AURORA MINERALS LIMITED
ACN 106 304 787

ASX Announcement

20 September 2016

ASX Code: ARM

Aurora Minerals Group of Companies

Diversified Minerals Exploration via direct and indirect interests

Predictive Discovery Limited (ASX: PDI) – 41.7%
- Gold Exploration / Development in Burkina Faso

Peninsula Mines Limited (ASX: PSM) – 32%
- Graphite, Lithium- Gold, Silver and Base Metals
- Molybdenum and Tungsten Exploration in South Korea

Aurora Western Australian Exploration – 100%
- Manganese, Base metals and gold

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PENINSULA MINES- LARGE GRAPHITE FLAKES

Peninsula Mines Limited, a company in which Aurora Minerals Limited holds a 32% shareholding, today announced that it has identified a high proportion of very large to jumbo flakes in petrography on rock chip samples from the Daewon and Yongwon Graphite Projects in South Korea

A copy of the announcement is attached.

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PENINSULA MINES LIMITED

ASX ANNOUNCEMENT

20 September 2016

Jumbo and Very Large Flakes Identified at South Korean Graphite Projects

- **Petrography demonstrates "jumbo" and very large graphite flakes in samples from the Yongwon and Daewon Graphite Projects, indicating potential for generating a premium large-flake concentrate product for Li-ion battery applications**
- **Further high-grade surface rockchip sampling results returned values including up to 76% total graphitic carbon (TGC) for Wolmyeong, 24.8% TGC for Daewon and 18% TGC for Yongwon**
- **Metallurgical test-work in progress to optimise grade of flake graphite concentrate(s)**

Peninsula Mines Ltd **(ASX: PSM)** is very pleased to announce that it has identified a high proportion of very large to jumbo flakes in petrography on rockchip samples from the Daewon and Yongwon Graphite Projects in South Korea (see Figure 1 for location).

Flake size is one of the critical elements of graphite pricing, with jumbo and large flake sizes attracting premium pricing, reflecting the growing use in new technologies such as lithium-ion battery manufacture.

Sampling of the Company's key projects has continued to generate high graphitic carbon grades, in particular from Wolmyeong (up to 76% TGC), as well as at Daewon (up to 24.8% TGC) and Yongwon (up to 18% TGC), where significant widths of the graphitic units are also indicated.

Metallurgical testwork is currently in progress at NAGROM laboratories in Perth, and initial flotation concentrate results have been encouraging, particularly for the large-flake projects, Yongwon and Daewon. This work will continue with the objective of optimising large-flake concentrate grades into the range required for spherical graphite production and Lithium-ion battery applications.

Peninsula Mines CEO Jon Dugdale commented: *"The identification of large and jumbo flakes from the Daewon and Yongwon Projects is very encouraging, as large flake size is a very important contributor to premium pricing of product for the high value end of the graphite market.*

"We have also continued to demonstrate high-grades and significant widths through sampling of the graphite bearing horizons on the Company's three main graphite projects.

"The key now is to generate concentrate grades in metallurgical testing that are sufficient to justify systematic evaluation of our main graphite projects, ultimately leading to drilling and resource delineation."

Petrography identifies very large graphite flakes:

Initial petrography on samples from three of the Company's graphite projects, Daewon, Yongwon and Wolmyeong, was conducted by Townend Mineralogy Laboratory in Perth, with the objective of characterising graphite flake size and morphology and host unit mineralogy prior to metallurgical testing.

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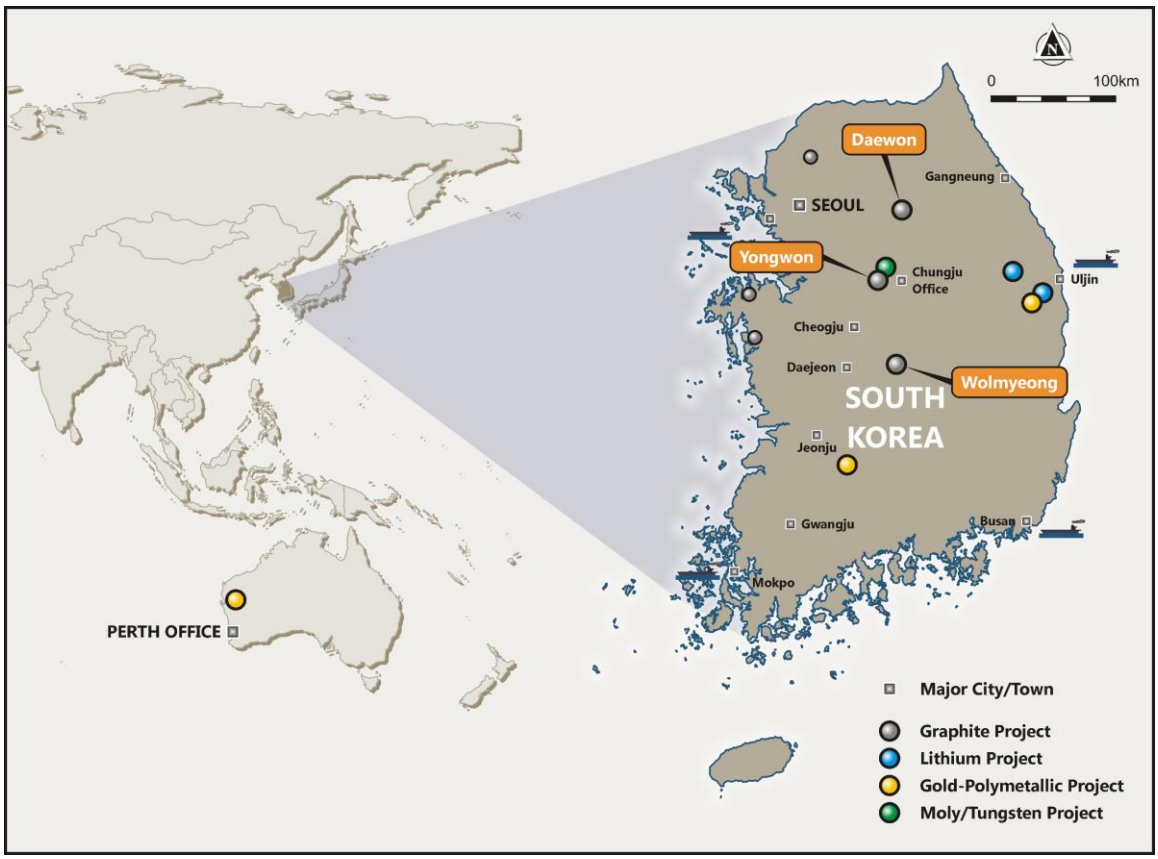

Figure 1: Tenement Map of South Korean Projects

Yongwon Graphite Project

The steeply dipping graphitic schist unit at Yongwon has been traced over a greater than 300m strike length (Figure 3), and is exposed intermittently across widths of up to 20m.

Graphite in the sample from the Yongwon Graphite Project (YP001 and YR0002, 16% TGC), occurs "predominantly as coarse oriented flakes". The majority of the graphite flakes observed are large (>200 µm), with some very large, jumbo sized flakes observed (>300 µm, see Figure 2 below), hosted within a quartz-feldspar dominated graphitic schist.

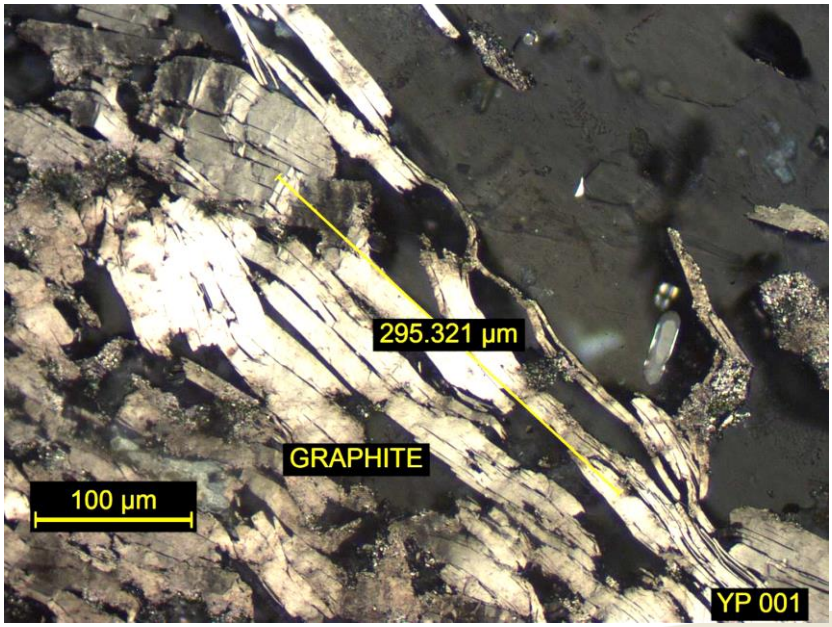

Figure 2: Photomicrograph of "jumbo" graphite flakes (>300µm) from the Yongwon Graphite Project

Sampling of individual outcrops of graphitic schist at Yongwon has produced high-grade results of up to YR0001: 17.95% TGC and YR0002: 16% TGC, and new channel sampling results of YR0008: 1m @ 15.1% TGC and YR0003 - 7: 4.6m @ 9.05% TGC, indicate significant widths of graphite mineralisation (see Figure 3 and Appendices 1 & 2 for full list of results).

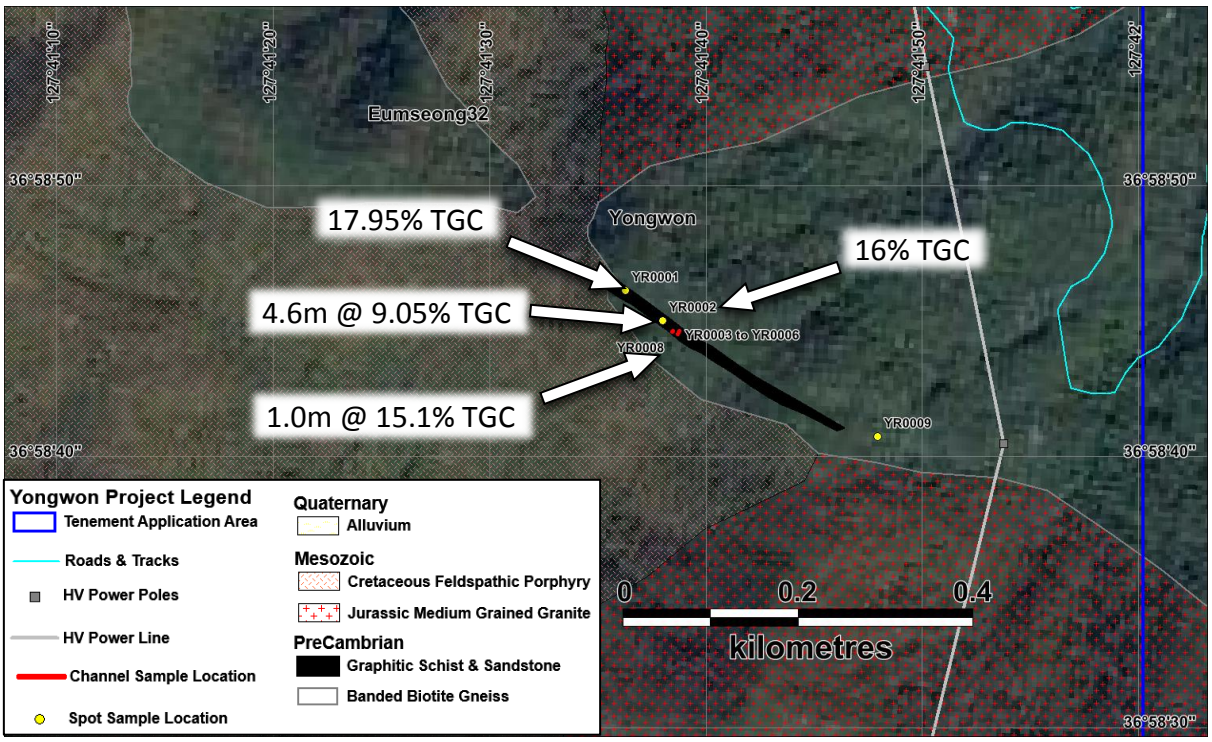

Figure 3: Yongwon Graphite Project, graphite sample grades

Daewon Graphite Project:

The graphitic schist / sandstone unit at Daewon reaches surface in the high-wall of an active limestone quarry, and has been traced over a 350m strike length to date (Figure 5). The unit is intermittently exposed over a thickness of up to 10m in places.

Graphite in the sample from the Daewon Graphite Project (DP001 & DA0005, 9.6% TGC) occurs as regularly disseminated, highly oriented graphite flakes including some large (>180 µm) flakes (see Figure 4 below) hosted within an amphibole-plagioclase doleritic or mafic sandstone unit.

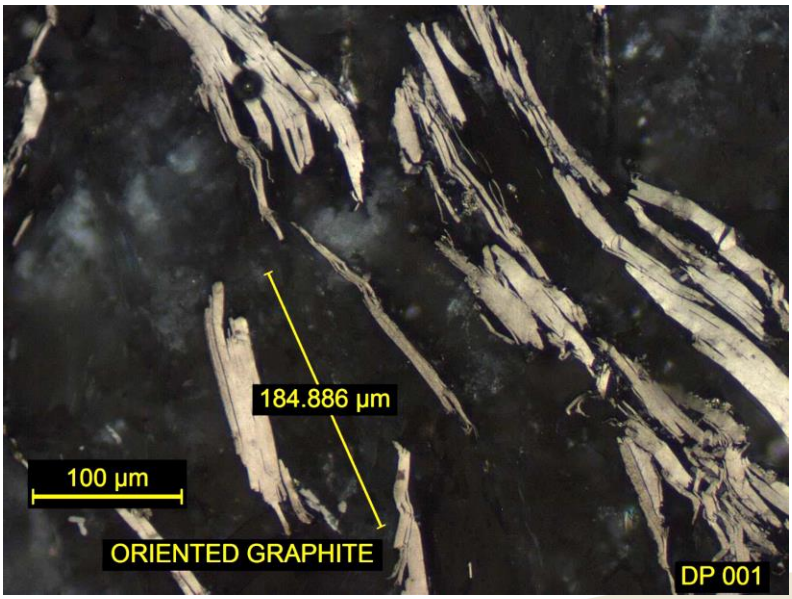

Figure 4: Photomicrograph of large flakes (>180µm) from the Daewon Graphite Project

Sampling of individual outcrops of the graphitic schist at Daewon has produced high-grade results including new channel sampling results of DA003: 1.03m @ 24.8% TGC, DA005: 1.08m @ 9.6% TGC and DA 007 – 12: 6.4m @ 4.79% TGC (see Figure 5 below and Appendices 1 & 2 for full results).

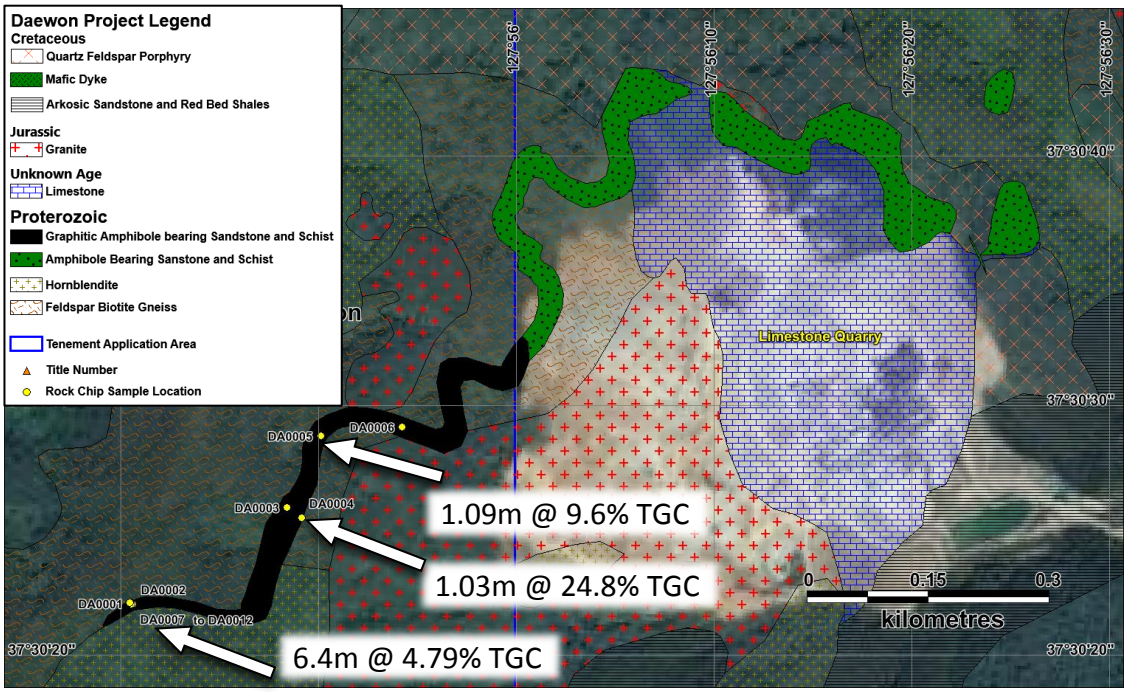

Figure 5: Daewon Graphite Project, graphite sample grades

Wolmyeong Graphite Project:

The Wolmyeong graphite project includes several graphitic lenses or horizons (upper, middle, lower) that occur over an up to 9km strike length (Figure 7). The units appear to be folded into a shallow plunging syncline with the axis truncated by a fault, so the middle and lower units may be a repeat of the upper horizon.

Three rock chip samples WP003 (48.7% TGC), WR0026 (76.1 % TGC) and WR0027 (66.5% TGC) have been the subject of petrographic examination. Petrographic examination indicates that the graphite is predominantly of the micro-crystalline, fine-grained "amorphous" type ("graphite 1") with subordinate, re-crystallised "flake" graphite ("graphite 2") generally rimming the micro-crystalline material (Figure 6 below).

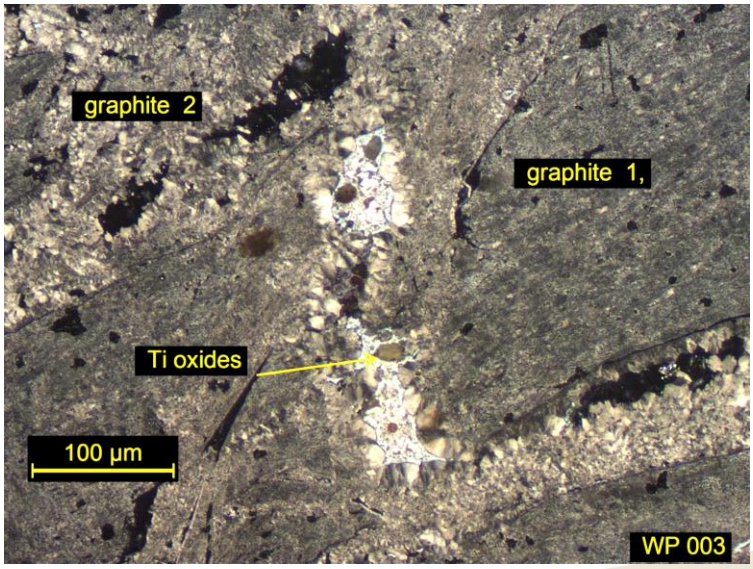

Figure 6: Photomicrograph of large flakes (>180µm) from the Daewon Graphite Project

Additional sampling conducted in areas of structural thickening produced results from individual lenses of up to WR0026: 76.1% TGC and WR0027: 66.5% TGC (see Figure 7 below).

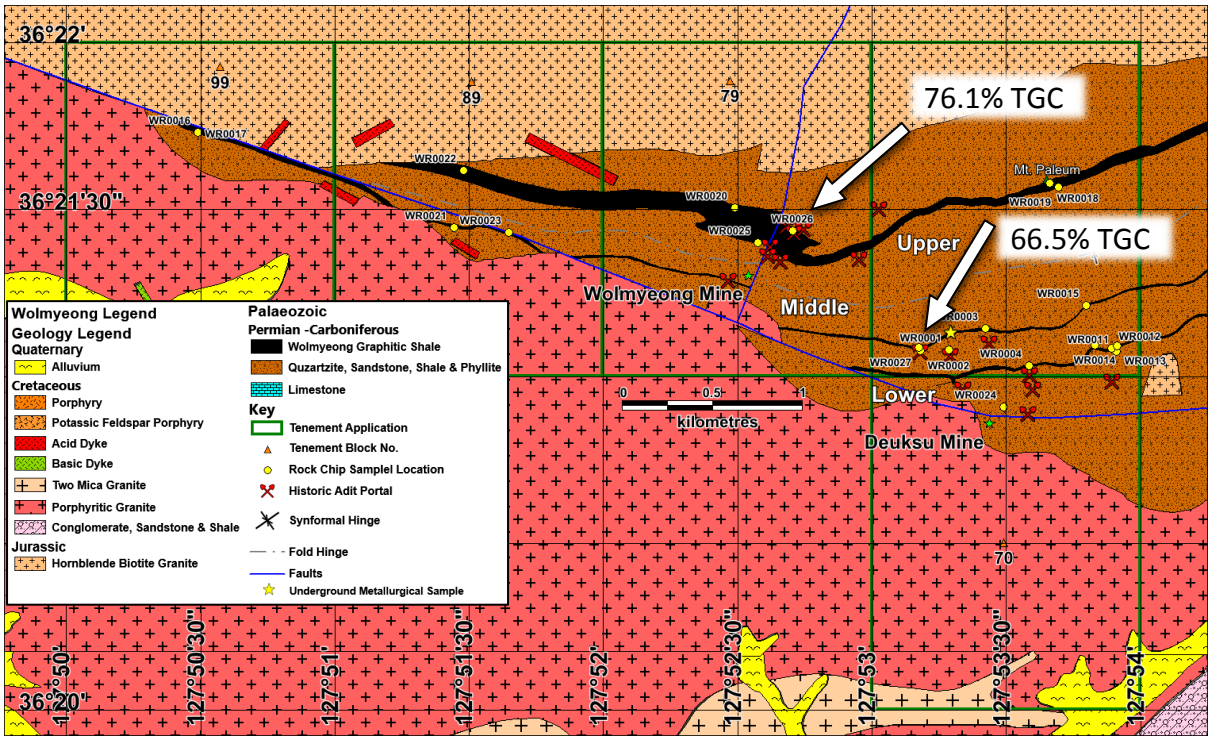

Figure 7: Wolmyeong Graphite Project, graphite sample grades

The secondary, recrystallised "flake" graphite may be more prevalent in structurally deformed and metamorphosed zones, such as faults and fold hinges. This indicates that the buried synclinal hinge zone may be a prime target for secondary recrystallised graphite. Such zones are likely to be detectable with electromagnetics (airborne or ground EM).

Metallurgical Testwork in Progress:

Metallurgical testwork is being conducted at NAGROM laboratories in Perth with the objective of generating optimal flotation graphite concentrates that will meet the specifications required for generating spherical graphite for Lithium-ion battery and other high-end technology applications.

The initial results, from a combination of grinding, cleaning and flotation stages on the Yongwon and Daewon (Figure 8) composites have been encouraging and test-work is continuing with the objective of optimising concentrate grades in concentrate for both of these projects. In addition, sizing is in progress to determine flake-size distribution in the final concentrates. The final results of this work will be reported in due course.

Wolmyeong testwork to date indicates that the predominance of fine, amorphous graphite will not allow generation of a flotation concentrate of sufficient grade or quality to be suitable for the high-end technology applications targeted. However, alternative testing will be investigated including amenability for the generation of graphene from this very high-grade deposit.

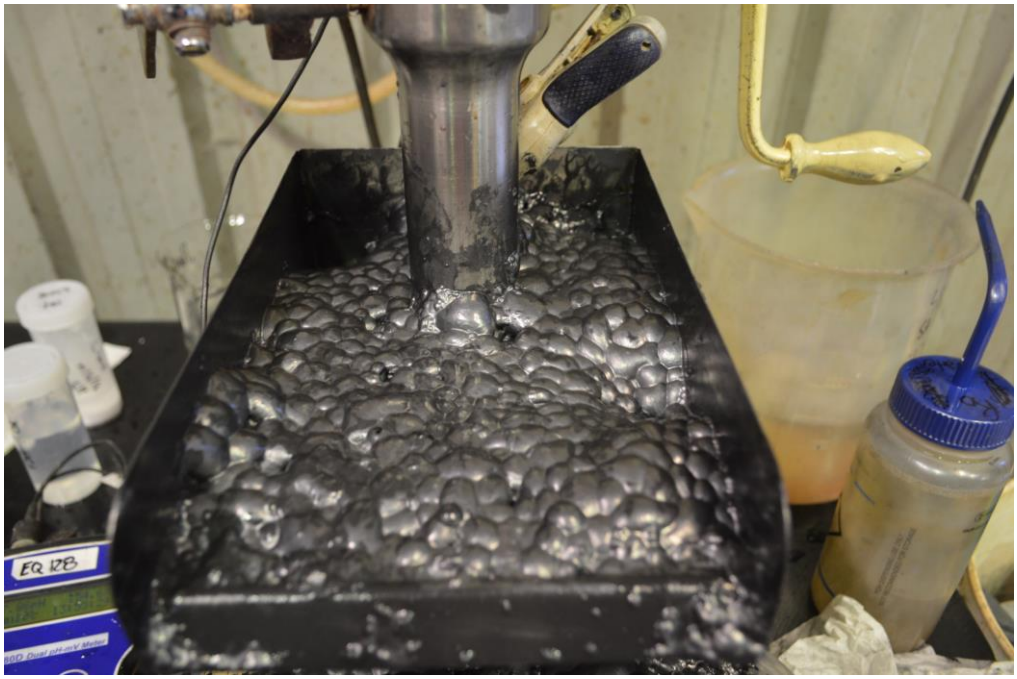

Figure 8: Graphite flotation in progress at NAGROM laboratories, Daewon Project composite

Next Steps to include systematic channel sampling:

The identification of large graphite flakes, significant widths and grades, and encouraging initial metallurgy for both Yongwon and Daewon, has sufficiently encouraged the Company that it has decided to take these projects to the next stage of assessment.

The next steps at Yongwon will include excavating trenches across the entire, up to 20m, width of the graphitic unit and conducting channel sampling to determine width and grade of the prospective unit with the objective of defining an exploration target.

A ground or airborne EM survey may also be considered, combined with mapping, with the objective of defining drilling targets.

Channel sampling is also underway at Daewon, where the graphitic unit is intermittently exposed over a thickness of up to 10m in places. Mapping, systematic channel sampling, then ground or airborne EM, will be considered, with the objective of defining drilling targets.

At Wolmyeong the next steps are to complete the assessment of the metallurgy, then carry out additional mapping, channel sampling and petrography on other areas to see if there is a correlation between structural remobilisation and secondary “flake” graphite-2 predominance. Then, if the metallurgy and extra petrography is favourable, an EM survey will be considered, combined with mapping, to define drilling targets for high grade remobilised and thickened graphite.

JORC 2012 Table 1, Sections 1 and 2 details sampling techniques and data, and exploration results reporting criteria.

Appendices 1 and 2 contain location and assay details of all the samples collected from the Daewon, Wolmyeong and Yongwon Graphite Projects to date.

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About Peninsula Mines

Peninsula Mines Ltd is an Australian listed exploration/ development company focused on developing the outstanding opportunities for mineral discovery within South Korea. Peninsula's strategy is to focus on mineral commodities which have a positive price outlook for potential off-take in-country. The Company has established and is growing a portfolio of highly prospective graphite, lithium and gold-polymetallic projects in South Korea that all offer significant exploration potential.

The material and/or releases referenced in this release are listed below:

D1. High Graphite Grades at Wolmyeong Project, 2 June 2016
D2. High Graphite Grades at Yongwon Project, 19 July 2016
D3. Applications over Historical High Grade Graphite Project, 11 Feb 2016
D4. High Grade Graphite Samples - Daewon Prospect, 21 Jan 2016

Other than the information reported in this announcement, there has been no material change to the information contained in the above releases. Full versions of all the company's releases are available for download from the company's website www.peninsulamines.com.au

Forward looking Statements

This release contains certain forward looking statements. These forward-looking statements are not historical facts but rather are based on Peninsula Mines Ltd's current expectations, estimates and projections about the industry in which Peninsula Mines Ltd operates, and beliefs and assumptions regarding Peninsula Mines Ltd's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Peninsula Mines Ltd, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Peninsula Mines Ltd cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Peninsula Mines Ltd only as of the date of this release. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Peninsula Mines Ltd does not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

Competent Persons Statement

The information in this release 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 an Executive Director of the Company.

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 release of the matters based on this information in the form and context in which it appears.

JORC Code, 2012 Edition: Table 1
Section 1: Sampling Techniques and Data

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

Criteria	*JORC – Code of 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.*	At Daewon, 12 rock chip samples have been collected including 3 spot samples from various outcrops and 9 channel samples taken across the Daewon structure at various locations. Three grab samples were collected randomly from Wolmyeong surface dumps and spoil adjacent to the historical Deuksu mine workings. A channel sample WR0002 was taken across the portal entrance to the adit driven on the Middle Graphite Horizon[D1]. An additional 17 samples have been collected at Wolmyeong including 3 channel samples and a dump grab sample along with 13 spot samples from various outcrops across the project tenements. At Yongwon, 6 samples were collected and reported on in the July release including 2 spot samples and 4 channel samples from the wall of a historic costean[D2]. Three further samples were collected during follow-up work in August, including 2 channel samples, and a third sample from an unmineralised mafic unit to the east. The results of all assaying from the Daewon, Wolmyeong and Yongwon Projects is included as Appendix 1 & 2. The locations of the sample points are shown in figures 3, 5 & 7 the full list of sample locations is included as Appendix 1. All coordinates are in WGS84 UTM Zone 52N coordinate system. This announcement also refers to results of metallurgical studies on samples collected from the Company's 3 main graphite projects. The Daewon metallurgical sample was generated by compositing the coarse rejects from the first 3 and the fifth sample collected at Daewon DA0001 to DA0003 and DA0005 (Appendix 1 & 2). The Wolmyeong sample was sourced from an underground adit at the Deuksu Mine. The adit was developed on what has been historically described as the Middle Graphite Horizon. The sample was collected from the adit floor and represents high grade stope wash material. The Yongwon metallurgical sample was prepared by compositing the first 6 samples collected from the Yongwon Project YR0001 to YR0006 (Appendix 1 & 2).

Criteria	*JORC – Code of Explanation*	Commentary
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	All the sampling completed to date has been reconnaissance sampling aimed at broadly assessing each project's potential. This work has also confirmed the results of historic work by various Government agencies. In addition, the Company has commissioned a series of metallurgical tests on the graphitic mineralisation sourced from Daewon, Wolmyeong and Yongwon to assess its amenability to beneficiation and the generation of product or products suitable for use in many of the newer graphite applications such as Li-ion batteries. At Daewon, a series of channel samples were taken normal to the shallowly dipping graphitic beds. Efforts were made to collect evenly sized rock fragments at each of the sampled localities. These samples can be considered representative of the grade at each of the sampled localities. Many of the samples collected at Wolmyeong have been dump grab samples to confirm the historically reported run of mine (ROM) high grades[D1]. The reader should note that all the ore mined at Wolmyeong was hand sorted so the grab sampled material from historical mine dumps may well be more indicative of the grade of the material rejected historically. Efforts were made to collect similar sized rock chip fragments at each grab sample point. Further, a number of spot samples have been collected at points across the tenement package to locally assess the grade potential and to assist in meeting the requirements of the Mineral Deposit Survey (MDS). These samples can only be considered indicative of the grade at the point at which each sample was taken. None of these samples are intended for use in any future resource estimation. At Yongwon, several spot and grab samples were collected from subcrops or outcrops of graphitic schist or graphitic sandstone. In addition, the wall of a historical costean was sampled. The results of this work were reported previously with the exception of one 0.7m interval that was omitted due to extensive soil cover[D2]. Follow-up sampling was recently completed which included the removal of the soil cover and sampling across a continuous 4.6m channel. Evenly sized rock fragments were chiselled from the costean wall and these are considered representative of each of the intervals sampled. Sample YR0008 was taken from a second outcrop 7m to the west of the channel sampled costean. This sample is along strike from sample YR0004. All sampling undertaken to date at each of the 3 graphite projects has been undertaken using a geological hammer or mallet with samples collected on a rubber mat and funnelled into a calico bag. On occasions, a chisel has been used to assist with channel sampling.

Criteria	*JORC – Code of 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.	The surface channel samples were collected from various surface outcrops across each of the 3 graphite projects. The grab samples were collected from historical mine dumps. The spot samples were taken from surface outcrops or subcrops to assess the grade of the graphite bearing structure(s). The mass of the samples collected varied from between 1.5 and 3.0kg. The channel samples were taken perpendicular to the graphitic structure and as continuous channel samples of evenly sized material. In addition, a series of samples were collected from each of the projects for petrological analysis. All the petrographic slides were prepared in Perth and the petrographic assessment was undertaken by Townend Mineralogy Laboratory. In addition to microscopic assessment, scanning electron microprobe assessments, were also undertaken on the graphite samples. The metallurgical bench studies have been undertaken by NAGROM Laboratories, Kelmscott, Western Australia. The Wolmyeong ore was collected as a series of bulk samples WR0005-WR0008. The material collected was washed from a historical stope over time. The samples were collected from the floor of an adit developed on what is referred to as the Middle Graphite Horizon (see Figure 7 for metallurgical sample location). The initial testing utilised sample WR0005, a 6.67kg grab sample from the adit floor. Additional tests utilised material collected from the same location (samples WR0006 to WR0008) collected to provide 21.74kg of additional material. The Daewon metallurgical sample was a composite of samples DA0001 to DA0003 and DA0005 to generate a 7.55kg composite sample for metallurgical analysis (Figure 8). The Yongwon metallurgical sample was prepared as composite of samples YR0001 to YR0006 to generate a 10.74kg composite sample for metallurgical analysis.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure*	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results.

Criteria	*JORC – Code of Explanation*	Commentary
	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.	
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.*	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	
	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.*	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	All samples were taken as rock chip samples using a geology hammer and/or a mallet and chisel. Efforts were made to collect evenly sized rocks from across the dumps. Samples were dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	In all cases, the entire sample was crushed and then split to produce a subsample for analysis. The details of the applicable sample preparation have been discussed more fully in subsequent sections.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Efforts were made to collect even-sized rock chip fragments from the dump spoils. Efforts were made to collect a representative sample across the breadth of the channel.
	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.	As previously stated, the grab samples should only be considered indicative of the grade of material mined historically and in no way represent the overall grade of the remnant dump material. At this point in time, no duplicate samples have been taken at any of the sample sites. No sample splits have been analysed other than those routinely analysed by the laboratory as part of their own internal QA/QC process.

Criteria	*JORC – Code of Explanation*	Commentary
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample size is considered more than adequate to assess TGC content of the graphite mineralisation from each of the Daewon, Wolmyeong and Yongwon projects.
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.*	All samples were rock chip samples collected using a hammer, ± chisel, rubber mat and calico bag. The samples sent to ALS Guangzhou, China were packed in cartons and dispatched by Korea Post. The samples sent to NAGROM Kelmscott, Western Australia were packed in cartons and dispatched from Korea using DHL Global Forwarding as the transport and Perth customs clearing agent. On receipt by each lab, the samples were dried and prepped. The samples were logged into the ALS system upon arrival at the Guangzhou laboratory. Samples were dried overnight at 60°C. At NAGROM, samples were dried at 105°C. The graphitic ore samples were crushed to 70% passing 2mm using a MK-3 Rocklabs New Zealand jaw crusher. The samples were then split and a 250g subsample fully pulverised (PUL-21) using a LM-2 pulveriser with a ferrochrome puck and bowl. The sample was pulverised until 85% of the sample passed 75 microns. A barren silica flush was crushed between each sample and a barren flush was pulverised between each sample to minimise the risk of cross sample contamination given the expected high grade nature of the samples. At NAGROM, samples post drying were crushed to a nominal top size of 6.3mm using a jaw crusher. If the sample mass exceeds 2.5kg, the sample is then riffle split to generate a sub-sample for pulverisation. Alternatively, if the sample is <2.5kg, the entire sample is pulverised. The sample is pulverised using a LM5 pulveriser until 80% of the sample passes 75 microns. A ~150gm subsample of the pulverised material is then randomly selected for analysis with the balance of the pulverised material re-bagged. For the samples sent to China, the sub-sample of pulverised material was then dispatched to ALS Vancouver. The Graphite samples were analysed by a range of assay techniques. A C-IR17 analysis was used to determine non-carbonate carbon through sample dissolution in 50% HCl to drive off carbonate as CO_2. The residue is then roasted at high temperature 425°C to drive off organic carbon. The roasted residue was then analysed for graphitic carbon in a high temperature LECO furnace with infra-red detection. The sulphur value was determined using method S-IR08. The S in the sample is oxidised to SO_2 at 1350°C and read with a LECO analyser. The total carbon was measured via method C-IR07t where the carbon in the sample is converted to CO_2 and read by the LECO analyser. From these analyses, the Total Carbon, Total Graphitic Carbon (TGC), Organic Carbon and Inorganic Carbon (as carbonate) and Sulphur were reported (Appendix 2).

Criteria	*JORC – Code of Explanation*	Commentary
		Due to the high grade nature of the Wolmyeong samples, each sample was analysed 3 times and the resulting total carbon, non-inorganic carbon (methods C-IR17) and total graphitic carbon (method C-IR18) numbers were averaged. The reported upper detection limit for these methods is 50% C. The inorganic and organic carbon numbers are both calculated values. The Inorganic carbon is the difference between values TC (C-IR07t) and NIC (C-IR17). The organic value is calculated by taking the difference between NIC (C-IR17) and TGC (C-IR18). As the ALS LECO analyses are not gravimetric, they cannot be considered absolute and small scale errors occur in the values and subsequent calculations. The ALS results are only considered partial. Further, ALS is unable to accurately determine graphite grade when the volume of graphite exceeds 50% in the analysed sample. A similar methodology is utilised by NAGROM with inorganic Carbon determined by difference after the sample is treated with acid to drive off any C present in the sample as carbonate. The NAGROM analyses also utilise a LECO analyser but are gravimetric analyses where C and S values are determined from mass differences (determined using precision scales) during the high temperature heating and subsequent CO_2 and SO_2 generation in the analyser. This method is considered near total for C and S and is the preferred method for accurate graphite sample analysis.
	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.	No geophysical results are commented upon in this release. The possibility of a future ground or airborne EM surveys is discussed.
	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 Company has not included any blank or CRM samples with these analyses. The company has relied solely on the standard repeat and CRM protocols undertaken by ALS and NAGROM on the analyses of these samples. The results of the laboratory's own internal QA/QC do not indicate any issues with the assay results reported herewith. No repeats have been undertaken at this point of time.

Criteria	*JORC – Code of Explanation*	Commentary
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The graphite analyses were primarily undertaken with the aim of confirming the results of earlier work reported by Korean Mineral Promotion Corporation (KMPC)[D1-D4]. None of the results reported or commented upon in this release have been independently checked. This is not considered material at this early reconnaissance stage of the project's evaluation.
	The use of twinned holes.	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Assay results are stored in an Excel database. All results are checked by the responsible geologist on entry to the database. The Company's data is stored in an excel database and routinely transferred to the Perth Head Office.
	Discuss any adjustment to assay data.	The data presented in the accompanying Appendices is raw laboratory data. The organic carbon and inorganic carbon content are calculated using the results of the total and graphitic carbon and non-inorganic carbon analyses. This is standard practice in the reporting analyses of various carbon species. The high grade Wolmyeong assays from samples WR0001 to WR0004 are generated by averaging the results of 3 separate analyses and these results are only considered partial.
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.*	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results. The sample locations have been recorded using a hand held Garmin GPS60CSx. The accuracy of this unit at most sample sites was +/- 3m.
	Specification of the grid system used.	All sample sites were surveyed in the UTM WGS84 zone 52N coordinate system.
	Quality and adequacy of topographic control.	The National Geographic Information Institute (NGII) has 1:5,000 scale digital contour data for the entire country.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	It is not anticipated that any of these data would be used to compile any form of Mineral Resource and the data are purely acquired as part of the overall reconnaissance evaluation of each of the projects.
	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.	The sampling to date is not intended for the use in any future resource estimation that may be undertaken.
	Whether sample compositing has been applied.	None of the rock chip assay results have been composited and all reported channel widths are true widths. The metallurgical analyses discussed in this release were undertaken using

Criteria	*JORC – Code of Explanation*	Commentary
		composited samples. The selection of these composite intervals have been discussed previously. The Wolmyeong metallurgical sample by its very nature is a composite sample being remnant stope wash material that has collected on the adit floor over time.
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.*	The channel samples were all collected perpendicular to the sampled structure. All channels accurately reflect the grade of the sampled interval. In the case of the broader channel at Daewon, the reader should note that each 1m interval commonly contained multiple narrow 1 to 5cm scale high grade graphitic bands. At Yongwon, the graphite mineralisation occurs both as disseminated flakes within the sandstone/quartzite unit or locally as more broad 1 to 10cm scale high grade and more massive graphitic horizons within the schist units. The graphite in the channels taken at Wolmyeong was high grade locally remobilised graphite on shear planes or bedding planes. The limited grab sampling programme was undertaken of the dump material to gauge the grade of material mined previously from underground. A series of spot samples were taken from outcrops across the Wolmyeong tenements as part of the MDS process. These samples, as stated previously, are only indicative of the grade locally. The spot samples at Daewon and Yongwon were similarly taken to assess the grade locally or taken in conjunction with petrological samples.
	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.	No drilling has been undertaken by the company and no commentary is being presented here on past drilling results.
Sample security	*The measures taken to ensure sample security.*	All samples were collected into pre-labelled calico sample bags. The specific details of each sample and sample site were recorded into a field notebook and later transferred to an Excel spreadsheet. Samples were packed in cardboard cartons and dispatched by the Korean postal service to ALS China or via DHS Global Forwarding to NAGROM Laboratories, Australia. On arrival in China, samples are usually held by Chinese customs for one or two days before release to the laboratory staff. In the case of the Yongwon samples, these were held by customs for 3 weeks due to concerns raised by customs over the friable nature of the samples. Customs required clarification that the samples were neither soil or stream sediments as these types of samples cannot be imported into China. The Guangzhou laboratory is located within a secure fenced compound. Safe custody of the samples is ensured through systematic tracking of samples through all stages from sample receipt to instrumental reading of the final sample

Criteria	*JORC – Code of Explanation*	Commentary
		aliquot. The laboratory conducts its own internal auditing of the sample processing procedures to maintain sample security and minimise the risks of sample contamination or swapping during the analytical process. The NAGROM samples were air freighted to Perth where they were held for assessment by AQIS. The Company's import declaration outlines where the sample batch was sourced and the nature of the sampled material (e.g. rock chips, soil, core etc.). All the Company's graphite samples were declared as surface samples with the exception of the underground Wolmyeong metallurgical samples WR0005 to WR0008. All the surface samples are heat tested by AQIS to destroy any soil or airborne pathogens prior to release to NAGROM. Given that all samples were subsequently dried at the laboratory, this AQIS sample heating step is not considered a material issue. To date, samples have cleared customs in Perth within 24 to 48 hours. Sample transit from Korea to the lab has never taken longer than 5 business days.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The ALS laboratory in Guangzhou has not been audited by Company personnel. This is not considered material at this stage of the project evaluation process. Sampling techniques and practices and assay methodology are periodically reviewed as part of the overall aim for continuous improvement in the Company's sampling protocol. The NAGROM Laboratory, Kelmscott has been visited by Company personnel and meets full international standards. NAGROM is internationally recognised particularly in the field of metallurgical evaluations.

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

Section 2: Reporting of Exploration Results

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

Criteria	JORC – Code of Explanation	Commentary
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.*	At Daewon, the Company has applications filed over two adjoining tenement blocks, Yangdeokwon 40 and 50 (Figure 5). While at Wolmyeong, the Company has also filed tenement applications over five adjoining tenement blocks, Cheongsan 69, 70, 79, 89 and 99 (Figure 7). In addition, at Yongwon, the Company has applications over two adjoining blocks Eumseong 22 and 32 (Figure 3). Each block covers a 1-minute graticule and has a nominal area of 276 hectares. The Company has sole rights to each tenement for graphite. Graphite is classified as a minor mineral under Korean Mineral Law. In the case of minor minerals such as graphite, each 1minute graticule block is further subdivided into four 30”x 30” sub-blocks. The Company must complete a Mineral Deposit Survey (MDS) over each sub-block to secure a 6 year exploration right for each block. On the 17 June 2016, the Company refiled the aforementioned applications over each of the 3 graphite projects. As a result, the Company now has until the 14 December to complete an MDS over each of the 3 projects. The MDS requires that the applicant indicates the presence of outcropping graphite 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. 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 before undertaking any major exploration activity such as drilling. The Daewon project is ideally located adjacent to an operating limestone quarry. The Daewon graphite dips shallowly away to the NW into the limestone quarry high wall. In Korea, multiple parties can hold the mineral rights for different commodities over the same tenement block. Like the other two projects, the Daewon project is covered in mixed deciduous and conifer regrowth forest. The status of the land ownership over the mineralised area is currently being determined. The long history of past mining at the Wolmyeong project and the low density of housing in the immediate vicinity

Criteria	JORC – Code of Explanation	Commentary
		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. At Yongwon, the known graphite mineralisation outcrops along a forested ridge crest and dips to the north. The mineralisation is located on forest land owned and managed by the Chungcheonbuk Provincial Government.

Criteria	JORC – Code of Explanation	Commentary
	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.	All the Company's graphite titles are applications. The applications have been extended on one previous occasion for an additional 6 month period until 14 December 2016. There is no certainty that further extensions will be successful. The Company intends to complete an MDS over each applied tenement over the course of the next month. Government registered agents have been engaged to undertake this work. The agents have already visited several of the project areas and will complete their field evaluations by month's end. On approval of the MDS, an applicant has 12 months from the original application date, 16 June 2017 in the case of Daewon, Wolmyeong and Yongwon, 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 Company's graphite projects will be 16 March 2021, provided that at least 50% of the statutory requirement has been completed within the initial 3 year prospecting period. 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(s). 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, provided all statutory requirements have been met over the life of the mine. 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.

Criteria	JORC – Code of Explanation	Commentary
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	During the latter half of the 1970s, KMPC (now KORES) completed an exploration programme at the Daewon Project. Past KMPC exploration included mapping and rock chip sampling, the results of which were reported previously[D4]. In addition, a small adit was developed but as yet, the Company has been unable to locate any records of historical mine production. Subsequent Company mapping has identified some spatial errors in the KMPC mapping. A summary of historical KIGAM and KMPC work in the Wolmyeong project area was presented in PSM's 11 February 2016 ASX announcement[D3]. The Company is in the process of reviewing and compiling historical drilling records from work in the Poun Coal Field, including the logs from holes drilled previously on the Company's Wolmyeong tenements. The Company has not as yet been able to locate any records of past graphite production from the Wolmyeong and Deuksu Mines. KMPC has completed a series of costeans across the Yongwon structure and the assays from this project were summarised in their 1981 report[D2]. KMPC also mapped the project area in 1981. The Company has not as yet been able to locate any records of past graphite production from the Yongwon prospect. 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. These surveys cover all 3 graphite project areas. KIGAM has also completed 1:50,000 scale mapping across all three project areas[D1-D4]. The Company is currently not aware of any exploration work by other non-Government agencies/parties.

Criteria	JORC – Code of Explanation	Commentary
Geology	*Deposit type, geological setting and style of mineralisation.*	The Daewon graphitic mafic schist/sandstone unit is interpreted to form part of a Precambrian basement sequence composed of banded biotitic gneiss and porphyroblastic gneiss along with meta-limestone and meta-sediments. The gneissic basement sequence has been intruded by hornblendite unit that may represent a possible source of the mafic minerals observed in the graphite-mafic schist horizon. The host graphitic schist has been described petrographically as an unusual, graphite bearing, mafic (amphibole, labradorite, quartz, biotite) metadolerite or amphibolite. Field relationships indicate that the unit is a metamorphosed, mafic bearing sandstone or schist. The graphite host horizon is conformable with the gneissic foliation striking at 10-15^{o} and dipping at 10-40^{o} to the north west. Mesozoic aged quartz feldspar porphyry, granites and acid and basic dykes intruded the basement sequence (Figure 5). The Wolmyeong graphite deposit was formed as a result of regional and contact metamorphism of the 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 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 6 & 7). The Yongwon graphite deposit was formed as a result of regional and possible contact metamorphism of carbonaceous material hosted within the locally banded Precambrian gneiss. The coarse flake graphite is hosted in a quartz K-feldspar ± muscovite schist-sandstone /quartzite horizon that is locally interbedded with more schistose layers with an observed increased clay content. The basement gneiss has been locally intruded by Mesozoic aged granites and porphyry (Figure 3).

Criteria	JORC – Code of Explanation	Commentary
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 (Reduce 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*	The Company is in the process of translating and compiling the available historical drill logs from past KIGAM drilling efforts at Wolmyeong. All sample results and sample location details are summarised in Appendix 1 & 2. The petrographic analysis was used to classify the graphite host rock and to characterise the nature of graphite mineralisation. A series of photomicrographs have been included that illustrate graphite grain size and host rock mineralogy at the Daewon, Wolmyeong and Yongwon Projects (Figures 2, 4 & 6).
	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.	No comments are being made on the results of the historical drilling work at Wolmyeong by KIGAM in this announcement. The Company is not aware of any drilling having ever been undertaken at the Daewon or Yongwon Graphite Projects. All the assay results from the rock chip sampling have been summarised as Appendix 1 & 2.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	No data has been cut or truncated.

Criteria	JORC – Code of Explanation	Commentary
	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.	All assay values reported are raw assays and none of the data values have been cut or truncated. In the case of the Daewon and Yongwon, channels length weighted averages have been calculated for the full breadth of the sampled interval. In each case, the results of the analysis for each individual sampled interval has been reported.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent vales have been reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	The graphite dump grab samples were taken to provide an indication of the grade of the material historically mined at Wolmyeong. Further, these samples aim to validate the results of earlier KMPC sampling work reported previously[D1]. A number of spot rock chip samples were taken from various graphitic outcrops to assess the grade across the broader tenement package and to help facilitate the MDS process. At Wolmyeong, the channel samples (WR0002, WR0012, WR0014, WR0016 and WR0017) provide a local indication of the grade and width of what is historical described as the Middle Graphite Horizons. Insufficient work has been undertaken at this stage to comment on the width of the graphite structures across all the Wolmyeong tenements. Historical mining records indicate that the width of the mined structures varied along strike from 0.5m to more than 20m wide in places[D3]. At Daewon, six channel samples (DA0007 to DA0012) were taken vertically down the wall of a small exploration pit at the south-western end of the Daewon structure. The exposed outcrop had a true width of 6.7m. A further 3 channels were taken along strike to the NE where outcrops of the graphite exposures were located on the ridge flank, DA0003 and DA0004, at an outcrop in a small creek, DA0005 (site of petrography sample DP001). The other two samples were spot rock chips taken from the exploration pit, DA0001 and DA0002, and from an outcrop of unmineralised mafic sandstone sample, DA0006. At Yongwon, two spot samples were collected towards the western end of the exposed structure. The first, YR0001, from a subcrop at the top of a knoll and the second, YR0002, at the point where coarse flake graphite was observed. The sample for petrographic analysis, YP001, was collected at this location. Further east, a 4.6m long costean was channel sampled (YR0003-YR0006). The results of this work were reported in the earlier 19 July 2016 release[D2]. Follow-up work

Criteria	JORC – Code of Explanation	Commentary
		included the removal of the soil cover and infill sampling of the previously unsampled interval, YR0007. The final sample, YR0009, was a sample of unmineralised, mafic schist float. No tonnage or Mineral Resource potential has been commented on in this release.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	No drilling has been undertaken by the Company and no drilling results have been reported or commented upon in this release.
	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').	No drilling has been undertaken and no drill assay results have been reported or commented upon.
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.*	Figures 3, 5 & 7 show the location of all the sampling completed to date across the Company's 3 key graphite projects. Assay results are summarised in the Appendices. A sectional interpretation of Wolmyeong was presented previously in the 11 February 2016 announcement[D3].
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 assay values and sample location details have been reported and are summarised in Appendix 1 & 2. The sample location details are shown in accompanying figures 3, 5 & 7. Past assay work by KMPC was included in earlier announcements and can be reviewed by the reader for comparative purposes[D1-D4].

Criteria	JORC – Code of Explanation	Commentary
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.*	All data considered relevant and material have been included and commented upon in this announcement or included in earlier announcements[D1-D4].
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).*	Metallurgical studies were underway on each of the three graphite projects. These studies aim to characterise the grade of various graphite size fractions and to determine the suitability of the ore from each project to beneficiation. The aim is to establish whether the ore from one or all the projects can be upgraded to produce a +95% TGC concentrate. At the Yongwon Project, additional diamond saw channel sampling is planned to utilise the existing KMPC costeans. This work will produce resource quality channel data and aims to determine the full breadth of the Yongwon structure. A similar programme of trenching and channel sampling is planned for the Daewon project. Further, detailed project wide mapping is planned for the autumn and early winter months when outcrops are more visible. Consideration is being given to undertaking electromagnetic surveys (EM) across one or more of the projects pending the outcome of the initial metallurgical evaluations. These work programmes will assist in prioritising projects and will aid in drill hole design. It is envisaged that the drill programme will take place post the winter thaw, subject to the receipt of the required forestry and land holder approvals.

Criteria	JORC – Code of Explanation	Commentary
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	The included figures show the mapped location of the graphite seams at each of the 3 graphite projects. Potential exists to identify near surface graphite mineralisation on the western tenements (blocks 89 and 99). Further, historic records indicate that no mining has been undertaken below the level of the Deuksu and Wolmyeong valley floors, nominally 300m AMSL. Significant potential exists to define additional resources below the level of the historical mining. At Wolmyeong, the area along strike to the east of the applied tenements is considered less prospective as the grade of metamorphism reportedly drops off and the graphitic seams become more anthracitic (Figure 7). At Daewon, there is potential to identify additional areas of graphite mineralisation along strike to the NE within the mapped mafic sandstone unit (Figure 5). There is also down dip potential to the NW. At Yongwon, the structure remains open to the east where thick soil cover obscures any rock outcrop and at depth (Figure 3).

Appendix 1: Location and Sample Description Details for the Rock Chip Sampling at the Company's Three Main Graphite Projects

Project	SampleID	Easting	Northing	mRL	From	To	Interval	Type	Lithology
Daewon	DA0001	405245	4151561	495				Spot	Weathered graphitic sandstone and schist
Daewon	DA0002	405248	4151560	502				Spot	Weathered graphitic sandstone and schist
Daewon	DA0003	405440	4151677	483	0	1.03	1.03	CHN	Graphite seam
Daewon	DA0004	405458	4151664	482	0	1.03	1.03	CHN	Sandstone/quartzite dis graphite
Daewon	DA0005	405483	4151765	476	0	1.08	1.08	CHN	Graphitic Sandstone
Daewon	DA0006	405584	4151775	444				Spot	Chloritic Sandstone/quartzite dis graphite
Daewon	DA0007	405247	4151560	494	0	1	1	CHN	Weathered graphitic sandstone and schist
Daewon	DA0008	405247	4151560	495	1	2	1	CHN	Weathered graphitic sandstone and schist
Daewon	DA0009	405247	4151560	496	2	3	1	CHN	Weathered graphitic sandstone and schist
Daewon	DA0010	405245	4151560	497	3	4	1	CHN	Weathered graphitic sandstone and schist
Daewon	DA0011	405244	4151562	498	4	5	1	CHN	Weathered graphitic sandstone and schist
Daewon	DA0012	405244	4151562	499	5	6.4	1.4	CHN	Weathered graphitic sandstone and schist
Wolmyeong	WR0001	400232	4023492	395				Grab	Graphitic schist
Wolmyeong	WR0002	400071	4023490	457	0	1.35	1.35	CHN	Graphitic schist
Wolmyeong	WR0003	400437	4023606	463				Grab	Graphitic schist
Wolmyeong	WR0004	400676	4023398	404				Grab	Graphitic schist
Wolmyeong	WR0011	401164	4023470	385				Spot	Carbonaceous shale and Sandstone
Wolmyeong	WR0012	401138	4023489	383	0	0.8	0.8	CHN	Carbonaceous shale and Sandstone
Wolmyeong	WR0013	401168	4023504	406				Spot	Carbonaceous shale and Sandstone
Wolmyeong	WR0014	401043	4023508	416	0	0.93	0.93	CHN	Carbonaceous shale and Sandstone
Wolmyeong	WR0015	400999	4023730	456				Grab	Graphitic shale
Wolmyeong	WR0016	396063	4024747	195	0	0.8	0.8	CHN	Graphitic shale
Wolmyeong	WR0017	396067	4024747	195	0	0.8	0.8	CHN	Graphitic shale
Wolmyeong	WR0018	400805	4024409	759				Spot	Graphitic shale
Wolmyeong	WR0019	400853	4024387	755				Spot	Graphitic shale
Wolmyeong	WR0020	399049	4024290	399				Spot	Graphitic sandstone
Wolmyeong	WR0021	397483	4024201	310				Spot	Graphitic sandstone
Wolmyeong	WR0022	397542	4024514	303				Spot	Graphitic sandstone
Wolmyeong	WR0023	397787	4024172	210				Spot	Graphitic shale & sandstone
Wolmyeong	WR0024	400533	4023169	355				Spot	Graphitic shale & sandstone
Wolmyeong	WR0025	399173	4024098	296				Spot	Graphitic schist
Wolmyeong	WR0026	399368	4024159	319				Spot	Graphitic schist
Wolmyeong	WR0027	400063	4023504	424				Spot	Graphitic schist

Project	SampleID	Easting	Northing	mRL	From	To	Interval	Type	Lithology
Yongwon	YR0001	383711	4093394	527				Spot	Graphitic Sandstone
Yongwon	YR0002	383753	4093359	520				Spot	Graphitic Sandstone
Yongwon	YR0003	383771	4093348	516.5	0	0.7	0.7	CHN	Graphitic Schist
Yongwon	YR0007	383771	4093348	516.3	0.7	1.4	0.7	CHN	Graphitic Schist
Yongwon	YR0004	383771	4093347	516.1	1.4	2.4	1	CHN	Graphitic Sandstone
Yongwon	YR0005	383771	4093346	515.7	2.4	3.4	1	CHN	Graphitic Quartzite
Yongwon	YR0006	383771	4093345	515.3	3.4	4.6	1.2	CHN	Graphitic Quartzite
Yongwon	YR0008	383764	4093344	516	0	1	1	CHN	Graphitic Quartzite
Yongwon	YR0009	383997	4093224	428				Spot	Mafic Sandstone

Appendix 2: Assay Results for Rock Chip Sampling Programmes at Daewon, Wolmyeong and Yongwon Graphite Projects

YONGWON

Project	SampleID	TC %	S %	TIC %	TOC % *	TGC %	NIC %	Lab
Lab Method		C-IR07t	S-IR08	(C-IR07t) - (C-IR17)	(C-IR17) - (C-IR18)	C-IR18	C-IR17	
LDL		0.02	0.01	0.02	0.02	0.01	0.02	
Yongwon	YR0001	18.6	0.03	0.2	<0.02	17.95	17.9	ALS Guangzhou/Vancouver
Yongwon	YR0002	16.3	0.06	0.3	<0.02	16.05	15.6	ALS Guangzhou/Vancouver
Yongwon	YR0003	9.44	0.04	<0.02	0.31	9.07	9.38	ALS Guangzhou/Vancouver
Yongwon	YR0004	11.9	0.14	0.3	0.05	11.65	11.7	ALS Guangzhou/Vancouver
Yongwon	YR0005	5.26	0.24	0.21	0.08	5.11	5.19	ALS Guangzhou/Vancouver
Yongwon	YR0006	8.43	0.27	0.04	<0.02	8.31	8.28	ALS Guangzhou/Vancouver
Lab Method		CS001	CS001	CS002	CS003	CS003		
LDL		0.1	0.1	0.1	0.1	0.1		
Yongwon	YR0007	12.6	<0.1	<0.1	0.4	12.2		NAGROM
Yongwon	YR0008	15.1	0.1	<0.1	<0.1	15.1		NAGROM
Yongwon	YR0009	0.2	<0.1	<0.1	<0.1	0.1		NAGROM

LDL	Lower Detection Limit
NIC	Organic and graphitic carbon
TOC	Organic Carbon
TGC	Total Graphitic Carbon
TC	Total Carbon
TIC	Inorganic Carbon
*	Due to the very low levels of organic carbon present in the Yongwon samples ALS struggled to accurately determine an organic carbon number.

WOLMYEONG

Project	SampleID	TC %	S %	TIC %	TOC %	TGC %	NIC %	Lab
Lab Method	Method	C-IR07t	S-IR08	(C-IR07t) - C-IR17	(C-IR17) - (C-IR18)	C-IR18#	C-IR17	
		C total	Sulphur	TC less NIC	NIC less TGC			
LDL		0.01	0.01	0.1	0.1	0.02	0.02	
Wolmyeong	WR0001	54.1	0.03	1.2	0.1	52.8	52.9	ALS Guangzhou/Vancouver
Wolmyeong	WR0002	53.1	0.03	2	1.5	49.6	51.1	ALS Guangzhou/Vancouver
Wolmyeong	WR0003	53.4	<0.01	0.5	4.2	48.7	52.9	ALS Guangzhou/Vancouver
Wolmyeong	WR0004	72.9	0.04	2.7	3.5	66.7	70.2	ALS Guangzhou/Vancouver
Project	**SampleID**	**TC %**	**S %**	**TIC %**	**TOC %**	**TGC %**		**Lab**
Lab Method		CS001	CS001	CS002	CS003	CS003		
LDL		0.1	0.1	0.1	0.1	0.1		
Wolmyeong	WR0011	1.7	<0.1	<0.1	<0.1	1.6		NAGROM
Wolmyeong	WR0012	4.1	<0.1	<0.1	0.1	3.9		NAGROM
Wolmyeong	WR0013	2.4	<0.1	<0.1	<0.1	2.2		NAGROM
Wolmyeong	WR0014	9.2	<0.1	<0.1	0.2	9.1		NAGROM
Wolmyeong	WR0015	2.6	0.2	2.5	<0.1	<0.1		NAGROM
Wolmyeong	WR0016	0.3	<0.1	<0.1	<0.1	0.2		NAGROM
Wolmyeong	WR0017	4.3	<0.1	<0.1	0.2	4.0		NAGROM
Wolmyeong	WR0018	0.7	<0.1	<0.1	<0.1	0.6		NAGROM
Wolmyeong	WR0019	<0.1	<0.1	<0.1	<0.1	<0.1		NAGROM
Wolmyeong	WR0020	0.2	<0.1	<0.1	<0.1	0.2		NAGROM
Wolmyeong	WR0021	2.8	<0.1	<0.1	<0.1	2.7		NAGROM
Wolmyeong	WR0022	1.3	<0.1	<0.1	<0.1	1.2		NAGROM
Wolmyeong	WR0023	0.7	<0.1	<0.1	<0.1	0.7		NAGROM
Wolmyeong	WR0024	0.7	<0.1	<0.1	<0.1	0.6		NAGROM
Wolmyeong	WR0025	21.8	0.2	<0.1	<0.1	22.1		NAGROM
Wolmyeong	WR0026	79.6	0.1	2.8	0.7	76.1		NAGROM
Wolmyeong	WR0027	75.3	0.2	8.8	<0.1	66.5		NAGROM

LDL	Lower Detection Limit
NIC	Organic and graphitic carbon
TOC	Organic Carbon
TGC	Total Graphitic Carbon
TC	Total Carbon
TIC	Inorganic Carbon
#	Due to the very high graphite levels in the Wolmyeong samples ALS laboratories struggled to determine TGC numbers, the reported results were generated from taking averages of 3 separate analytical readings of each sample.

DAEWON

Project	SampleID	TC %	S %	TIC %	TOC %	TGC %		Lab
Lab Method		CS001	CS001	CS002	CS003	CS003		
LDL		0.1	0.1	0.1	0.1	0.1		
Daewon	DA0001	10.5	0.2	0.2	0.7	9.6		NAGROM
Daewon	DA0002	17.8	<0.1	1.3	0.8	15.6		NAGROM
Daewon	DA0003	25.3	0.3	0.1	0.4	24.8		NAGROM
Daewon	DA0004	0.3	0.9	<0.1	<0.1	0.3		NAGROM
Daewon	DA0005	9.7	0.5	<0.1	0.2	9.6		NAGROM
Daewon	DA0006	0.1	0.1	<0.1	<0.1	<0.1		NAGROM
Daewon	DA0007	5.5	<0.1	<0.1	<0.1	5.5		NAGROM
Daewon	DA0008	12.8	<0.1	<0.1	<0.1	12.9		NAGROM
Daewon	DA0009	3.8	0.4	<0.1	0.1	3.8		NAGROM
Daewon	DA0010	0.3	0.2	<0.1	<0.1	0.2		NAGROM
Daewon	DA0011	3.2	<0.1	<0.1	<0.1	3.2		NAGROM
Daewon	DA0012	3.8	0.2	<0.1	0.1	3.6		NAGROM

LDL	Lower Detection Limit
NIC	Organic and graphitic carbon
TOC	Organic Carbon
TGC	Total Graphitic Carbon
TC	Total Carbon
TIC	Inorganic Carbon