FOR RELEASE
11 September 2014

INITIAL SUBSTANTIAL GRAPHITE ASSAY RESULTS FROM NACHU

- **Initial assay results received from Blocks B, D, F & J**
- **High grade graphite intercepts on multiple blocks including**
  - **29m @ 8.1% Cg from 0m, including 3m @ 17.8% Cg (NARC080)**
  - **30m @ 9.7% Cg from 38m, including 9m @ 15.9% Cg from 53m (NARC074)**
  - **27m @ 8.7% Cg from 9m, including 6m @ 18.3% Cg (NARC057)**
  - **21m @ 9.5% Cg from 137m, including 8m @ 11.3% (NARC063)**
  - **18m @ 9.9% Cg from 7m, including 9m @ 15.6% Cg from 9m (NARC081)**
- **Over 14,100 metres drilled so far in 2014**
- **More assays expected in the coming weeks**
- **Maiden JORC Resource on track for November 2014**
- **2014 Core drill samples arrive for metallurgical test work**

Uranex Limited (ASX:UNX) is pleased to report initial 2014 graphite assays from its Nachu Graphite Project in Tanzania.

Outstanding drilling progress has been made since July 2014 and Uranex is on track to declare its maiden JORC Resource by November 2014.

The 2014 exploration drilling program has defined Blocks B, D, F and J as the initial resource focus areas. 122 drillholes including 106 Reverse Circulation (RC) and 16 Diamond core drillholes have been completed to date for a total of 14,180 metres drilled in the 2014 exploration and resource definition program. The initial assay selection has been extensive to cover all potential economic mining scenarios. Uranex has received 2,323 graphitic carbon assay results from this program to date, and from less than 20 percent of the total drilling.

The initial rapid drilling phase for exploration and resource purposes was completed on time on 30 August with an extension to drilling programs in September following up on potential mineralisation extensions, providing metallurgical study data and preparing samples for MOU partners and potential end users.

Drilling has confirmed graphitic schist and potential mineralisation is present in multiple horizons throughout the Nachu Graphite Project. Full structural interpretation and modelling is continuing using multiple drill hole intersects and evaluation of structural orientations measured from drill core. The summary of drilling and geochemical results received to date for the Nachu Graphite Project is described below.

CEO Dr Frank Houllis commented: “Today’s assays show Nachu is a world class project. Our project has proven its distinct advantage of having a high percentage of graphite flakes in the medium to jumbo categories. Recently in China it was repeatedly highlighted to us that there is a chronic shortage of large graphite flakes. With simple metallurgy we are able to produce a high grade marketable product.”

“With the exciting assays announced today we are taking all necessary steps to fast track our project into production.”

Core drill samples have arrived in multiple laboratories for metallurgical testing and to provide samples required by our partners in China. Samples provided in the near future are expected to convert the MOUs signed into binding offtake agreements.

Block F

The drilling completed to date in Block F includes 64 drill holes for a total of 8,560 metres drilled including 60 RC (7,637m) and 7 Diamond (923m). Two separate areas make up the Block F mineralisation. The main body appears to be a north-south anticline with moderate to steeply dipping limbs and mineralised horizons either side of a central mineralised hinge zone and a limb or body to the south-east that appears to be moderately dipping to the east. In the main body the 200 metre spaced sections are completed at a nominal 50 metre drillhole spacing while the south-east body has been drilled at a nominal 100 metre by 50 metre drill spacing. Completed drilling locations for Block F are depicted in Figure 1. Geological modelling of the multiple overlying mineralised horizons is ongoing with the main area with mineralisation appearing to be open to the north and south of the already drilled 800 metre long strike. Although only a few holes worth of geochemical assays have been received for Block F the results are encouraging.

Significant geochemical assay intercepts using a 5% Cg cut-off for Block F include…

- **NARC063 55m @ 5.6% Cg from 12m**
- **NARC063 21m @ 9.5% Cg from 137m including 8m @ 11.3% Cg from 139m and 6m @ 10.7% Cg from 152m**
- **NARC064 13m @ 5.9% Cg from 18m**
- **NARC065 18m @ 6.5% Cg from 12m including 3m @ 10.1% Cg from 15m**
- **NARC065 9m @ 5.1% Cg from 105m**
- **NARC065 10m @ 5.1% Cg from 115m**
- **NARC066 19m @ 5.5% Cg from 37m**
- **NARC066 6m @ 6.3% Cg from 65m**
- **NARC066 5m @ 5.3% Cg from 72m**

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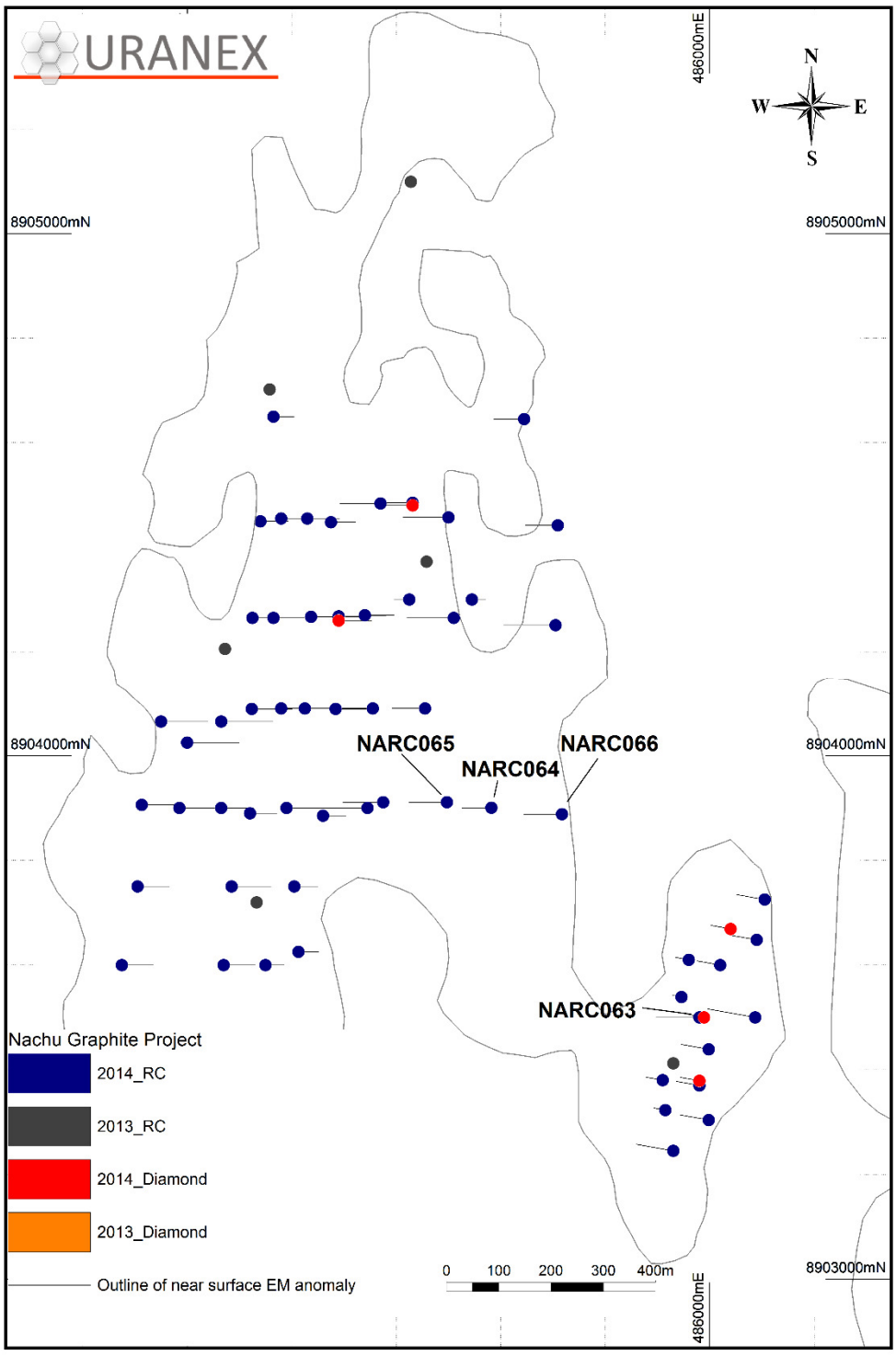

Figure 1: Block F drillhole locations with drillholes labelled identifying drillholes with geochemical results received to date.

Block D

The 2014 drilling campaign started in Block D with the initial exploration goal of proving geological concepts and verifying the 2014 electro-magnetic (EM) survey interpretations. Block D has higher grade near surface mineralisation initially identified that extends to the south. Since the initial drilling Block D has had no further work with the larger Block F taking priority over extending the Block D potential resource. The drilling completed in Block D for 2014 includes 9 RC drillholes for a total of 1,472 metres. Drilling locations for Block D are depicted in Figure 2. Geological modelling and geochemical assays of Block D highlight the shallow higher grade resource is relatively flat and appears to be open laterally particularly to the south in which the EM suggests it stays at relatively shallow depths. All geochemical results have been received for all current 2014 Block D drilling.

Significant geochemical assay intercepts using a 5% Cg cut-off for Block D include…

- **NARC056 11m @ 8.3% Cg from 2m including 5m @ 12.4% Cg from 2m**
- **NARC056 6m @ 5.6% Cg from 83m**
- **NARC056 10m @ 5.1% Cg from 95m**
- **NARC056 7m @ 5.5% Cg from 195m**
- **NARC057 27m @ 8.7% Cg from 9m including 6m @ 18.3% Cg from 11m and 4m @ 13.2% Cg from 25m and 2m @ 12.3% Cg from 30m**
- **NARC057 7m @ 5.4% Cg from 74m**
- **NARC057 12m @ 5.8% Cg from 96m including 2m @ 12.0% Cg from 98m**
- **NARC057 9m @ 5.2% Cg from 196m**
- **NARC058 15m @ 9.6% Cg from 2m including 5m @ 17.8% Cg from 4m and 3m @ 11.8% Cg from 10m**
- **NARC059 12m @ 6.1% Cg from 15m including 3m @ 12.5% Cg from 23m**
- **NARC060 20m @ 9.5% Cg from 3m including 3m @ 13.5% Cg from 3m and 7m @ 13.8% Cg from 11m and 2m @ 12.6% Cg from 19m**
- **NARC060 5m @ 5.4% Cg from 93m**
- **NARC060 5m @ 5.9% Cg from 104m including 2m @ 12.3% Cg from 104m**
- **NARC061 8m @ 5.4% Cg from 56m**
- **NARC062 7m @ 6.3% Cg from 7m**
- **NARC070 7m @ 5.4% Cg from 27m**

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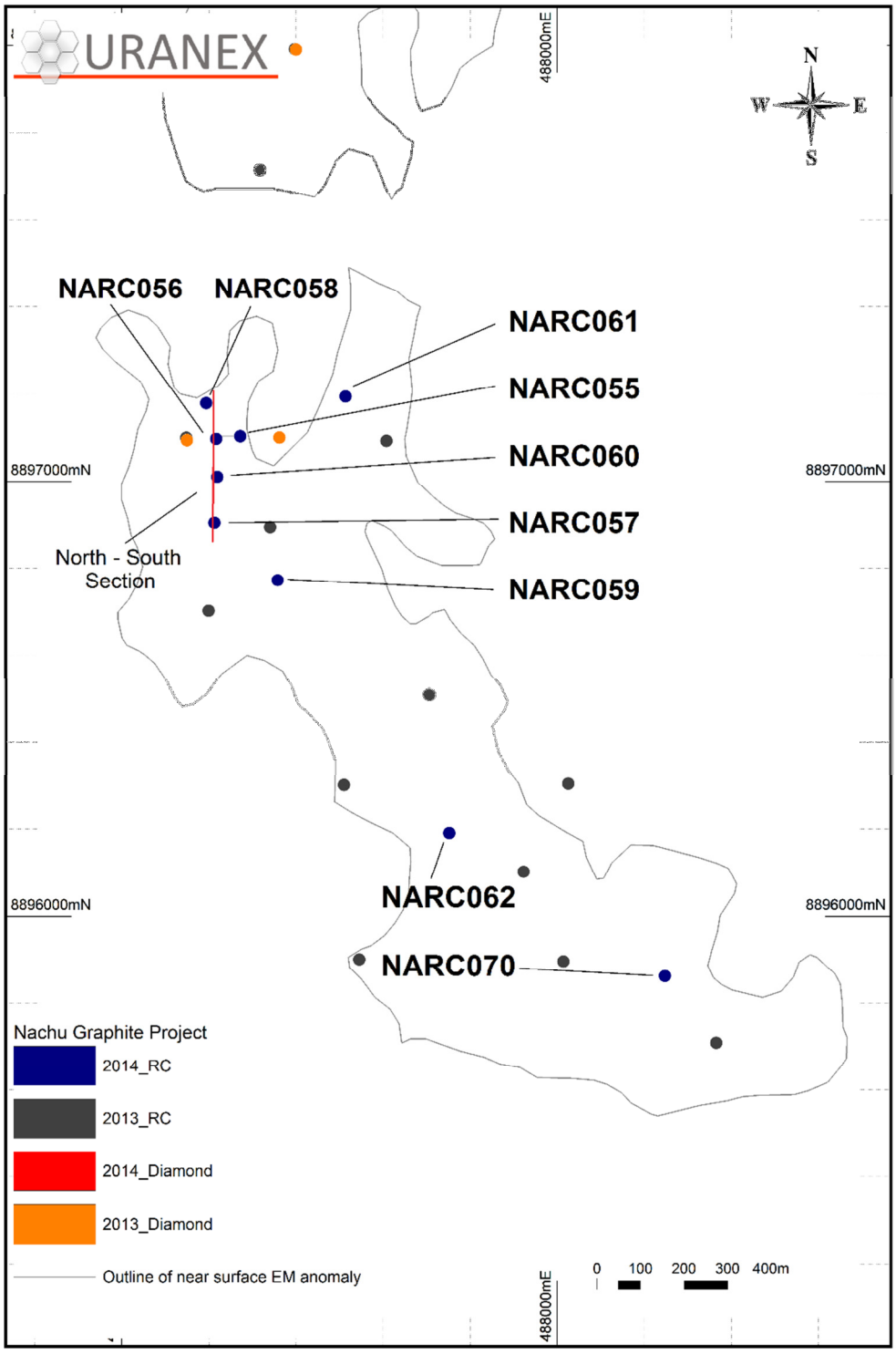

Figure 2: Block D drillhole locations with drillholes labelled identifying drillholes with geochemical results received to date. Red line identifies section location for Figure 3.

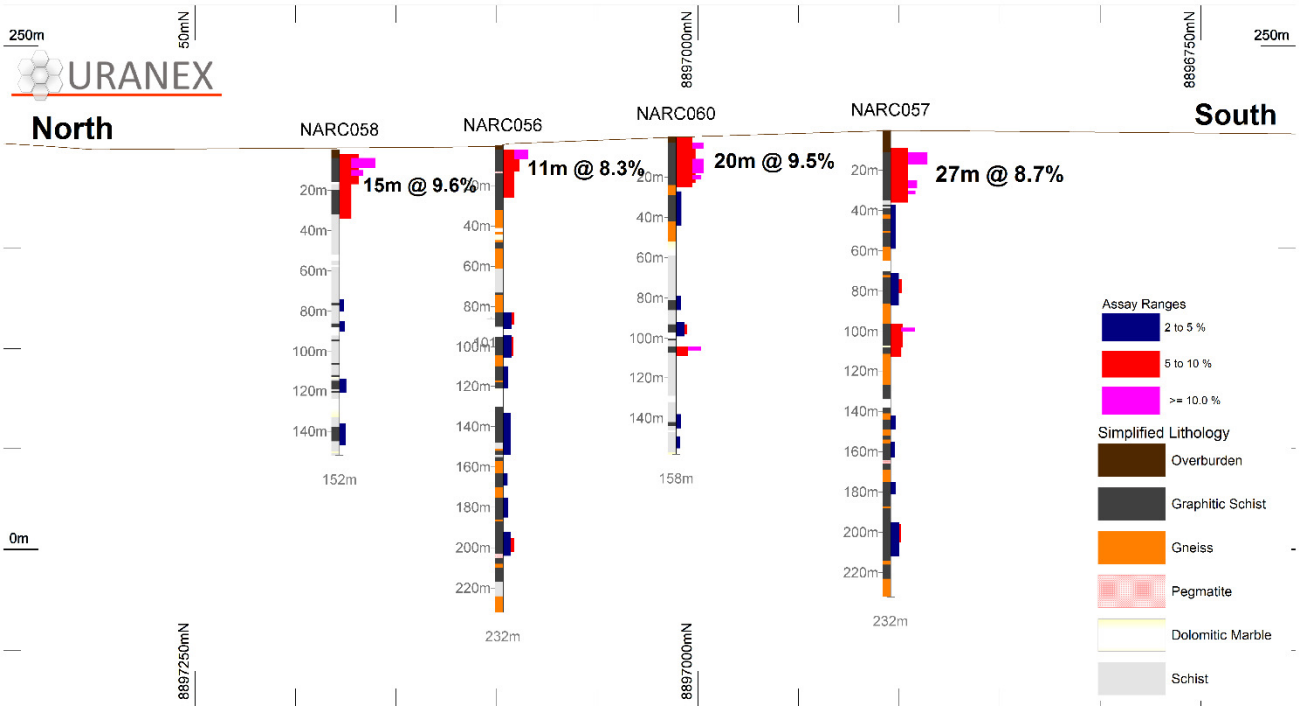

Figure 3: Block D north to south section of northern Block D mineralisation.

Blocks B & J

The drilling completed to date in Block B includes 22 drillholes for a total of 1,859 metres drilled including 18 RC (1,549m) and 4 Diamond (310m). The main body of B appears to be an anticline in which two overlapping mineralised horizons dip to the north. It appears both full folded horizons are present to the north while to the south the top mineralised horizon of the anticline hinge has been eroded away.

The drilling completed to date in Block J includes 18 drillholes for a total of 1,566 metres drilled including 13 RC (1,120m) and 5 Diamond (446m). The main body of J appears to be an anticline with one main mineralised horizon in which a second overlying mineralised horizon is present to the east.

Completed drilling locations for Block B & J are depicted in Figure 4. Geological modelling of Block B & J and the multiple overlying mineralised horizons is ongoing.

Significant geochemical assay intercepts using a 5% Cg cut-off for Block B include…

- **NARC071 5m @ 5.5% Cg from 45m**
- **NARC072 12m @ 5.5% Cg from 2m**

- **NARC072 5m @ 5.4% Cg from 39m**
- **NARC073 8m @ 5.3% Cg from 29m**
- **NARC074 30m @ 9.7% Cg from 38m including 2m @ 12.2% Cg from 40m and 9m @ 15.9% Cg from 53m**
- **NARC075 14m @ 6.4% Cg from 47m including 5m @ 11.0% Cg from 49m**
- **NARC079 10m @ 8.4% Cg from 20m including 5m @ 11.3% Cg from 25m**
- **NARC080 29m @ 8.1% Cg from 0m including 7m @ 11.7% Cg from 1m and 3m @ 17.8% Cg from 14m and 3m @ 11.4% Cg from 24m**
- **NARC080 15m @ 11.0% Cg from 47m including 6m @ 13.3% Cg from 47m and 6m @ 12.1% Cg from 54m**

Significant geochemical assay intercepts using a 5% Cg cut-off for Block J include…

- **NARC081 18m @ 9.9% Cg from 7m including 9m @ 15.6% Cg from 9m**
- **NARC081 9m @ 9.7% Cg from 42m including 6m @ 13.0% Cg from 45m**

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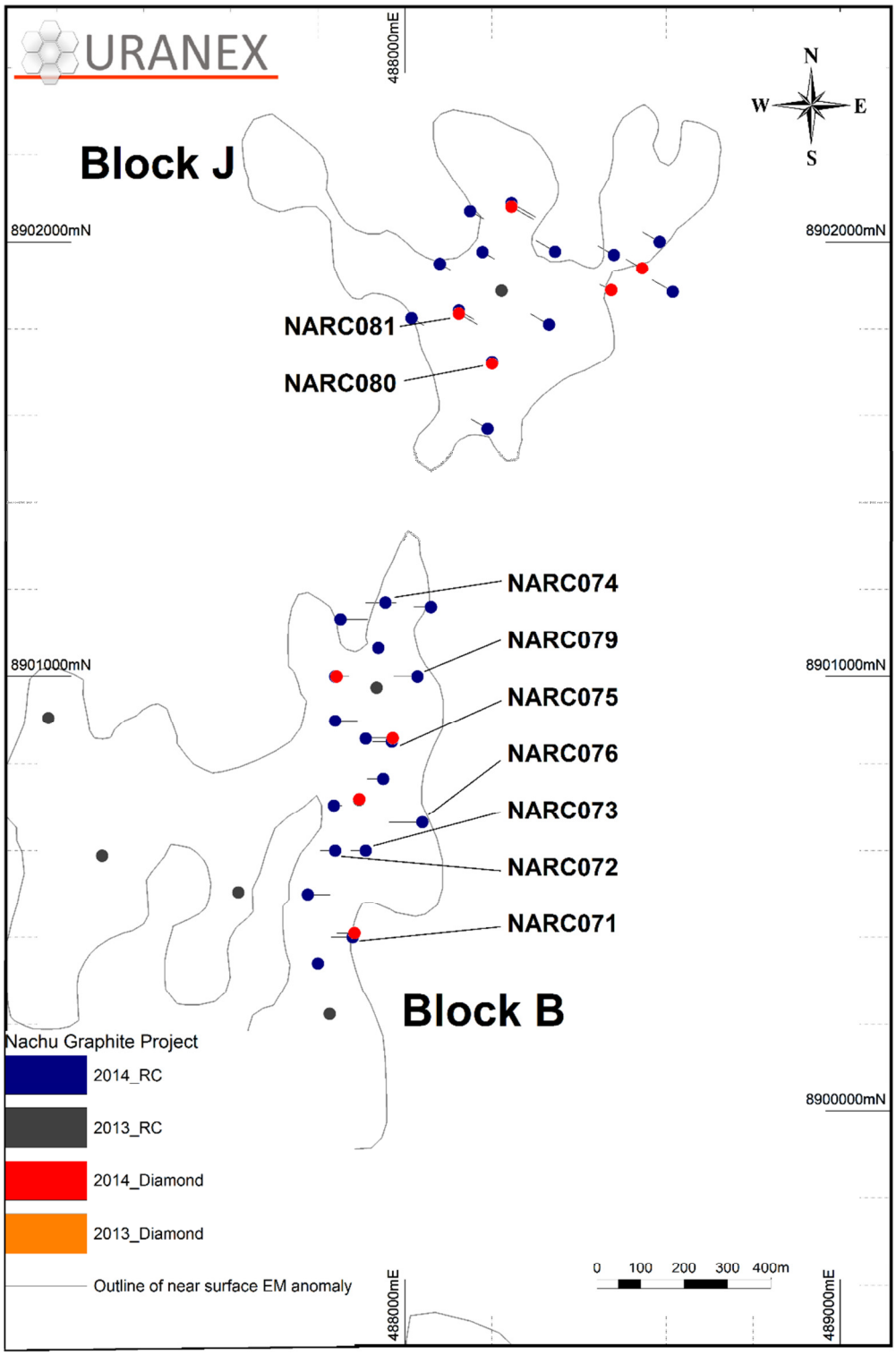

Figure 4: Block B and Block J drillhole locations with drillholes labelled identifying drillholes with geochemical results received to date.

Dr Frank Houllis
Chief Executive Officer
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Information in this report that relates to Exploration activities and Exploration results is based on information compiled by Mr Brent Laws, a Competent Person who is a registered member of the Member of the Australasian Institute of Mining & Metallurgy. *Mr Laws is a full time employee of Uranex Limited and 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 by the 2012 Edition of the Australasian Code for reporting of Exploration Results. Mr Laws consents to the inclusion of the data in the form and context in which it appears*.

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Section 1 – Drillholes completed since last update on 22 August 2014.

Hole ID	Easting	Northing	RL	Total Depth (metres)	Azimuth	Dip	Drill Type
BLOCK B							
NADD025	487895	8900719	220	72.5	0	-90	DIAMOND
NARC109	487852	8901132	224	127	90	-60	RC
NARC110	487955	8901170	224	51	90	-60	RC
NARC111	487939	8901065	224	36	0	-90	RC
NARC121	487910	8900857	220	85	0	-90	RC
NARC122	487840	8900898	217	103	90	-60	RC
NARC123	487837	8900704	217	37	90	-60	RC
NARC124	488060	8901160	220	80	270	-60	RC
NARC125	487950	8900765	217	73	270	-60	RC
BLOCK F							
NADD021	485290	8904260	203	125.6	90	-60	DIAMOND
NADD026	485980	8903379	233	74.7	280	-60	DIAMOND
NADD027	486040	8903669	213	77.7	280	-60	DIAMOND
NADD028	485431.4	8904480	225	140.6	270	-60	DIAMOND
NADD029	485225	8904090	209	281.6	90	-60	DIAMOND
NADD030	485345	8903900	210	122.7	270	-60	DIAMOND
NARC099	486020	8903600	230	90	280	-60	RC
NARC112	486105	8903725	230	109	280	-60	RC
NARC113	486087	8903500	238	186	280	-60	RC
NARC114	486090	8903648	230	106	280	-60	RC
NARC115	485980	8903370	230	90	280	-60	RC
NARC116	485930	8903245	230	145	280	-60	RC
NARC126	485915	8903323	230	45	280	-60	RC
NARC127	485946	8903539	230	35	280	-60	RC
NARC128	485998	8903304	230	112	280	-60	RC
NARC129	485998	8903439	230	107	280	-60	RC
NARC130	485345	8903900	210	137	270	-60	RC
NARC131	485355	8904090	209	145	270	-60	RC
NARC132	485225	8904090	209	149	90	-60	RC
NARC133	485340	8904270	197	113	90	-60	RC
NARC134	485237	8904267	197	185	90	-60	RC
NARC135	485180	8904090	206	130	90	-60	RC
NARC136	485370	8904484	205	157	270	-60	RC
NARC137	485500	8904457	212	175	270	-60	RC
NARC138	485230	8904455	204	125	90	-60	RC
NARC139	485180	8904455	203	127	90	-60	RC
NARC140	485165	8904265	195	160	90	-60	RC
NARC141	485190	8903900	206	181	90	-60	RC
NARC142	485065	8903900	200	125	90	-60	RC

NARC143	484985	8903900	197	155	90	-60	RC
NARC144	485213	8903625	206	77	90	-60	RC
NARC145	485070	8903600	188	121	90	-60	RC
NARC146	485065	8904065	202	199	90	-60	RC
NARC147	484950	8904065	196	180	90	-60	RC
NARC148	485455	8904090	212	127	270	-60	RC
NARC149	485205	8903750	210	91	90	-60	RC
NARC150	485085	8903750	210	151	90	-60	RC
NARC151	484905	8903750	210	123	90	-60	RC
NARC152	485150	8903600	206	71	90	-60	RC
NARC153	484875	8903600	206	121	90	-60	RC
NARC154	485910	8903380	227	65	280	-60	RC
NARC155	485960	8903610	230	53	280	-60	RC
NARC156	485165	8904650	207	80	90	-60	RC
NARC157	485510	8904265	206	180	270	-60	RC
NARC158	485709	8904442	217	125	270	-60	RC
NARC159	485645	8904645	223	118	270	-60	RC
NARC160	485650	8904100	230	185	270	-60	RC
BLOCK J							
NADD022	488474	8901889	225	59.7	295	-60	DIAMOND
NADD023	488545	8901939	231	86.8	300	-60	DIAMOND
NADD024	488245	8902080	218	116.6	120	-60	DIAMOND
NARC097	488331	8901810	222	96	300	-60	RC
NARC098	488615	8901885	230	110	300	-60	RC
NARC106	488178	8901977	220	65	120	-60	RC
NARC107	488345	8901978	212	103	300	-60	RC
NARC108	488480	8901970	230	85	300	-60	RC
NARC117	488150	8902070	220	73	120	-60	RC
NARC118	488080	8901950	220	60	120	-60	RC
NARC119	488015	8901825	228	65	120	-60	RC
NARC120	488190	8901570	228	87	300	-60	RC

Section 2 Sampling Techniques and Data

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

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.*	• Reverse Circulation (RC) and Diamond (DD) drilling programs have been completed at the Nachu graphite project. • The purpose of the drilling programs is to confirm the presence of graphite below and lateral to the previously identified mineralized zones as indicated by a ground Electro-Magnetic survey sufficient in delineating a JORC competent resource. • Diamond drilling is also being used to twin existing RC holes for lithology and grade verification plus provide structural information on the deposit. • RC samples are routinely being taken in 1m intervals via a dry and regularly cleaned cyclone and 1/8th split using a riffle splitter in order to obtain an A sample for analysis and an accurate B

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Criteria	JORC Code explanation	Commentary
	• *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.*	sample for QAQC verification. • Samples are submitted for LECO analyses as well as for ICP Multi-element analyses. Within the total samples dispatched a random sequence of 5 % standards, blanks and duplicates are to be included. For every 100 samples within a laboratory batch, 5 standards, 5 blanks and 5 duplicates are to be included. All samples are labelled with a unique sequential number with a sample ledger kept with all samples recorded. • The standards are supplied by an external and independent third party. The blanks are made from non-graphitic rock outcrop in the vicinity of the project area. The duplicates are a B sample selected from within the drilling sequence. • The 2014 diamond core drilling program produced HQ3 sized core with an average diameter of 61 mm. The recovered core was cut with a rock saw by a trained technician. The site geologist determined the sample interval which is usually in downhole lengths of 1m. Where lithological boundaries did not fit the 1m geometry, the sample length was to be a minimum of 0.5m or a maximum of 1.5m. Core was halved for normal analyses. In the case of duplicate analyses (5 % of samples submitted), the core was quartered. The remaining core is retained in stratigraphic sequence in the core trays.
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.).*	• The RC drilling is being completed at 5 ½ inch diameter using two Schramm 450 drill rigs with additional booster and axillary used as required to keep samples dry and continue to produce identifiable rock chips. • The core drilling was completed with a Christensen CS -1400 drilling rig. The drilling equipment was HQ3 (triple tube) sized. • All core holes if not vertical are orientated to facilitate structural measurements. • Drilling is planned to optimally intersect the target horizon as close as possible to perpendicular. Drillholes completed have regular downhole surveys and at full depth. Initial borehole locations are surveyed using a handheld GPS. Final borehole collar positions are surveyed post drilling with a differential GPS survey instrument, by a certified independent external surveyor.
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.*	• RC sampling includes the weight measurement of the full sample length and subsequent A and B samples to assess the accuracy of the sample splitting process. • Core recovery measurements are recorded for every borehole. • To date no discernable loss has been noted with all sample recovery processes being at industry best practice.
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.*	• All drill holes drilled are logged in full and sampled by the site geologists. • All the logged information which includes depth, lithology, mineral assemblage, Cg mineralisation (laboratory data), collar survey and geologist are recorded in a strip-log which is generated from the field logging sheets. • The entire core is recorded in sequence in digital photograph format.
Sub-sampling techniques and sample	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary*	• RC samples are routinely being taken in 1m intervals via a dry and regularly cleaned cyclone and 1/8th split using a riffle splitter in order to obtain an A sample for analysis and an accurate B

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Criteria	JORC Code explanation	Commentary
preparation	*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 sub-sampling 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.*	sample for a duplicate for QAQC verification. • The core is split by saw and half core is submitted for analyses. When a duplicate sample is submitted, the core is quartered. One quarter remains in the core tray as a drilling record, with another available for metallurgical testing. • Samples are submitted for LECO analyses as well as for ICP Multi-element analyses. Within the total samples dispatched a random sequence of 5 % standards, blanks and duplicates are to be included. For every 100 samples within a laboratory batch, 5 standards, 5 blanks and 5 duplicates are to be included. All samples are labelled with a unique sequential number with a sample ledger kept with all samples recorded. The core is split by saw and half core is submitted for analyses. When a duplicate sample is submitted, the core is quartered. One quarter remains in the core tray as a drilling record, with another available for metallurgical testing. • Sample preparation is done by ALS in Mwanza (Tanzania), before the prepared samples are shipped to ALS in Brisbane for content determination. • The sample procedure standards followed are internal to ALS and are listed below: • WEI-21 (Receive Sample Weight, Mwanza), LOG-22 (Sample Log-in, Mwanza), CRU-31 (Fine Crushing, Mwanza), SPL-21 (Split Sample, Mwanza), PUL-32 (Pulverizing Sample, Mwanza), CRU-QC (Crushing QC Test, Mwanza), PUL-QC (Pulverizing QC Test, Mwanza), LOG-24 (Pulp Log-in, Mwanza), LEV-01 (Waste Disposal Levy, Brisbane), QUA-01 (Quarantine Treatment Charge, Brisbane), C-IR18 (Graphitic Carbon by LECO, Brisbane). For the RC cuttings the multi-element analysis is coded ME-ICP41 (35 Element Aqua Regia ICP AES, Brisbane). • QC measures include the submission of duplicate samples (5% of samples), blanks (5% of samples) and standards (5% of samples) over and above the internal controls at ALS. • The smallest core sample dimension after cutting is 29 mm. Large category flake size is > 8 mesh or 2.38 mm. The sample size exceeds the target material size comfortably.
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The laboratory uses internal standards in addition to the standards, blanks and duplicates inserted by Uranex. • The samples have been analysed by ALS, with sample preparation done in Mwanza Tanzania, and analyses performed in Brisbane. Sampling procedures are listed above and includes drying, crushing, splitting and pulverizing such that 85% of the sample is 75 micron or less in size. A split of the sample will analysed using a LECO analyser to determine carbon in graphite content. • The detection limits are deemed sufficient for the purpose of future resource estimation.
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 field geologists are in the employment of Uranex, and external oversight is established with the contracting of an external consultant to regularly assess on site standards and practices to maintain best practice. • All the exploration drilling in the Nachu tenement by Uranex is on blocks identified in 2013 using updated EM targets to expand on known mineralisation and expand into previously unexplored areas. The twinning of Reverse Circulation boreholes was done by Core Drilling and will continue in the 2014 program. • The primary data is collected using a logging and sampling data

Criteria	JORC Code explanation	Commentary
		collection system allowing full security of collected data and is kept in the company office in Dar Es Salaam under the custodianship of the site geologist. The Exploration Manager has a duplicate dataset at his office in Adelaide, and the company has a dataset in the Sydney office. The company has a secure geological database set up for graphite data storage and control. • Previous assay data has not been adjusted, and is released to the market as it is received from the laboratory.
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.*	• A hand-held GPS was used to site the drill holes (xy horizontal error of 5 metres) and reported using ARC 1960 grid and UTM datum zone 37 south. • All drill holes to NARC062 have had the location verified and surveyed using an independent surveyor with a differential GPS (Trimble R8 GNSS instrument). • Topographic control is good due to the DTM survey that was completed by Terratec, as part of the EM survey. • The dip and azimuth of the DD holes were measured using a Reflex ACTII down-hole survey tool.
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.*	• The spacing of RC drilled holes is a nominal grid of 100m x 100m or less up to 200m x 200m being deemed appropriate in most instances; drilling will have some closer spacing in order to confirm continuity of mineralisation.
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.*	• From surface mapping of the area, the regional foliation dips at low angles of between 5 and 15 degrees to the west. The 2013 drilling was hence planned at vertical orientation. • 2014 drilling has also given confidence in the EM survey modelling in which Block D had interpreted shallow angled rolling horizons. Given the flat to shallow dipping nature of the target zones vertical drillholes are adequate to target mineralisation in Block D • Block A, B, F & J have interpreted antiform structures with steeper dipping horizons away from the hinge zone identified through EM survey data modelling that has been confirmed through drilling intercepts. • The structural analysis is in progress on all other blocks with surface mapping of outcrops and 2014 EM modelling and interpretation into 3D.
Sample security	• *The measures taken to ensure sample security.*	• The samples are split and packed at the drill site and sealed prior to daily transport to the field office in Ruangwa which has 24 hour security prior to transport by locked commercial truck carrier to ALS Mwanza. The laboratory (ALS) ships the sealed samples after preparation, to Brisbane in Australia. • The remaining B samples and core are kept in a safe facility under guard at the site sample storage facility and the Ruangwa office.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The 2014 resource is being undertaken by independent consultants AMC Consultants who have completed a site visit. The sampling protocol was observed with no recommendations made for adjustment to the current practices which were implemented to conform to industry standards.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement	• *Type, reference name/number, location and*	• The prospecting license PL 9076 was granted (renewal) on the

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Criteria	JORC Code explanation	Commentary
and land tenure status	*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 license to operate in the area.*	12th of April 2013 for a period of two years. The area covered by the prospecting license is 198.57 km^2. The PL is situated in the Ruangwa District of south-east Tanzania. • The PL is held by Uranex Tanzania Ltd. and is not subject to joint venture agreements, third parties, royalties or partnerships. The surface area is administered by the Government as native title. The area is rural, with wilderness areas and subsistence farming occurring on the PL. • At this stage the tenure is intact, and we have no reason to believe that tenure is threatened.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No exploration for graphite has been done by other parties in this area. Some gemstone diggings for tourmaline are present in the PL.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Nachu project is situated in graphitic schist which does have associated dolomites and gneisses. • The majority of EM modelling and geological intercepts indicate folded anticlines of various limb steepness in each key resource Block. • The graphite mineralisation is mostly associated with the schist, and is metamorphic (meta-sedimentary) in origin.

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.*
	• *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.*
		• The drillhole information is supplied in Section 1 and previous ASX releases.
		• No material information has been deliberately excluded.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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.*	• Significant intercepts are reported based on a 5% cut-off with a minimum length of 5 m which has an allowable maximum 2m of internal low grade material. All significant intercepts are generated using Micromine softwares automated advanced grade compositing function. • Higher grade significant intercepts are reported based on a 10% cut-off with a minimum length of 2m with no internal low grade material. All significant intercepts are generated using Micromine softwares automated advanced grade compositing function.
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 (e.g. 'down hole length, true width not known').*	• The structural modelling is in progress. The majority of EM modelling and geological intercepts indicate folded anticlines of various limb steepness in each key resource Block. At present all the reported lengths are 'down-hole'. The true widths will be applied once the structure and mineralogy has been correlated with structural core measurements and modelled.

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Criteria	JORC Code explanation	Commentary
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.*	• Block plans show the distribution of the RC and DD boreholes respectively. All boreholes drilled have drilling direction noted using an azimuth and dip identified in Section 1 collar information or in previous releases.
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.*	• All reported intervals are downhole intervals from drilling aimed at being as perpendicular to mineralisation as practical.
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 characteristics; potential deleterious or contaminating substances.*	• The 2013 & 2014 electro-magnetic survey has been processed with data used to target mineralisation in the most efficient and representative manner. • At the moment the structural interpretation of the geology is in progress. The regional mapping will be combined with the lithological and quality information from the drill holes, to provide a structural framework around which mineral envelopes will be modelled for resource purposes.
Further work	• *The nature and scale of planned further work (e.g. 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.*	• An expanded exploration program is planned for the dry season during 2014. Further drilling will aim to extend known extents of mineralisation. More than 800 Ha of potential target area has been identified. • An ongoing rolling process of delivering the analytical samples to the laboratory for analyses and awaiting results for building on visual observations is in progress. • Umpire samples have been identified and are in the process of being dispatched to a third party laboratory. • The samples for metallurgy are being sent to the laboratories and interested parties.