AURORA MINERALS LIMITED
ACN 106 304 787

ASX Announcement

19 July 2016

ASX Code: ARM

Aurora Minerals Group of Companies

Diversified Minerals Exploration via direct and indirect interests

Predictive Discovery Limited (ASX: PDI) – 43.1%
- 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

Golden Rim Resources (ASX: GMR) - 13.4%
- Gold Exploration/ Development in Burkina Faso

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

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PENINSULA MINES- HIGH GRAPHITE GRADES AT YONGWON PROJECT

Peninsula Mines Limited, a company in which Aurora Minerals Limited holds a 32% shareholding, today announced high grade graphite results from recent sampling of its Yongwon graphite project in South Korea.

A copy of the announcement is attached.

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PENINSULA MINES LIMITED
ABN 56 123 102 974

ASX Announcement

19 July 2016

Peninsula Mines Limited (ASX: PSM)

Exploration in South Korea
- Graphite and Lithium
- Molybdenum and Tungsten
- Gold, Silver and Base Metals

- Diversified Minerals Exploration Western Australia

Substantial Shareholders

Aurora Minerals Limited	32.0%
Management	10.0%
Perth Select	6.1%
M&S Lynch	6.0%

Shares on Issue: 434.5M

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High Graphite Grades at the Yongwon Project

HIGHLIGHTS

- Peninsula Mines Limited (**"the Company"**) is pleased to announce the results of recent sampling at Yongwon, located around 100km SE of Seoul and within a 30 minute drive of the Company's Sotae-myeon field office (Figure 1). The results have confirmed the tenor of grades reported previously by Korea Mineral Promotion Corporation (KMPC) the predecessor of KORES[D2,D3].
- The Company collected a grab sample from a surface subcrop at the western end of the deposit which returned 18% Total Graphitic Carbon (TGC) (Figures 5&6), with a second spot sample from an outcrop a further 50m along strike returning 16%TGC (Figures 7&8). A channel sample across an exposure in the wall of an historic costean returned 4.6m @ 7%TGC (Figures 9-16). Results are summarised in Table 1 and a full list of assays performed is included as Appendix I.
- The Yongwon graphite project was mapped and sampled by KMPC in 1981. KMPC completed a series of costeans across the deposit and reported Total Graphitic Carbon (TGC) grades ranging between 8.7 and 16.4%TGC[D2].
- The Yongwon structure consists of graphitic schists and associated quartzites hosted within PreCambrian basement gneisses. The western end of the deposit is truncated by the intrusion of a quartz feldspar porphyry body. The structure can be traced eastward for close to 300m and ranges from 3 to 10m in width. There is evidence of past small scale open cut mining at the eastern end of the deposit (Figure 17).
- The Yongwon structure strikes obliquely across an east-west trending ridge and for around 100m defines a portion of the ridge crest. The graphite bearing structure dips 70^{o} to the north.
- A sample of the material from the outcrop YR-0002 has been dispatched to Perth for petrological analysis to assess graphite flake size and gangue mineral composition.
- It is anticipated that a metallurgical test work programme will be undertaken once the results of the petrological analysis are reviewed.

Commenting on the initial prospect evaluation, Executive Director, Daniel Noonan said: ***"The initial assay results from Yongwon confirm the previously reported KMPC grades. The observed width and strike coupled with the project's location on a ridge crest suggest favourable geometry for any future open cut mining venture. Yongwon is one of the 6 graphite prospects in South Korea currently being explored by the Company which provides the Company with multiple opportunities for successful discovery."***

Figure 1: Location Plan of South Korean Projects

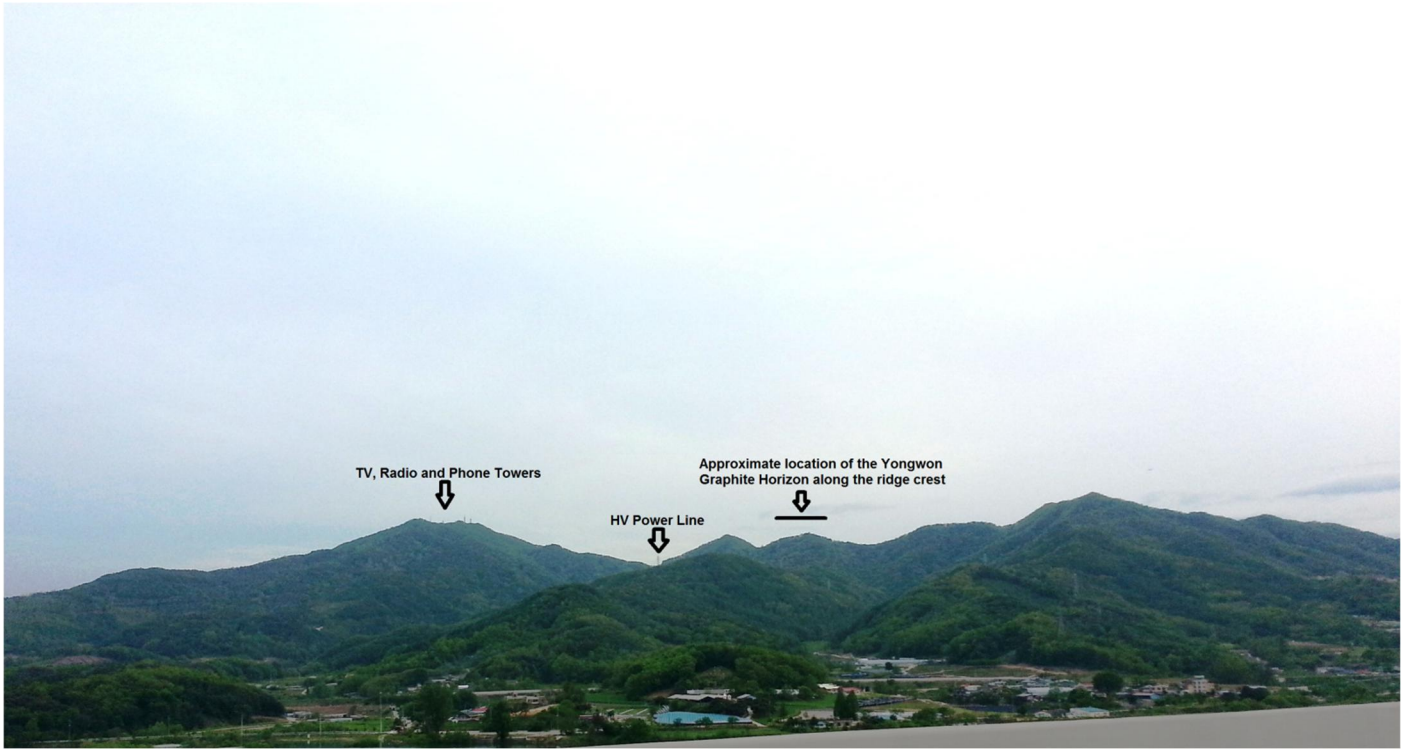
Yongwon Project

The Yongwon Project is located approximately 100km SE of Seoul in the Chungcheongbuk-do Province in Central Korea. It is located about 5km south of the major east-west motorway No. 40 and just west of a major north-south trending high voltage power line (Figures 2-4). The immediate project area is highly vegetated and the deposit outcrops on a ridge at about 500m above mean sea level. There are a number of well maintained forest roads within 300m of the deposit that will provide suitable points from which to establish drill access tracks.

Peninsula's wholly owned Korean subsidiary, Suyeon Mining Co. Ltd. ("SMCL" or "the Company"), has previously filed 5 tenement applications at Yongwon[D4]. Historically KMPC reported two main graphite occurrences at the Yongwon project. To date the eastern occurrence has not been located. The western occurrence was located some 500m east of its previously mapped location[D2,D3.]

Initial reconnaissance mapping undertaken in May successfully located the western Yongwon graphitic structure. Spot samples were collected from two points along the ridge crest and a channel sample was taken across outcrop exposed in a historic KMPC costean about mid-way along the known structure's extent (Figures 5 - 16). The Yongwon structure can be traced eastward (305^{o}-125^{o}) from the point where it terminates against a Cretaceous quartz-feldspar porphyry intrusive body. At the eastern end historical mining activity, soil cover and subsequent vegetation growth makes it hard to clearly define the eastern extent of the structure at this point in time (Figure 17).

Figure 2: View looking SW from Motorway 40 at the Yongwon project area.



Initial evaluation efforts will focus on the known structure with the aim being to assess the petrological and metallurgical characteristics of the Yongwon graphite bearing structure. Pending a favourable outcome to these studies the plan is to then re-excavate the historical costeans and possibly dig additional costeans to enable a more detailed channel sampling programme.

The Company is also seeking quotes for a possible aerial electro-magnetic survey across the Yongwon project as part of an evaluation of all the Company's graphite projects.

Figure 3: Google Earth view looking north across the ridge hosting the Yongwon graphite bearing structure.

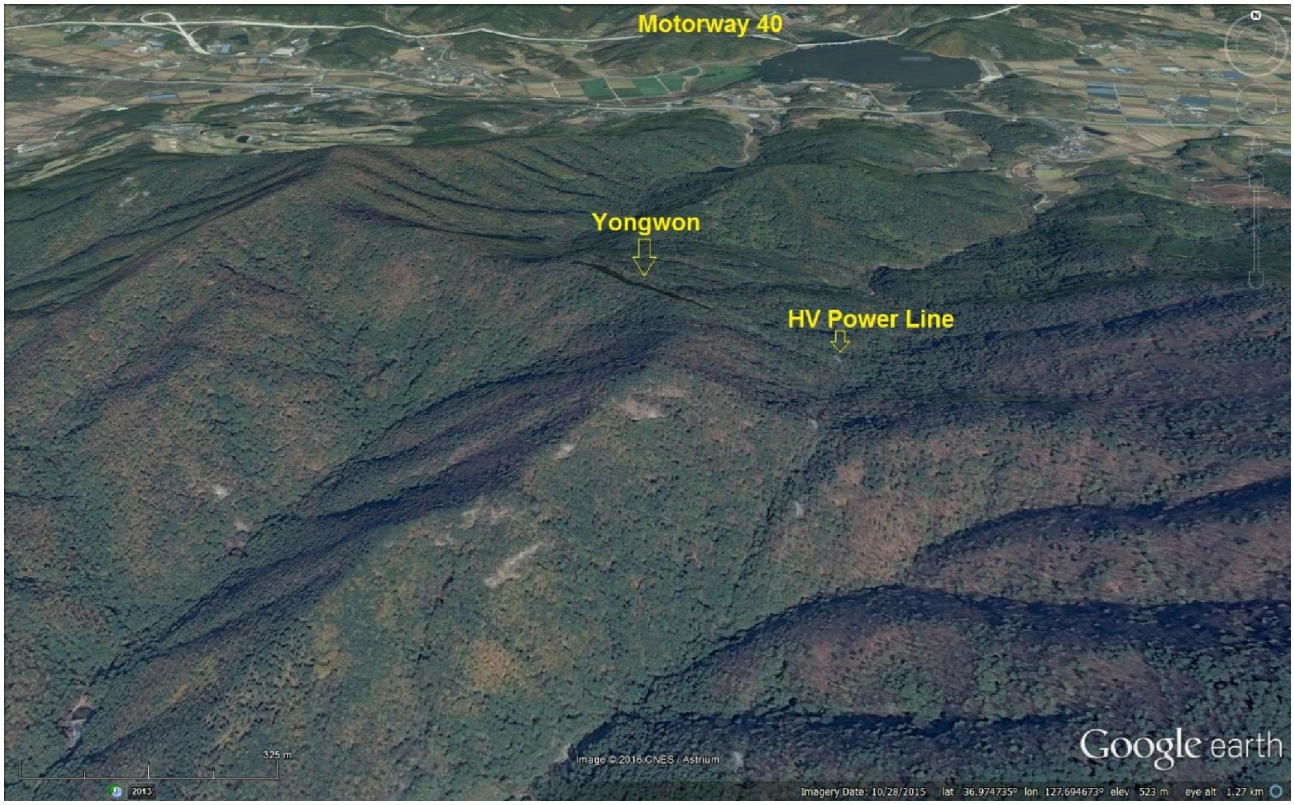


Figure 4: Plan view from Google Earth showing the location of the Yongwon structure and surrounding infrastructure, including major motorways, arterial roads, high voltage power and the Daejeon-Chungju rail line in the valley to the south of the project area.

Figure 5: Field sample YR-001 taken from a subcrop of graphitic schist from the ridge crest close to the western end of the Yongwon structure.

Figure 6: Sample YR-001 after washing away loose soil and leaf matter.

Figure 7: Close-up view of rock from sample YR-002.

Figure 8: Sample YR-002 after washing away loose soil and leaf matter.

Figure 9: Rock exposure in the wall of a historic KMPC costean where channel samples YR-003 to YR-006 were collected.

Figure 10: Close-up view post sampling of the site of sample YR-003.

Figure 11: Close-up view of the un-sampled soil covered interval

Figure 12: Close-up view post sampling of the sample site YR-004.

Figure 13: Close-up view post sampling of the sample site YR-005.

Figure 14: Close-up view post sampling of the sample site YR-006.

Figure 15: Rock exposure in the wall of a historic KMPC costean post sampling.

Table 1: Summary of Yongwon graphite analyses.

SampleID	Project	Analysis	Width (m)	Sample Type	Comments	Lithology	TGC%
YR0001	Yongwon	TGC		Spot		Graphitic Sandstone	17.95
YR0002	Yongwon	TGC		Spot		Graphitic Sandstone	16.05
YR0003	Yongwon	TGC	0.7	Channel		Graphitic Schist	9.07
NS*	Yongwon		0.7	Channel	soil cover	Soil	0
YR0004	Yongwon	TGC	1	Channel		Graphitic Sandstone	11.65
YR0005	Yongwon	TGC	1	Channel		Graphitic Quartzite	5.11
YR0006	Yongwon	TGC	1.2	Channel		Graphitic Quartzite	8.31
			4.6				7.2

* Note a grade of zero has been assumed for the un-sampled soil covered interval for the purpose of completing a length weighted average grade calculation across the full width of the exposed structure in the sampled costean.

Figure 16: Sample locations on the Google Earth Image, YR-003 and YR-006 mark the ends of the channel samples

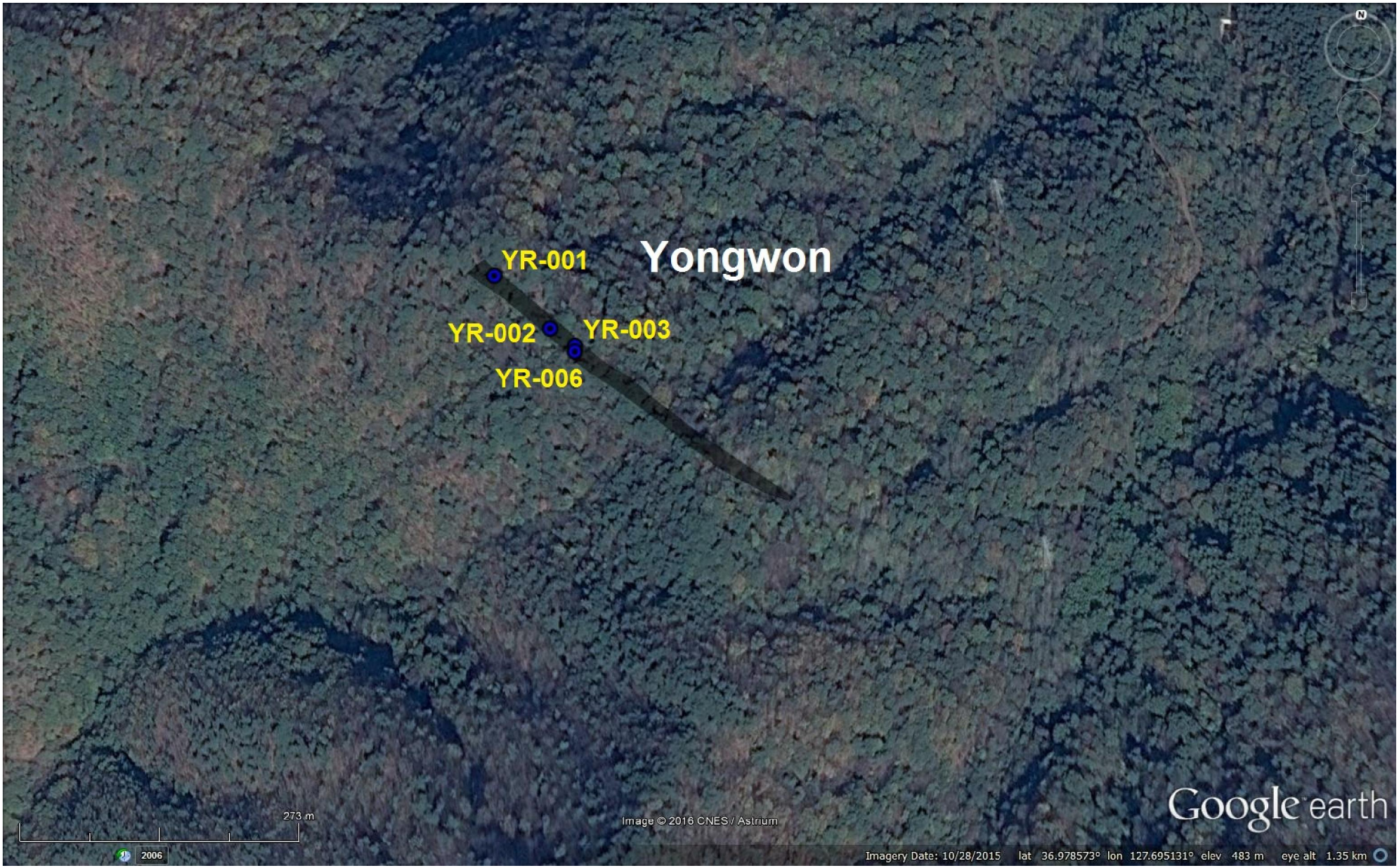


Figure 17: Views of the area where small scale shallow open pit mining has taken place at the eastern end of the Yongwon structure.

Summary List of all material referenced in this announcement:

D1. Graphite Prospects - South Korea, 13 Jan 2016
D2. KMPC, 1981. Geological investigation of the Yongwon graphite deposit, *Korea Mining Promotion Corporation*, Annual Report, 1179-1181.
D3. KMPC, 1967. Geological investigation of the Yongwon graphite deposit, *Korea Mining Promotion Corporation*, Annual Report, 307-308.
D4. Quarterly Activities Report Ending March 31 2016 - 29 April 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

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The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Daniel Noonan, a Member of The Australian Institute of Mining and Metallurgy. Mr Noonan is 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 announcement 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 Yongwon, 2 spot/point samples were taken from outcrops and subcrops along the main Yongwon graphite bearing structure. A further 4 channel samples were taken from a historical costean. The results of the assays are summarised in Table 1 and included as Appendix I. The locations of the sample points are shown in the referenced figure 16. A petrological sample was collected from the site of Sample YR-002.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	The spot samples are considered representative of the points where the samples were taken. The Channel samples are representative of the points were the samples were taken. Efforts were made to collect similar sized rock chip fragments at each grab sample point.
	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.	All sampling was undertaken using a rock hammer and was mainly aimed at confirming earlier reported grades from Yongwon. All samples were prepped by ALS Guangzhou and sample pulps were analysed by ALS Vancouver using a Leco Carbon sulphur analyser. The surface channel sample was collected from an outcrop exposed in a historic KMPC costean. The mass of the samples collected varied from between 1.5 and 2.85kg.

Criteria	JORC – Code of Explanation	Commentary
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.*	No drilling has been undertaken by the Company and no commentary is being presented here on past drilling results.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
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. Efforts were made to collect even sized rock fragments. Samples were dry.

Criteria	JORC – Code of Explanation	Commentary
	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 in subsequent section on page 15.
	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.	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.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample size is considered more than adequate to assess graphitic carbon content.

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 are rock chip samples collected using a hammer, rubber mat and calico bag. The samples were packed in cartons and dispatched by Korea Post to ALS Guangzhou, China, where they were dried and prepped. The samples were logged into the ALS system upon arrival at the Guangzhou laboratory. Samples were dried overnight at 60^{o}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. The graphite pulps were 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^{o}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^{o}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 (carbonate) and Sulphur were reported (Table 1 & Appendix I). The C analyses should be considered near total.

Criteria	JORC – Code of Explanation	Commentary
	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 VTEM survey 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 on the analyses of these samples. The results of the laboratory's own internal QA/QC do not indicate any issues with the 6 assay results reported herewith. No repeats have been undertaken at this time.
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 KMPC[D2]. 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.

Criteria	JORC – Code of Explanation	Commentary
	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 Table 1 and Appendix I is raw laboratory data. The organic carbon and inorganic carbon content are calculated using the results of the total and graphitic carbon analyses. This is standard practice in the reporting analyses of various carbon species.
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 location 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 the project.
	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 assay results have been composited and all reported channel widths are true widths.
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 point samples YR-001 and YR-002 are considered indicative of the grade at the point where the samples were taken. The 4 channel samples YR-003 to YR-006 were taken across the structure and are considered unbiased representative samples.

Criteria	JORC – Code of Explanation	Commentary
	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 channel and point 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 immediately after the completion of the sampling programme. On arrival in China, samples were held by Chinese customs for twenty one days before release to the laboratory staff. To date, the laboratory manager has reported that on no occasion has any of the boxes dispatched from Korea ever been opened while in the customs holding area. 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 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.
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.

Section 2: Reporting of Exploration Results

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

Criteria	JORC – Code of Explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Company has also filed tenement applications over five adjoining tenement blocks Eumseong 22 and 32^{D4}. Each block covers a 1-minute graticule and has a nominal area of 276 hectares. The Company has sole rights to the tenements. The Company must complete Mineral Deposit Surveys (MDS) over each of the five blocks within 6 months of the application date i.e. by 15 December 2016. The MDS requires that the applicant indicates the presence of mineralisation on the tenement usually by engaging a Government approved independent expert to complete a single rock chip analysis and to confirm that mineralised structures of a specified grade, width and length are present on the title. In the case of graphite, the Company must indicate that graphite bearing structures are present on the tenement that are at least 20m long, 0.3m wide and with a grade of at least 2% TGC. There are no native title interests in Korea. It is a generally accepted requirement that title holders gain the consent of local land owners and residents. The project is located in a mixed deciduous and coniferous regrowth forest located to the north of the regional town of Eumseong. The prospective graphite horizon outcrops 500m 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 exploration and mining.

	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.	On approval of the MDS, an applicant has 12 months from the original application date, 17 June 2016 in the case of 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 anytime 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 Yongwon project will be 17 June 2020, 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.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	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. KIGAM have completed 1:50,000 scale mapping across the project area. KIGAM has also 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. The Company is currently not aware of any exploration work by other non-Government agencies/parties. The Company has not as yet been able to locate any records of past graphite production from the Yongwon prospect.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Yongwon graphite deposit was formed as a result of regional and possible contact metamorphism of carbonaceous material hosted within the locally banded biotite PreCambrian gneiss. The graphite is hosted in a sandstone /quartzite horizon. The basement gneiss has been locally intruded by granites and porphyry.
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 KMPC reports.

	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.	There has been no historical drilling at Yongwon. The Company has been unable to procure a full list of the historic KMPC costean assay data. All the assay results from the rock chip sampling have been summarised as Appendix I.
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.
	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. The channel assay results have been length weighted averaged to provide an estimate for the grade across the full width of the exposed structure. A grade of zero has been assumed for the area covered by deep soil and plant matter.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	The first two graphite point samples were taken to provide an indication of the grade of the Yongwon structure at the sampled location. The channel sample was taken to assess the grade across the broader structure. Further, these samples aim to validate the results of earlier KMPC sampling work. The channel sample provides a local indication of the grade and width of the graphite bearing horizon. Insufficient work has been undertaken at this stage to comment on the width of the graphite bearing structure along its known strike extent. 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.*	Assay results are summarised in Table 1 and Appendix I. Figure 16 shows the location of the spot and channel samples.
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 have been reported and are summarised in Appendix I. The sample location details are shown in Figures 5 to 16.
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 has been included and commented upon in this announcement or included in earlier announcements.[D1 ,D2,D3]
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).*	At Yongwon a decision will be made on how to progress the exploration efforts following the receipt of the results of the initial petrographic and metallurgical test work. It is anticipated that the graphitic unit will be extremely conductive. Consideration is being given to flying heli-borne VTEM over the Yongwon project to assist with future drill planning.

	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Figures 3, 4 and 16 show the location of the graphite seam at Yongwon. Potential exists to identify further mineralisation to the east of the area of historic open pit mining and down dip of the known structure.

Appendix I: A full list of Yongwon analyses

	C-IR18 C Graphitic %	C-IR07 C %	C-IR07t C %	C-IR17 C organic %	C-CAL15 C inorganic %		S-IR08 S %
Sample	**Graphitic C** By diluted HCl leach & roasting	**Total C** By LECO instrument	**Total C** High grade total C by LECO instrument	**Non-Carbonate C** By diluted HCl leach	**C Inorganic** Difference between C-IR07 (or C-IR07t) - C-IR17	**C Organic** Difference between C-IR17 & C-IR18	**Total S** By LECO instrument
YR0001	17.95	18.1	18.6	17.9	0.2	<0.02	0.03
YR0002	16.05	15.9	16.3	15.6	0.3	<0.02	0.06
YR0003	9.07	9.38	9.44	9.38	<0.02	0.31	0.04
YR0004	11.65	12	11.9	11.7	0.3	0.05	0.14
YR0005	5.11	5.4	5.26	5.19	0.21	0.08	0.24
YR0006	8.31	8.32	8.43	8.28	0.04	<0.02	0.27