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resources limited
High Purity Flake Graphite for New Technologies

ASX ANNOUNCEMENT

21 December 2015

THICK INTERSECTIONS TO ADD SIGNIFICANT TONNAGE TO MCINTOSH

- **Final batches of diamond core assay results have now been received for the Emperor, Wahoo and Barracuda prospects, significant results include:**

  EMPEROR (Target 6)

  T6GDD193: 139 metres @ 4.0% TGC from 57m, including 6 metres @ 5.1% TGC from 57m, 9 metres @ 6.0% TGC from 74m
  T6GDD192: 40 metres @ 4.2% TGC from 38m, including 5 metres @ 6.0% TGC from 38m, 12 metres @ 4.8% TGC from 48m and 10 metres at 4.8% TGC from 68m
  T6GDD194: 62 metres @ 4.2% TGC from 117m, including 6m @ 4.9% TGC from 130m; 5m @ 8.3% TGC from 156m and 6 metres at 8.6% TGC from 173m

  WAHOO (Target 4)

  T4GDD179: 31 metres @ 4.4% TGC from 28m and 12 metres @ 5.8% TGC from 47m
  T4GDD177: 8 metres @ 5.1% TGC from 50m and 5 metres @ 4.8% TGC from 83m

  BARRACUDA (Target 5)

  T5GDD190: 2 metres @ 6.3% TGC from 40m and 6 metres @ 4.4% TGC from 50 metres, including 2 metres @ 6.1% TGC from 50m

  (see all significant intercepts for diamond drilling at Emperor, Wahoo and Barracuda in Table 2)

- **Work has commenced on the maiden JORC compliant resources for Emperor (due January 2016) and Wahoo (due Q1 2016)**

- **All prospects at McIntosh have graphite at the surface making them well suited to open pit operations. Having numerous open pits operating simultaneously allows for operational and scheduling flexibility**

- **Assay results highlight the significant size of the McIntosh project adding to the proven quality shown by bulk scale metallurgical results, which have achieved a concentrate of +98%TC from flotation only**

- **Further bulk scale metallurgical results are due in the coming weeks with the potential to upgrade the concentrate further**

SUMMARY

Hexagon Resources Limited ("Hexagon") is pleased to announce the final diamond core assay results from the Emperor and Wahoo prospects at its 100% owned McIntosh Flake Graphite Project in the East Kimberley, Western Australia. These thick flake graphite intercepts will add significant tonnage to the project, with work having commenced on the maiden JORC compliant resources.

The maiden JORC compliant resource for Emperor is due in January 2016, followed by the maiden resource for Wahoo in Q1 2016. These broad intercepts highlight the huge size potential of the McIntosh project, and with the recent bulk scale metallurgical results highlighting the quality and purity of the flake graphite.

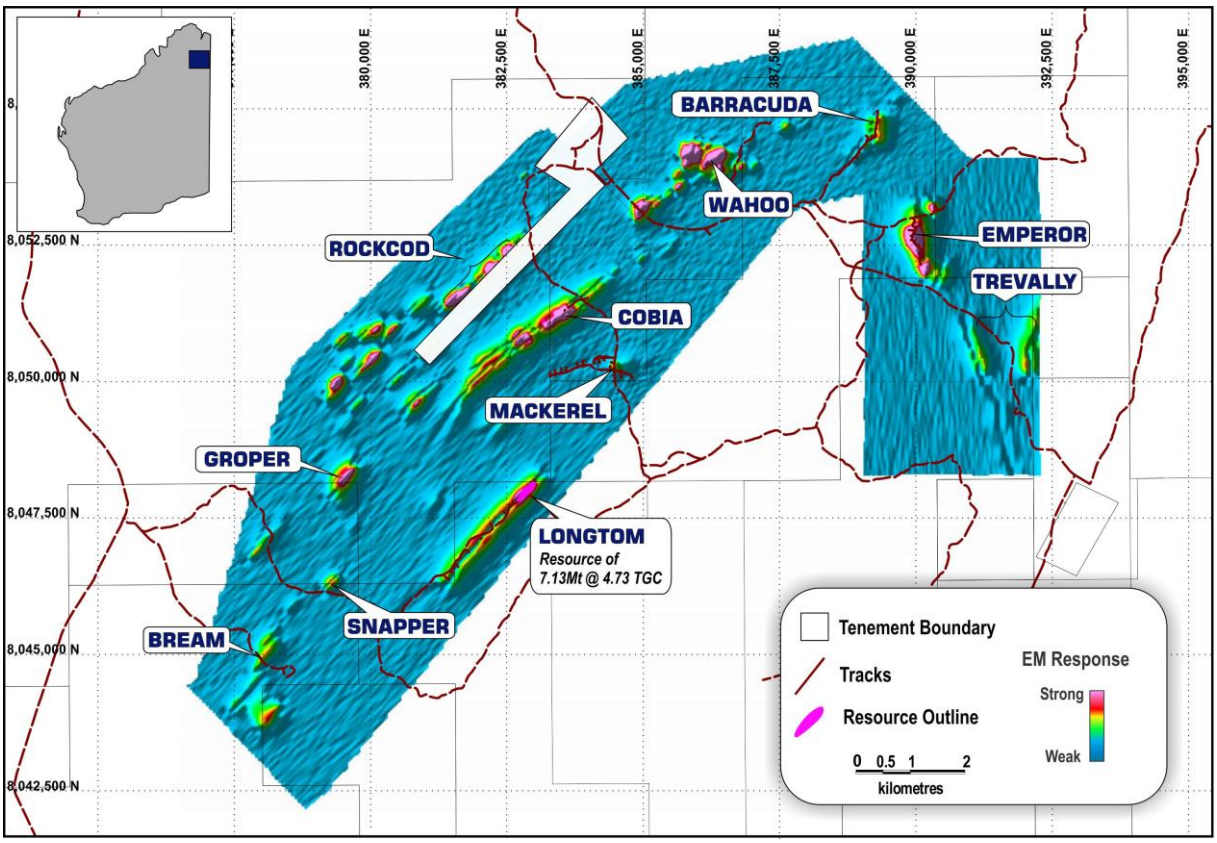

Figure 1: McIntosh Flake Graphite Project, East Kimberley, Western Australia

"These assay results will add the necessary quantity to the McIntosh resource with the thick intersections at Emperor, in particular, to add considerable tonnage to a maiden resource estimate due in January 2016. Having size to add to the outstanding quality and purity of McIntosh flake has the company very excited in delivering shareholder value in 2016" commented Hexagon's CEO / Head of Operations, Tony Cormack.

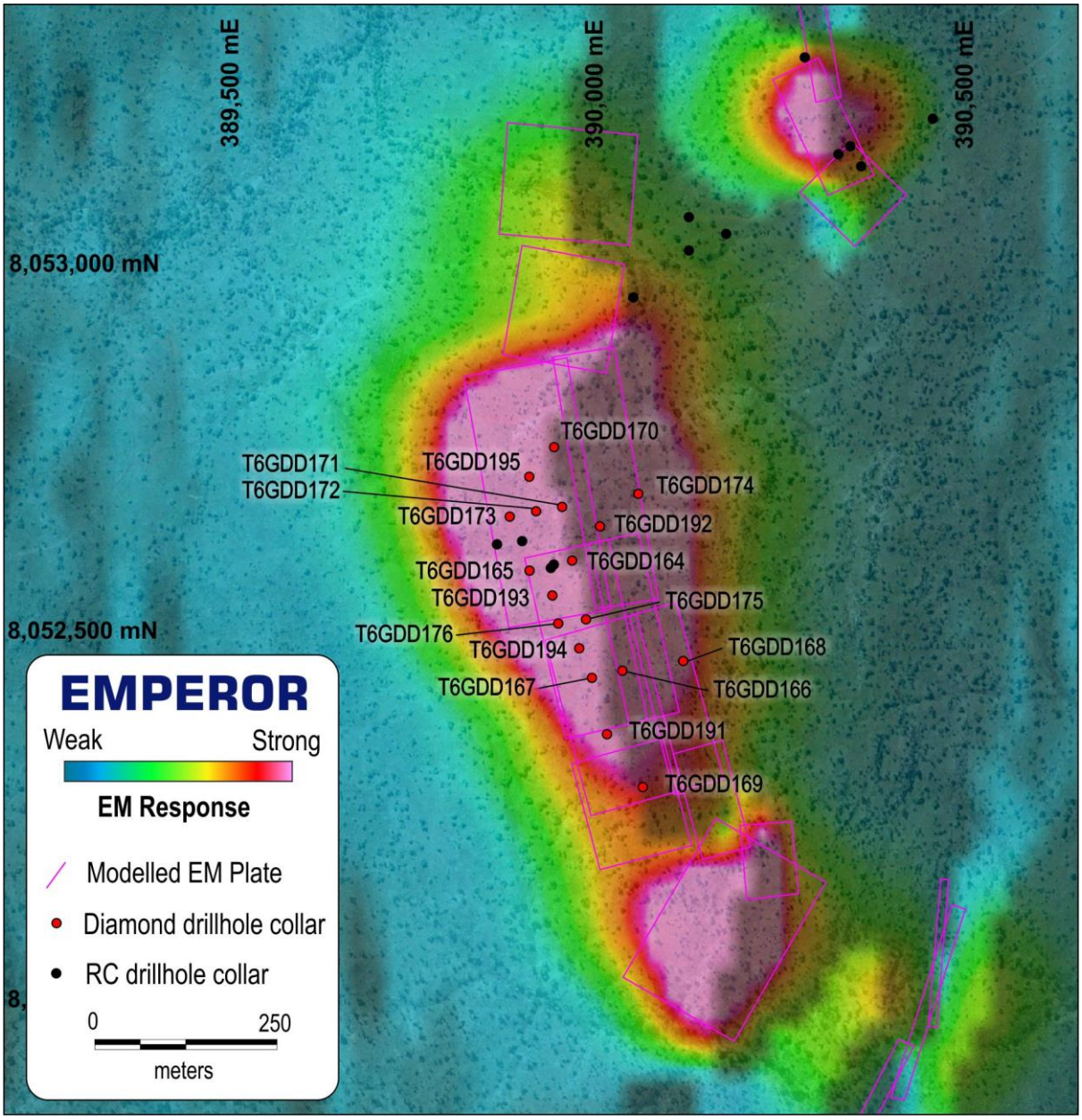

Figure 2: Plan view of diamond drill hole collars at the Emperor prospect

A total of 18 diamond drill holes were completed at Emperor for a total of 2,348m (see Figure 2). Substantial widths of flake graphite mineralisation associated with a regional scale fold hinge (anticline – convex up) were encountered, with mineralisation remaining open in every direction as well as down dip.

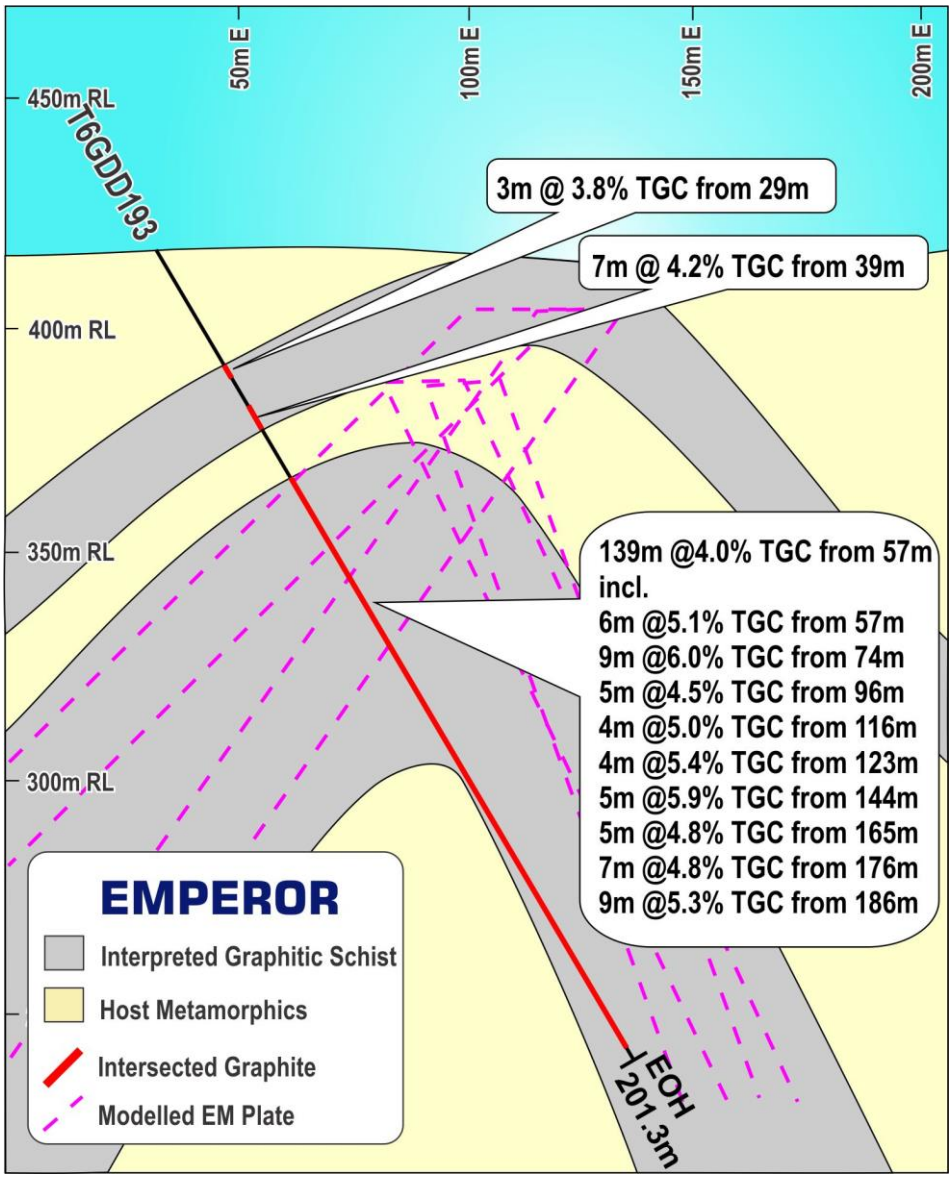

Figure 3: Cross-section of diamond drill hole T6GDD193 at the Emperor prospect

"The Emperor prospect is shaping up as the company's most outstanding prospect, we have graphite at surface, exceptional bulk scale metallurgical results combined with thick diamond drilling intercepts which together highlight the potential for a significant size deposit having excellent metallurgical characteristics. Our strategy of focussing our efforts on these structurally complex areas has paid off, the company looks forward to delivering the maiden Mineral Resource estimate for Emperor in January 2016" commented Hexagon's CEO / Head of Operations, Tony Cormack.

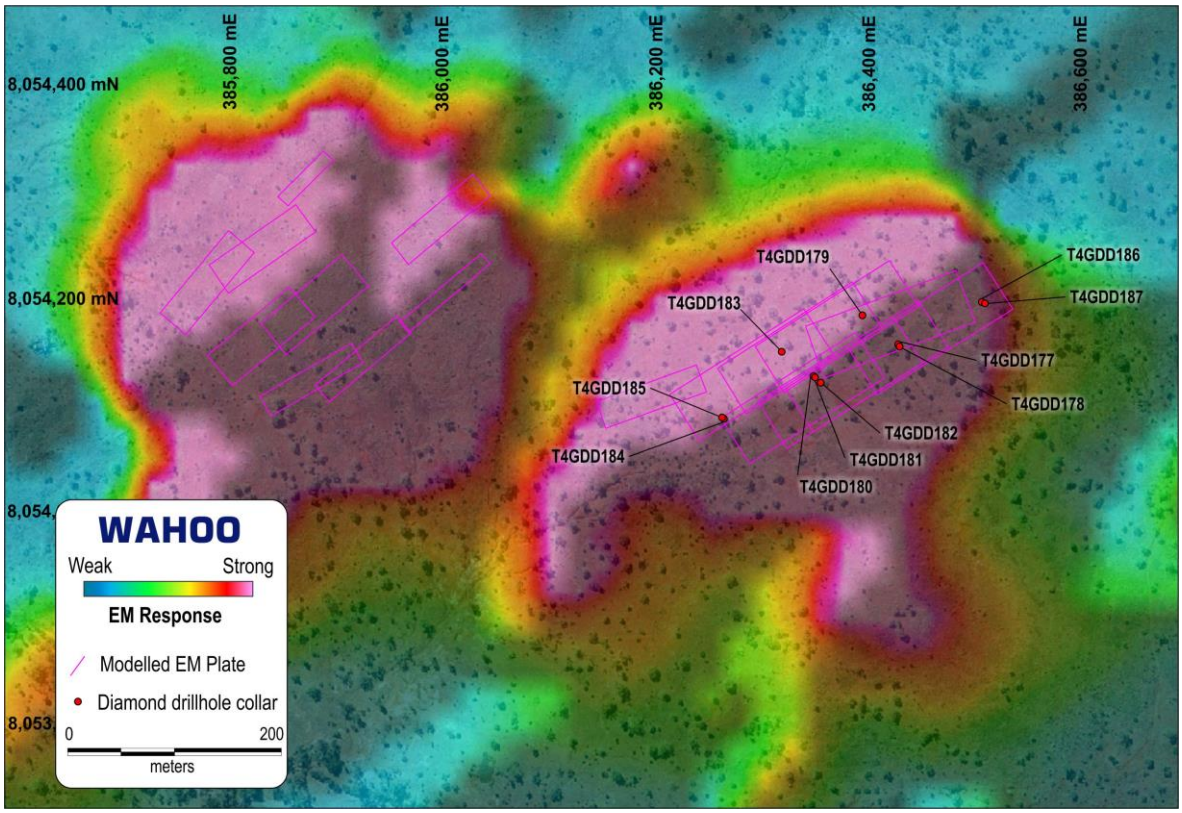

Figure 4: Plan view of the Wahoo diamond collar locations

A total of 11 diamond drill holes were completed at Wahoo for a total of 1,258m (see Figure 4). Mineralisation at Wahoo is associated with a regional scale fold hinge (syncline – convex down) with flake graphite mineralisation open in every direction with a significant number of VTEM anomalies in the west of the prospect still to be drill tested.

The Wahoo prospect has graphite at surface making it well suited to an open pit operation and ongoing metallurgical test work has highlighted the high quality and purity of the flake at Wahoo, with a 98.5% TC concentrate being produced using only simple flotation.

“Having multiple open pit operations in such close proximity to the planned process plant location as well as being located right alongside an existing haul road makes the Wahoo prospect very strategic indeed. The flexibility that having multiple open pit operations in close proximity to each other brings cannot be underestimated. We expect to report on the maiden Wahoo Mineral resource in Q1 2016” commented Hexagon’s CEO / Head of Operations, Tony Cormack.

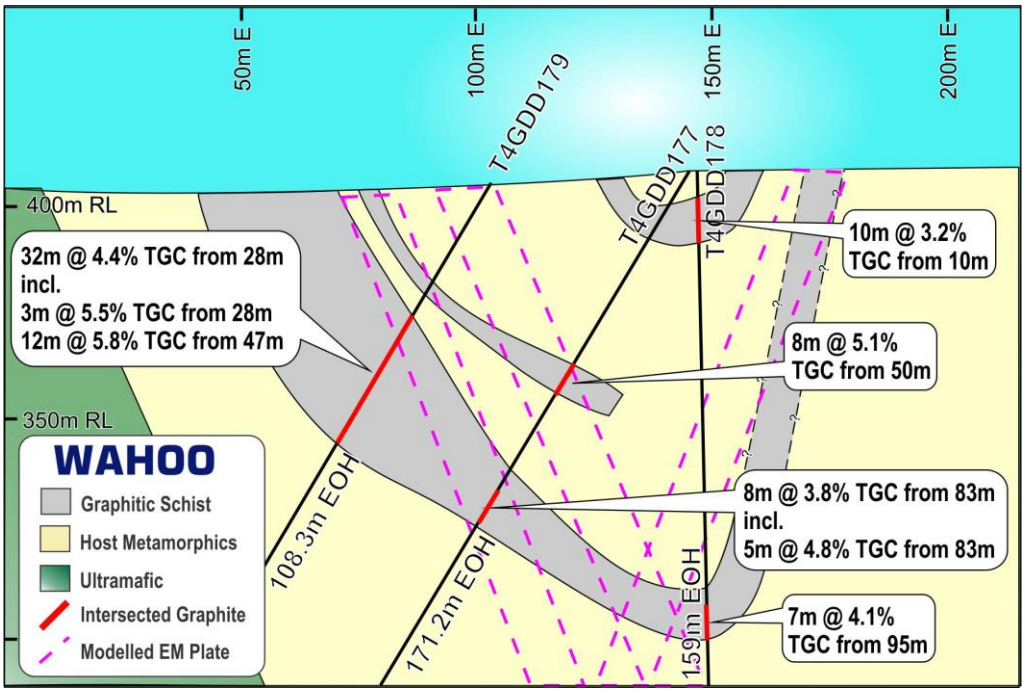

Figure 5: Cross-section of diamond drill holes T4GDD177, T4GDD178 & T4GDD179

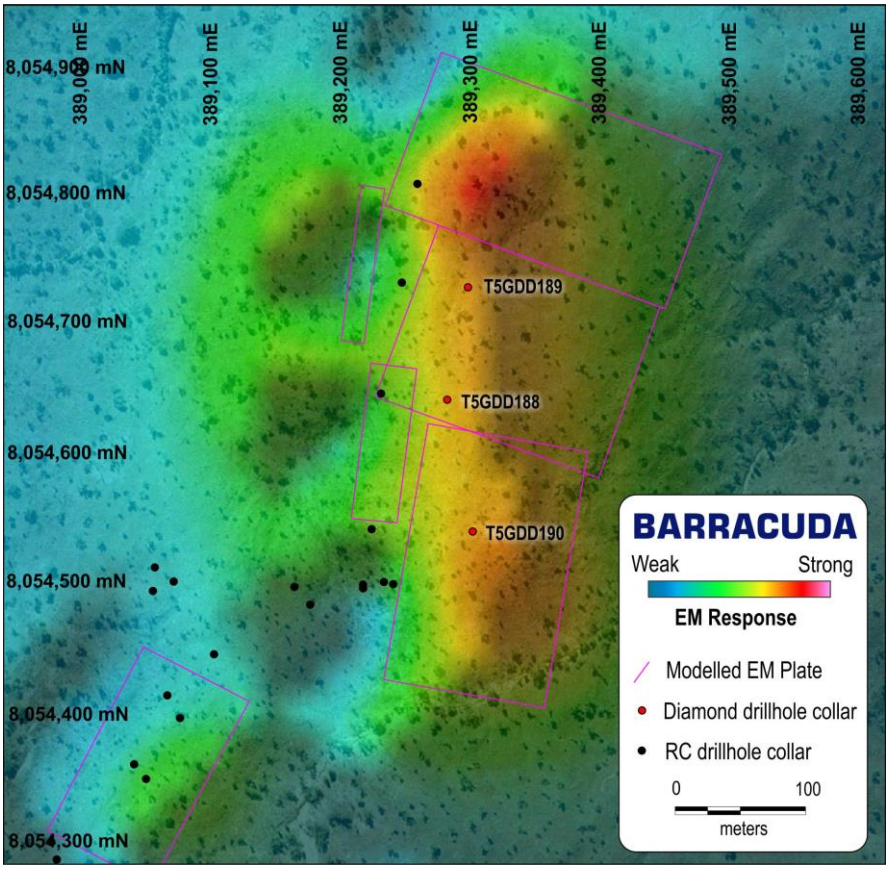

Figure 6: Plan view of the Barracuda diamond and RC collar locations

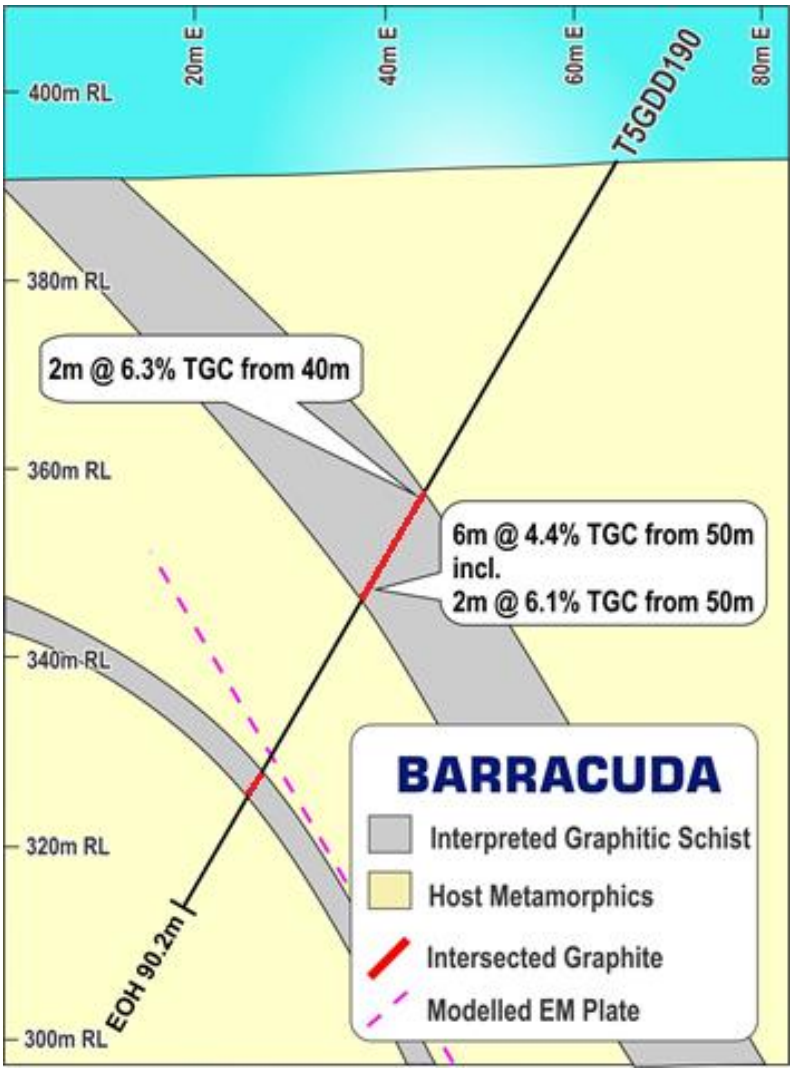

Figure 7: Cross-section of diamond drill holes T4GDD177

A total of 3 diamond drill holes were completed at Barracuda during 2015 for a total of 294m (see Figure 6). Barracuda was the focus of an extensive reverse circulation program during 2014, the prospect has graphite at surface and is well suited to an open pit operation. Diamond drilling has confirmed the presence of commercially viable flake graphite, bulk scale metallurgical test work planned for Q1 2016.

Diamond core drilling at Barracuda will also allow for a JORC compliant resource estimate to be completed for the prospect, expected in Q2 2016. Barracuda also sits in close proximity to Emperor and Wahoo along with the proposed location for the processing plant and infrastructure as well the existing haul road.

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Table 1: Diamond drill holes from Emperor, Wahoo and Barracuda

Hole ID	Easting	Northing	R.L. (m)	Dip (°)	Azimuth (°)	Depth EOH (m)
T6GDD164	389965	8052595	410	-60	83	130.7
T6GDD165	389910	8052582	421	-60	83	138.2
T6GDD166	390035	8052446	424	-60	77	81.2
T6GDD167	389996	8052438	423	-60	77	183.3
T6GDD168	390121	8052457	425	-60	257	155.5
T6GDD169	390066	8052284	407	-60	77	104.5
T6GDD170	389944	8052750	401	-60	77	99.2
T6GDD171	389953	8052668	409	-60	77	95.1
T6GDD172	389921	8052663	416	-60	77	90.3
T6GDD173	389883	8052654	418	-60	77	141.2
T6GDD174	390056	8052688	403	-60	257	135.2
T6GDD175	389986	8052513	414	-60	77	114.2
T6GDD176	389946	8052507	412	-60	77	171.2
T4GDD177	386425	8054160	402	-60	307	171.2
T4GDD178	386425	8054160	402	-90	307	159
T4GDD179	386395	8054186	400	-60	307	108.3
T4GDD180	386343	8054125	401	-60	307	111.2
T4GDD181	386343	8054125	401	-90	307	157.4
T4GDD182	386343	8054125	401	-60	127	66.3
T4GDD183	386313	8054150	400	-60	307	60
T4GDD184	386261	8054089	399	-60	307	123.3
T4GDD185	386261	8054089	399	-90	307	147.3
T4GDD186	386507	8054196	400	-60	307	78.3
T4GDD187	386507	8054196	400	-90	307	75.3
T5GDD188	389280	8054640	396	-60	267	108.2
T5GDD189	389300	8054728	393	-60	267	95.6
T5GDD190	389300	8054540	395	-60	267	90.2
T6GDD191	390014	8052356	408	-60	77	129.2
T6GDD192	390004	8052642	405	-75	257	99.2
T6GDD193	389940	8052547	411	-60	77	201.3
T6GDD194	389977	8052476	413	-60	77	179
T6GDD195	389908	8052709	400	-60	77	99.3
					Total (m):	**3,899**

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Table 2: Significant diamond core intercepts from Emperor, Wahoo and Barracuda

Hole ID	Depth (From)	Depth (To)	Intersection (m)	Grade (%TGC)
T6GDD164	47	91	44	4.4
T6GDD164	47	54	7	7.1
T6GDD164	62	67	5	5.0
T6GDD164	84	91	7	5.0
T6GDD164	110	115	5	5.4
T6GDD165	47	56	9	4.7
T6GDD165	78	87	9	4.4
T6GDD167	107	111	4	4.9
T6GDD167	126	173	47	4.7
T6GDD167	143	156	13	6.3
T6GDD167	158	168	10	6.3
T6GDD167	178	181	3	4.6
T6GDD168	96	155	59	4.7
T6GDD168	110	116	6	5.7
T6GDD168	132	144	12	7.0
T6GDD168	138	144	6	9.8
T6GDD170	36	39	3	4.5
T6GDD171	27	41	14	4.5
T6GDD171	35	41	6	5.5
T6GDD171	67	71	4	7.7
T6GDD172	43	53	10	4.3
T6GDD172	45	48	3	5.3
T6GDD172	60	63	3	5.2
T6GDD173	73	91	18	4.5
T6GDD173	84	90	6	6.4
T6GDD173	104	126	22	4.7
T6GDD173	104	111	7	5.1
T6GDD173	120	124	4	6.4

Hole ID	Depth (From)	Depth (To)	Intersection (m)	Grade (%TGC)
T6GDD176	87	103	16	5.3
T6GDD176	87	92	5	6.9
T6GDD176	99	103	4	6.0
T6GDD176	142	171	29	4.3
T6GDD176	156	169	13	5.7
T6GDD176	156	161	5	7.3
T4GDD177	50	58	8	5.1
T4GDD177	83	91	8	3.8
T4GDD177	83	88	5	4.8
T4GDD178	10	20	10	3.2
T4GDD178	95	102	7	4.1
T4GDD179	28	60	32	4.4
T4GDD179	28	31	3	5.5
T4GDD179	47	59	12	5.8
T4GDD180	19	22	3	4.7
T4GDD180	43	46	3	4.4
T4GDD180	53	57	14	3.3
T4GDD180	62	66	4	5.0
T4GDD181	49	62	13	3.5
T4GDD181	51	57	6	4.3
T4GDD181	76	86	10	4.4
T4GDD181	76	82	6	5.7
T4GDD183	17	21	4	5.6
T4GDD183	29	38	9	3.8
T4GDD183	29	32	3	5.2
T4GDD184	10	17	7	3.6
T4GDD185	38	49	11	4.8
T4GDD185	39	47	8	5.6

Hole ID	Depth (From)	Depth (To)	Intersection (m)	Grade (%TGC)
T5GDD189	83	86	3	5.3
T5GDD190	40	42	2	6.3
T5GDD190	50	53	3	4.9
T5GDD190	74	77	3	4.0
T6GDD191	108	111	3	5.3
T6GDD192	38	78	40	4.2
T6GDD192	38	43	5	6.0
T6GDD192	48	60	12	4.8
T6GDD192	68	78	10	4.8
T6GDD193	39	46	7	4.2
T6GDD193	57	198	139	4.0
T6GDD193	57	63	6	5.1
T6GDD193	74	83	9	6.0
T6GDD193	96	101	5	4.5
T6GDD193	116	120	4	5.0
T6GDD193	123	127	4	5.4
T6GDD193	144	149	5	5.9
T6GDD193	165	171	5	4.8
T6GDD193	176	183	7	4.8
T6GDD193	186	195	9	5.3
T6GDD194	117	179	62	4.2
T6GDD194	130	130	6	4.9
T6GDD194	156	156	5	8.3
T6GDD194	173	173	6	8.6
T6GDD195	64	67	3	4.4
T6GDD195	72	76	4	4.4

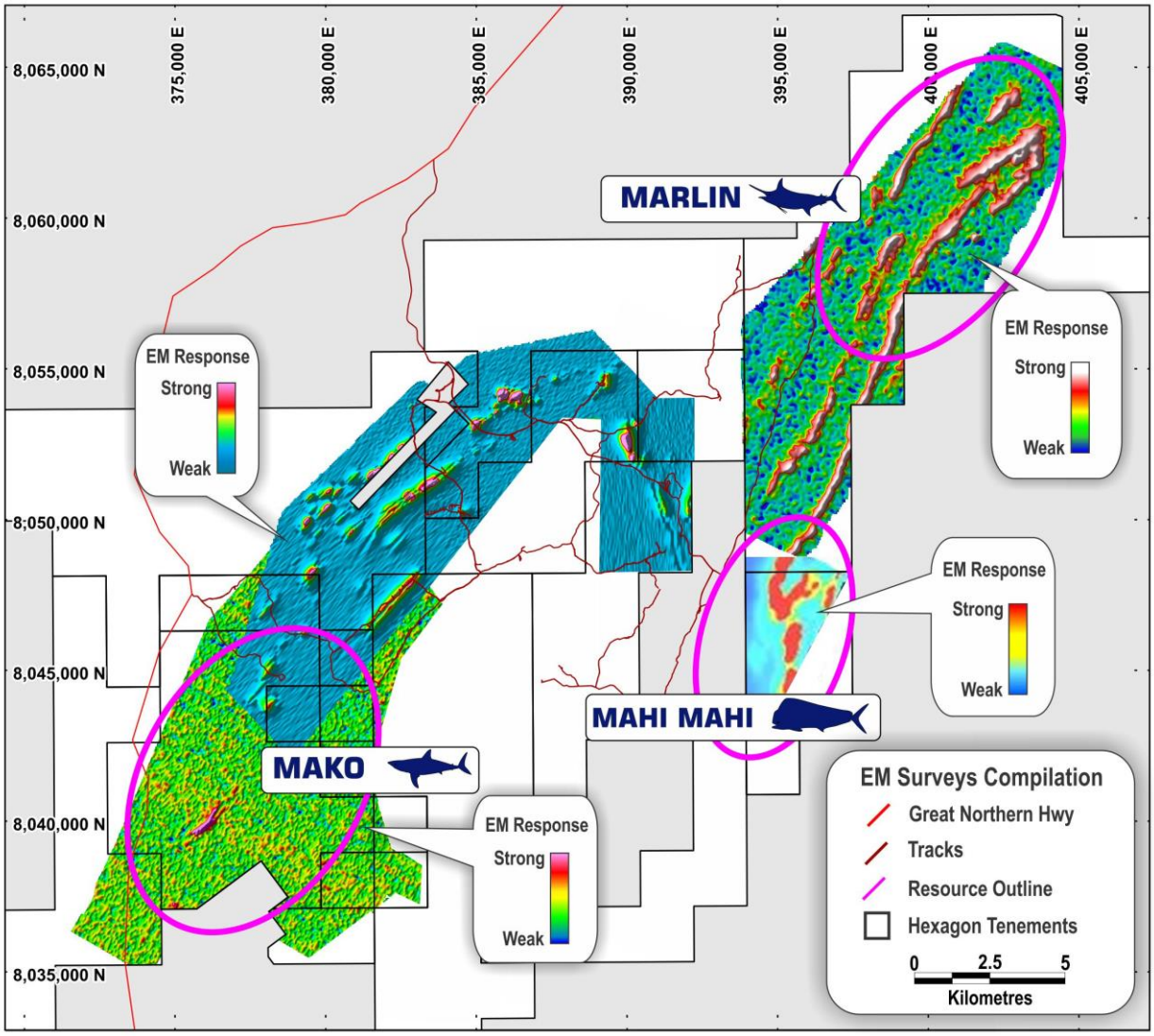

Figure 8: Exploration potential of the Greater McIntosh Tenement Package

"The greater McIntosh tenement package contains some significant electromagnetic anomalies confirmed to be associated with the presence of flake graphite, of particular significance are the Marlin, Mahi Mahi and Mako prospects. Exploration and development of these exciting prospects, along with significant potential at Cobia, Rockcod and Groper has the company well positioned to become a significant, long term producer of high quality / high purity flake graphite" commented Hexagon's CEO / Head of Operations, Tony Cormack.

Further information:

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Competent Persons Statement

The information in this report relating to Exploration, Drilling, Assay 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 Hexagon 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.

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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 Mackerel, Cobia, Barracuda and Emperor Minor diamond core drilling (NQ) at Mackerel and Cobia. All diamond core drilling at target Wahoo, Barracuda and Emperor is HQ.

Criteria	JORC Code Explanation	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	RC split samples were recovered from a cyclone and rig-mounted 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 Longtom, therefore it is suggested that RC samples are biased due to loss of fine material. HQ diamond core drilling has been utilised at Targets Wahoo, Barracuda and Emperor.
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.

Criteria	JORC Code Explanation	Commentary
	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 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 Hexagon 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 Longtom, Barracuda and Emperor during a visit to Hexagon's Joondalup warehouse during January 2015. Samples from Wahoo,

Criteria	JORC Code Explanation	Commentary
		Barracuda and Emperor were submitted to a petrographic laboratory for mineralogical examination and estimation of flake size and liberation characteristics. An independent geological consultant has verified the graphite intersections in core samples from Wahoo, Barracuda and Emperor.
	The use of twinned holes.	Twinned RC and DD core holes were completed on Exploration Mackerel and Cobia. 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 Hexagon 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 a registered surveyor from 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 Mackerel, Cobia, Barracuda and Emperor are spaced on traverses of 80 to 250 m apart. Diamond drill holes at Targets Wahoo, Barracuda and Emperor are spaced on 80m traverses.

Criteria	JORC Code Explanation	Commentary
	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
	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*	Hexagon Resources Limited holds thirteen (14) granted ELs, two (1) ELAs and one (1)

Criteria	JORC Code Explanation	Commentary
	third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	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 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.

Criteria	JORC Code Explanation	Commentary
		Hexagon 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 – Mackerel, Cobia, Wahoo, Barracuda, Emperor, Rockcod and Trevally.
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.
	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.	Not relevant
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 and the reported intercepts. This is similar to the 2% cut-off applied at the Longtom 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.

Criteria	JORC Code Explanation	Commentary
	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 Barracuda and Emperor 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 be reported.	RC and Diamond core drill holes were drilled at or near perpendicular 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 Wahoo, Barracuda and Emperor 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*	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

Criteria	JORC Code Explanation	Commentary
	characteristics; potential deleterious or contaminating substances.	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 Barracuda and Emperor. These cores are planned to be assayed for total graphitic carbon and have been examined petrographically to assess graphite flake characteristics.