Tuesday, 13 June 2017

MARKET ANNOUNCEMENT

Extended Intersections of High-Grade Graphite Encountered at Burke Graphite Project

DRILLING HIGHLIGHTS

- **MULTIPLE LONG INTERSECTIONS OF HIGH GRADE GRAPHITE ENCOUNTERED**
- **WIDE ZONE OF MINERALISATION FROM SURFACE, OPEN AT DEPTH**

Strike Resources Limited (ASX:SRK) is pleased to report that the first drilling programme undertaken at its Burke Graphite Project[1] (**Project**) in Queensland has encountered extensive zones of very high-grade graphite mineralisation (refer Table 1), including:

- **BGRC001: 15m @ 16.8% TGC from 2m and 43m @ 18.9% TGC from 21m**
- **BGRC002: 35m @ 17.6% TGC from 4m**
- **BGRC003: 16m @ 18.2% TGC from 11m and 18m @ 18.7% TGC from 30m**
- **BGRC004: 15m @ 15.9% TGC from 2m, and 4m @ 28.3% TGC from 21m**
- **BGRC005: 43m @ 19.3% TGC from 65m**
- **BGRC007: 9m @ 19.4% TGC from 11m and 65m @ 14.6% TGC from 43m**
- **BGRC008: 28m @ 10.4% TGC from 8m**
- **BGRC009: 97m @ 11.4% TGC from 11m**

where TGC equates to "Total Graphitic Carbon" expressed as a percentage of whole rock sample.

Holes BRC005, BRC007 and BRC009 (refer Figure 3) ended in high grade graphitic schist.

Strike's Managing Director, William Johnson:

> *"The preliminary results of this initial drilling campaign are extremely encouraging, as they confirm that we have an extensive zone of extremely high-grade graphite that appears to be potentially amenable for low cost open pit mining.*
>
> *Strike is still awaiting the assay results and metallurgical analysis from core taken from hole BGDD001, which will provide further information regarding flake size distribution, recovery and expandability of the graphite – key factors in determining its ultimate marketability and value. Previous samples have however already confirmed the presence of Jumbo Flake Graphite, which typically attracts a premium to smaller flake sizes.*
>
> *Graphite has many industrial applications and demand is widely expected to expand rapidly as its increasingly used in newer technologies such as electric motor vehicle batteries and grid storage devices. The location of the Project is highly favourable with regards to infrastructure, being located in Queensland, directly adjacent to the sealed Burke Development Road Highway that runs south to the mining town of Cloncurry and with established rail and road access to ports in Townsville and Brisbane".*

1 Refer also Strike ASX announcement dated 9 November 2016: Strike Secures Graphite Project in Queensland

Burke Graphite Project – Maiden Drilling Programme

A maiden drilling campaign was undertaken by Strike to test the graphite mineralisation extension in the key Burke tenement EPM 25443. Drilling commenced on 24 April and was completed on 14 May 2017.

Total metres drilled were 735.2m (618m in 9 RC holes and 117.2m in one diamond core hole) spread across four cross-sections over a strike length of 500m (refer Figure 1 below).

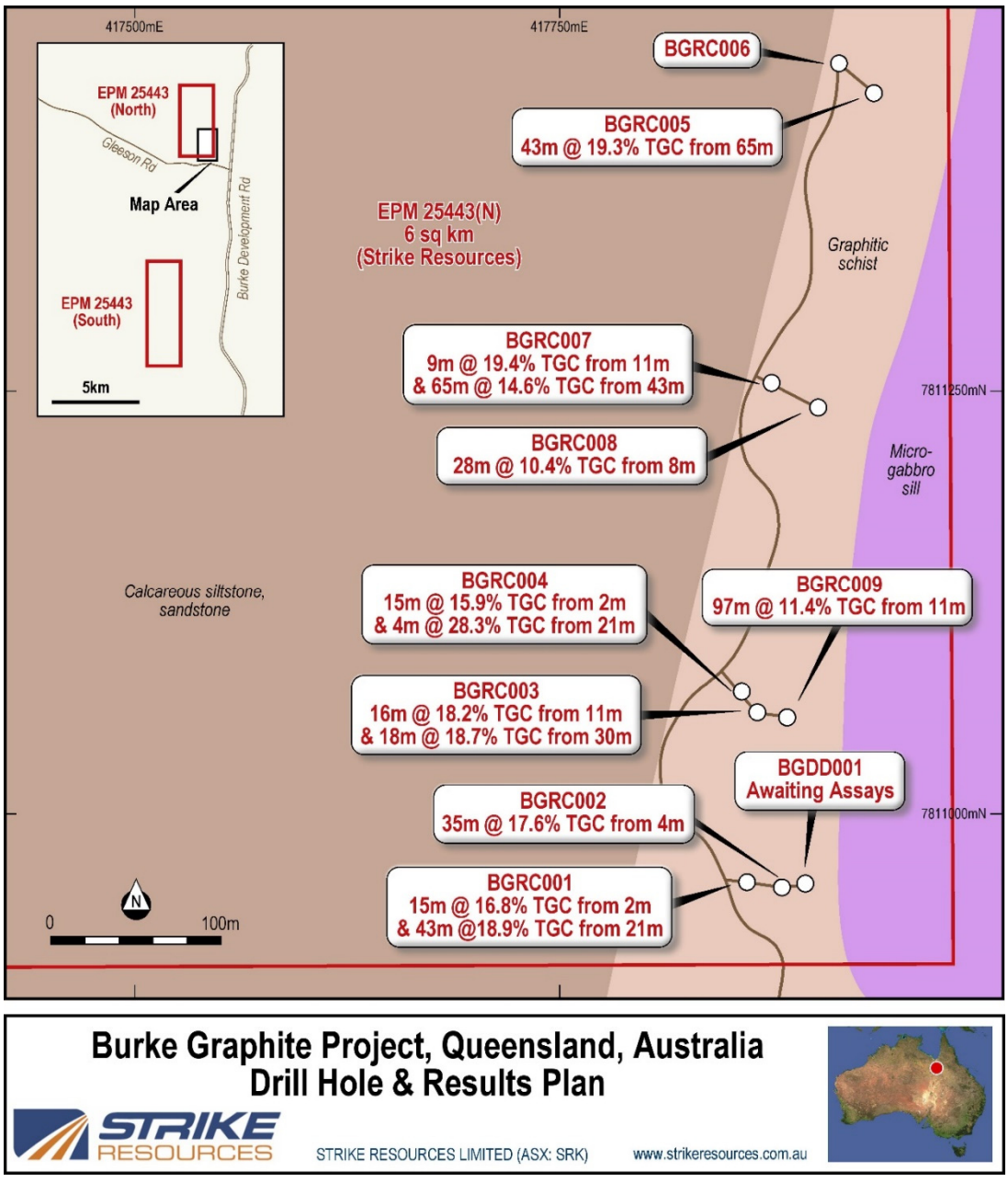

Figure 1 - Location Plan for April/May 2017 Drilling

As can be seen from the sections below (in Figures 2 and 3), the body of high grade graphite mineralisation is approximately 70m wide and commences at surface, dipping to the east and extending at least to 100m in depth.

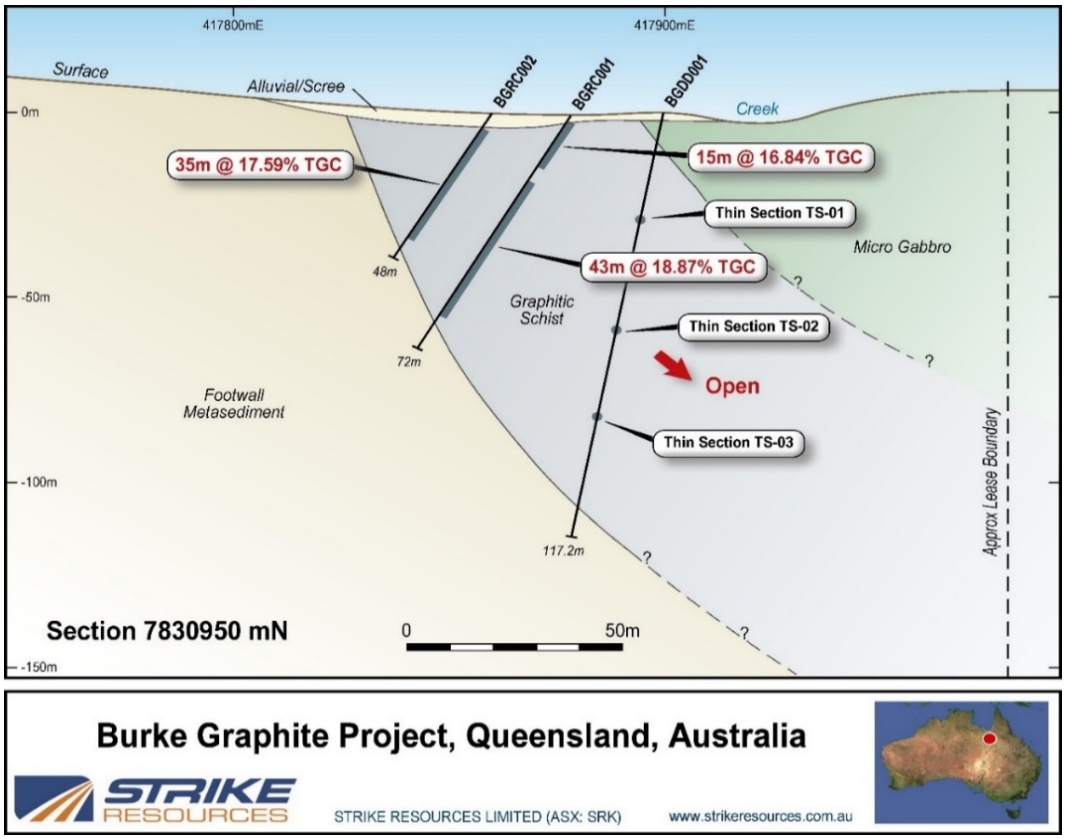

Figure 2 - Drillhole Cross Section 7830950mN

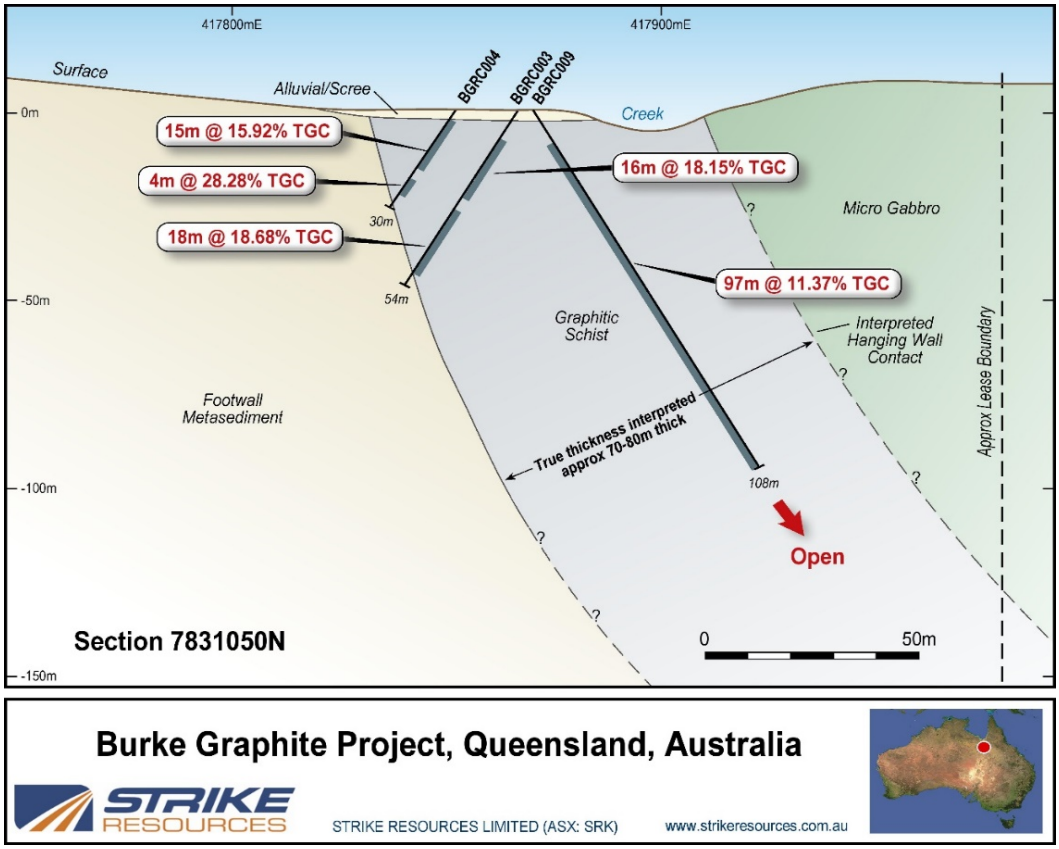

Figure 3 - Drillhole Cross Section 7831050mN

The results to date indicate wide, continuous high-grade (% TGC) graphite schists which from previous sampling have demonstrated large to jumbo flake size potential. The geometry of the mineralised zone and its occurrence from surface indicate potential for a low cost open pit mining operation.

The graphitic schist varies from a muscovite mica graphitic schist (lower grade) to a higher grade graphitic schist which exhibits alternating soft-friable and compact medium-hard graphitic schist bands. Pyrite veins and disseminations are observed in both zones along with minor calcite in the upper zone.

The composited graphite intersections encountered are reported in Table 1.

Table 1 - Significant Intersections Encountered

Drill Hole ID	FROM	TO	INTERSECTION	GRADE
	Metres	Metres	Metres	% TGC
BGRC001	**2**	**17**	**15**	**16.8%**
	21	**64**	**43**	**18.9%**
BGRC002	**4**	**39**	**35**	**17.6%**
BGRC003	**11**	**27**	**16**	**18.2%**
	30	**48**	**18**	**18.7%**
BGRC004	**2**	**17**	**15**	**15.9%**
	21	25	4	28.3%
BGRC005	**65**	**108**	**43**	**19.3%**
	11	20	9	19.4%
BGRC007	**43**	**108**	**65**	**14.6%**
BGRC008	**8**	**36**	**28**	**10.4%**
BGRC009	**11**	**108**	**97**	**11.4%**

Notes:

- *Intersections reported only if greater than 2 metres width and 10% or higher TGC.*
- *Intersections greater than 10 metres width are seen as highly significant and shown as **bold** in table above.*
- *BRG006 encountered graphite mineralisation, but below minimum 10% TGC reporting threshold.*

All RC holes were inclined at 60 degrees and the core hole was inclined at 80 degrees. Downhole deviation (GYRO) survey was performed on all holes and a downhole geophysical survey performed for diamond core hole BGDD001. Details of the collar location, azimuth, depth are reported in Table 2.

Table 2 - Drillhole Collars for April/May 2017 Programme

Hole ID	East	North	Elevation	Inclination	Azimuth(Grid)	Final Depth
	GDA94-MGA Zone 54		AHD	Degrees	Degrees	Metres
BGRC001	417873.8	7830952.7	141.4	-60	289	72
BGRC002	417860.7	7830957.1	142.1	-60	288	48
BGRC003	417867.1	7831059.1	142.3	-60	293	54
BGRC004	417852.3	7831066.6	142.6	-60	297	30
BGRC005	417937.0	7831423.9	146.5	-60	286	108
BGRC006	417910.8	7831441.3	148.1	-60	104	24
BGRC007	417868.8	7831254.9	146.7	-60	110	108
BGRC008	417901.0	7831237.8	143.1	-60	112	66
BGRC009	417869.0	7831058.1	142.2	-60	114	108
BGDD001	417894.8	7830945.7	140.5	-80	286	117.2

Whilst Strike is still awaiting assay results and Thin Section Petrology from diamond hole BGDD001, the drilling has confirmed the continuity of high grade (>10%) graphite mineralisation over 500m along strike in the NE-SW direction.

Annexure A contains the Checklist of Assessment and Reporting Criteria for Exploration Results under JORC Code (2012 Edition).

Next Steps

Strike has submitted 3 samples from the BGDD001 drill core (refer Figure 2) for thin section analysis with Townend Minerology (Perth, WA) to assist in defining the relationship of large graphite flakes and the overall graphitic schist. This information will assist in understanding the controls for the large flake distribution with the aim for developing a forward exploration work programme.

Strike has also selected representative metallurgical samples from the diamond drillhole BGDD001 for initial characterisation of the main graphitic schist for standard floatation and separation.

Figure 4 – Drilling rig in operation at Burke Graphite Project

About the Burke Graphite Project

Strike holds a 60% farm-in interest over two exploration tenements considered highly prospective for large flake graphite mineralisation.

Strike's Burke Graphite Project is located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km) (refer Figure 5).

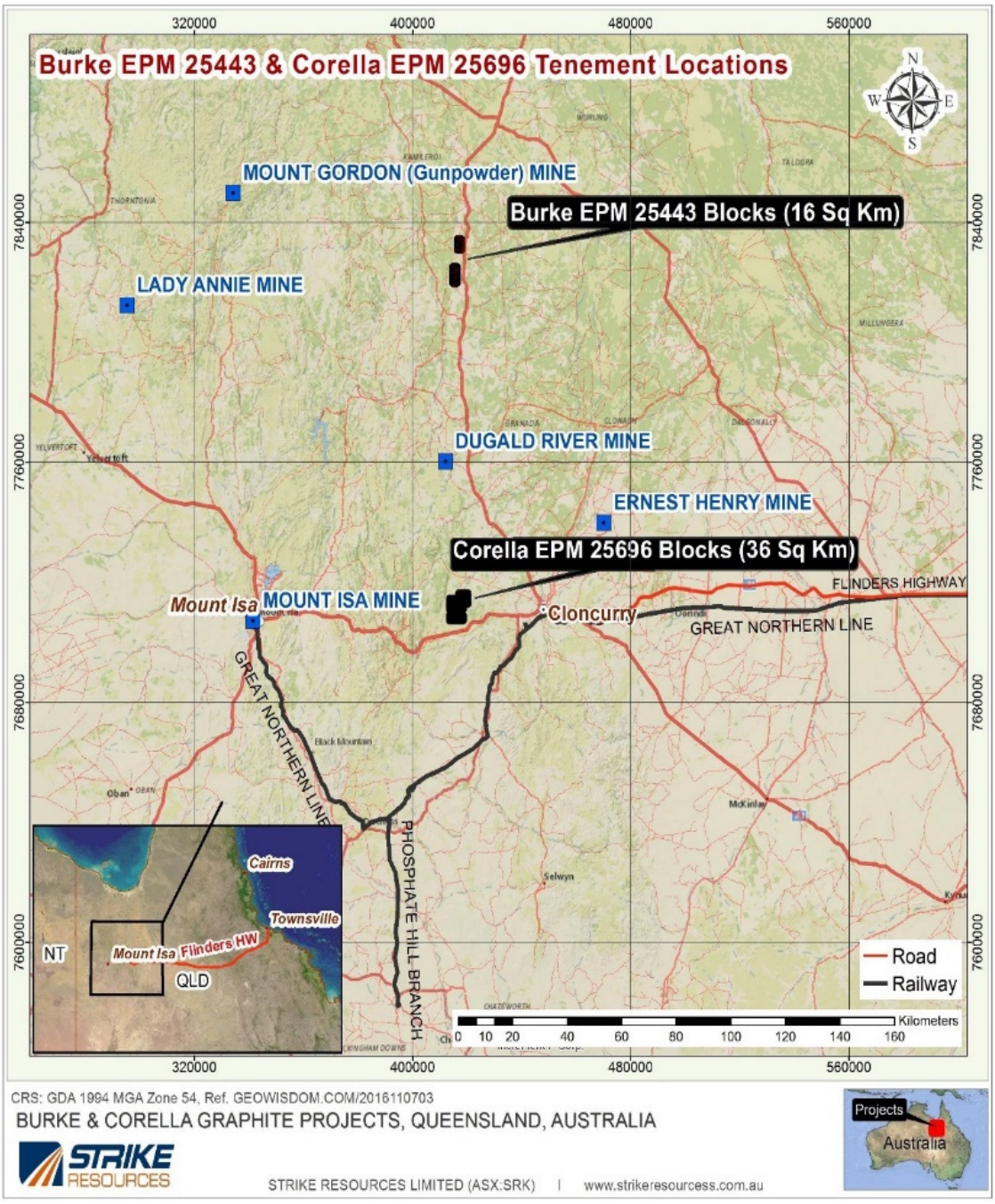

Figure 5 - Burke Graphite Project Tenement Location in North Central Queensland

The key Burke tenement EPM[2] 25443 (~16km^2) is immediately adjacent to the Mt Dromedary Graphite Project (refer Figure 6), one of highest-grade flake graphite deposits in the world, located in Australia, being developed by Graphitecorp Limited (ASX:GRA). GRA's Mineral Resource Statement for its Mt Dromedary deposit was released on ASX on 20 October 2016: Upgraded Independent JORC Mineral Resource Estimate.

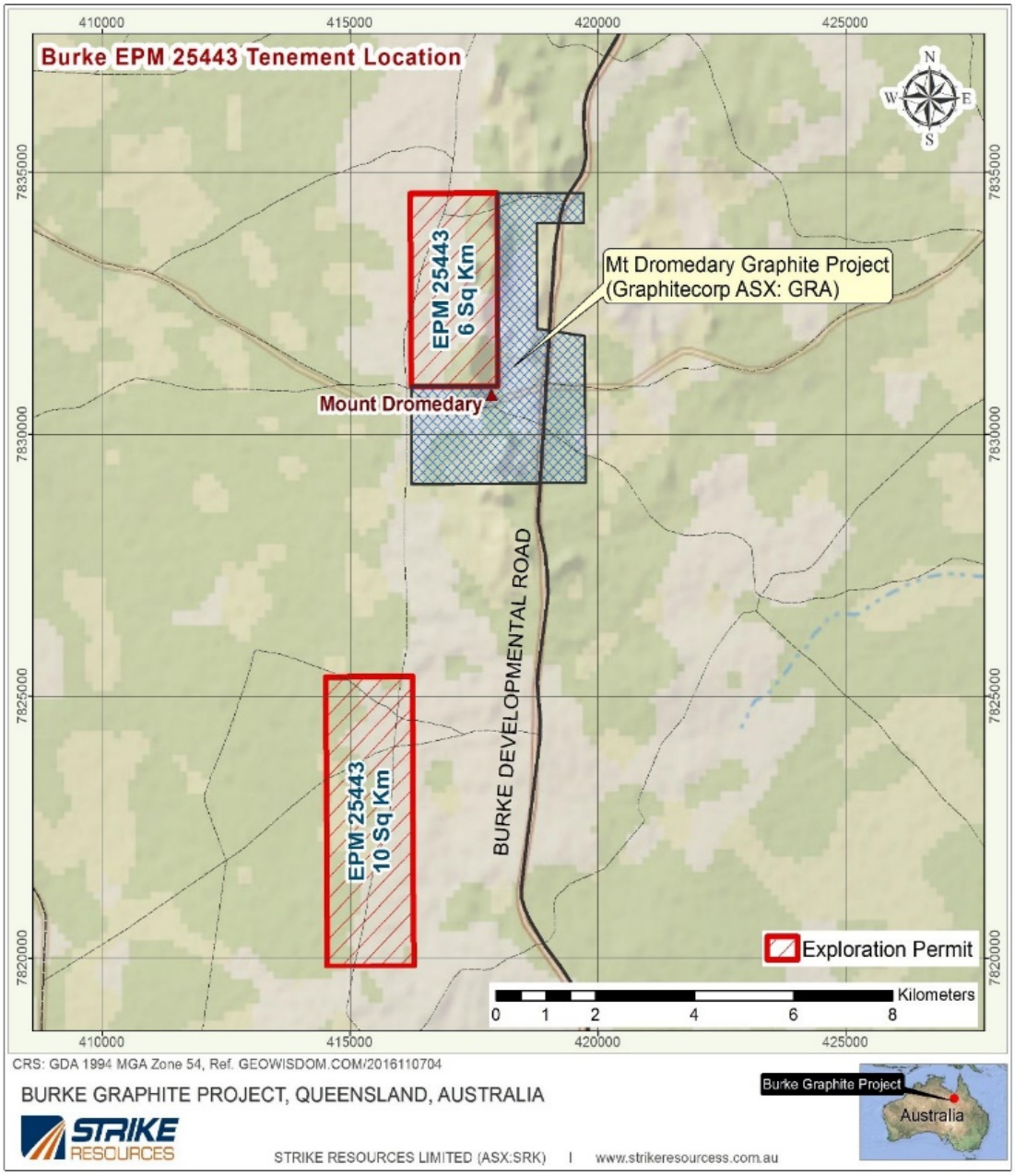

Figure 6 – Burke Tenement EPM 25443 Location

Geology

The Mt Dromedary Graphite occurrence was identified by previous exploration dating back to the 1970's and is hosted by a mapped graphitic schist[3] as a sub unit of the Corella Formation within the Mary Kathleen Group and is of Proterozoic age. The graphitic schists within Burke tenement EPM 25443 are intruded by the Black Mountain (1685-1640Ma) gabbro and sills with subsequent metamorphism to amphibolite grade during the Isan Orogeny (1600-1580Ma).

2 EPM means exploration permit for minerals

3 Reference: Queensland Department of Natural Resources and Mines

The Corella tenement EPM 25696 (~35km^2) also covers a sequence of mapped graphitic schists within the Corella Formation which have been intruded by gabbro dykes and sills and with subsequent metamorphism to amphibolite grade during the Isan Orogeny.

FOR FURTHER INFORMATION

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ABOUT STRIKE RESOURCES LIMITED (ASX:SRK)

Strike Resources is an ASX listed resource company, owner of the high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru and currently developing a portfolio of lithium and graphite exploration projects in Australia and Chile.

JORC CODE (2012) COMPETENT PERSON'S STATEMENT

The information in this document that relates to Exploration Results in relation to the Burke EPM 25443 and Corella EPM 25696 tenements is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (*Sydney*) AIG ASEG, who is a Member of The Australasian Institute of Geoscientists (AIG). Mr Smith is a consultant to Strike Resources Limited. Mr Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" (JORC Code). Mr Smith has approved and consented to the inclusion in this document of the matters based on his information in the form and context in which it appears.

ANNEXURE A

JORC Code (2012 Edition)
– Checklist of Assessment and Reporting Criteria for Exploration Results

Sampling Techniques and Data

SAMPLING TECHNIQUES AND DATA		
Criteria	**JORC Code Explanation Reference**	**Commentary**
Sampling techniques	• *Nature and quality of sampling (eg 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.* • *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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information.*	**Sampling Methodology – Diamond Drill Core** Detailed geochemical sampling was routinely conducted on a 1-metre interval basis of Quarter-Split Triple Tube HQ drill core collected from the Burke Graphite Project. The HQ Triple Tube Drill Core was initially split 50% using a diamond core saw cutting machine. Half-split core is being retained initially as aa visual reference or for use as a bulk metallurgical sample. The remaining Half-Core was then split 50% into Quarter-Core, again using a manual core saw. The Quarter-Split Core was routinely submitted for geochemical analysis. Samples analysed for %TGC by ALS method C-IR18 and for %TC by ALS method C-IR07. Sulphur was assayed for on drill core by ALS method S-IR08 The remaining Quarter-Split Core was used as a metallurgical sample. Selective Petrological sampling of some lithological units identified in drill core was undertaken. These petrology samples are by necessity a small sample, but were selected on the basis of being "typical" of the lithological unit from which they were collected. **Sampling Methodology – Reverse Circulation** Sampling of the RC drilling was done via a Cyclone with splitter unit attached to the drill rig, with samples taken every 1m. Samples analysed for %TGC by ALS method C-IR18, and for %TC by ALS method C-IR07
Drilling techniques	• *Drill type (eg core, reverse circulation, open hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, facesampling bit or other type, whether core is oriented and if so, by what method, etc).*	**Diamond Drill Core** Kelly Drilling was contracted to undertake the Diamond Drilling and supplied a Longyear GK850. HQ Triple Tube diamond core was selected as the optimum sampling method for drilling the graphite minerallised zones at the Burke Graphite Project, on the basis of maximising recovery of graphite, as the method minimises disturbance to core, limiting potential losses in drilling water. Drill core was oriented with a Reflex Act III orientation tool. **Reverse Circulation** Kelly Drilling of Cloncurry was contracted to undertake the reverse circulation drilling programme in April 2017. Kelly Drilling supplied a Schramm RC rig. The reverse circulation hammer bit had a measured diameter of 123mm. A larger diameter RC hammer was used to drill an initial pre-collar of 4m in the soil-colluvium profile, which was then cased off using PVC pipe to avoid unconsolidated material falling behind the drill rods. A combined Cyclone and Sample Splitter unit was fitted to the side of the drill rig. The Cyclone collected a 75% bulk sample in a big calico bag and a 25% sample in a small calico bag.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	**Diamond Drilling** Diamond Drill Core recovery was routinely recorded every drill run (core barrel of 3m), with overall recovery of > 92.5% achieved for the drillhole. An extensive suite of geophysical logging tools was run with sampling every 5cm downhole for density, conductivity, gamma, resistivity and also acoustic logs to verify the continuity of the graphite in zones of poorer recovery. **RC Drilling** Recovery from the Graphitic Schist zone was 100%.

SAMPLING TECHNIQUES AND DATA		
Criteria	**JORC Code Explanation Reference**	**Commentary**
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	**Logging Drill Core** Core was initially cleaned to remove drill mud and greases. The core was then orientated using "Top of Core" marks from the Reflex orientation tool, marked into 1m intervals and the core recovery recorded. The core was then photographed using high-resolution digital camera and then geologically logged. Geological logging of Drill Core was routinely undertaken on a systematic one-metre interval basis, recording the following geological data: 1. Core Recovery 2. Rock Lithology 3. Colour 4. Minerals 5. Texture 6. Hardness 7. Minerology 8. Oxidation 9. Graphite Content Geotechnical data was collected, including Rock Quality Designation (RQD), Fracture Density and orientations of structures such as faults, fractures, joints, foliation, bedding, veins recorded. The Specific Gravity was collected using an *Archimedes Principle* water displacement device. The core was then split into one half and then into 2x quarters using a manual core saw. One ¼ split core was used for geochemical analysis and the other ¼ split core used for bulk Variability metallurgical testing. The core was then stored in a secured container in Mt Isa. **Logging – Reverse Circulation Drilling** Geological logging of reverse circulation drill chips was routinely undertaken for each 1-metre interval using similar procedures to core logging (described above). Visual record samples were collected from the large bulk sample and contents placed into a 20-compartment plastic tray. Each chip tray was photographed using a high-resolution digital camera.
Subsampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all subsampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	One-metre intervals of Quarter-Split Drill Core and RC Drill Chips were submitted into *ALS Minerals* sample preparation laboratory in Mount Isa. Geochemical analysis was subsequently performed at *ALS Minerals* laboratory in Brisbane. Geochemical analysis was by analytical *Method C-IR 18 Total Graphitic Carbon, Method C-IR07 Total Carbon, Method S-IR088 Total Sulphur.* No work has been completed to determine if sample size is appropriate to the grain size of the material being sampled, with grain size of the graphite being determined post drilling by combination of petrology and metallurgical analysis.
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.* • *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.*	**Geochemical Analysis** One-metre intervals of Quarter-Split Drill Core and RC Drill Chips were submitted into *ALS Minerals* sample preparation laboratory in Mount Isa. Geochemical analysis was subsequently performed at *ALS Minerals* laboratory in Brisbane. Geochemical analysis was by analytical *Method C-IR 18 Total Graphitic Carbon, Method C-IR07 Total Carbon,* The laboratory inserted its own standards, Certified Reference Material (CRM) plus blanks and completed its own QAQC. Whilst company standards, duplicates and blanks were routinely inserted every 10th sample.

SAMPLING TECHNIQUES AND DATA		
Criteria	**JORC Code Explanation Reference**	**Commentary**
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	The QA/QC protocols adopted for Burke Graphite drilling programme involved routinely inserting a Certified Graphite Reference Standard (7 different Standards used), duplicates or Blank sample into the tag book number sequence every 10 samples. The QA/QC sample density is considered to be more than adequate and is very robust. Additional QA/QC controls were also provided by internal laboratory repeats and standards. Laboratory performance and all reported analytical results was statistically evaluated using QA/QC monitoring software. All Certified Reference Materials reported within 1 Standard Deviation of the Certified value.
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	*M.H. Lodewyk Ptty Ltd* licensed surveyors of Mount Isa were contracted to accurately survey each drillhole collar to sub-metre accuracy, using a Differential Positioning System (DGPS) instrument, in the MGA Zone 54 projection. Downhole surveys were routinely collected every 6m, using a *Reflex* Gyro after completion of the hole, with surveying carried out both going into the hole (inside of rods), and also coming out of the hole. Results were averaged to determine the final drillhole deviation information.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	Data was routinely collected on a continuous one-metre interval basis. Samples were collected at one-metre intervals down each hole.
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.* • *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.*	**Drill Hole Orientation** Drill holes were designed to intersect graphite minerallisation at perpendicular to strike observed in outcrop. Geotechnical data, automatically collected by the *High Resolution Acoustic Televiewer* and classified by software confirms the foliation structures and indicate data collected from drill core is generally conformable with the schistose fabric foliation of the graphite mineralisation. **Core Orientation** Core orientation was routinely undertaken during drilling using a *Reflex ACT III* tool. The unit is attached to the top of the core inner tube barrel and initialiised. The unit is removed and the orientation marked on the Top of Core using a coloured paint marker or chinagraph pencil.
Sample security	• *The measures taken to ensure sample security.*	All samples were collected by Strike consultants, retaining chain of custody until delivery to laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits have been undertaken given early stage of exploration project. Strike technical staff will review and implement procedures as appropriate.

Reporting of Exploration Results

REPORTING OF EXPLORATION RESULTS		
Criteria	**JORC Code explanation**	**Commentary**
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *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.*	Exploration Permit for Minerals No 25443 “Mt Dromedary” was lodged with the Queensland Government Department of Mines and Energy on 2 December 2013. The tenement was granted on 4 September 2014 to Burke Minerals Pty Ltd, for a period of five years. Strike is earning into 60% of the licence.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	The Mount Dromedary graphite occurrences were first identified by Bill Bowes in the 1970’s. Mr Bowes was the manager of the nearby Coolullah Station. A few small pits were excavated and no further work was carried out. The Mount Dromedary area was explored by Nord Resources (Pacific) Pty Ltd (EPM 6961) from 1991-1999, Nord collected numerous rock chips and submitted them for petrological and preliminary metallurgical appraisal by *Peter Stitt and Associates.* The preliminary flotation studies were encouraging and indicated 60-70% flake graphite (>75um size), whilst the floatation techniques utilised failed to achieve suitable recoveries. CRAE Exploration entered into a JV with Nord focusing on Copper exploration, and also did further rock chip sampling and trenching. CRAE’s internal Advanced Technical Development division did a brief petrographical review which indicated the samples were predominately < 75um. Based on this advice exploration activity by CRAE for Graphite ceased.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Mt Dromedary Graphite project on EPM25443 was identified by previous exploration dating back to the 1970's, and is hosted by a mapped graphitic schist (Qld Dept NRM) as a sub unit of the Corella Formation, within the Mary Kathleen Group and is of Proterozoic age. The graphitic schists within the Burke Minerals EPM 25443, are intruded by the Black Mountain (1685-1640Ma) gabbro, and sills, with subsequent metamorphism to amphibolite grade during the Isan Orogeny 1600-1580Ma. The Corella Graphite Project EPM 25696 also covers a sequence of mapped graphitic schists within the Corella Formation, which also have been intruded by gabbro dykes and sills, with subsequent metamorphism to amplibolite grade during the Isan Orogeny 1600-1580Ma. At both Projects the style of mineralisation sought is crystalline graphite within the graphitic schists
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* o *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* of *hole length.* • *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.*	Holes were orientated to intersect outcropping graphitic schists with a dip angle of 60o,, the drillhole azimuth was aimed to perpendicular intersect graphite beds. Downhole surveys were taken with the Reflex Gyro every 6m. With the survey being done within the drill rods, by running the Gyro down the inside of the rods at the end of the drillhole, surveying going down and coming out of the hole. **Diamond Drill Core** Diamond core drilling was undertaken and HQTT core recovered in 3m core barrels. Core orientation was routinely undertaken during drilling using a *Reflex ACT III* tool. **Reverse Circulation** The reverse circulation hammer bit had a measured diameter of 123mm. A larger diameter RC hammer was used to drill an initial pre-collar of 4m in the soil-colluvium profile, which was then cased off using PVC pipe to avoid unconsolidated material falling behind the drill rods. Full details of the collar location, azimuth, depth are reported in Table 2.

REPORTING OF EXPLORATION RESULTS		
Criteria	**JORC Code explanation**	**Commentary**
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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Graphite intersections were aggregated into composited mineralised intervals on the basis of >2m widths and >10% TGC for "High Grade". Intersection widths of >10m and >10% TGC were regarded as "highly significant". The composited graphite Intersections are reported in Table 1.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	Foliation structural data from the borehole televiewer and structural core measurements indicates the graphite mineralisation was intersected orthogonally down-dip and is close to true width. The graphite schist is relatively undisturbed other than broad folding, offset faulting and tithe foliation is interpreted to represent original bedding.