ASX RELEASE 26th OCTOBER 2016

SOVEREIGN METALS LIMITED

FIRST DIAMOND DRILLING ASSAYS CONFIRM THICK, HIGH GRADE SAPROLITE AT MALINGUNDE

Sovereign Metals Limited ("the Company" or "Sovereign") is pleased to report the first assays from diamond drilling at the Malingunde saprolite-hosted flake graphite deposit in Malawi. The results show thick and high grade zones of saprolite-hosted graphite mineralisation and confirm the continuous and coherent nature of the deposit.

Highlights:

- *The first batch of diamond drilling assays from the Malingunde deposit has returned thick and very high-grade zones of saprolite-hosted graphite mineralisation.*
- *Assay results for mineralised saprolite include;*

MGDD0007: 15m @ 19.7% TGC within broader zone of 25m @ 15.1% TGC

MGDD0006: 12m @ 17.1% TGC within broader zone of 20m @ 13.7% TGC

MGDD0003: 13m @ 10.7% TGC within broader zone of 25m @ 8.5% TGC

- *Overall, the diamond drilling assays confirm that high grades of saprolite continue to vertical depths of between 20 and 30m, in line with the near surface grades returned from previous hand auger drilling.*
- *A ~5,000m aircore resource drill out program is scheduled to commence this week and should be completed within the quarter.*
- *Bench-scale metallurgical test-work on Malingunde saprolite continues at SGS Lakefield in Canada. The program targets a flowsheet that uses an upfront scrubber only to disaggregate the graphite flakes from the host material as opposed to crushing circuit and rod mill used in hard-rock operations.*
- *Saprolite-hosted flake graphite deposits are sought after as they generally have substantially lower production costs than hard rock deposits. This is mainly due to their free-dig nature, generally very low strip ratios and very simple processing with no primary crushing or grinding circuit required.*

Enquiries: ***Dr Julian Stephens – Managing Director*** ***+618 9322 6322***

First Diamond Drilling Results

At Malingunde, saprolite-hosted graphite mineralisation has been identified in diamond and hand auger drilling over 3.4km of strike with cumulative across strike widths locally exceeding 200m and averaging about 120m. Diamond drilling has now shown vertical depths of high-grade saprolite-hosted graphite mineralisation to average 20 to 30m thick.

The first batch of diamond drilling Malingunde area returned thick and high-grade intercepts of saprolite hosted mineralisation.

Assay results for mineralised, soft saprolite include;

MGDD0007: 15m @ 19.7% TGC within broader zone of 25m @ 15.1% TGC

MGDD0006: 12m @ 17.1% TGC within broader zone of 20m @ 13.7% TGC

MGDD0003: 13m @ 10.7% TGC within broader zone of 25m @ 8.5% TGC

A number of the diamond holes also intersected deeper, more competent rock zones (saprock) and show continuity of high grade mineralisation below the saprolite zone. Composite saprolite/saprock intervals include;

MGDD0006/5: 42m @ 12.1% TGC *(combined interval of twin holes MGDD0006 & MGDD0005)*

MGDD0003: 41m @ 10.1% TGC

Overall, the results confirm the robust, coherent and high-grade nature of the saprolite-hosted flake graphite deposit at Malingunde.

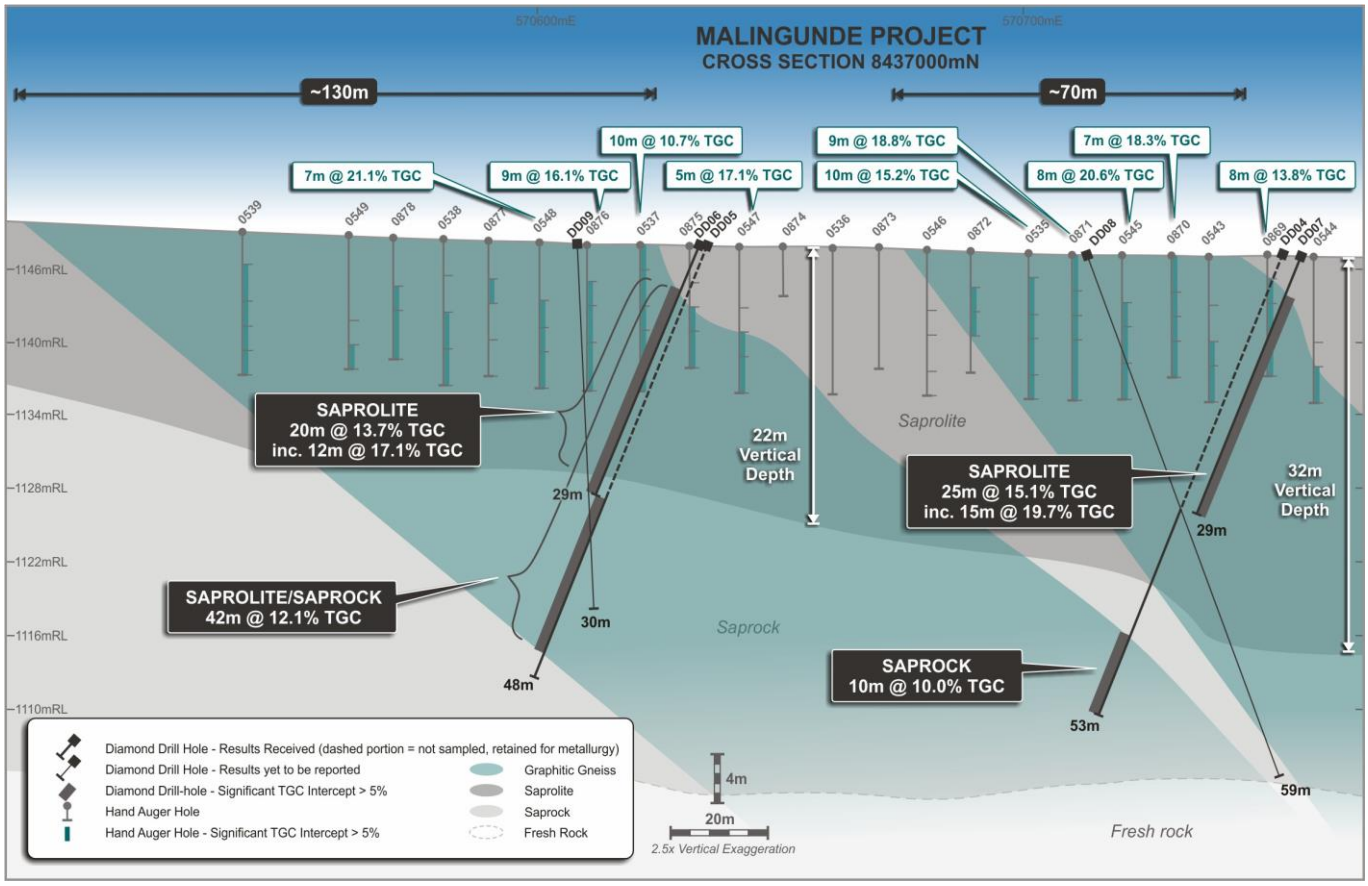

Figure 1. Cross-section (2.5 x vertical exaggeration) showing high-grade, saprolite-hosted graphite mineralisation with recent diamond-drilling assays.

Ongoing Work Program

Upcoming activities at Malingunde include:

- **Diamond Drilling**: Program now complete with 13 holes drilled for 488m. Further assay results are expected to be received progressively over the coming weeks.
- **Resource Definition Drilling**: 5,000m air-core resource drilling is due to commence this week
- **Metallurgy**: Ongoing flowsheet optimisation including mini-pilot to produce substantial quantities of concentrates for evaluation by potential offtake partners and for downstream test-work including Li-Ion battery and expandable graphite applications.
- **Initial Resource Estimate**: Targeted for Q1 2017
- **Scoping Study:** Targeted for late Q1 – early Q2 2017

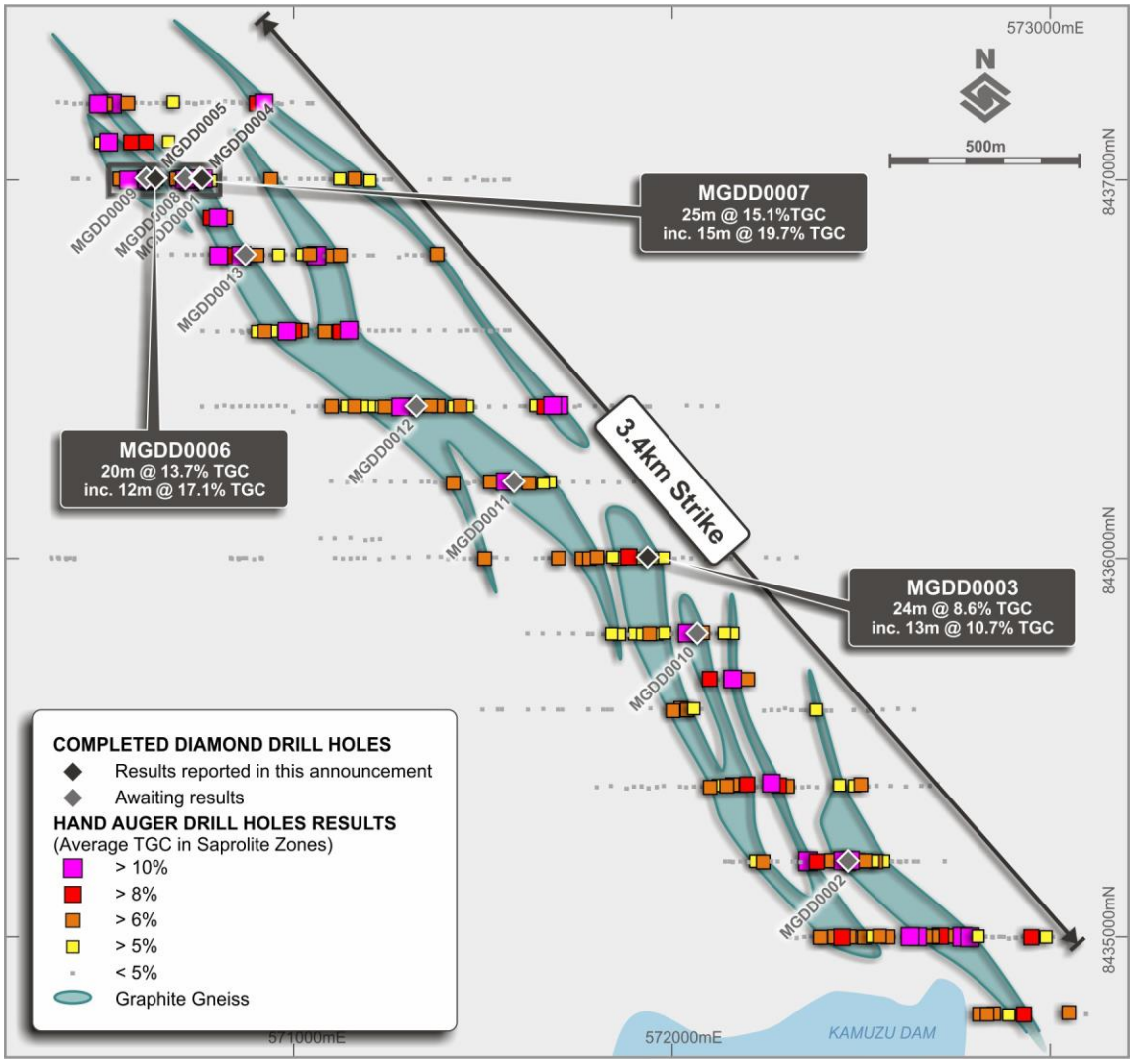

Figure 2. Map of hand auger and diamond drill-holes with recently received saprolite intercepts at Malingunde.

Background

In 2015, Sovereign's in-country geological team made a new and significant graphite discovery using hand auger drilling techniques in an area of no outcrop. The new deposit is located at Malingunde, just 15km SW of Lilongwe, Malawi's capital city, and has access to enviable infrastructure; being 25km from rail access, 15km from the high-capacity Lilongwe power sub-station and with plentiful fresh water.

Malingunde is particularly significant for Sovereign as it is hosted within weathered, soft saprolite (clay) material. Saprolite-hosted flake graphite mining operations, similar to those in China and Madagascar, usually have significant cost and environmental advantages over hard rock mining operations due to:

- The free-dig nature and very low strip ratios of the mineralised material, which is by definition close to or at surface;
- Simple processing, generally with no primary crushing and grinding circuit resulting in large capital and operating cost advantages;
- The preservation of coarse graphite flakes in the weathering profile due to graphite's chemically inert properties; and
- The relative absence of sulphides offers substantial tailings and waste management advantages.

Recently reported results for a saprolite-hosted graphite mining operation in Madagascar processing material grading 4-5% TGC, suggest mine-gate operating costs significantly lower than those of similar hard rock operations.

Geology

Saprolite is the very soft, graphite-bearing, clay-rich oxide material that is formed from intense weathering of the original underlying bedrock. Sovereign's Malingunde saprolite-hosted flake graphite deposit is located on the Lilongwe Plain which is underlain by a paragneiss basement rock package containing extensive graphitic units. This area has a largely preserved, deep tropical weathering profile containing significant thicknesses of saprolite. Because graphite is inert during the weathering process, it is preserved whilst most of the silicate gangue minerals are altered to clays.

Competent Person Statement

The information in this report that relates to the Diamond Drilling Results is based on information compiled by Dr Julian Stephens, a Competent Person who is a member of the Australian Institute of Geoscientists (AIG). Dr Stephens is the Managing Director of Sovereign Metals Limited and a holder of shares, options and performance rights in Sovereign Metals Limited. Dr Stephens has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, 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'. Dr Stephens consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to previous Exploration Results is extracted from announcements dated 29 August 2016 and 12 October 2016. These announcements are available to view on www.sovereignmetals.com.au. The information in the original announcements that related to Exploration Results were based on, and fairly represents, information compiled by Dr Julian Stephens, a Competent Person who is a member of the Australasian Institute of Geoscientists (AIG). Dr Stephens is the Managing Director of Sovereign Metals Limited and is also a substantial holder of shares and performance rights in Sovereign Metals Limited. Dr Stephens has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, 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'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward Looking Statement

This release may include forward-looking statements, which may be identified by words such as "expects", "anticipates", "believes", "projects", "plans", and similar expressions. These forward-looking statements are based on Sovereign's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Sovereign, which could cause actual results to differ materially from such statements. There can be no assurance that forward-looking statements will prove to be correct. Sovereign makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

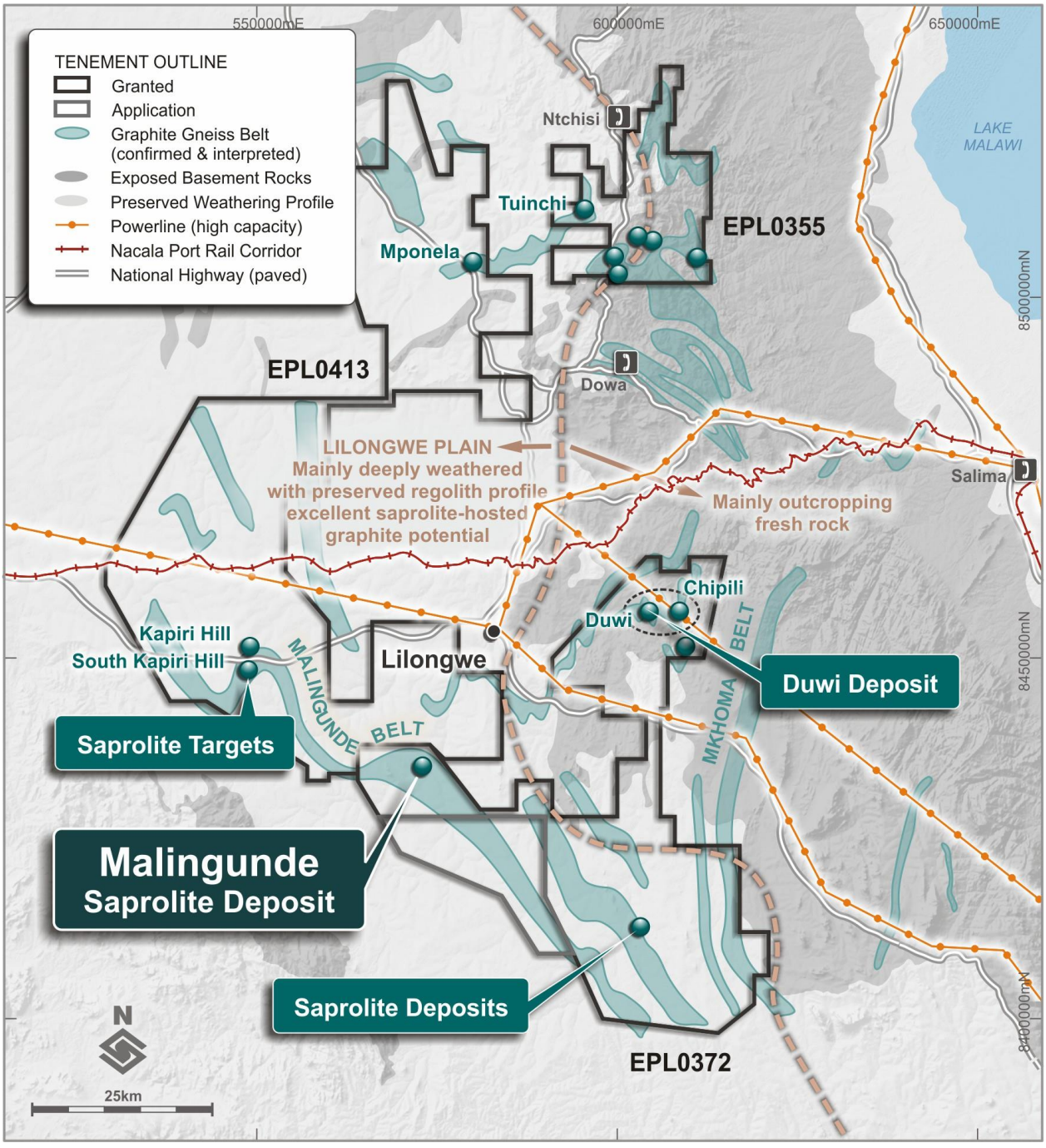

Figure 3. Map showing Sovereign's large 3,788km^2 ground package in Central Malawi with the major flake graphite deposits and target areas shown.

Appendix 1

Table A. Diamond Drill Hole Collar Details

Hole ID	Easting UTM (Zone 36S)	Northing UTM (Zone 36S)	RL AMSL (m)	Final Depth (m)	Dip	Azi (UTM)	Hole Type	Comments
MGDD0001	570,752	8,437,002	1,151	11.6	-45	270	PQ3	Not sampled - hole abandoned, re-drilled as MGDD0004
MGDD0002	572,464	8,435,201	1,114	35.7	-90	360	PQ3	Not Sampled - retained for metallurgy
MGDD0003	571,934	8,436,002	1,140	47.6	-90	360	PQ3	
MGDD0004	570,753	8,437,001	1,151	53.8	-45	270	PQ3	0.0-28.0m Not Sampled - retained for metallurgy
MGDD0005	570,637	8,437,001	1,152	47.5	-45	270	PQ3	0.0-23.0m Not Sampled - retained for metallurgy
MGDD0006	570,635	8,437,000	1,152	29.4	-45	270	PQ3	Twin of MGDD0005
MGDD0007	570,758	8,437,000	1,150	29.4	-45	270	PQ3	Twin of MGDD0004
MGDD0008	570,714	8,437,000	1,152	59.4	-45	90	PQ3	Processing/sampling of core in progress
MGDD0009	570,610	8,437,001	1,152	29.6	-80	90	PQ3	Processing/sampling of core in progress
MGDD0010	572,066	8,435,801	1,134	35.9	-80	270	PQ3	Processing/sampling of core in progress
MGDD0011	571,582	8,436,201	1,139	35.9	-80	270	PQ3	Processing/sampling of core in progress
MGDD0012	571,324	8,436,400	1,144	35.9	-80	270	PQ3	Processing/sampling of core in progress
MGDD0013	570,872	8,436,800	1,150	36.0	-80	270	PQ3	Processing/sampling of core in progress

Table B. Diamond Drill Hole Significant Intercepts (>=5.0% TGC)

Hole ID	From (m)	To (m)	Interval (m)	TGC (%)	Comments
MGDD0003	**6.4**	**47.6**	**41.2**	**10.1 (BOH)**	
inc.	6.4	31.0	24.6	8.5	Saprolite Zone
inc.	18.2	31.0	12.8	10.7	
MGDD0004	**44.0**	**53.8**	**9.8**	**10.0 (BOH)**	
MGDD0005	**29.4**	**47.5**	**18.1**	**11.6 (BOH)**	
inc.	38.5	44.5	6.0	22.9	
MGDD0006	**4.5**	**29.4**	**24.9**	**11.6 (BOH)**	
inc.	4.5	24.0	19.5	13.7	Saprolite Zone
inc.	10.4	22.2	11.8	17.1	
MGDD0007	**4.3**	**29.4**	**25.1**	**15.1 (BOH)**	Saprolite Zone
inc.	14.6	29.4	14.8	19.7 **(BOH)**	

Appendix 2: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling Techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	PQ triple tube (PQ_3) Diamond Drilling (DD) was employed to obtain drill core from surface, which was subsequently geologically and geotechnically logged. Flake graphite mineralisation content is visually estimated as volume % (% v/v) of total whole core intervals recovered, during geological sampling. Whole diamond core has been quarter split and sampled at nominal 2m downhole intervals and submitted for Total Graphitic Carbon (TGC) analysis. Remaining core has been sealed in layflat tubing and stored in-doors for future metallurgical testwork.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Core recovery was closely monitored during drilling particularly through the mineralised zones. Standard industry drilling mud mixtures were employed to improve core recovery especially through the softer upper clay rich material and underlying saprolite horizon. Duplicate quarter core samples were taken every 20th sample to provide checks on sampling representivity.
	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.	A nominal lower cut-off of 5% TGC assay has been applied to define zones of 'mineralisation'. Whole PQ3 diameter drill core was quarter split and/or cut to obtain a sample submitted to the laboratory for assay. Weathering and lithological boundaries were used to control the selection of sample intervals with samples taken at a nominal 2-metre interval within the same weathering type/domain.
Drilling Techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Conventional wireline PQ triple tube (PQ_3) Diamond Drilling (DD) was employed to obtain all drill core from surface. Drilling was undertaken with an Atlas Copco Christensen CT14 truck mounted drilling rig. The nominal core diameter is 83mm with a nominal hole diameter is 122mm. Coring was completed with standard diamond impregnated tungsten carbide drilling bits. Drill runs were completed employing either a 3.0 or 1.5m length PQ core barrel.
Drill Sample Recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	At the completion of each drill run the steel splits containing the drill core were pumped out of the retrieved core tube. Core was then carefully transferred from the drill split into plastic sleeves (layflat) which were secured in rigid PVC splits. The layflat was securely bound and sealed with tape prior to transferring PVC splits into plastic core trays. Core recovery was then recorded separately for each drilling run.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Core recovery was closely monitored during drilling particularly through the mineralised zones. Standard industry drilling mud mixtures were employed to improve core recovery especially through the softer upper clay rich material and underlying saprolitic horizon. Other measures such as adjusting the quantity of water used during drilling, the amount of rotation used and use of different drill bit types appropriate for soft formation drilling were employed during drilling to improve core recovery. Drill hole MGDD0004 and MGDD0005 were re-drilled due to core loss sustained through a number of mineralised zones. An overall core recovery of 89% was achieved for all drill holes and the core recovery through mineralised zones (>=5% vv) averages 90%. Excluding MGDD0004 and MGDD0005, core recovery overall increases to 91% and in mineralised zones (>=5%vv) averages 95%.
	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.	Drill hole MGDD0004 and MGDD0005 have been re-drilled due to core loss sustained through a number of the mineralised zones. Intervals from these holes will not be sampled for assaying hence eliminating any biases that could have been introduced.
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.*	All DD core was geologically logged, recording relevant data to a standard template on a geological interval basis. Hole MGDD0001-7 were geotechnically logged by trained company geologists. Hole MGDD0008-13 was geotechnically logged by a qualified geotechnical engineer and selected samples were collected for laboratory strength tests. In addition samples have been selected for bulk density determinations. All logged data was codified to a set company codes system. This information is of a sufficient level of detail to support appropriate Mineral Resource estimation mining studies and metallurgical studies.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Logging is both qualitative and quantitative. Geological logging included lithological features, and volumetric visual estimates of mineralisation percentages and flake characteristics. All drill core is digitally photographed prior to sampling for future reference.
	The total length and percentage of the relevant intersection logged	100% of drill-hole samples have been geologically logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Whole PQ3 drill core was manually split and/or cut using a motorised diamond blade core saw and quarter sampled for laboratory analysis.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Not applicable for DD core.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation is conducted at the laboratory in Perth. Each entire sample is crushed to nominal 100% -3mm in a Boyd crusher then pulverised to 85% -75µm in a LM5. Approximately 100g pulp is collected and sent to Intertek-Genalysis Perth for chemical analysis.

Criteria	JORC Code explanation	Commentary
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Field QC procedures involve the use of certified reference material assay standards, blanks, duplicates, replicates for company QC measures, and laboratory standards, replicate assaying and barren washes for laboratory QC measures. The insertion rate of each of these averaged better than 1 in 20.
	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.	Quarter core duplicate samples were collected at the rate of 1 in 20 and submitted to the laboratory with the rest of the samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Quarter PQ3 core is considered appropriate for the style of mineralisation. It is believed that grain size has no bearing on the grade of the sampled material. Maximum grain size of mineralisation is approximately 1-2mm. All mass reduction of core undertaken during sampling and laboratory sample preparation were guided by standard sampling nomograms and fall within Gy's safety limits.
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.*	The assaying and laboratory procedures are considered to be appropriate for reporting graphite mineralisation, according to industry best practice. Each entire sample was crushed to nominally 100% -3mm in a Boyd crusher then pulverised to 85% -75µm. Approximately 100g pulp is collected for analysis at Intertek-Genalysis Perth. A sample of 0.2g is removed from the 100 gram pulp, first digested in HCl to remove carbon attributed to carbonate, and is then heated to 450°C to remove any organic carbon. An Eltra CS-2000 induction furnace infra-red CS analyser is then used to determine the remaining carbon which is reported as Total Graphitic Carbon (TGC) as a percentage.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No non-laboratory devices were used for chemical analysis.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicate, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Field QC procedures involve the use of certified reference material assay standards, blanks, duplicates, replicates for company QC measures, and laboratory standards, replicate assaying and barren washes for laboratory QC measures. The insertion rate of each of these averaged better than 1 in 20.
Verification of sampling & assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant mineralisation intersections were verified by alternative company personnel.
	The use of twinned holes.	Hole MGDD0004 and MGDD0005 were re-drilled by MGDD0007 and MGDD0006 respectively due to some core loss through a number of mineralised zones. MGDD0004/5 was not sampled above 29m downhole depths and the core has been retained for metallurgical testwork sample.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All data is initially collected on paper logging sheets and codified to the Company's templates. This data was hand entered to spreadsheets and validated by Company geologists. This data was then imported to a Microsoft Access Database then validated automatically and manually.
	Discuss any adjustment to assay data.	No adjustments have been made to assay data.
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.*	Collars were tape measured from 20m separated DGPS surveyed auger holes (accuracy 0.02m x/y). All collars will be picked-up by the Company's consulting surveyor used a Leica GPS System 1200 in RTK mode to define the drill-hole collar coordinates to centimetre accuracy. All down-hole surveying was carried out using a Reflex Ez-Trak multi-shot survey tool at 30m intervals down hole.
	Specification of the grid system used.	WGS84 (GRS80) UTM Zone 36 South
	Quality and adequacy of topographic control.	The Company's consulting surveyor used a Leica DGPS System 1200 in RTK mode to accurately locate the x, y, z of drill collars. Previous checking of Hand Auger holes with the Shuttle Radar Topographic Mission (SRTM) 1-arc second digital elevation data has shown that the Leica GPS System produces consistently accurate results. Given the low topographic relief of the area it is believed that this represents high quality control.
Data spacing & distribution	*Data spacing for reporting of Exploration Results.*	Diamond core drill holes occur along east-west sections spaced at between 100-400m north-south between 35,400mN to 37,200mN
	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.	Not applicable. No Mineral Resource Estimate (MRE) has been completed for the Malingunde deposit.
	Whether sample compositing has been applied.	No sample compositing has occurred.
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*	No bias attributable to orientation of sampling upgrading of results has been identified.
	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 bias attributable to orientation of sampling upgrading of results has been identified.
Sample security	*The measures taken to ensure sample security*	Samples are securely stored at the Company's compound in Lilongwe.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data*	It is considered by the Company that industry best practice methods have been employed at all stages of the exploration.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement & 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 environment settings.*	The Company owns 100% of 3 Exclusive Prospecting Licences (EPLs) in Malawi. EPL0355 granted in 2015 for 2 years, EPL0372 granted in 2016 for 2 years, EPL0413 granted in 2014 for 3 years. All EPLs are renewable for two additional periods of 2 years each upon expiry.
	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.	The tenements are in good standing and no known impediments to exploration or mining exist.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	No other parties were involved in exploration.
Geology	*Deposit type, geological setting and style of mineralisation*	The graphite mineralisation occurs as multiple bands of graphite gneisses, hosted within a broader Proterozoic paragneiss package. In the Malingunde and Lifidzi areas specifically, a deep topical weathering profile is preserved, resulting in significant vertical thicknesses from near surface of saprolite-hosted graphite mineralisation.
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 northings of the drill hole collar; elevation or RL (Reduced Level-elevation above sea level in metres of the drill hole collar); dip and azimuth of the hole; down hole length and interception depth; and hole length*	Refer Appendix 1.
	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	Not Applicable, no information has been excluded.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high-grades) and cut-off grades are usually Material and should be stated.*	A minimum 5% TGC cut-off grade was applied. Mineralisation occurring in soil or ferruginous pedolith is excluded from intercepts as it is considered the flake size is too fine to warrant future extraction in these zones.
	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.	Not applicable – no short lengths of high grades occur.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used in this report.
Relationship between mineralisation widths & intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Information gathered at a regional scale from 100K mapping and mapping of sparsely available outcrop suggest moderately to steeply dipping mineralised zones dominate. Diamond drilling referred to in this announcement would indicate a shallower dip on the sections drilled.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Diamond drilling referred to in this announcement indicates a shallower dip on the sections drilled.
	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'.	Down-hole length, true width not known. Further systematic resource infill drilling is required to define the geometry of mineralisation throughout the Malingunde deposit.
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 the drill collar locations and appropriate sectional views.*	See Figures 2 and 3 within the main text of this report.
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.*	Representative reporting of low and high-grades has been effected within this report.
Other substantive exploration	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations;*	No additional meaningful and material exploration data has been excluded from this report that has not previously been reported to the ASX.

Criteria	JORC Code explanation	Commentary
data	*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.*	
Further work	*The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large-scale step-out drilling).*	The next phase of exploration is to complete air core drilling and continue with hand-auger drilling to expand the lateral and vertical extents of currently outlined saprolite hosted flake graphite mineralisation.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	See Figures 1 and 3 within the main text of this report.