

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 20 AUGUST 2014

SIGNIFICANT GRAPHITE DISCOVERY AT PENCIL HILL PROJECT IN BOTSWANA

The Board of Bisan has been advised by Q-Pene (Pty) Ltd that it has encountered significant visual graphite mineralization in the two Drill Holes completed, and intercepted graphite totalling 95m in Hole One and 86m in Hole Two at the “Pencil Hill” new Graphite discovery in Botswana.

The two diamond Holes were drilled 50m apart and intersected wide graphite mineralization, as part of Bisan’s due diligence program. The core samples have been sent to an independent laboratory for analysis.

The Prospecting Licence (PL) covers an area of 830 sq km with a potential strike of 25km within the licence area.

Details:

Hole One: intersected 95m of visible graphite as follows:

- 5m of visible Graphite from 8m depth; and
- 90m of visible graphite from 15m depth.

Hole Two: intersected 86m of visible graphite from 35m depth.

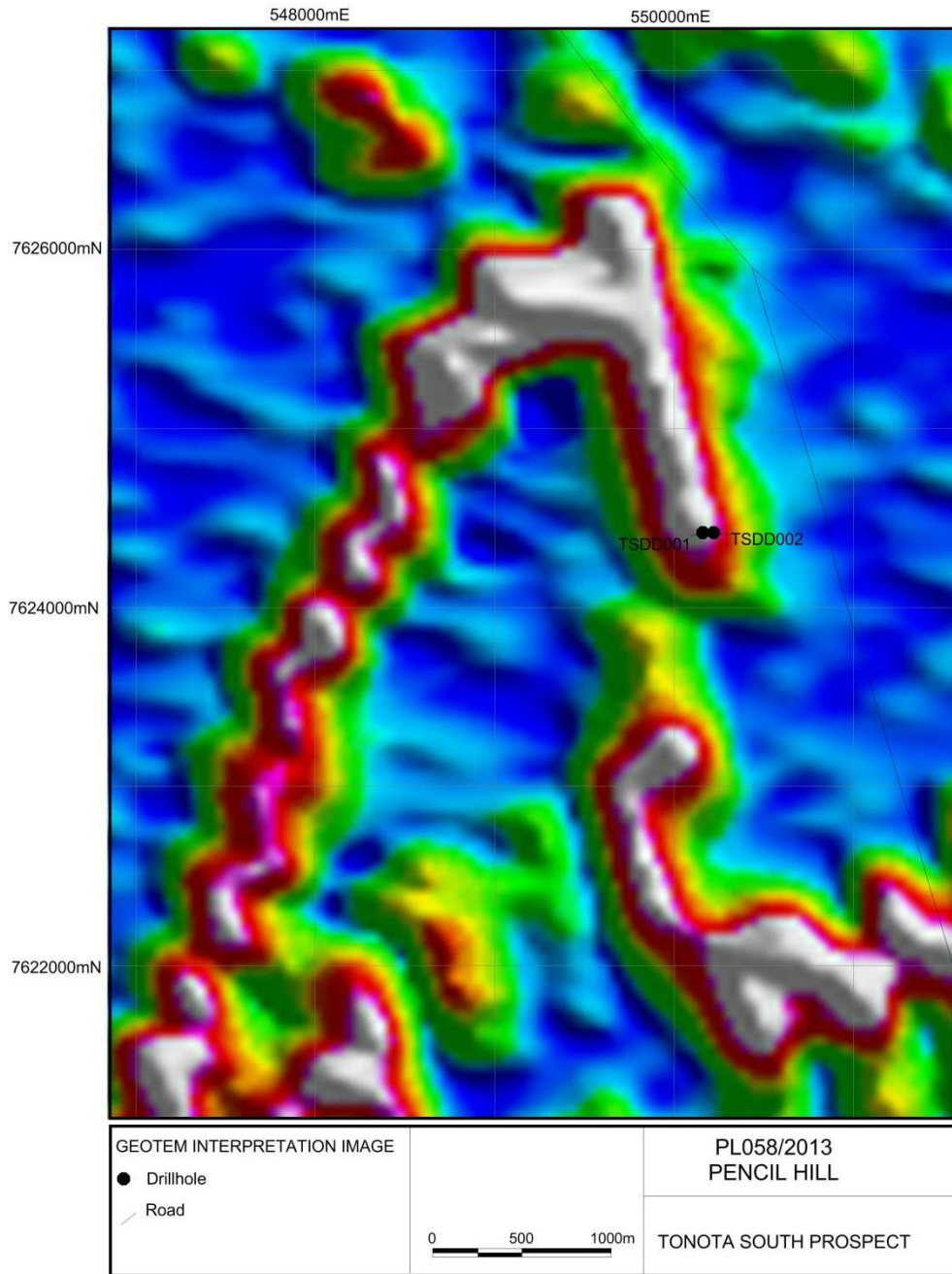
Drill Hole Details

Both Hole One and Hole Two were drilled to a depth of 200m at 60 degree inclination to test on both geophysics and Satellite imagery interpretations.

The holes were drilled 50 m apart to cut across the anomalies .

Figure 1:Location map of the two recently completed diamond holes 50M apart over the Geotem data that shows a potential strike of 25km within the licence area.

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HOLE-ID	EASTING	NORTHING	HOLE DEPTH	DIP	AZI	Type
Hole One	550160	7624420	200	60	270	Diamond
Hole Two	550220	7624420	200	60	270	Diamond

Independent Laboratory Analyses

The core is being split into half core for independent laboratory assaying.

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Also five (5) samples will be sent to SGS of South Africa for Flake size investigation and the rest of the intersects will be tested for Total Graphitic Carbon (TGC).

QPene (Pty) Limited is the 100% owner of Pencil Hill and is pleased to advise that the visual logging of the 2 diamond holes drilled confirms the discovery of substantial graphite mineralisation.

The Pencil Hill Prospecting Licence covers an area of 830.2 square kilometers.

Reconnaissance survey identified an Amphibolitic body, which from recent drilling host both the Marble and Graphite mineralisation.

The Amphibolite marker body was identified on satellite imagery and extends along strike for at least 25 kilometres within the licence area.



Picture 1: shows graphite in the diamond core cut for preparation for laboratory analysis.

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Picture 2: sample of the diamond drill core intercepting graphite.

Further work is now planned along the identified Amphibolite to identify the full width and continuity of the graphitic zones

Should Bisan agree to acquire an interest in the Pencil Hill Project, then the funds invested will be used to expedite an exploration program with more drilling planned to test the significant graphite potential zone of at least 25km and will include:

- Additional drill holes (RC) to test both the thickness and the whole prospect.
- Core cutting for lab assaying for both graphitic carbon, multi element geochemistry to identify associated economic mineralization.
- Detailed mapping of the prospect and systematic trenching to reveal near surface mineralization and structures.

The results will be released to the market when available and will be considered by the Board when determining if Bisan will acquire an initial interest of 30% with the first right of refusal to increase to 51%. (refer ASX announcement 23 July 2014).

The Directors of Bisan are pleased with the due diligence to date and when the independent lab results are at hand a decision will be made whether to proceed with the acquisition and shareholders will be informed.

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All the necessary statutory and regulatory approval will be obtained in the event that the Company proceeds with an investment in Pencil Hill.

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr Nico Scholtz who is a Professional Geologist with the South African Council for Natural and Scientific Professions (SACNASP). Mr Scholtz is a consulting Geologist appointed by Bisan to conduct the exploration required by Bisan on the QPene (Pty) Limited Pencil Hill project. Mr Scholtz 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 Exploration Results, Mineral Resources and Ore Reserves'. Mr Scholtz consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Pat Volpe
Chairman

Disclosures

Pat Volpe is a Director and major shareholder of Bisan and Q-Pene. In view of Mr. Volpe's interests, when required by the Corporation Acts or the ASX Listing Rules, Mr Volpe has not participated and will not participate, in any deliberations of the Board of Directors or any vote by shareholders.

Appendix 1

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	The drill results included in this report were obtained from Diamond drilling. Diamond holes were drilled 50m apart East-West direction to provide quantitative information on structure, physical properties and extent of mineralization. Holes were drilled -60 degrees towards UTM West.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Drillhole locations were picked up using a Differential GPS and reported using World Geodetic System (1984 Spheroid and Datum Zone 35 south)
	<i>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.</i>	Diamond core samples are prepared as half core using diamond impregnated blade core saw. Sampling is based on geological contacts and generally sampled at 1m interval
Drilling	<i>Drill type (eg core, reverse circulation,</i>	The Diamond drill holes were drilled with HQ

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Technique open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).

Core size collar (Pre collar to around 20mbdepth) and NQ core size to the end of hole. Core is orientated using spear method

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<i>Drill sample recover</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Core Recovery below the limit of oxidation is about 95 %. Core recoveries are measured and compared with drill depths to sample sample recoveries at every run.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	From the core barrel, core is reconstructed on core trays and the orientation marked. Depth are checked against the depth given on the core blocks and rod count are carried out by drillers and technicians on site.
	<i>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.</i>	Extensive Diamond and RC drilling will be carried out as part of the program to confirm QAQC parameters of the sample material.

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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.

Geological logging is carried out on holes for the full mineral assemblage that can be identified in hand specimen, in addition to texture, structure and estimates of graphite Content.

Geotechnical logging is carried out on all diamond drill holes for recovery, RQD and core physical properties .

Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored

in the structure table of the database.

The mineralogy, textures and structures are recorded by the geologist into a digital data file at the drill site, which are sent to main office in Phikwe for validation and archiving.

Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.

Logging of RC and Diamond drill holes includes recording lithology, mineralogy, mineralisation, weathering, colour and other features of the samples. Diamond core trays are photographed both wet and dry. Geological descriptions of the mineral occurrence and abundance are semi-quantitative.

The total length and percentage of the relevant intersections logged.

The complete drill hole was logged in full

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Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Diamond core will be cut into half core using a diamond impregnated core cutter. Half core is sampled at 1 m interval or less will be submitted to the lab labeled.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	The sample preparation of the diamond core samples follows industry best practice in sample preparation involving oven drying (105oC), coarse crushing of the diamond core sample down to ~2 mm, split (500g) and pulverizing to a grind size of 85% passing 75 micron
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Duplicates and field blanks are inserted at every 20 th sample. QAQC samples are submitted core samples.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Field duplicates are taken as half core splits.
	<i>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.</i>	The drill sample sizes are considered to be appropriate to correctly represent mineralisation at the Pencil Hill project based on the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	

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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.

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.

The analytical techniques to be used to analyse all samples for Graphitic Carbon, Total Sulphur, and Total Carbon on a Leco Combustion Infrared Detection instrument. Detection limits for these analyses are considered appropriate for the reported assay grades. In addition, selected drill samples will be analysed for multielement abundances using a fused disc digested in a four acid digest with ICP/OES or ICP/MS finish. The acids used are hydrofluoric, nitric per chloric and hydrochloric acids, suitable for silica based samples. The method approaches total dissolution of most minerals.

No any other tools were used to determine any element concentration.

Diamond core samples are submitted to the lab with blanks (2 per 60 samples) and field duplicates (5 per 100 samples). These QAQC samples represent 11% of the unknown samples analysed.

Sample preparation checks for fineness will be carried out by the laboratory as part of their internal procedures to ensure the grind size of 85% passing 75 micron was being attained. Laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, and repeats as part of their in house procedures. Repeat analysis for samples reveals that precision of samples is within acceptable limits. A selection of the 1/8th riffle split samples will be submitted assays to SGS and an independent laboratory as independent checks of the assay results.

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<p><i>Verification of sampling and assaying</i></p>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>The data were examined by the independent consultant Nico scholtz,</p> <p>No twinned holes were drilled.</p> <p>The primary data were audited and verified and then stored in a SQL relational data base.</p> <p>No data have been adjusted.</p>
<p><i>Location of data points</i></p>	<p><i>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.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>Drill holes were located using handheld GPS receivers with an accuracy of +/- 3m.</p> <p>The data were recorded in longitude/latitude WGS84.</p> <p>The grid system Pencil Hill Project area is World Geodetic System (1984 Spheroid and Datum; Zone 35 South).</p> <p>The terrain is largely flat.</p>

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Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>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.</i></p>	<p>The reported drill holes were drilled at 50m spacing and are first pass reconnaissance drilling only.</p> <p>No sample compositing has been applied.</p>
Orientation of data in relation to geological structure	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>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.</i></p>	<p>The drill lines are oriented at approximately 90 degrees to the strike of the mapped and geophysical I anomaly.</p> <p>Drill holes are inclined at -60 degrees and orientation of holes does not take into account the orientation of structures.</p>
Sample security	<i>The measures taken to ensure sample security.</i>	Samples are stored on site on a secure enclosure prior to shipping to SGS. A guard is assigned to the yard day and night.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>The data were examined by the independent consultant Nico Scholtz,</p> <p>The QAQC samples inserted will be analyzed and interpreted to qualify the mineralization</p>

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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<p><i>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.</i></p> <p><i>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.</i></p>	<p>Pencil Hill Project are located within PL058/2013 in the Central District, Botswana granted to QPene Pty Limited</p> <p>At this time the tenements are believed to be in good standing. There are no known impediments to obtain a license to operate and QPene has established a good working relationship with local stakeholders.</p>
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Minimal data was acquired from Botswana Metals Limited from their base metals exploration.</p> <p>Non was on graphite exploration</p>

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Criteria	JORC Code explanation	Commentary
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Pencil Hill praphite deposit is hosted within the rocks of the Kgarimacheng Formation. This is ultramafic schists, serpentinites, amphibolites, quartzites, semi-pelitic gneisses and meta-arkoses. Graphite mineralisation is hosted within graphitic shists and marbles within mafic amphibolites underlain and overlain by felsic gneiss and doleritic bodies. Graphatic mineralisation continuity along the amphibiltes and magnetic highs will be defined on the next program
Drill hole Information	<i>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. 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,</i>	A summary Table of the drill holes is attached.

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<p><i>Data aggregation methods</i></p>	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>Only original data are reported with no weighting averaging or grade truncations.</p>
<p><i>Relationships between mineralisation widths and intercept lengths</i></p>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>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').</i></p>	<p>The inclined drill holes are nominal reconnaissance drill program to varying dip direction of the identified magnetic body.</p>

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Criteria	JORC Code explanation	Commentary
<i>Diagrams</i>	<i>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.</i>	Plan view maps of the reported drill holes are included into this announcement.
<i>Balanced reporting</i>	<i>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.</i>	The reported drill holes are the first two of the drilling campaign. The samples are being prepared for shipping to SGS
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results;</i>	5 selected samples will be shipped to SGS for fake size investigation, Multi element assaying will be conducted on selected intervals. Geotechnical logging is routinely carried out on all

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*geochemical
survey results; bulk samples – size
and
method of treatment; metallurgical
test
results; bulk density, groundwater,
geotechnical and rock
characteristics;
potential deleterious or
contaminating
substances.*

diamond drillholes for
recovery, RQD and number of
defects (per interval).
Information on structure type,
dip, dip direction,
alpha angle, beta angle,
texture, shape, roughness
and fill
material is stored in the
structure table of the
database
Regional mapping is ongoing.

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Further work

The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.

Further work will be determined upon a full analysis and interpretation of results.