

Company Announcements Office
Australian Securities Exchange

6 October 2014

(ASX Code GRK)

GREEN ROCK EXECUTES BINDING OPTION AGREEMENTS TO EXPAND EXPLORATION FOOTPRINT IN TANZANIA

Highlights

- Green Rock has executed two binding option agreements for the acquisition of a 100% interest in ten (10) new Graphite exploration licences
- Six of the new Graphite exploration licences lie directly to the North of the Company's highly prospective Makonde licence
- Graphite Mineralisation from the Makonde licence extends into, and is, contiguous with five of the new Graphite exploration permits
- Acquisition of the new Graphite exploration licences increases Green Rock's total Tanzanian exploration footprint to 1,539 km²

Green Rock is pleased to announce that it has executed two binding option agreements for the acquisition of ten (10) additional exploration licences surrounding the Company's existing tenement holding in Tanzania. The exploration licences include five (5) existing permits over which Green Rock has secured the Graphite Mineral rights ("GML Permits") and five (5) new permit applications which surround Green Rock's existing tenure ("New Licence Applications"). The GML Permits are located to the east of the Mahenge Graphite Project, owned by Kibaran Resources Limited (ASX:KNL), and are believed to be highly prospective for graphite mineralisation. Assuming the exercise of both the option agreements, Green Rock's total Tanzanian exploration footprint will increase to 1,539 km².

Green Rock Director, Gabriel Chiappini, stated that *"Following the Company's recent strategic decision to become a Graphite focussed company, we are pleased to report that in the space of three months we have successfully acquired¹ a total exploration footprint of 1,539 km² in the Mahenge Region."*

1. *Material Condition precedent to completion of the acquisition of the exploration licences is to finalise a prospectus offer re-complying with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules and Shareholder approval*

Mr. Chiappini further added; *"The announcement of the execution of the latest option agreements brings to a conclusion Green Rock's current acquisition programme. The Company's strategic focus now shifts towards the completion of our capital raising with Lead Manager, Foster Stockbroking and attaining a maiden JORC compliant Graphite resource in Tanzania."*

"Following on from the Company's exploratory due diligence programme and first pass reconnaissance exploration over the Mahenge North and Makonde permits, Green Rock is confident in its ability to rapidly obtain a JORC compliant resource. From this initial exploration work, the Company has identified a number of drill targets which will form the basis of our upcoming exploration programme."

"The Company is in the process of significantly increasing the size of its in-country exploration infrastructure in order to complete an expanded mapping and trenching programme prior to the proposed initial drilling programme. Our initial sampling and trenching programme at Makonde has now been completed with assay results due out later this month."

Table 1. Green Rock's Exploration Portfolio

<u>Name</u>	<u>License Number</u>	<u>Area km²</u>
Mahenge North	PL7802/2012	292
Makonde	PL10111/2014	25
Mahenge Southwest	HQP28475	209
Mahenge East	HQP28474	155
GML permits	Various licence numbers (5)	5
New Licence Applications	Various licence numbers (5)	853
Total square km		1,539

Binding Option Agreement

The terms of the Binding Option Agreements are contained in Appendix 1 of this announcement.

Please refer to page 3 for a map of Green Rock's updated Tanzanian Exploration portfolio.

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Shareholder Approval

The acquisitions¹ are conditional on the Company obtaining shareholder approval and completing the acquisition of the Projects previously announced (refer to ASX announcement dated 18th of September 2014). The acquisition of the Projects may constitute a change in the nature of Green Rock's activities pursuant to Chapter 11 of the ASX Listing Rules. The Company is accordingly required to re-comply with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

Indicative Timetable

The indicative timetable for completion of the transaction and Green Rock's re-compliance with the ASX listing rules is outlined below:

Event	Date
Dispatch Notice of Meeting seeking approval for the acquisition of Graphite Transactions	17 October 2014
Lodgement of prospectus with ASIC & Marketing road show commences	27 October 2014
Closing date of offer under the prospectus and cleared funds	17 November 2014
General Shareholder Meeting to approve the acquisition of Graphite Transactions	20 November 2104
Satisfaction of all Requirements of Chapters 1 & 2 & Re-quotation of shares on ASX	Early December 2014

For further information

Gabriel Chiappini

Director

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About Green Rock Energy Limited

- A 100% interest via an option agreement in the Mahenge North Graphite Project in Tanzania
- A 100% interest via an option agreement in the Mahenge Resources Graphite Projects in Tanzania
- A 100% interest via an option agreement in the Mahenge Graphite GML + New application Projects in Tanzania
- A 100% interest in the Ocean Hill Block in the Perth basin, subject to the successful completion of Native Title negotiations.
- A joint venture with MOL in Hungary for geothermal power generation (GRK 35%)

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Brendan Cummins, who is a member of Australian Institute of Geoscientists. He is a full time employee of Westoria Capital Pty Ltd which is providing consulting services to Green Rock Energy Limited. Brendan Cummins 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 2004 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Brendan Cummins consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

1. *Material Condition precedent to completion of the acquisition of the exploration licences is to finalise a prospectus offer re-complying with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules and Shareholder approval*

Appendix to ASX Announcement

Appendix 1

Key terms of acquisition for GML Permits

	GML Permits	
Option Terms		Terms
	Option fee	USD\$50,000 (non-refundable)
	Option Term	6 months
Purchase Terms		
	Minimum Expenditure	Nil
	Consideration for acquisition of Graphite Mineral rights	USD\$200,000
	Consideration for Total ownership over all Mineral rights except Gem Stones	1% Net Smelting Royalty on production
	Milestone payments	Nil

Key conditions precedent prior to payment of option fee:

1. GRK obtaining advice regarding the transfer of a separate class of mineral rights (Graphite) which can easily and efficiently be completed without time delays or significant compliance costs.
2. Verification of ownership and no adverse claims by 3rd parties

Appendix to ASX Announcement

Appendix 2

Key terms of acquisition for New Application Licences

New Licence Applications		
Option Terms		Terms
	Option fee	USD\$45,000 (non-refundable)
	Option Term	8 months
Purchase Terms		
	Minimum Expenditure	Nil
	Consideration	USD\$60,000 + USD\$60,000 GRK shares
	Milestone payments	Yes – Refer below

Key conditions precedent prior to payment of option fee:

1. Verification of ownership, good standing and no adverse claims by 3rd parties

Milestone payments: milestone payment to the New Licence Application vendor will apply across the GML permits & the New Licence application agreements so that should either tenure associated with these 2 deals trigger a milestone condition the vendor of the New Licence will solely be entitled to the milestone payment.

Milestone Payments to be made to the Vendor of the New Licence Application on achievement of JORC Compliant resource on either of the 2 agreements (GML Permits or New Licence Application):

- (i) AUD\$150,000 cash or, at the sole election of the vendor, subject to compliance with the ASX Listing Rules, the equivalent value in GRK Shares to be paid when GRK announces a JORC compliant Resource with greater than 250,000 tonnes of contained graphite at > 9% total graphite content at any of the Projects is announced by GRK on the ASX. The issue price of GRK Shares is to be calculated based on the volume weighted average price (VWAP) of GRK Shares in the 5 trading days prior to the release of the announcement.
- (ii) AUD\$125,000 cash and the equivalent value of AUD\$125,000 in GRK Shares to be paid when GRK announces a JORC compliant Resource with greater than 1,000,000 tonnes of contained graphite at > 9% total graphite content at any of the Projects is announced by GRK on the ASX. The issue price of GRK Shares is to be calculated based on the volume weighted average price (VWAP) of GRK Shares in the 5 trading days prior to the release of the announcement.