

ASX Announcement

11 February 2016

**Peninsula Mines Limited
(ASX: PSM)**

Exploration in South Korea

- Graphite
- Lithium
- Molybdenum and Tungsten
- Gold, Silver and Base Metals

Substantial Shareholders

Aurora Minerals Limited	35.8%
Management	9.7%
Perth Select	6.8%
M&S Lynch	6.7%

Shares on Issue: 300m

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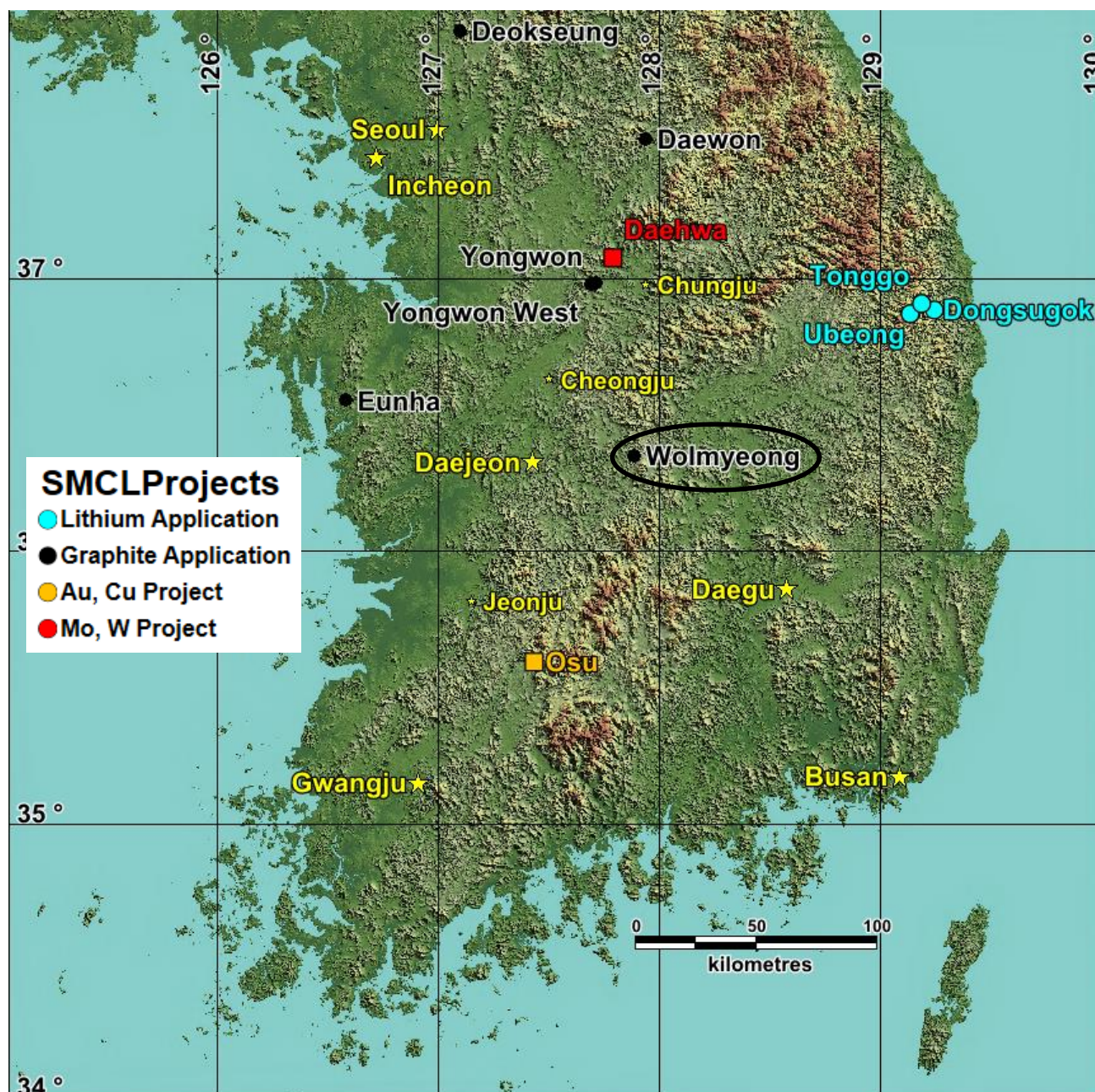
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Tenement Applications Filed Over the Historical High-Grade Wolmyeong Amorphous Graphite Project

- Peninsula Mines Limited's (PSM) wholly owned Korean subsidiary, SMCL (the Company) recently filed tenement applications over a number of flake graphite prospects previously identified by the Korea Mineral Promotion Corporation (KMPC) now the Korea Resources Corporation (KORES) (Figure 1)¹.
- The ongoing review of historical Korean graphite projects identified that the tenement blocks centred over the Wolmyeong graphite mine were open and available for application.
- Prior to its closure in 1987, Wolmyeong was the largest graphite mine in South Korea².
- SMCL has filed 5 tenement applications over the Wolmyeong project (Figure 2).
- Unlike the Company's other flake graphite applications, the Wolmyeong deposit predominately contains high grade, microcrystalline, or "amorphous" graphite.
- The graphite at Wolmyeong was formed as a result of regional, greenschist facies metamorphism of Permo-Carboniferous coal measures, subsequently overprinted by multiple phases of contact metamorphism associated with the intrusion of Jurassic and Cretaceous batholiths and dykes.
- The results of limited sampling by KMPC (1979) included grades from 79-83% total graphitic carbon (TGC) (Table 1). The grade of the Wolmyeong deposit is significantly higher than that of South Korean flake graphite deposits. This reflects the high carbon content of the precursor coal beds.
- Historical mining was highly selective and focussed on the easily accessible areas of the deposit, above 260m altitude. Therefore, significant down dip potential still remains at Wolmyeong.
- Historical underground development extended over 300 to 750m of strike across the 3 graphitic horizons identified thus far.
- Commenting on the prospect, Executive Director, Martin Pyle said: ***"The acquisition of the Wolmyeong project adds an amorphous graphite project to the Company's growing Korean graphite portfolio. The high grade nature of the ore historically mined at Wolmyeong is intriguing and the project further expands the Company's graphite and lithium portfolio."***

Figure 1: Plan showing the location of the Company's Lithium Applications (sky blue dots), Graphite Applications (black dots) along with the locations of the Company's existing projects (red & orange dots).



The Wolmyeong deposit is located 150km SE of Seoul, roughly midway between the regional cities of Okcheon and Sangju (Figures 1 & 3).

The Wolmyeong deposit consists of 3 graphite bearing horizons, referred to as the lower, middle and upper horizons (Figures 2 & 4). The lower and middle horizons dip 50-65° to the north whilst the upper beds dip 35-60° to the south (Figure 5)³ suggesting fold repeats of the same horizon exposed on either side of a major synclinal structure (Figures 4 & 5).

The graphite horizons form part of the Paleumsan Formation and represent metamorphosed coal beds within the Permo-Carboniferous meta-sedimentary Poun Coal bed sequence, part of the Lower Pyeongan Super Group meta-sedimentary sequence. The sediments of the Paleumsan Formation were regionally

metamorphosed during the late Permian-Triassic period when a widespread greenschist facies metamorphic event occurred that coincided with the collision of the Amurian plate with the North and South China blocks^{5,6}. This regional metamorphic event thermally altered the Poun coal seams to anthracite. In the Jurassic and Cretaceous periods, the Wolmyeong coal seams underwent further metamorphism associated with the intrusion of a Jurassic biotite-hornblende granodiorite to the north and a Cretaceous porphyritic granite to the south. This contact metamorphism locally altered the anthracitic coal measures to amorphous and flake graphite. The graphite beds thin and pass laterally into anthracitic coal measures to the east of the applied tenement area (Figure 2).

Mining at Wolmyeong commenced during the Japanese occupation of Korea in 1906. The mine had various Japanese owners between 1906 and 1940. In 1940, ownership passed to the Choseon Mining Development Company. Post WWII, mining continued intermittently until 1987 when the mine finally closed due to declining commodity prices. At the time of its closure, it was the largest graphite mine in South Korea producing 28,000 tonnes of graphitic ore per annum (Figure 6)².

The Wolmyeong mine adits were located adjacent to the village of Soljung and strike-driven eastward at various levels into the ridge at heights between 300 and 500m above mean sea level (AMSL). At Deuksu on the southern flank of Mount Paleum, a number of cross-cutting adits have been driven into the hillside at varying heights, from 300-400m AMSL. These adits have been developed along the lower and middle graphitic horizons. The graphitic units were mainly developed at widths of 1 to 7m but were described as reaching up to 20m wide in places^{2,4}. KMPC (1979) described the underground workings within the middle shale horizon. The account suggested that mining was taking place on two separate graphitic horizons that pinch and swell along strike, locally forming broader graphitic lenses. The upper and middle horizons were historically developed over more than 700m of strike⁴. The lower graphite horizon was developed over a strike of 360m⁴. The KMPC report described the ore horizons grading from coarse flake graphite in the west to finer amorphous graphite, becoming anthracitic coal beds along strike to the east (Figure 2).

KMPC completed a limited rock chip sampling programme at Deuksu Mine, located to the south east of Wolmyeong (Figure 2), as part of their mapping and review of the prospect in 1979. The full list of available rock chip sampling results is shown in Table 1. Two samples were taken underground from the middle graphite horizon and one sample from workings on the lower horizon. KMPC collected an additional 5 samples from the mine ROM pad. There are no specific details available as to the exact sample locations. The total graphitic carbon (TGC) was reported as “fixed carbon” by KMPC. The grade ranged from 79 to 83% TGC. These results are only indicative of the grade of the ore being mined at the time of the KMPC site visit. The reader should note that the reported KMPC results have not been confirmed by SMCL and, as such, the Company has relied solely on the information contained in the KMPC 1979 exploration report.

The narrow underground development at Wolmyeong was undertaken using the hammer-and-tap method, as was common in Korea until well into 1960s. Broken ore was collected by hand and loaded into hand pushed rail trucks. Prior to 1945, ore was hand sorted on the ROM pad adjacent to the adit entrance and transported by bullock cart to a nearby rail head for transport to Busan port and shipment to Japan (Figure 6)⁷. In the latter years of the mine’s life, limited mechanisation was introduced with airleg percussion drills replacing the archaic hammer-and-tap method and trucks and excavators replacing the bullock carts (Figure 7).

Table 1: Historic KMPC sampling results from the Wolmyeong Mine⁴.

Sample Location	Water (%)	Ash (%)	Volatile (%)	TGC (%)	Sulfide (%)
Middle horizon	0.30	12.64	3.25	83.81	0.21
Middle horizon	0.35	16.68	3.75	79.22	0.36
Rom pad	0.34	15.84	2.86	80.96	0.40
Rom pad	0.37	15.30	3.18	81.15	0.29
Lower horizon	0.33	26.86	3.27	79.54	0.35
Rom pad	0.38	15.24	3.47	80.91	0.35
Rom pad	0.32	15.08	3.58	81.02	0.25
Rom pad	0.34	15.00	4.16	80.56	0.38

Note: Minor rounding errors in the figures.

Field exploration at Wolmyeong will commence after the winter thaw, initially with mapping and sampling followed possibly by geophysics and drilling based on the results of the initial exploration.

Figure 2: Wolmyeong prospect tenement applications and the interpreted surface expression of the graphite-bearing shale horizons on the Google Earth image.

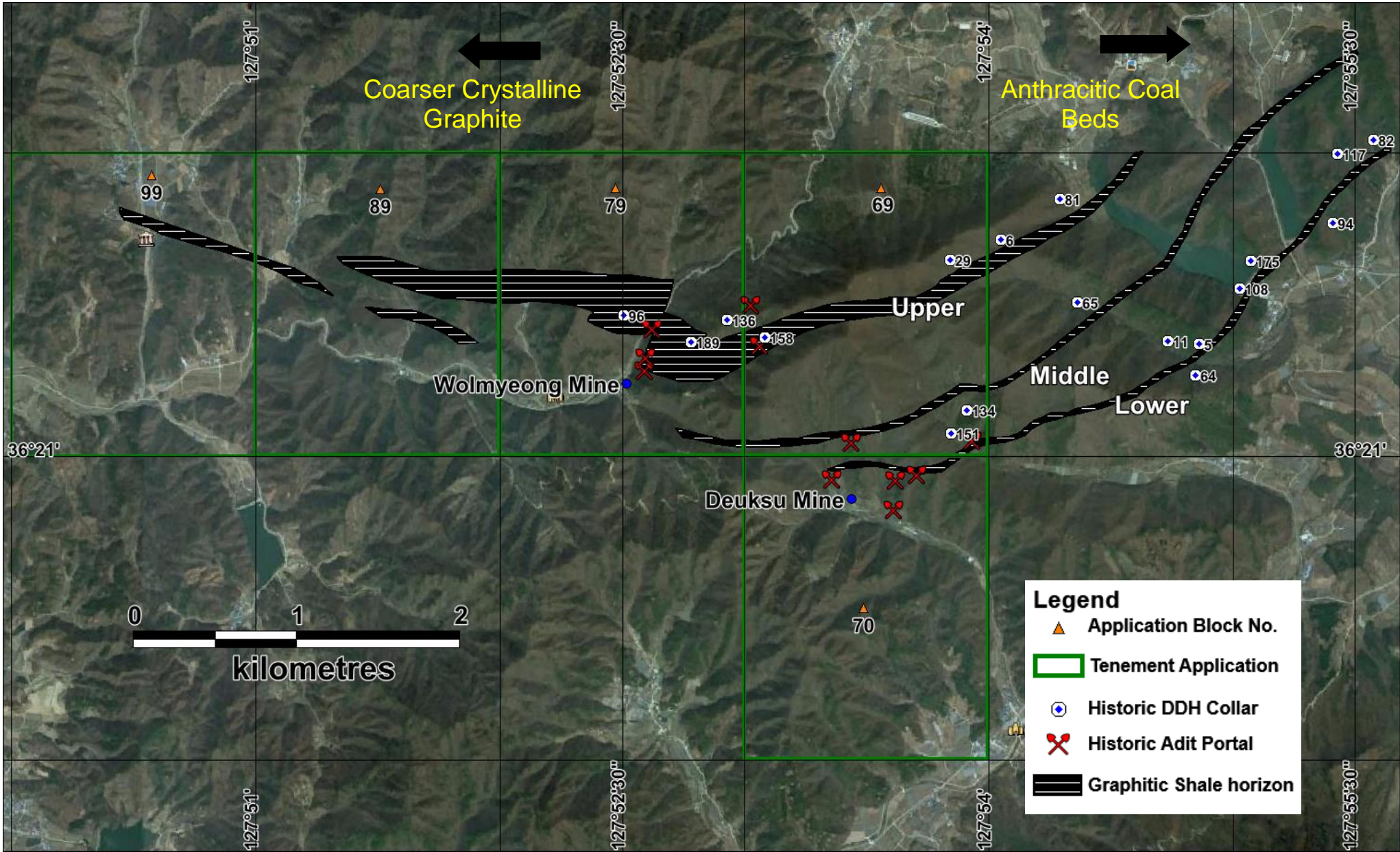


Figure 3: Google maps plan showing the location of the Wolmyeong prospect.

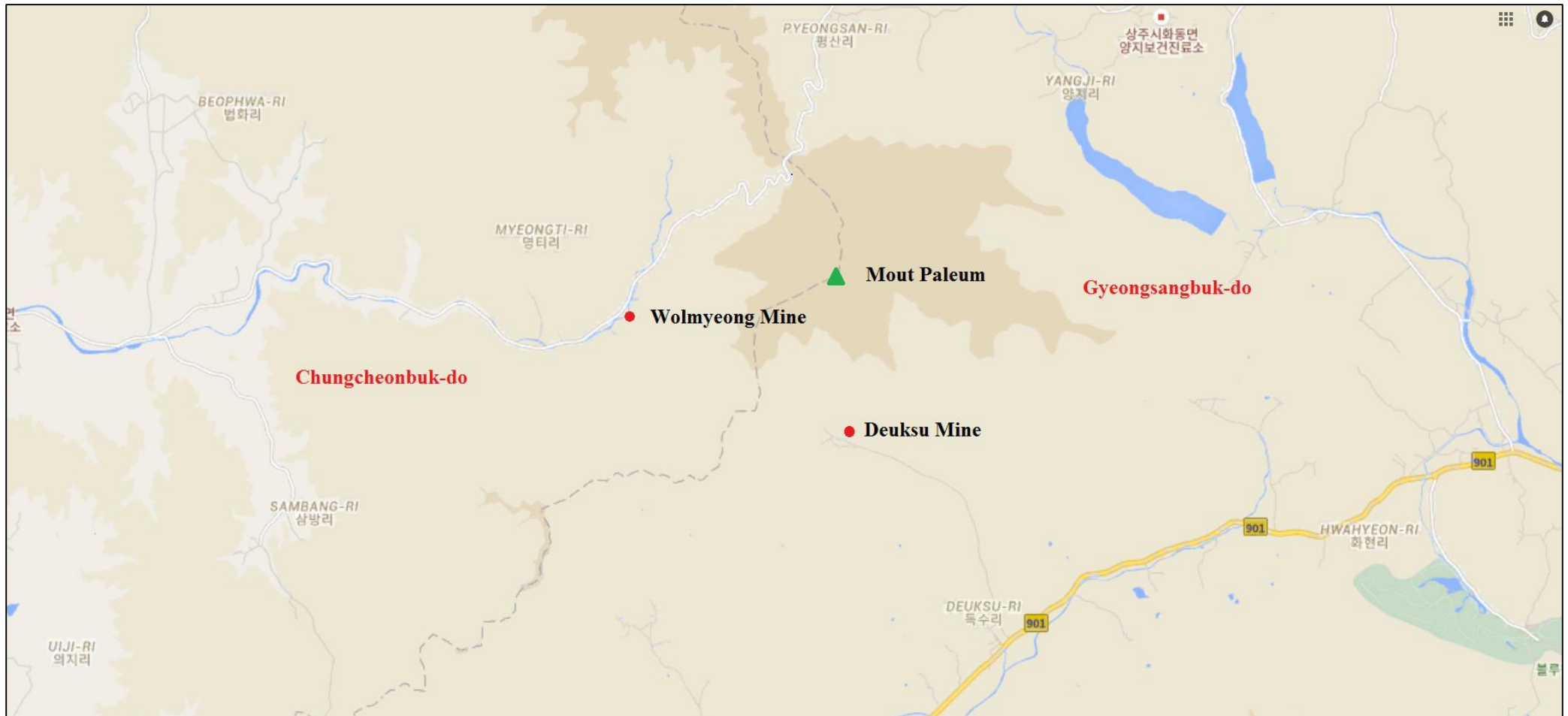


Figure 4: Plan showing the location of the Wolmyeong prospect and tenement applications on geology compiled using the KMPC mapping and the KIGAM 1:50,000 Cheongsan sheet^{3,4}.

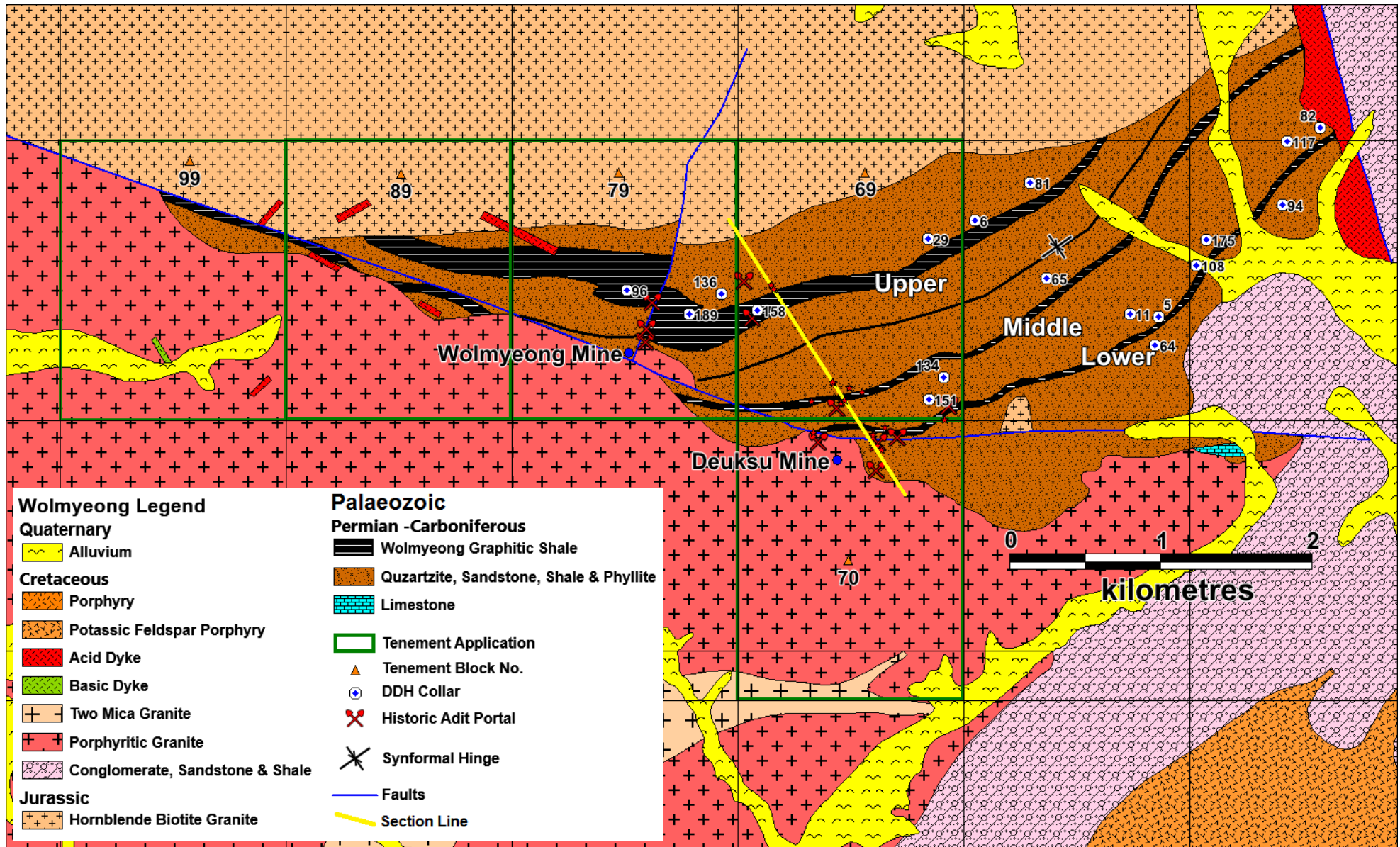


Figure 5: An interpretive section looking east northeast through the Wolmyeong deposit showing postulated deep flake graphite targets and near-surface amorphous graphite targets.

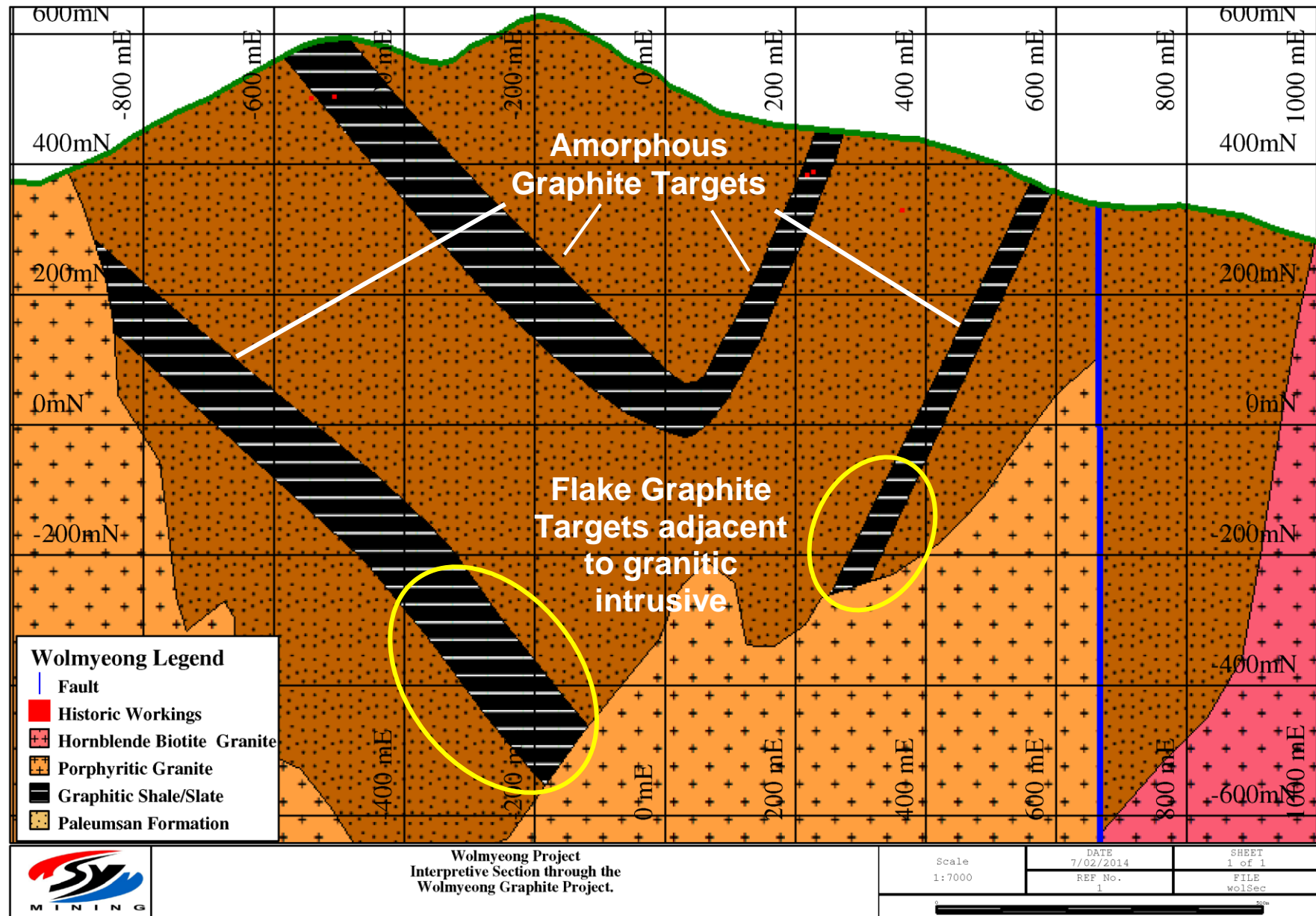


Figure 6: ROM pad at Wolmyeong prior to the mines closure in 1987².



Figure 7: Graphitic ore being transported from the Wolmyeong Mine⁷.



Summary List of all previous ASX releases and other sources referenced in this announcement:

1. Graphite Prospects, South Korea, 13 January 2016.
2. Academy of Korean Studies, 2001, Encyclopedia of Korean Culture, *pub. DongBang Media Co.*
3. Gu, J.H., Lee, B.J. and Kim, D.H., 1985, KIGAM 1:50,000 Cheongsan geology sheet.
4. KMPC, 1979, Geological investigation of the Wolmyeong graphite deposit, *Korea Mining Promotion Corporation, Annual Report*, pp521- 523
5. Chough, S. K., Kwon, S.T., Ree, J.H. and Choi, D.K., 2000, Tectonic and sedimentary evolution of the Korean Peninsula: a review and new review. *Earth Science Reviews*, 52, pp175-235.
6. Lee, D.S., 1987, Geology of Korea, Geol. Soc. of Korea, *pub. Kyohaksa, Seoul*, pp514.
7. Jeon, S.P., 1982, Independence Movement in photos second volume, a Provisional Government and Liberation, *pub. Seomun-dang Pub. Co.*

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Peninsula's ASX releases are available for download from the Company's website
www.peninsulamines.com.au

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Daniel Noonan, a Member of The Australian Institute of Mining and Metallurgy. Mr Noonan is Exploration Manager for the Company and is employed as a consultant.

Mr Noonan 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 Noonan consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

JORC Code, 2012 Edition

Section 1: Sampling Techniques and Data

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

Criteria	JORC – Code of Explanation	Commentary
Sampling techniques	<i>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.</i>	<p>All the sampling discussed in this release was undertaken by KMPC in 1979. The Company has utilised this historic work to provide an indication of the potential of the Wolmyeong prospect.</p> <p>The 8 reported assay results are from a mixture of ROM pad grab samples and underground rock chip samples. The KMPC report provides no information on the size or nature of these samples other than grade information. The full list of KMPC assays reported is included herewith as Table 1.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	The samples were collected from the Deuksu mine workings and ROM pad. The Company is unclear at this stage how representative these historical sample grades are with respect to the grade of the Wolmyeong prospect. No confirmatory repeat sampling has been undertaken by the Company at this point in time.
	<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 (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.</i>	<p>Rock chip channel samples were taken underground from development workings on the lower and middle graphitic shale horizon and from the mines ROM pad. It is assumed that the KMPC personnel attempted to collect representative samples from each sample site. The location of the sampling was in all likelihood influenced by mine access and the material being mined at the time of the mine inspection by KMPC staff. There is no additional information available in the historic KMPC report to comment further on the selection of sample sites or the size of the sample collected.</p> <p>It is again assumed that all the assaying was performed in house at the KMPC laboratory as was standard practice by KMPC at the time. No information is available on how the samples were processed or assayed but the suite of results reported suggests that accepted assay procedures for graphite were followed. The fact that South Korea at the time of the sampling was a Global leader in graphite production provides further confidence that the assaying was performed at acceptable levels.</p>
Drilling techniques	<i>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).</i>	The available surface map suggests that a number of drilling campaigns were completed at Wolmyeong by the KMPC coal arm prior to the mines closure in 1987. The available information on drill hole collar locations is displayed in figure 4. At this stage, the company has no further details regarding the number of drill metres completed at Wolmyeong by KMPC. It is assumed that all the drilling was diamond drilling as this was standard practice in Korea at the time. No records have been located at this point in time regarding the hole diameter, length nor details of the dip and azimuth of each hole. No geological or assay data is available for the aforementioned KMPC drill programmes.

Criteria	JORC – Code of Explanation	Commentary
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	No drilling results are commented upon in this announcement.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	
	<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>	
Logging	<i>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.</i>	No drilling results are commented upon in this announcement.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	KMPC has not described the geology of each rock chip sample in the report. The overall geology of the prospect is described in the report.
	<i>The total length and percentage of the relevant intersections logged.</i>	No details are available regarding how the samples were taken and whether they were point samples or channel samples.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Sampling did not involve drilling. All samples collected and discussed in this announcement are rock chip samples.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	All samples were taken as rock chip samples using a geology hammer. All samples are standard field spot rock chip samples. Moisture levels were recorded during the assaying.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	No information is available regarding the sample preparation technique used.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	No information is available on how the samples were collected or how representative each sample was with respect to the area sampled.
	<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 Company at this stage has not repeated any of the earlier KMPC sampling work. It is unclear at this point in time how representative the KMPC samples are with respect to the Wolmyeong structures.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	No information has been provided in the historic report on the size of the sample material or on the volume and total weight of each sample.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	No information is available to the Company as to how the historical assaying was undertaken. The nature of the results reported indicate that standard graphitic carbon analysis practices were followed by KMPC.
	<i>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 derivations, etc.</i>	No information is available on the make or model of the sample preparation and analysis instrumentation utilised in the preparation and analysis of the 8 Wolmyeong samples by KMPC.
	<i>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.</i>	No quality control procedures were used by KMPC. It would be the Company's intention to introduce QA/QC procedures in any future sampling programmes undertaken at the Wolmyeong project.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The Company is not aware of any checks that KMPC may have made.
	<i>The use of twinned holes.</i>	No drilling was undertaken and no sample duplicates were collected.

Criteria	JORC – Code of Explanation	Commentary
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All KMPC data was compiled into annual summary reports based on projects and commodities. In many cases, primary data and certainly raw lab assay sheets were not retained by KMPC. These historic reports were subsequently scanned and are now stored in the KORES database.
	<i>Discuss any adjustment to assay data.</i>	No adjustments have been made to the data and the results have been reported as presented in the KMPC files.
Location of data points	<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>	No sample location details were provided in the KMPC report and it is unclear whether these records still exist. The results are presented purely for information purposes and completeness and are not intended for use in any future resource estimate for the Wolmyeong project.
	<i>Specification of the grid system used.</i>	The base map was created using the Bessel ellipsoid and the 1892 Tokyo datum as was standard practice in South Korea at the time. The KMPC map has been georeferenced using Mapinfo with the easting adjusted for the error in the 1892 Tokyo datum. The results are presented here using GRS080 ellipsoid.
	<i>Quality and adequacy of topographic control.</i>	No height data is presented with these results. Country wide topographic maps at 1:5000 scale are available through the NGII.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	It is not anticipated that any of this data would be used to compile any form of Mineral Resource. The data presented here is unverified historical data and is intended purely to provide an indication of the possible potential of the Wolmyeong project.
	<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.</i>	The historical grade data presented here is purely for information purposes and in no way suggests nor confirms the likely extents of the graphitic lodes at Wolmyeong. It is envisaged that surface trenching, geophysical surveys and diamond drilling would be undertaken prior to the estimation of any future Mineral Resource.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been undertaken.
Orientation of data in relation to geological structure	<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>	The rock chip channel samples are spot samples and at best, the reported assays can only be considered indicative of the grade at the sampled point. At this point in time, there is insufficient data to provide any comment on the overall grade or tonnage potential of the Wolmyeong prospect.
	<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>	No drilling has been undertaken by SMCL at this point in time. The Company is currently trying to locate the historic KMPC drilling records.
Sample security	<i>The measures taken to ensure sample security.</i>	The Company is not aware of the procedures followed by KMPC but these are not considered material at this point in time.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews were undertaken.

Section 2: Reporting of Exploration Results

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

Criteria	JORC – Code of Explanation	Commentary
Mineral tenement and land tenure status	<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>The Company has filed tenement applications over five adjoining tenement blocks Cheongsan 69, 70, 79, 89 and 99 (Figures 2 & 4). Each block covers a 1 minute graticule and has a nominal area of 276 hectares. The Company has sole rights to the tenements. The company must complete Mineral Deposit Surveys (MDS) over each of the five blocks within 6 months of the application date. The MDS requires that the applicant indicates the presence of mineralisation on the tenement usually by engaging a Government approved independent expert to complete a single rock chip analysis and to confirm that mineralised structures of a specified grade, width and length are present on the title. In the case of graphite, the Company must indicate that graphite bearing structures are present on the tenement that are at least 20m long, 0.3m wide and with a grade of at least 2% TGC.</p> <p>On approval of the MDS, an applicant has 12 months from the original application date, 4 February 2017 in the case of Wolmyeong, to submit a prospecting plan to the Ministry. The prospecting plan outlines the intended prospecting method: one of Geochemical (e.g. soil sampling), geophysical (e.g. IP) or drilling (usually diamond drilling in Korea) that the applicant intends to utilise in the proposed exploration programme. Certain minimum levels of work are required, for example, completing at least 3 holes and 450m of drilling. An applicant may at any time during the exploration period file an application to change the prospecting method. The applicant also has an option to apply for a 3 year extension to the prospecting period at least 3 months prior to the anniversary date which in the case of the Wolmyeong project will be 4 November 2020. Three months prior to the end of the 3 or 6 year prospecting period, the applicant must submit a prospecting report. The submission of the prospecting report is considered by the Ministry as an application for a mining right. The title holder then has 3 years to file and have a Mine Planning Application (MPA) approved. The MPA is submitted to and approved by the Local Government and is akin to local council planning approval. As part of the MPA process, the title holder must secure a “no objection certificate” from the residents of the local village. An MPA primarily covers design, implementation, environmental and safety aspects of all surface activities associated with the planned mining venture. The approval of the MPA then grants the mining right holder a 20 year production period that can be extended further upon application. From the date of grant of the Mining Right, the title holder has a 3 year period in which mine production must commence. During this 3 year period, the title holder must make a minimum level of investment on plant and mine infrastructure in the amount of Kwon100million (~A\$120,000). In addition, certain minimum annual production levels must be met depending on the commodity being mined and its commercial value. In the case of graphite, it is 50 tonnes concentrate containing 75% TGC.</p> <p>There are no native title interests in Korea. It is a generally accepted requirement that title holders gain the consent of local land owners and residents. The long history of past mining at the Wolmyeong project and the low density of housing in the immediate vicinity suggest that approval to mine from local residents should not be a major obstacle. The project is located in a mixed deciduous and coniferous regrowth forest flanking Mount Paleum. The prospective graphite horizons outcrop between 250 and 600m AMSL. The land ownership status across the project area will need to be confirmed over the coming months. There are no State Parks or National Parks over any of the applied tenement areas. All the applied tenements have been held in the past for the purpose of graphite mining.</p>

Criteria	JORC – Code of Explanation	Commentary
	<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>	The titles are applications and the Company must complete an MDS prior to 3 August 2016 to secure the mineral rights to the Cheongsan 69, 70, 79, 89 and 99 tenement blocks. Other statutory obligations faced by the Company are also set out in the preceding point. The Company is not aware of any other potential impediments to securing long term tenure at this point in time.
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	<p>This announcement summarises and outlines previous work by KMPC on the Wolmyeong project⁴. At this point in time, the Company has not completed any field work and intends to commence mapping and field sampling post the winter thaw. The Company is currently not aware of any exploration work by other parties. The Company has not as yet been able to locate any records of past graphite production from the Wolmyeong and Deuksu Mines.</p> <p>KIGAM has flown airborne radiometrics and airborne magnetics across South Korea as part of an ongoing data capture programme conducted over the last 30 or more years. KIGAM has completed 1:50,000 scale mapping across the tenement area³. KMPC completed more detailed mapping as part of their 1979 project review⁴.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Wolmyeong graphite deposit was formed as a result of regional and contact metamorphism of Permo-Carboniferous Poun Coal Beds. The graphite is hosted in a series of shale and slate horizons that are part of the broader Paleumsan meta-sedimentary Formation. The Paleumsan Formation consists of lower limestone and quartzitic sandstone that passes upwards into shales, slates, phyllites and carbonaceous sandstones. The meta-sedimentary sequence was regionally metamorphosed to lower greenschist in the late Permian-Triassic Period. The regional metamorphic event has thermally altered the Poun Coal beds to anthracite. Subsequent plutonic activity in the Jurassic and Cretaceous Periods has locally metamorphosed the anthracite to micro crystalline and coarser crystalline graphite (Figures 2, 4 & 5).
Drill hole information	<p><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:</i></p> <ul style="list-style-type: none"> <i>• easting and northing of the drill hole collar</i> <i>• elevation or RL (Reduce Level) – elevation above sea level in metres) of the drill hole collar</i> <i>• dip and azimuth of the hole</i> <i>• down hole length and interception depth</i> <i>• hole length</i> 	<p>The Company is trying to locate the historic drilling records from the Wolmyeong project.</p> <p>The rock chip sampling and mapping undertaken by KMPC should only be considered indicative of the project's potential. Substantial additional work is required to confirm the potential extent and grade of the Wolmyeong deposit.</p> <p>All data currently available to the Company on the project has been included herewith or commented upon in this release.</p>
Data aggregation methods	<i>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.</i>	All the assay results from this round of rock chip sampling have been included as Table 1. At this early stage of the project's evaluation, the Company is not aware of any other data that should be reported or commented upon.

Criteria	JORC – Code of Explanation	Commentary
	<i>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.</i>	All assay values reported are raw assays and none of the data values have been cut or truncated and no weightings have been applied.
Relationship between mineralisation widths and intercept lengths	<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>	No data aggregation has been undertaken.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been used at this point in the project evaluation.
	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	The rock chip channel samples are point samples and no tonnage or Mineral Resource potential has been commented on in this release.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	No drilling has been undertaken by the Company and the Company is still looking to source historical KMPC drill records. All references to the geometry of the host shale/slate horizon are based on KMPC and KIGAM surficial geological mapping data.
Diagrams	<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>	No drilling has been undertaken and no drill results are reported in this release.
	<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>	Tenement location figures showing the mapped host shale/slate horizon at surface are illustrated in figures 2 and 4. Figure 2 is an aerial view of the project showing the location of the tenements and the vegetation cover and relatively low level of agricultural activity in the immediate project area.
Balanced reporting	<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>	All known assays have been reported.

Criteria	JORC – Code of Explanation	Commentary
Other substantive exploration data	<i>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.</i>	All previous observations known to the Company have been reported and commented upon in this release. The Company knows of no metallurgical tests that have been completed on the Wolmyeong samples other than the ash and moisture content data for each sample reported with the TGC grades in Table 1.
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	The Company plans to complete tenement scale geological mapping and undertake surface rock chip sampling. Additional work is likely to include surface costeans along with geophysical surveys. If results of this work are encouraging, then follow-up diamond drill holes will be planned.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	It is too early in the project's evaluation to comment on the likely location of drill holes. The surface topography and available access are likely to dictate where initial drill holes will be located. The Company is keen to confirm whether the Upper and Middle horizons represent the surface expression of the same folded horizon (Figure 5). Further, the Company would also like to confirm whether there is significant potential at depth for fold repetitions of the Lower horizon (Figure 5). Potential also exists along strike, particularly to the west where the graphite bearing horizons have been mapped in close proximity to the granite (Figures 2 & 4). The western end also offers the possibility of defining a coarser flake graphite resource.