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FOR RELEASE
30 October 2014

SIGNIFICANT GRAPHITE INTERCEPTS CONTINUE AT NACHU

- **Final assay results received from Blocks B & J and additional assay results received from Block F**
- **Results received show consistent intercepts between mineralised drill holes**
- **High grade graphite intercepts include**
  - **12m @ 11% Cg including 4m @ 22.9% Cg (NARC109)**
  - **21m @ 9.3% Cg including 5m @ 10.8% Cg (NARC111)**
  - **19m @ 9.5% Cg including 8m @ 12.6% Cg (NARC121)**
  - **26m @ 8.6% Cg including 6m @ 16.7% Cg (NARC120)**
- **Maiden JORC resource on track for November 2014**
- **Remaining assays due next week**
- **Resource modelling ongoing as results are delivered**
- **Metallurgical program continues following recent significant results**

Magnis Resources Limited (ASX:MNS) is pleased to report the latest assays received from the Nachu Graphite Project in Tanzania.

Since the 2014 drill program commenced in July, 139 drill holes for 16,801 metres of drilling has been completed. Magnis Resources has received 11,133 graphitic carbon assay results from this program representing over 70% of total samples submitted. The remaining assays required for the final resource calculation are scheduled to be received within the week for the completion of the maiden JORC resource in November.

CEO Dr Frank Houllis commented: “Today’s assays continue to confirm the quality that we see in our Nachu project. Following our remarkable metallurgical results released last week which showed that our project is consistently producing a product with the highest percentage of large and jumbo flake graphite that we have seen in any project worldwide.”

“We look forward to releasing our maiden JORC resource towards the end of November”.

Drilling has confirmed graphitic schist and graphite mineralisation is present in multiple horizons throughout the Nachu Graphite Project. Mineralisation modelling is continuing using multiple drill hole intersects and evaluation of all available drill data. With assay results remaining for only a portion of Block F the process of modelling and resource interrogation is well underway and added

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to as results become available. The summary of new significant geochemical assay results received for the Nachu Graphite Project are listed in the **Appendix**.

Block F

Resource extension and exploration drilling was completed at Block F on the Nachu Graphite Project in early October. The drilling completed to date in Block F includes 84 drill holes for a total of 11,181 metres drilled. 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 drill hole 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** with drill holes that have assays available highlighted. Mineralisation modelling of the multiple overlying mineralised horizons is ongoing, within the main area the consistent mineralisation appearing to be open to the north and south of the over 1,000 metre strike length.

Block B

The drilling completed in Block B included 22 drill holes for a total of 1,859 metres drilled. The main body of B appears to be an anticline in which 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. All assay results have been received for this area with the results received to date indicating mineralisation is still open along the north-south strike and down dip east and west of the currently drilled resource area.

Block J

The drilling completed in Block J included 18 drill holes for a total of 1,566 metres drilled. The main body of J appears to be an anticline with one main mineralised horizon in which a second overlying mineralised horizon present to the east. All assay results have been received for this area with the geochemical results received to date indicating mineralisation is still open along the north-south strike and down dip west of the currently drilled resource area. Drill hole locations and location of significant intercepts are depicted in **Figure 2**.

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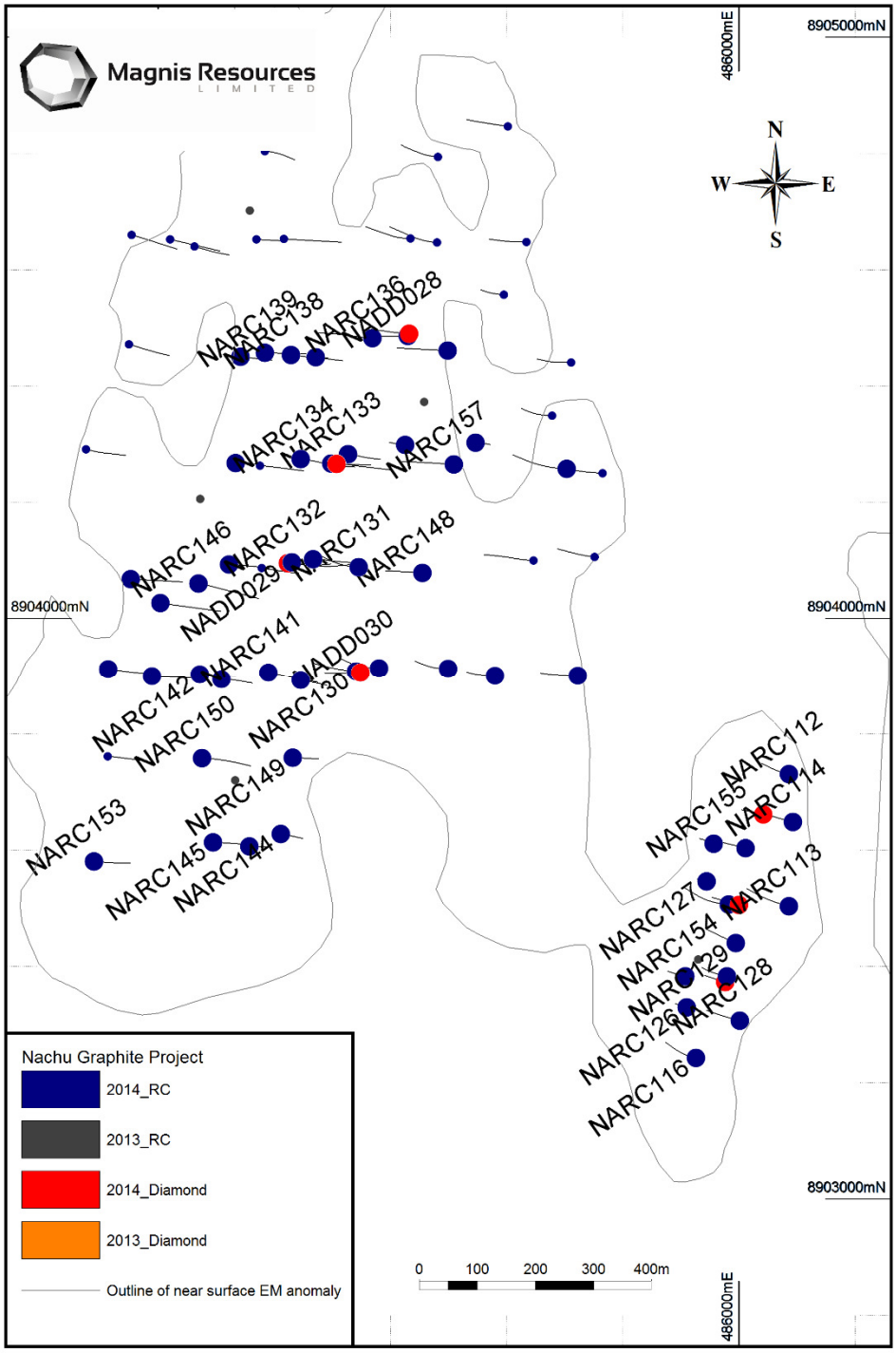

Figure 1: Block F significant intercept drill hole locations labelled, larger dots without label indicating geochemical results received and significant intercepts previously reported for those locations.

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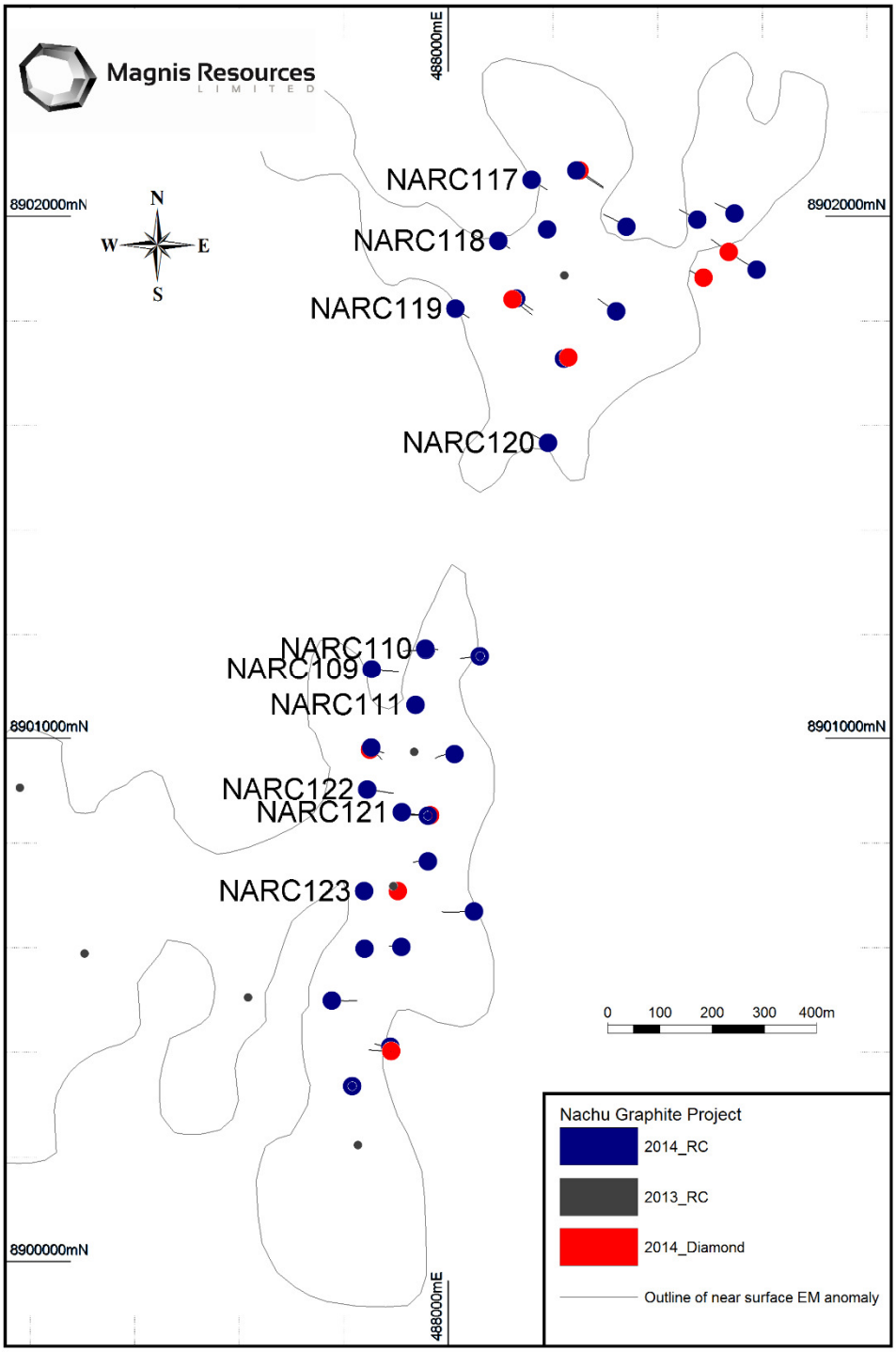

Figure 2: Block B and Block J significant intercept drill hole locations labelled, larger dots without label indicating geochemical results received and significant intercepts previously reported for those locations.

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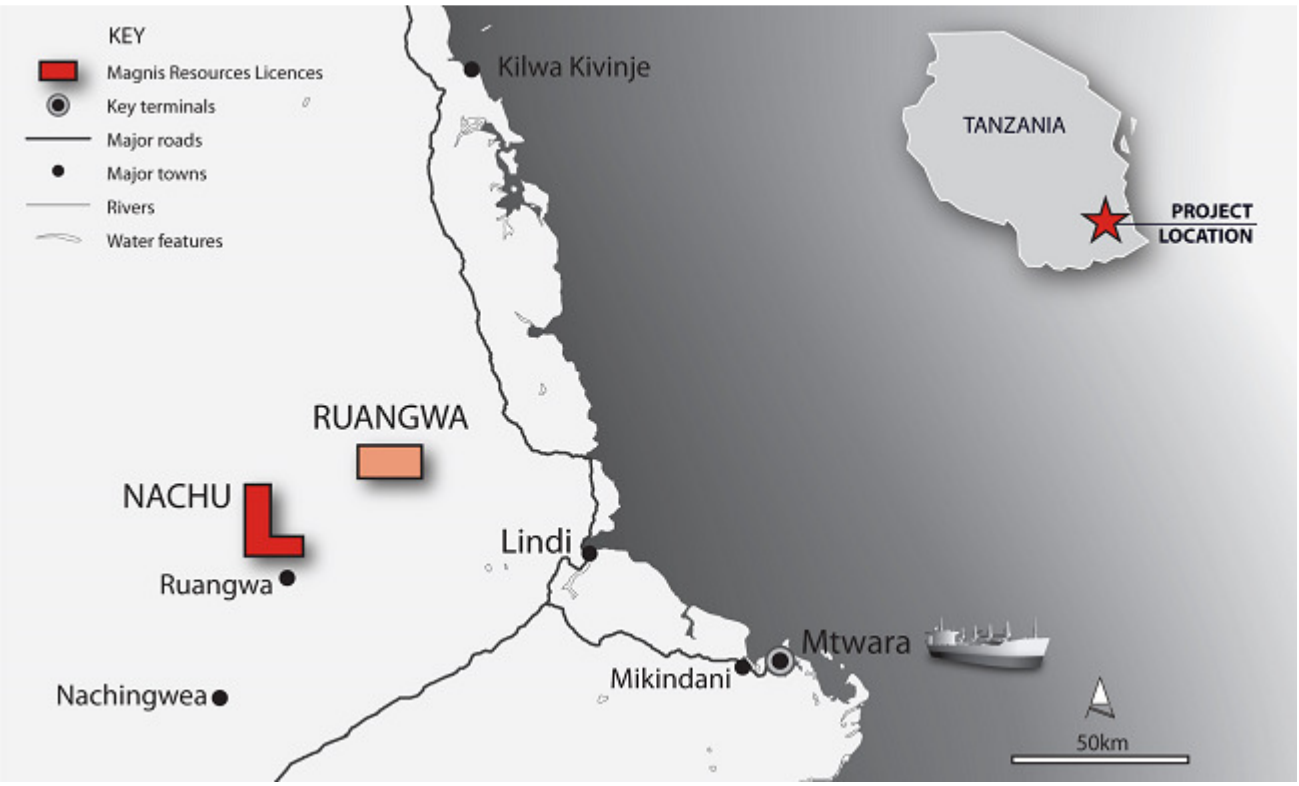

Figure 3: Location of the Nachu Graphite Project

Metallurgical Test Work

Core from main Block F has been composited and is currently being used for metallurgical testing, which will focus on ore variability and process optimisation. A 60 L scale flotation test is being performed to generate the first of the graphite concentrate marketing samples.

Dr Frank Houllis
Chief Executive Officer
Magnis Resources Limited
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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 Australasian Institute of Mining & Metallurgy. Mr Laws is a full time employee of Magnis Resources 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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Appendix - Significant geochemical assay intercepts downhole using a 5% Cg cut-off

Block B

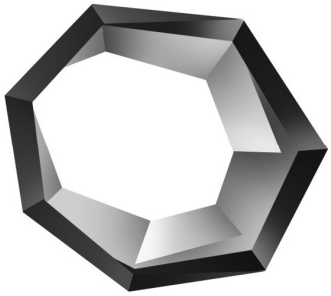
- **NARC109 12m @ 6.6% Cg from 65m including 3m @ 10.5% Cg from 66m**
- **NARC109 12m @ 11% Cg from 98m including 4m @ 22.9% Cg from 103m**
- **NARC110 15m @ 9% Cg from 17m including 2m @ 10.3% Cg from 19m and 6m @ 12.8% Cg from 23m**
- **NARC111 21m @ 9.3% Cg from 8m including 3m @ 11.4% Cg from 13m plus 4m @ 11% Cg from 19m and 5m @ 10.8% Cg from 24m**
- **NARC121 19m @ 9.5% Cg from 5m including 2m @ 10.1% Cg from 7m plus 2m @ 10.6% Cg from 11m and 8m @ 12.6% Cg from 14m**
- **NARC121 11m @ 6.1% Cg from 51m including 3m @ 12% Cg from 53m**
- **NARC122 5m @ 7.7% Cg from 28m including 3m @ 11.2% Cg from 29m plus a further 16m @ 6.2% Cg from 34m**
- **NARC123 11m @ 7.3% Cg from 18m including 2m @ 11.8% Cg from 20m**

Block J

- **NARC117 9m @ 9.5% Cg from 47m including 4m @ 13.4% Cg from 47m**
- **NARC118 9m @ 9.7% Cg from 23m including 4m @ 15.5% Cg from 25m plus a further 5m @ 5.2% Cg from 33m**
- **NARC119 7m @ 5.2% Cg from 25m**
- **NARC119 7m @ 5% Cg from 38m**
- **NARC120 26m @ 8.6% Cg from 1m including 6m @ 16.7% Cg from 5m**
- **NARC120 19m @ 8.5% Cg from 46m including 4m @ 13.4% Cg from 46m plus 3m @ 13.7% Cg from 55m and 2m @ 11.7% Cg from 61m**

Block F

- **NADD028 10.4m @ 5.2% Cg from 6m**
- **NADD028 17m @ 5.8% Cg from 20m**
- **NADD028 30.9m @ 5.4% Cg from 60m**
- **NADD028 10m @ 5.2% Cg from 122m**
- **NADD029 10.9m @ 5.4% Cg from 17.1m**
- **NADD029 16m @ 5.1% Cg from 50m**
- **NADD029 5m @ 5.3% Cg from 109m**
- **NADD029 5.7m @ 5.7% Cg from 121m**
- **NADD029 28.3m @ 6.1% Cg from 217.7m plus a further 9m @ 6.5% Cg from 259.3m**
- **NADD029 8.3m @ 5.8% Cg from 271m including 3.3m @ 10.5% Cg from 274m**
- **NADD030 6m @ 5.2% Cg from 43m**
- **NADD030 6m @ 5% Cg from 56m**
- **NADD030 5m @ 5.9% Cg from 74m plus a further 28m @ 6.8% Cg from 81m including 2m @ 11.5% Cg from 100m and 3.5m @ 10.5% Cg from 105m**
- **NARC112 10m @ 5.3% Cg from 59m plus a further 13m @ 5.9% Cg from 73m and 5m @ 5.8% Cg from 98m**
- **NARC113 17m @ 5.6% Cg from 93m plus a further 6m @ 5.1% Cg from 111m**



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- **NARC114 18m @ 5.3% Cg from 86m**
- **NARC116 17m @ 6.2% Cg from 12m plus a further 21m @ 5.6% Cg from 33m, 8m @ 5% Cg from 55m and 6m @ 5.3% Cg from 64m**
- **NARC126 37m @ 5.7% Cg from 2m**
- **NARC127 18m @ 5.7% Cg from 9m**
- **NARC128 49m @ 6.5% Cg from 47m**
- **NARC129 48m @ 6.4% Cg from 32m**
- **NARC129 5m @ 5.2% Cg from 93m**
- **NARC130 49m @ 5.4% Cg from 34m plus a further 9m @ 7.9% Cg from 84m including 4m @ 10.7% Cg from 85m**
- **NARC130 8m @ 5.5% Cg from 98m including 2m @ 10.9% Cg from 100m**
- **NARC131 26m @ 6.2% Cg from 3m**
- **NARC131 43m @ 6.2% Cg from 45m plus a further 6m @ 5.2% Cg from 89m and 9m @ 5.3% Cg from 96m**
- **NARC132 11m @ 5.6% Cg from 19m**
- **NARC132 9m @ 5.1% Cg from 49m**
- **NARC132 5m @ 5.1% Cg from 118m plus a further 5m @ 5.4% Cg from 127m**
- **NARC133 11m @ 5.6% Cg from 3m**
- **NARC133 13m @ 5.3% Cg from 26m plus a further 11m @ 5.8% Cg from 40m**
- **NARC133 8m @ 5% Cg from 74m**
- **NARC133 7m @ 5.1% Cg from 102m**
- **NARC134 9m @ 5.2% Cg from 23m**
- **NARC134 21m @ 6.3% Cg from 92m plus a further 5m @ 5% Cg from 116m**
- **NARC136 44m @ 5.9% Cg from 0m**
- **NARC136 27m @ 5.7% Cg from 64m plus a further 5m @ 5.1% Cg from 95m**
- **NARC136 41m @ 6.7% Cg from 116m including 2m @ 11.5% Cg from 116m and 3m @ 11.8% Cg from 122m**
- **NARC138 7m @ 5.6% Cg from 16m**
- **NARC138 5m @ 5.5% Cg from 120m**
- **NARC139 6m @ 5.8% Cg from 8m**
- **NARC139 7m @ 5.2% Cg from 20m**
- **NARC139 6m @ 6.4% Cg from 31m**
- **NARC139 9m @ 5.5% Cg from 118m**
- **NARC141 7m @ 5% Cg from 33m**
- **NARC141 5m @ 5.3% Cg from 60m**
- **NARC142 16m @ 5.4% Cg from 21m**
- **NARC142 7m @ 5.1% Cg from 42m including 3m @ 10.4% Cg from 44m**
- **NARC144 6m @ 8.2% Cg from 26m including 4m @ 11.5% Cg from 28m**
- **NARC145 36m @ 7.1% Cg from 0m including 2m @ 10.4% Cg from 22m**
- **NARC145 20m @ 5.6% Cg from 39m including 2m @ 11.5% Cg from 31m**
- **NARC145 6m @ 5% Cg from 75m**
- **NARC146 26m @ 6.6% Cg from 72m**
- **NARC146 29m @ 6% Cg from 104m**
- **NARC146 6m @ 5.7% Cg from 138m**
- **NARC148 17m @ 6.6% Cg from 1m plus a further 7m @ 7.1% Cg from 19m including 2m @ 10.3% Cg from 19m**
- **NARC148 26m @ 5.4% Cg from 82m**

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- **NARC149 12m @ 5.3% Cg from 1m**
- **NARC149 23m @ 6.9% Cg from 18m including 3m @ 11% Cg from 20m and 2m @ 11.3% Cg from 24m**
- **NARC149 32m @ 5.4% Cg from 50m**
- **NARC150 11m @ 6.4% Cg from 0m**
- **NARC150 8m @ 9.5% Cg from 43m including 4m @ 14.3% Cg from 46m**
- **NARC150 11m @ 5.8% Cg from 70m**
- **NARC153 7m @ 5.1% Cg from 96m**
- **NARC154 26m @ 5.6% Cg from 7m**
- **NARC155 5m @ 5.1% Cg from 0m**
- **NARC155 22m @ 5.6% Cg from 12m**
- **NARC157 5m @ 5.1% Cg from 86m**
- **NARC157 11m @ 5.1% Cg from 96m**

Section 1 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.* • *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.*	• 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 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

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Criteria	JORC Code explanation	Commentary
		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.*	• 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.

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Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	
Sub-sampling 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 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.*	• 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 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.

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Criteria	JORC Code explanation	Commentary
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 Magnis Resources Limited. • 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 Magnis Resources Limited and parties related to Magnis Resources Limited, 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 Magnis Resources Limited 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 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.*	• 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

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Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	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

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Criteria	JORC Code explanation	Commentary
		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 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 license to operate in the area.*	• The prospecting license PL 9076 was granted (renewal) on the 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 Graphite 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*
		• The drillhole information is supplied in Section 1 and previous ASX releases.
		• No material information has been deliberately excluded.

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Criteria	JORC Code explanation	Commentary
	Competent Person should clearly explain why this is the case.	
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 software's 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 software's 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.
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	• *Other exploration data, if meaningful and material, should be reported*	• The 2013 & 2014 electro-magnetic survey has been processed with data used to target mineralisation in

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exploration data	*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 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. • Metallurgical testing is ongoing with test work assessing a spread of locations across all resource Blocks using representative downhole composites of similar lithological composition, grade and mineralisation characteristics.
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.