graphitic C (%TGC or %Cg), total C (%TC) and total S (%TS) analysis. The RC sample batches contained regular duplicate samples, certified graphite standards and non-graphite blanks (quartz sand) according to JORC QA/QC requirements. Rock Solid Pty Ltd have provided full reporting on the efficacy of the sampling and statistically analysed duplicate pairs and certified standards based on standard QA/QC procedures.

Target 1 Metallurgy

The Company is now close to fulfilling the market requirements for battery grade crystalline grade flake graphite. Nagrom Laboratories in Kelmscott have successfully continued the beneficiation of bulk RC pulps (approx. 100 Kg) from McIntosh - Target 1 including negative gravity concentrate using a Wilfley Table followed by rougher and cleaner flotation (Table 1), then a single re-grind and the use of various depressants followed by another flotation stage (Figures 3A and 3B) and weak HNO₃ leach. The initial results achieved 72.9% TC in the cleaner float and this was enhanced to 94.9% TC after a caustic bake procedure by Nagrom. Analysis of the caustic bake concentrates by ALS Laboratory – Metallurgy in Adelaide, using a propriety high concentrate graphite analysis, achieved grades of 96.1%TC and 84.1%TGC. X-ray diffraction (XRD) analysis of the mineral content has confirmed the presence of up to 99% crystalline graphite in the caustic bake (NaOH) concentrate. Ongoing work by GZRINM in Guangzhou, China has shown that lime can also be used to increase the concentrate values and this could provide a much cheaper option for Lamboo. Overall, Nagrom has managed to remove the majority of the SiO₂, Al₂O₃, K₂O and S using the caustic bake process that has been successfully used by other graphite explorers including Zenyatta Resources in Canada.

The trace element content (see below) of the caustic bake concentrate shows that elements such as V, Co, Ni, Cu, Zn, Pb, Ba, Zr are below levels of detection by the analytical method employed (XRF total digest). Further work involving a hydrometallurgical approach should significantly reduce the balance of the major elements that are already at low levels.

A bulk 1 tonne sample from Target 1 is currently being processed by Nagrom to provide graphite concentrate for trialing by potential end users. It is proposed to excavate larger bulk samples on site to assess the full potential of the flake graphite.

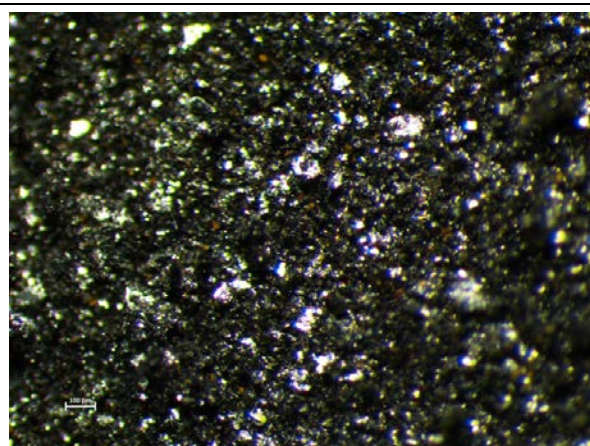


Figure 3A: Flake graphite cleaner float preserving flake textures. Bar scale | 100 µm.

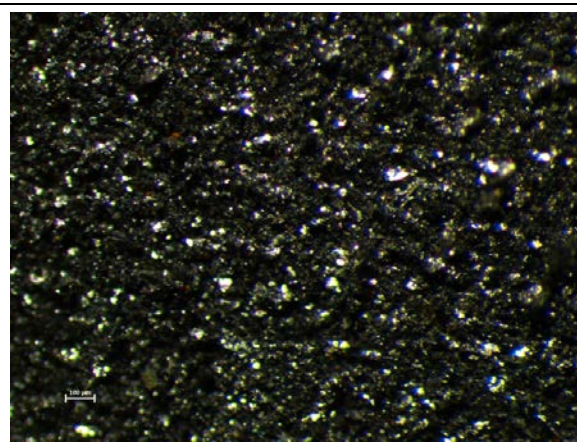


Figure 3B: Flake graphite – NaOH bake residue also preserving flake textures. Bar scale | 100 µm.

McIntosh Project – Planned Development

Subject to approvals and funding being obtained a graphite pilot plant is planned for late 2014 and will be designed to be upscaleable to a final production plant in 2015. The study will be based on the initial Inferred JORC-compliant resource estimate at Target 1 and potentially be supported by flake graphite from Targets 2, 5 and 6. Metallurgical work on these targets has been ongoing and is particularly encouraging. Final metallurgical results will be reported in the first quarter of 2014. It is envisaged a single processing or beneficiation plant will be used and this should improve the economics of the overall project, including flake graphite targets yet to be discovered in the region. Similarly, a scoping study is underway and will estimate capital costs (Capex), maintenance costs and operating costs (Opex) to a Class 4 (concept study) standard for mining at McIntosh.

Lamboo has initiated baseline studies including flora and fauna surveys that are being conducted during the seasonal “dry” and “wet” periods in the subtropical north of Australia. These studies, along with the development of JORC compliant resources, are integral to the application for mining leases, with Target 1 representing the priority resource at present.

McIntosh Drilling & Costeaming 2014

Diamond drilling is planned to increase the overall resource at Target 1 and will help to achieve maiden resources for Targets 5 and 6. Costeaming is planned to compliment drilling in these areas, including Target 2, with the aim to provide a global resource for the McIntosh Project.

South Korea – Geumam Project

Phase 1 of a diamond drilling program at the Geumam flake graphite project has targeted 2 of the 7 prospect areas – Areas B and C (Figure 4). A total of 12 holes for 1375.4m of drilling has been completed by Daeyoung E & C Co., Ltd using two track-mounted diamond drill rigs using HQ triple tube diamond drill core. Phase 1 drill hole collar locations, drill hole azimuths and dips, and final depths are tabulated (refer Table 1). Drilling methodologies and a global exploration target are outlined in the recent announcement (ASX:LMB – Announcement 31st January 2014).

Area B (or Lens B) exhibits broad down hole intercepts of significant flake graphite of up to 53m, 44m and 34m occurring within an interpreted synclinal keel (Figure 5A). The graphite mineralization is characterised by massive form, internal deformation zone and cataclasite brecciation styles. The graphite mineralization is usually accompanied by veinlet stockworks, comprising grey, fine-grained, cryptocrystalline quartz (5-10% volume) in the upper section (Photograph 1) and a lower section (Photograph 2) characterised by fracture infilling quartz-calcite veinlets (<5% volume). Fine-grained disseminated pyrite was the only sulphide mineral observed and is mainly confined to the upper section (<1% volume).

Graphite schist mineralization underlies a meta-arenite and overlies white meta-limestone. The meta-limestone is referred to as the “Geumam Limestone” and is regarded as a useful “bio-stratigraphic marker horizon”, and indicative of a reef environment (Photograph 3). Previously unmapped and unreported flow-banded rhyolite meta-volcanic and tuffaceous meta-siltstone was intersected below the meta-limestone. The graphite schist is provisionally assigned to the Late Proterozoic *Wolhyeonri Formation*.

At Area C, a quartz-biotite monzonite sill (dacite field term) was intersected in drilling and is concordant with graphite mineralization (refer GM-01, 02 and 03, Figure 5B). The monzonite sill has been emplaced along a major northeast trending fault structure.

Foliation structural data from the borehole televiewer confirms the graphite mineralization was intersected orthogonally down-dip and is close to true width. The graphite schist is interpreted as thin-bedded, medium-grained carbonaceous, feldspathic quartz sandstone and the foliation represents original bedding.

The Geumam graphite project is located 67km southwest of Seoul on the western coast of South Korea, situated about 4km north of Dangjin City (Figure 3). The project is located in a rural setting surrounded by impressive infrastructure, including the major Ports of Dangjin and Pyeongtaek, the largest cluster of domestic steel mills (*Hyundai Steel, Dongbu Steel, and Dongkuk Steel*), the Dangjin power station (2,400MW capacity) and numerous other industries, including pharmaceuticals and refractories. Dangjin City (population 137,000) and surrounding Chungnam Province lie within the designated “Yellow Sea Free Economic Zone”, business-orientated region that is actively seeking and attracting investors and industries, including foreign-owned enterprises.

Lamboo Resources Limited subsidiary *Won Kwang Mines Inc* holds five (5) granted Mining Rights over Geumam (Registered No's 80077/Dangjin 55-3; 80014/Dangjin 65-1, 78355/Dangjin 65-2, 200268/Dangjin 54-2 & 200269/Dangjin 55-4). These granted Mining Rights cover a total area of

403ha. Additional applications for 2 Mining Rights (numbers Dangjin 54-4 & 55-1) are currently being processed by the Central Mining Registry office of MOTIE. The tenement blocks for the Geumam project are shown in Figure 4.

Table 2 Summary of Drill Hole Collar Surveys, Phase 1 Drilling Program.

Hole ID	AREA	SUMMARY DRILL HOLE COLLAR SURVEY DATA				
		Easting	Northing	Azimuth (Magnetic °)	Dip (°)	Depth EOH (m)
GM-01	C	290829	4089898	316	-54	160.5
GM-02	C	290849	4089989	312	-50	89.5
GM-03	C	290866	4089967	312	-55	100.5
GM-04	C	290866	4089966	312	-80	130.2
GM-05	C	290868	4089965	357	-50	124.4
GM-06	C	290731	4089784	312	-50	124.5
GM-07	C	290732	4089785	357	-70	118.5
GM-08	B	290863	4089261	289	-50	121.4
GM-09	B	290746	4089345	289	-50	110.3
GM-10	B	290745	4089345	289	-80	110.0
GM-11	B	290746	4089344	334	-50	100.5
GM-12	B	290748	4089344	109	-50	85.5

Table 3. Graphite Mineralized Intersections, AREA B.

Hole ID	GRAPHITE MINERALIZATION SUMMARY		
	DEPTH FROM (m)	DEPTH TO (m)	INTERVAL (m)
GM-08	72	75	3
GM-09	12	65	53
	65	70	5
	99	102	3
GM-10	10	44	34
	44	48	4
GM-11	12	56	44
	73	79	6
GM-12	16	29	13

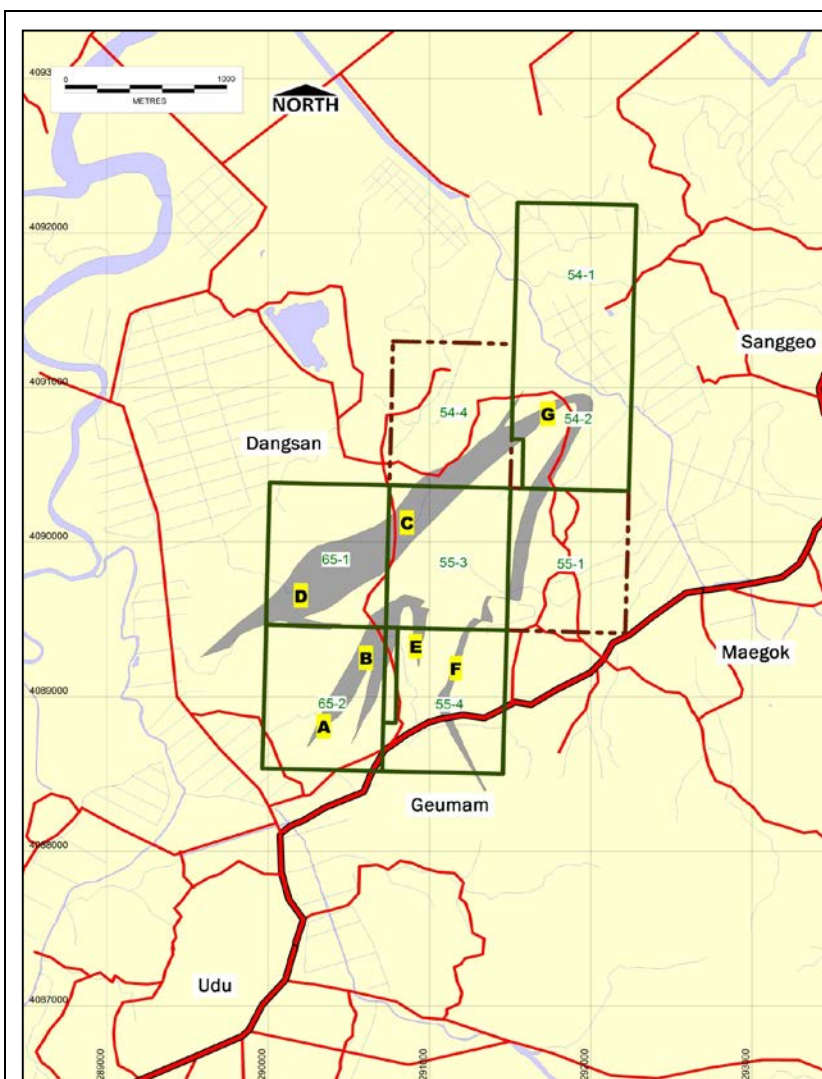


Figure 4: Geumam (location arrowed above) graphite project Tenure Map. The granted Mining Rights with respect to the mapped graphite schist beds and prospect Areas A, B, C, D, E, F and G are indicated. Applications for Mining Rights are indicated by the dark red dashed line.

Geumam was a historical graphite mining operation during 1985-1992. Graphite schist occurs within high grade metamorphic rocks including biotite gneiss, schist and quartzite of the Precambrian Gyeonggi Gneiss Complex and granite gneiss of the Sobaegsan Gneiss Complex. The metamorphic fabric of the biotite gneiss and schist is predominantly northeast-southwest striking, dipping gently-moderately to the southeast. The graphite schist is interpreted to originally have been a metamorphosed carbonaceous argillites.

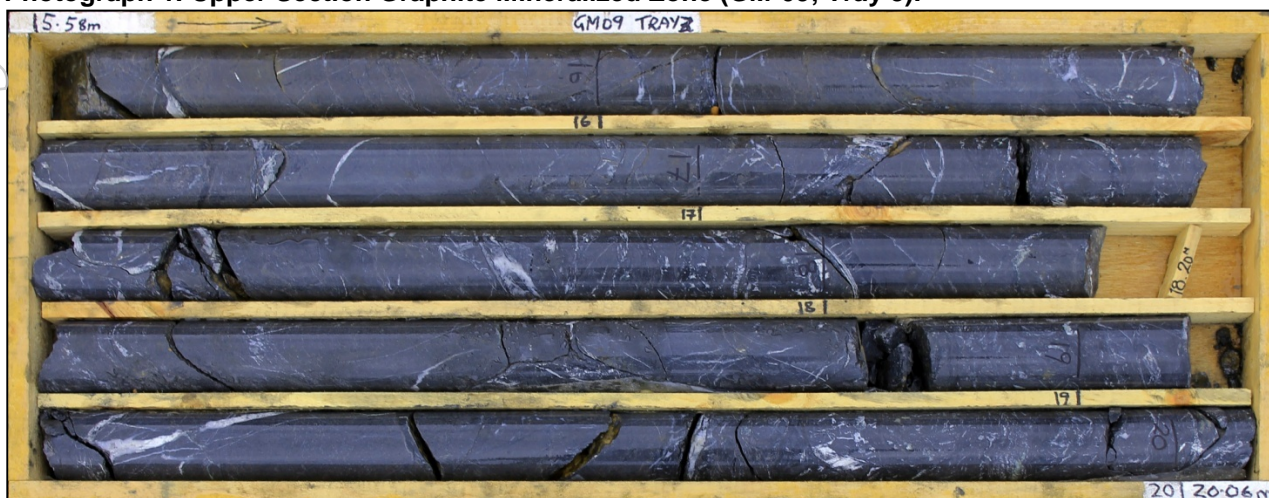
A mining operation and flotation processing plant was established at Area B at Geumam in 1986, consisting of a run-of-mine stockpile, conveyor, feed hopper, ball mill, two flotation cells (Rougher and cleaner cells), and a regrind ball mill. The plant was capable of producing 6tpd fine flake graphite flotation concentrate (>85% Cg), which it sold to export markets in Japan and Europe.

The mill was subsequently upgraded with an alkaline-leach plant to produce high-grade fine flake graphite concentrate (93-97% Cg) in July 1987 (KMPC, 1988), which it sold to domestic markets for micronizing into superfine graphite powders. The mine ceased operations in about 1992.

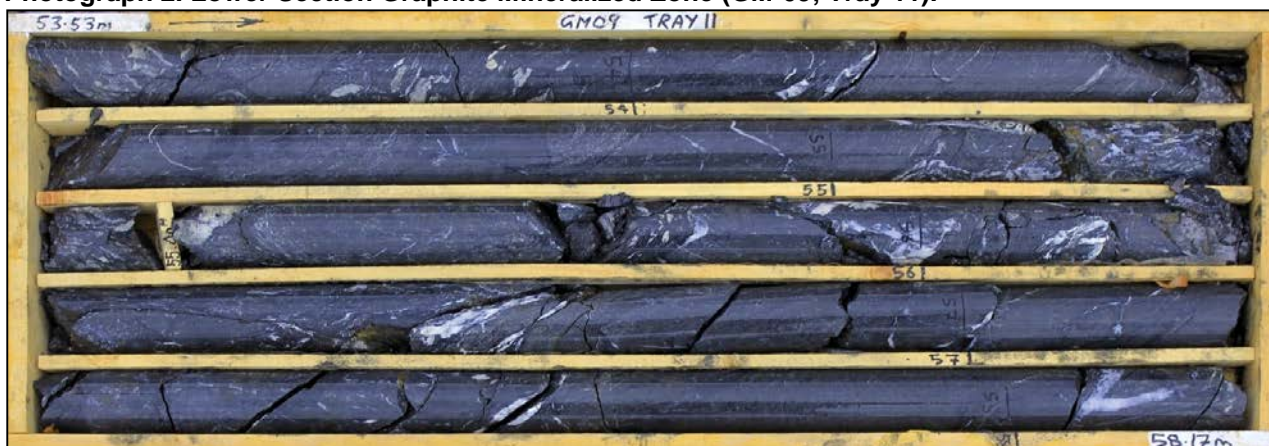


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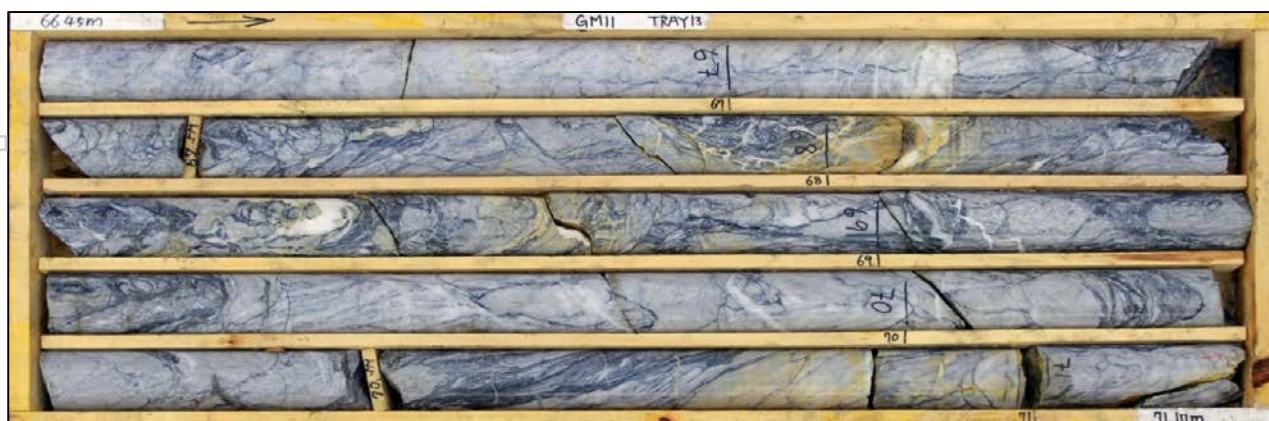
Photograph 1. Upper Section Graphite Mineralized Zone (GM-09; Tray 3).



Photograph 2. Lower Section Graphite Mineralized Zone (GM-09; Tray 11).



Photograph 3. Geumam Limestone 'bio-stratigraphic marker horizon' (GM-11; Tray 13).



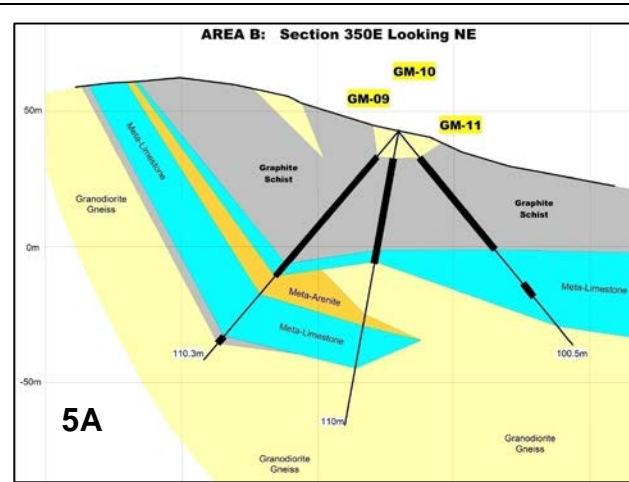


Figure 5A Geumam – Area B drill hole section GM – 09, 10 & 11

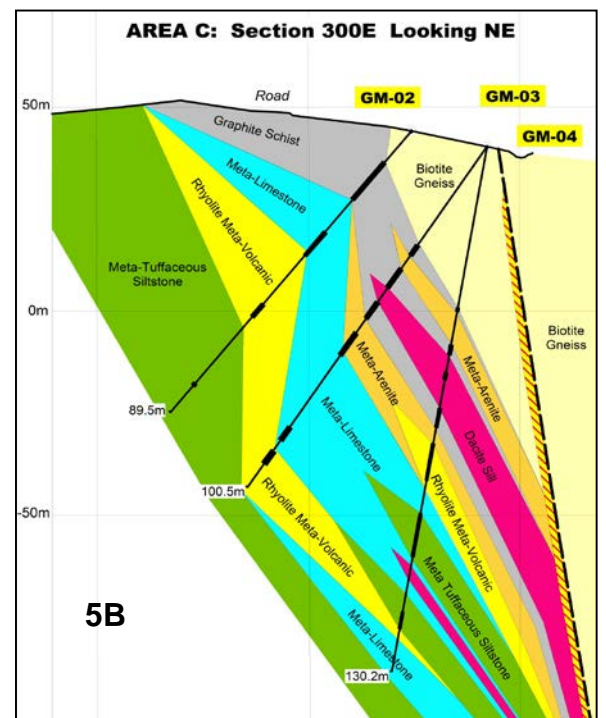


Figure 5B Geumam – Area C drill hole section GM – 02, 03 & 04

Table 4 below indicates the graphite mineralised intersections recorded from Area C, where typically wide zones of lower-grade graphite mineralization were intersected (Figure 4).

Table 4. Graphite Mineralized Intersections, AREA B.

Hole ID	GRAPHITE MINERALIZATION SUMMARY		
	DEPTH FROM (m)	DEPTH TO (m)	INTERVAL (m)
GM-01	55	56	1
	60	64	4
	66	73	7
	95	105	10
	119	125	6
	129	133	4
	136	143	7
GM-02	10	22	12
	22	32	10
	32	40	8
	40	47	7
	55	59	4
	67	69	2
GM-03	29	32	3
	36	42	6
	46	51	5
	55	62	7

	83	87	4
	90	94	4
GM-04	40	41	1
	49	52	3
	56	58	2
	65	70	5
	74	83	9
	91	102	11
	116	120	4
GM-05	34	39	5
	42	49	7
	53	55	2
	105	110	5
GM-06	64	68	4
	68	78	10
GM-07	80	82	2
	87	91	4

Phase 2 Drilling Program

A follow up Phase 2 Drilling Program is planned to proactively drill test extensions to Area B and Area C identified during the Phase 1 Drilling Program, as well as commence drill testing of the graphite zone identified at Area E (Figure 5). A further 12 holes for 1,320 metres of HQ Triple Tube core is proposed for Phase 2 and is expected to take less than 2 months to complete, using the 2 track-mounted diamond drill rigs previously contracted from *Daeyoung E & C Co, Ltd* to site.

As part of the follow up Phase 2 Drilling Program planning, additional drill site access agreements were signed with landowners. A Drilling Permit has been issued by the Dangin City County Government.

Dr Craig Rugless
Technical Director

Competent Persons Statements

The information relating to the Mineral Resources at the McIntosh Project is extracted from the ASX Announcement as follows:

- ASX Announcement titled 'Significant Flake Graphite JORC Resource Increase at McIntosh Target 1' dated 20 January 2014

The information relating to the Exploration Results associated with the Company's projects in South Korea is extracted from the ASX Announcements as follows:

- ASX Announcement titled 'Outstanding Preliminary Results from Phase 1 Resource Drilling Program Geumam Graphite Project, South Korea' dated 31 January 2014

Both reports are available to view on the Lamboo Resources website www.lambooresources.com. The reports were 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.

Appendix 1 – McIntosh Project Target 1 _ Extended RC Drill Hole Intercepts – Phase 1 & 2 (2013)

Table 5 Target 1 RC drill hole intercepts – July Drilling Phase (refer Figure 2)

Drill Hole	Collar GDA East	Co-ords GDA North	From (m)	To (m)	Interval (m)	TGC%	Total C%	Total S%
T1GRC095 Dip – 59° Az -130° EOH – 902m	382701	8047881	42	72	29	4.31	4.68	3.45
T1GRC096 Dip – 60° Az - 127° EOH – 162m	382671	8047909	114	115	1	3.25	3.52	3.07
			126	140	14	4.78	5.30	4.34
T1GRC097 Dip – 60° Az - 128° EOH – 72m	382464	8047659	22	51	29	4.18	4.49	3.97
T1GRC098 Dip – 60° Az - 127.5° EOH – 174m	382326	8047569	92	115	23	3.77	4.14	2.9
T1GRC099 Dip – 59° Az - 127° EOH – 84m	382155	8047290	21	28	7	1.89	2.01	2.11
			34	36	2	2.16	2.36	2.92
T1GRC100 Dip – 60° Az - 126° EOH – 102m	382128	8047317	17	80	9	3.76	4.31	3.34
T1GRC101 Dip – 60° Az - 127° EOH – 84m	381942	8047053	36	38	2	3.71	5.64	2.41
			53	64	11	2.88	3.17	2.55
T1GRC102 Dip – 60° Az - 127° EOH – 144m	381915	8047076	103	115	12	4.75	5.37	4.16
			121	129	8	2.52	2.9	2.76
T1GRC103 Dip – 59° Az - 128° EOH – 60m	381742	8046806	6	26	20	4.6	5.42	1.86
T1GRC104 Dip – 60° Az - 128.5° EOH – 120m	381713	8046833	61	85	24	4.53	5.05	3.53
			101	105	4	3.6	4.03	2.91

Table 6 McIntosh Project Target 1 RC drill hole Intercepts – October Drilling Phase (refer Figure 2)

Drill Hole	Collar GDA East	Co-ords GDA North	From (m)	To (m)	Interval (m)	TGC%	Total C%	Total S%
T1GRC126 Dip – 60° Az - 127° EOH – 132m	382585	8047775	47	60	13	4.79	5.08	3.86
T1GRC127 Dip – 60° Az - 128° EOH – 138m	382560	8047796	91	102	11	4.23	4.54	3.54
T1GRC128 Dip – 60° Az - 128° EOH – 90m	382464	8047659	70	75	5	3.22	3.47	3.41
T1GRC129 Dip – 60° Az - 128° EOH – 84m	382479	8047647	36	46	10	3.27	3.57	3.23
T1GRC130 Dip – 60° Az - 128° EOH – 90m	382248	8047427	35	59	24	2.68	2.81	2.47
T1GRC131 Dip – 60° Az - 128° EOH – 138m	382220	8047451	101	115	14	2.06	2.39	2.4
T1GRC132 Dip – 60° Az - 127° EOH – 114m	383036	8048235	44	76	32	4	4.2	3.72
T1GRC133 Dip – 60° Az - 128° EOH – 150m	383020	8048256	77	105	28	3.19	3.36	3.21
T1GRC134 Dip – 60° Az - 127° EOH – 132m	382952	8048158	38	104	66	4.04	4.16	3.70
T1GRC135 Dip – 60° Az - 127° EOH – 490	382882	8048030	0	23	23	3.52	4.81	0.1
			48	53	5	2.25	2.77	2.00
T1GRC136 Dip – 60° Az - 127° EOH – 66m	382788	8047946	0	27	27	5.49	7.48	0.64
T1GRC137 Dip – 60° Az - 127° EOH – 78m	382754	8047900	1	16	15	4.44	5.93	0.04
T1GRC138 Dip – 60° Az - 127° EOH – 60m	382645	8047813	26	40	14	4.87	5.16	3.81
T1GRC139 Dip – 60° Az - 127° EOH – 108m	382631	8047837	76	84	8	4.31	4.77	4.17