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ASX Symbol

MRFL, MRFO, MRFOA

EXTREMELY HIGH GRADE GRAPHITE RESULTS FROM DHE228-01 CONTACT ZONE – MINERALISATION CONTINUES IN DHE228-04 HOLE

MRL Corporation Ltd ("MRL" or "the Company") is pleased to provide an update on the analytical results and drilling program within EL228, Sri Lanka.

Highlights:

- **Extremely high grade analytical results from contact chill zone of DHE228-01 diamond hole up to 99.2% TC (Total Carbon)**
- **Mineralisation continues in DHE228-04 towards second shaft.**

MRL Corporation Ltd ("MRL" or "the Company") is pleased to provide further analytical results from the contact zone graphite intersections of DHE228-01 diamond drill hole (refer Appendix 1).

Assay results from the DHE228-01 contact chill zone where graphite mineralisation meets the host rock have returned extremely high results up to 99.2% TC. The result was unexpected as normally contact graphite averages ~85% TGC however although the results are not representative of the entire orebody they indicate the possibility of extremely high grade pods within graphite mineralised zones.

Drill hole DHE228-04 has intersected four graphite fingers at 30.59m, 35.8m, 38.05m and 38.7m at a shallower depth than anticipated however in line with the second shaft to the south west. Intersections will not be analysed as they are not of sufficient widths to be representative of the thicker zones, such as intercepted in DHE228-01. Figure 1 indicates the diagrammatic view of the expected Pandeniya mineralisation.

The intersections show continuity of veining between the shafts and the possibility of a much longer strike length than anticipated. Following the completion of DHE228-02 & 03 deeper diamond holes under the Bopitiya site up to three additional shallow holes may be drilled over the Pandeniya zone. The additional holes are likely to be sufficient to provide engineering staff the information required to apply for a mining permit over this area and precede towards mining.

Further drilling results will be released as each drill hole is completed.

About Sri Lankan Lump/Vein Graphite

Sri Lanka is famed for being the only producer of crystalline vein graphite (lump or Ceylon graphite), the highest quality of naturally occurring material in the world. The quality of vein graphite produced in the country has a purity level in excess of 90% C (Carbon as Graphite) Which means little upgrading and processing is required to make high quality saleable product.

Reference: Industrial Minerals Natural Graphite Report 2012

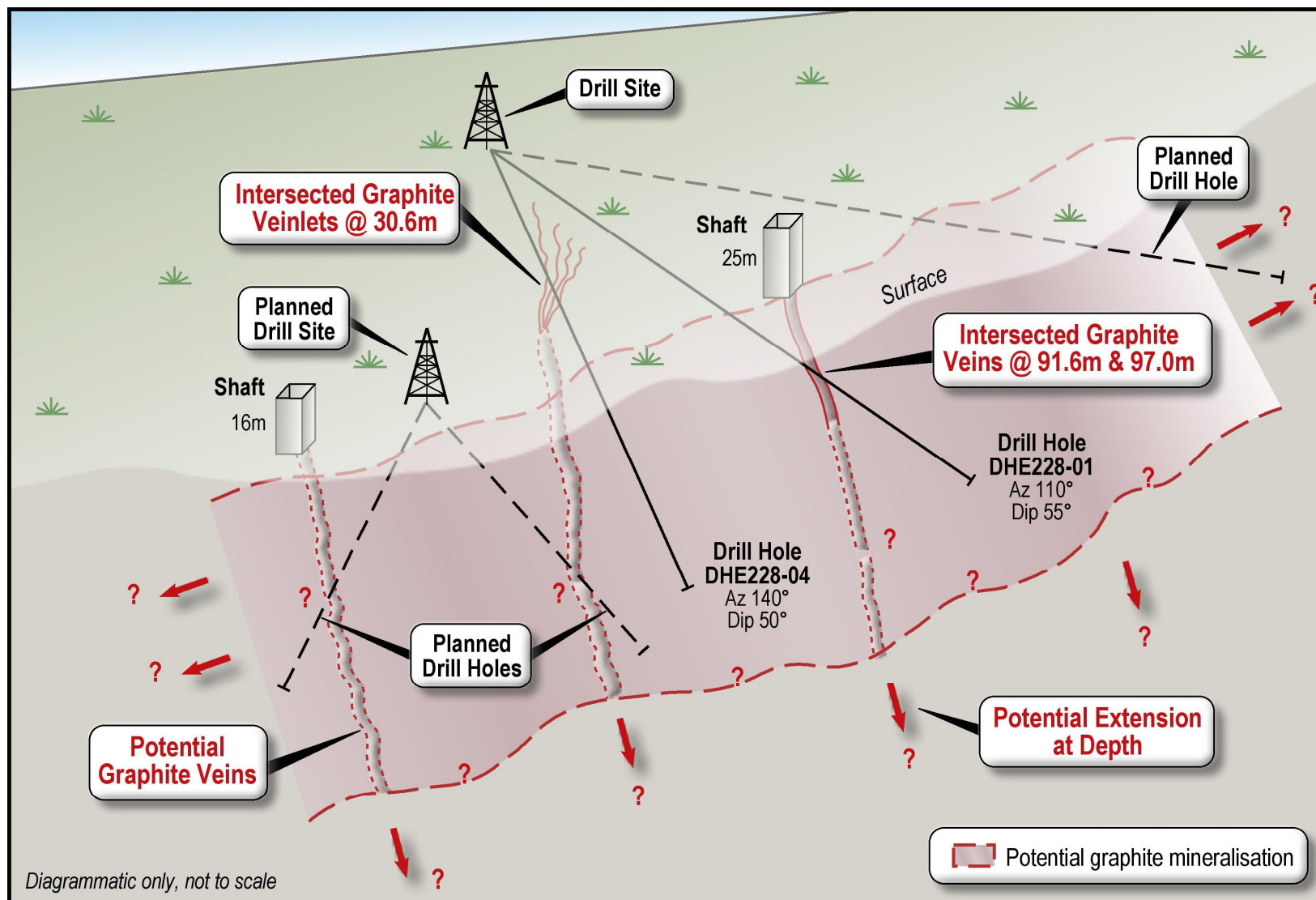
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Figure 1 – 3D Diagrammatic view of Pandeniya Mineralisation



Information in this report relating to Metallurgical interpretation, analysis, mineral distribution and recommendations has been compiled by Mr Denis Geldard, MAusIMM in consultation with Dr Slobodanka Vukcevic, Senior Metallurgist at Nagrom the Mineral Processors. Dr Slobodanka Vukcevic has sufficient experience and expertise relevant to this type of test work through her job experience and expertise and qualifies as a competent person in the field of metallurgy. Mr Geldard consents to the inclusion in the report of the matters based on the information reported in the form and context in which it appears.

Information in this report relating to Exploration Results is based on information compiled by Mr Denis Geldard, MAusIMM working in consultation with consulting Geologist Mr Gary Powell, MAusIMM and MRL's Senior Sri Lankan Geologist who has 35 years of vein graphite experience in Sri Lanka. Their experience is relevant to the type of deposit under consideration. Mr Geldard is signing as competent person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Geldard consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Appendix 1 -

Drill Hole	Sample Test #	Intersection :	TC% **	TGC% **
DHE228-01	2A/2B Sample Graphite	97m to 97.9m contact zone	99.1	98.5
DHE228-01	2C Sample Graphite		99.2	98.2
DHE228-01	2D Sample Graphite		97.5	97.3
DHE228-01	2E Sample Graphite		97.4	97.2
DHE228-01	2F Sample Graphite		98.2	98.0
DHE228-01	2G Sample Graphite		98.0	97.5
DHE228-01	Sample Graphite		96.8	96.7
DHE228-01	Sample Graphite		90.7	90.1
DHE228-01	2J-2M comp Graphite		46.0	45.5
DHE228-01	2N Sample Graphite		95.2	93.9

****Note – Analytical results in Appendix 1 and photo below are from the contact zone and not representative of the entire mineralised zone.**



JORC TABLE 1 Report for EL228 Warakapola Pandeniya location
Section 1 Sampling Techniques and Data

<i>Criteria</i>	<i>Explanation</i>
Sampling techniques	<ul style="list-style-type: none"> Diamond core is collected and stored in core trays of 5m per tray. Vein graphite is readily identified visually (black in colour) and intersections recorded accordingly. Intersections will then be cut using a small hand held diamond saw under the supervision of MRL's Senior Sri Lankan Geologist and prepared for transport to Nagrom (Australia) for analysis.
Drilling techniques	<ul style="list-style-type: none"> DH1 drill hole was drilled using NQ Double Tube (NQ2) due to lack of available NQ Triple Tube (NQTT) Diamond Drilling equipment in Sri Lanka at the start of the drilling campaign. All future drilling will be undertaken utilising NQ Triple Tube (NQTT) drilling.
Drill sample recovery	<ul style="list-style-type: none"> Diamond core recovery is recorded between core runs and recorded by the geological crew in the Core Logging Record. The unconsolidated surface material will be drilled using rotary wash method until competent material is intersected
Logging	<ul style="list-style-type: none"> All holes are logged on site by MRL geological personnel under the supervision of MRL's Senior Sri Lankan Geologist, using MRL's Core Logging Procedure Manual. Logging will record geological and geotechnical observations, and is undertaken on a continual basis throughout the entire drill hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Half-core intersections of Vein Graphite will be submitted for analysis to Nagrom laboratories in Perth Western Australia. The remaining half-core is stored in the core boxes. DH1 samples were NQ2, all future samples will be NQTT.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> All Vein Graphite core intersections will be analysed by Nagrom the Mineral Processors in Perth Western Australia. Nagrom will follow industry practice QA/QC procedures to ensure high quality sample assurance. Certified Sample Standards will be inserted routinely into sample analysis.
Verification of sampling and assaying	<ul style="list-style-type: none"> All diamond core will be logged and photographed by MRL geologists under the supervision of MRL's Senior Sri Lankan Geologist. Independent consulting geologist Mr Gary Powell visited the MRL Pandeniya / Bopitiya site during June & July and will return on a regular basis to oversee QA.
Location of data points	<ul style="list-style-type: none"> All drill locations have been positioned using hand-held Garmin GPS systems. MRL has completed a full topographical survey of the Pandeniya – Bopitiya area of approximately 65 Ha. All drill collars will be geo-referenced to the Sri Lankan Transverse Mercator Projection.
Data spacing and distribution	<ul style="list-style-type: none"> Drill holes have been orientated in a position to intersect the expected vein mineralisation (based on historical shafts / adits and geophysical information) at the optimal angle for evaluation, whilst minimising land disturbance.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Diamond Core Drill holes are designed to intersect potential graphite vein mineralisation perpendicular to strike, wherever possible, whilst taking into account expected deviation in dip and azimuth.
Sample security	<ul style="list-style-type: none"> Core Samples are collected and stored in core trays under the supervision of MRL geological crews and then transported at the end of each day, and secured in a locked container at the MRL site facility for further detailed logging. Security is managed by MRL's Senior Sri Lankan Geologist and the MRL country General Manager.
Audits or reviews	<ul style="list-style-type: none"> A review was undertaken by Mr Gary Powell of all procedures, including retrieving of core samples from the core tube, through to logging and storage of core samples, during a recent visit to Sri Lanka during drilling activities. Mr Powell will undertake further reviews into the future.

Section 2 Reporting of Exploration Results

Criteria	Explanation																																				
Mineral tenement and land tenure status	<p>The Warakapola / Bopitiya / Pandeniya project exploration license areas EL228 are 100% owned by MRL Graphite (Pvt) Ltd. The exploration Licenses when granted have a two year term which can be renewed prior to the 2 year anniversary.</p> <table><tr><th>License No.</th><th>MRL Interest</th><th>Status</th><th>General Location</th></tr><tr><td>EL/225</td><td>100%</td><td>Granted</td><td>Central</td></tr><tr><td>EL/226</td><td>100%</td><td>Granted</td><td>Central</td></tr><tr><td>EL/227</td><td>100%</td><td>Granted</td><td>South Central</td></tr><tr><td>EL/228</td><td>100%</td><td>Granted</td><td>Central</td></tr><tr><td>EL/231</td><td>100%</td><td>Granted</td><td>South West</td></tr><tr><td>EL/243</td><td>100%</td><td>Granted</td><td>Central</td></tr><tr><td>EL/244</td><td>100%</td><td>Granted</td><td>South West</td></tr><tr><td>EL/262</td><td>100%</td><td>Granted</td><td>Central</td></tr></table> <ul style="list-style-type: none">MRL Corporation Ltd has informed Mr Powell all granted licenses are in good standing and comply with the reporting requirements of the exploration licence.	License No.	MRL Interest	Status	General Location	EL/225	100%	Granted	Central	EL/226	100%	Granted	Central	EL/227	100%	Granted	South Central	EL/228	100%	Granted	Central	EL/231	100%	Granted	South West	EL/243	100%	Granted	Central	EL/244	100%	Granted	South West	EL/262	100%	Granted	Central
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Exploration done by other parties	<ul style="list-style-type: none">Initial Exploration and Review of the Warakapola / Bopitiya / Pandeniya project was carried out by Geological Survey and Mines Bureau (GSMB) Technical Services (Pvt) Ltd with reports provided to MRL. MRL has established a regional office in the EL228 area to support the company geologists and underground exploration crews.Historical mining has taken place with several shafts and adits evident.																																				
Geology	<ul style="list-style-type: none">Warakapola / Bopitiya / PandeniyaGeologically, the area covered by the selected grid units belong to the Wannu Complex of Sri Lanka. The Wannu Complex is mainly characterised by thick sequences of orthogneisses, comprising amphibolite, migmatitic, granitic and granodioritic gneisses. These rocks represent a series of antiformal and synformal structures. A characteristic feature of the exploration area is the alignment of identified abandoned graphite mines / pits within a NNW-SSE trending corridor,.(GSMB 2013)																																				
Drill hole Information	<p>Planned Diamond Core Drill Holes</p> <table><tr><th>Drill Hole</th><th>Easting</th><th>Northing</th><th>Dip / Azimuth</th><th>Hole Depth</th><th>Comments</th></tr><tr><td>DHE228-01</td><td>135,857</td><td>219,465</td><td>55 °/ 109°</td><td>125m</td><td>Completed</td></tr><tr><td>DHE228-02</td><td>135,950</td><td>219,250</td><td>50 °/ 115°</td><td>300 - 325m</td><td>Setup</td></tr><tr><td>DHE228-03</td><td>136,375</td><td>219,052</td><td>50 °/ 295°</td><td>300 - 325m</td><td>Planned</td></tr><tr><td>DHE228-04</td><td>135,857</td><td>219,465</td><td>50 °/ 140°</td><td>125m</td><td>Drilled</td></tr></table> <ul style="list-style-type: none">All Diamond Core Drill holes are planned to be accurately surveyed for dip and azimuth using a GlobalTech Pathfinder multi-shot, electronic, down hole survey tool.A GlobalTech core orientation tool is being used to orientate the core during the drilling.	Drill Hole	Easting	Northing	Dip / Azimuth	Hole Depth	Comments	DHE228-01	135,857	219,465	55 °/ 109°	125m	Completed	DHE228-02	135,950	219,250	50 °/ 115°	300 - 325m	Setup	DHE228-03	136,375	219,052	50 °/ 295°	300 - 325m	Planned	DHE228-04	135,857	219,465	50 °/ 140°	125m	Drilled						
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Data aggregation methods	<ul style="list-style-type: none">Intersections of diamond core containing vein graphite will be visually selected for analytical testing with accurate lengths recorded to ensure 100% of mineralisation is analysed and reported.																																				
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none">Planned Drill hole orientation is based on observations from historical shafts / adits and geophysics, and planned to intersect any vein graphite mineralisation as close to perpendicular as practical.																																				
Diagrams	Appendix 1 – Analytical results for DHE228-01 contact zone Refer Figure 1 Diagramatic view of Pandeniya mineralisation																																				
Balanced reporting	<ul style="list-style-type: none">MRL Corporation Ltd will endeavour to produce balanced reports accurately detailing the results from any exploration activities.																																				
Other substantive exploration data	<ul style="list-style-type: none">No other substantive exploration data is available at this time.																																				
Further work	<ul style="list-style-type: none">MRL Corporation Ltd intends to complete further site investigations on its other licenses. Following the completion of this drilling program MRL will evaluate the results and plan the next phase of exploration for the Pandeniya / Bopitiya exploration location.																																				