Lamboo Resources is an Australian exploration company focusing on substantial flake graphite assets located in the East Kimberley and South Korea

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Two Additional Mining Rights Granted over the South Korean - Geumam Graphite Project

Highlights

- **Mining Rights 200268 and 200269 granted over the Geumam Graphite Project.**
- **Exploration Results Update.**

Lamboo Resources is pleased to announce that two applications for Mining Rights over the Geumam graphite project were granted on 22nd May 2013. *Lamboo Resources Limited* now holds five (5) granted Mining Rights over the Geumam graphite project, covering a combined area of 403ha.

Location
The Geumam graphite project is located 67km southwest of Seoul on the western coast of South Korea, situated about 4km north of Dangjin City (Figure 1).

The project is located in a rural setting surrounded by world class infrastructure, including the major Ports of Dangjin and Pyeongtaek, the largest cluster of domestic steel mills (*Hyundai Steel, Dongbu Steel,* and *Dongkuk Steel*), the Dangjin power station (2,400MW capacity) and numerous other industries, including pharmaceuticals and refractories.

Dangjin City (population 137,000) and surrounding Chungnam Province lie within the designated "Yellow Sea Free Economic Zone", business-orientated region that is actively seeking and attracting investors and industries, including foreign-owned enterprises.

A potential graphite mineral processing plant would be ideally suited to, and is compatible with, the industries planned and designated for the *Seongmum* or *Hapdeok Industrial Complexes*, currently under development.

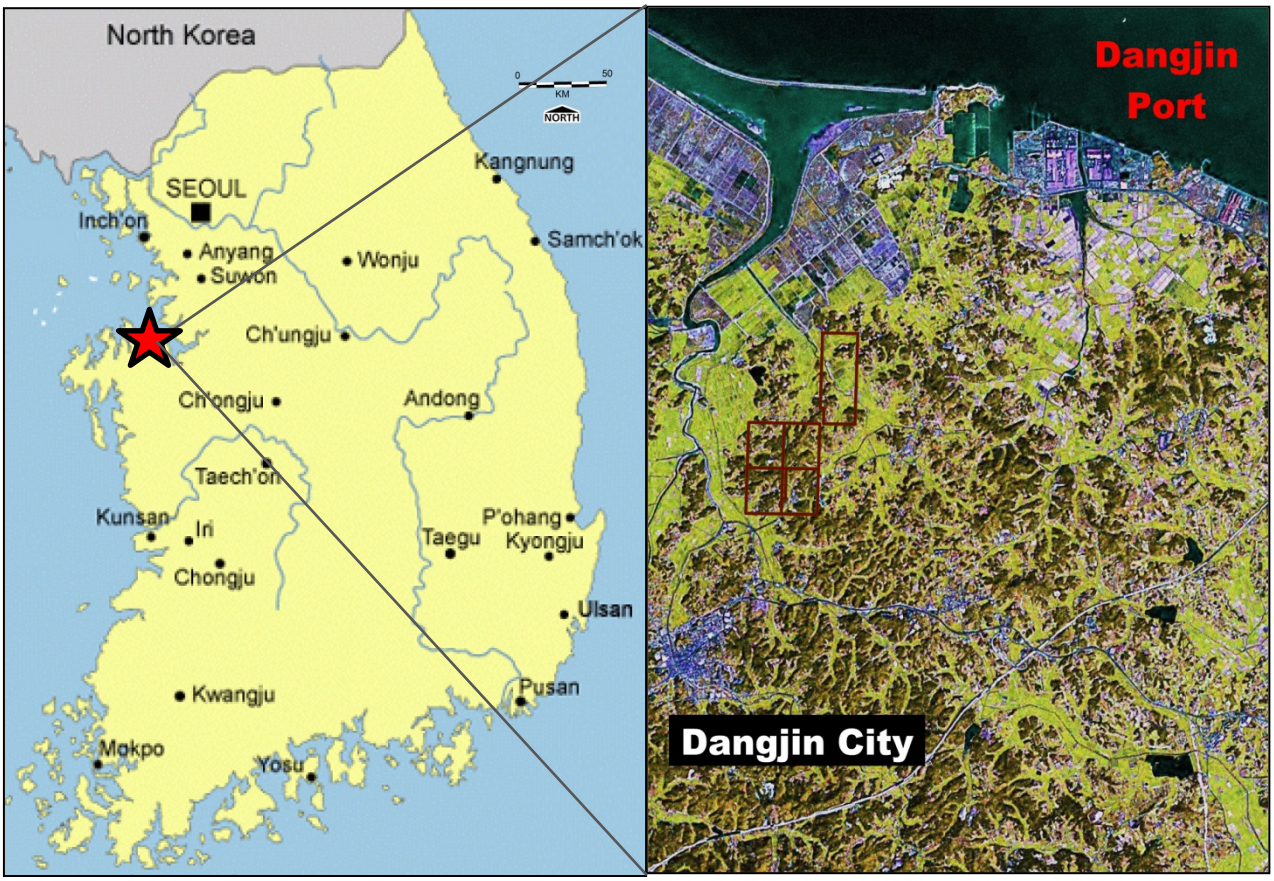

Figure 1: Geumam Graphite Project – Location and Major Infrastructure.

Tenure

Lamboo Resources Limited acquired the Geumam graphite project of *Won Kwang Mines Inc* (Figure 1) in South Korea on 14th December 2012. The Geumam project originally comprised 3 granted Mining Rights.

Two applications for Mining Rights (Dangjin 54-2 and 55-4) were granted to *Won Kwang Mines Inc* on 22nd May 2013 by the *Ministry of Trade, Industry & Energy* ("MOTIE") (Figure 2). These Mining Rights were granted to *Won Kwang Mines Inc* for a period of 7 years (until 22 May 2020) for the purposes of graphite mining-exploration.

Lamboo Resources Limited subsidiary *Won Kwang Mines Inc* now holds five (5) granted Mining Rights over Geumam (Registered No's 80077/Dangjin 55-3; 80014/Dangjin 65-1, 78355/Dangjin 65-2, 200268/Dangjin 54-2 & 200269/Dangjin 55-4). These granted Mining Rights cover a total area of 403ha.

Won Kwang Mines Inc has applied for an additional 2 Mining Rights (numbers Dangjin 54-4 & 55-1). These applications are currently being processed by the Central Mining Registry office of MOTIE.

The tenement schedule for the Geumam project is summarised in Table 1 and indicated in Figure 2.

Table 1: Tenement Schedule, Geumam Graphite Project

Tenement Number	Registration Number	Area (ha)	Registered Holder	Grant Date	Expiration Date
Dangjin 55-3	**80077**	68	*Won Kwang Mines Inc*	7 February 2012	6 February 2032
Dangjin 65-1	**80014**	68	*Won Kwang Mines Inc*	8 December 2011	7 December 2031
Dangjin 65-2	**78355**	68	*Won Kwang Mines Inc*	17 December 2009	16 December 2029
Dangjin-54-2	**200258**	135	*Won Kwang Mines Inc*	23 May 2013	22 May 2020
Dangjin-55-4	**200259**	64	*Won Kwang Mines Inc*	23 May 2013	22 May 2020
Dangjin 54-4	**Application No 00901 in Process**				
Dangjin 55-1	**Application No 00902 in Process**				

Geumam Project Description

Geumam was a historical graphite mining operation during 1985-1992. The project has potentially significant areas of flake graphite mapped in outcrop at areas A, B, C, D, E, F and G (Figure 2).

Geology

The geology of the Geumam area consists of biotite gneiss, schist and quartzite of the Precambrian Gyeonggi Gneiss Complex and granite gneiss of the Sobaegsan Gneiss Complex. The metamorphic fabric of the biotite gneiss and schist is predominantly northeast-southwest striking, dipping gently-moderately to the southeast.

Geological mapping indicates there are numerous stratiform beds of graphite schist, occurring as 10m-80m thick beds hosted within biotite and muscovite gneiss. Several zones of graphite of economically significant size and grade are recognised at Prospect Areas A, B, C, D, E, F and G (Figure 2). These zones are all potentially exploitable by open pit mining methods.

Graphite flakes average about 85µm in size (AMDEL, 2012), hosted in graphite schist, accompanied by quartz, biotite, sericite, chlorite and muscovite. The graphite schist is interpreted to originally have been carbonaceous, feldspathic quartz sandstone. Thin calc silicate marble bed (originally a limestone) underlies the graphite mineralization in several places.

Sericite-clay alteration forms an alteration halo surrounding the graphite beds, consistent with a hydrothermal origin. There are several large graphitic quartz veins along major structures which control the margins of the graphite beds. Carbonaceous material, such as bitumen, may have been introduced into sandy sediments during hydrothermal activity along these structures, and have then been subsequently metamorphosed into graphite.

Historical Resource Estimate

Independent Geologist *Veronica Webster Pty Ltd* (2012) has previously reported an inferred mineral resource of 200,000 tonnes @ 10% Cg***** at Geumam, prepared under the *2004 JORC CODE Guidelines* (*Peninsula Graphite Limited* Prospectus dated 6 September 2012; *Lamboo Resources Limited*-ASX Announcement-dated 6 May 2013).

*** Cautionary Statement: This "inferred mineral resource" estimate was based on check rock chip sampling conducted by *Senlac Geological Services Pty Ltd* (2012) and historical outcrop, trench and pit rock chip sampling undertaken by the *Korean Mining Promotion Corporation* (KMPC, 1980a, 1980b & 1989) of the surficial weathered zone of Areas B and C. It is uncertain if further exploration will produce a resource.**

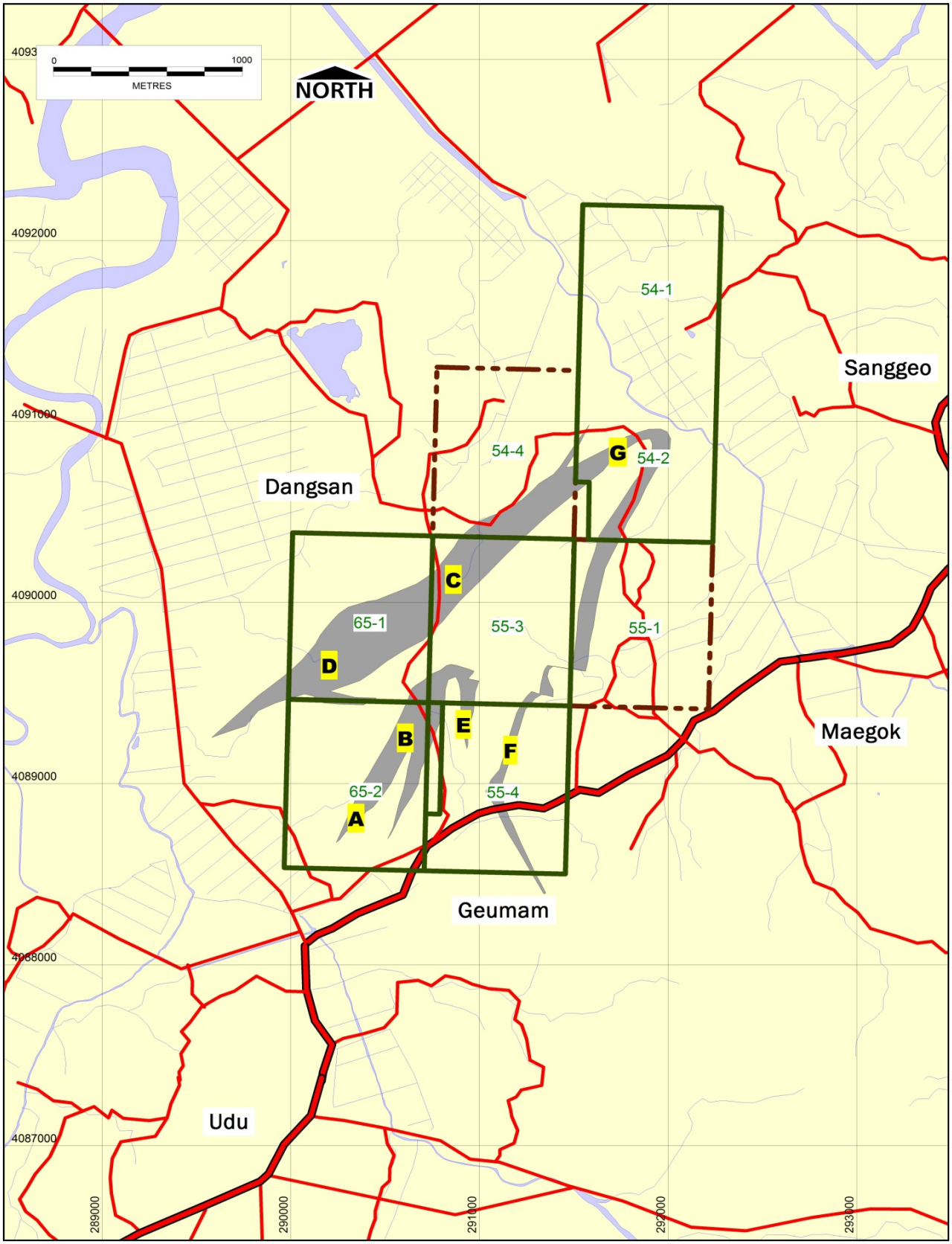

Figure 2: Geumam graphite project Tenure Map. The granted Mining Rights with respect to the mapped graphite schist beds and prospect Areas A, B, C, D, E, F and G are indicated. Applications for Mining Rights are indicated by the dark red dashed line.

Historical Geophysical Survey
A limited Self Potential geophysical survey was conducted by the *Korean Mining Promotion Corporation* (1980c) over Areas B and E, which delineated a chargeability anomaly of 50Mev over a strike length of 600m and width of 30-150m. The chargeablity anomalies closely correspond to graphite mineralization mapped at Area B and Area E. interpretation of these anomalies confirm Area B strikes northeast and may have a potential strike length of 700m and Area E strikes north-south over a strike length of 300m.

Historical Metallurgical Studies
Initial metallurgical testwork was undertaken by the KMPC (1983a) on 2 bulk samples collected from Geumam. Testwork involved comminution studies, and flotation studies, using a variety of "collector" types and concentrations, regrinding, followed by further flotation to determine an optimum yield flotation concentrate. This testwork indicated flotation produced a fine flake graphite flotation concentrate of >85% Cg.

Follow up metallurgical testwork was undertaken by the KMPC (1983b) on the initial flotation concentrate to investigate the use of suitable environmentally-friendly solvents and acids, under a variety of leaching concentrations, times and temperatures, to produce a high-grade flake graphite concentrate product of 95% Cg.

Historical Mining Operation
A mining operation and flotation processing plant was established at Area B at Geumam in 1986, consisting of a run-of-mine stockpile, conveyor, feed hopper, ball mill, two flotation cells (Rougher and cleaner cells), and a regrind ball mill. The plant was capable of producing 6tpd fine flake graphite flotation concentrate (>85% Cg), which it sold to export markets in Japan and Europe.

The mill was subsequently upgraded with an alkaline-leach plant to produce high-grade fine flake graphite concentrate (93-97% Cg) in July 1987 (KMPC, 1988), which it sold to domestic markets for micronizing into superfine graphite powders. The mine probably ceased operations in about 1992.

Exploration Results

Mineral Liberation Analysis
Three (3) samples were collected from Area B (Sample No P254426, Figure 5), Geumam Mill concentrate (Sample No P254427, Figure 5) and Area F (Sample No P254460, Figure 5) and analysed by the *Geometallurgy Section of ACTLABS*, using a Mineral Liberation Analyser ("MLA") and Scanning Electron Microscope ("SEM"). A further eight samples were examined by ACTLABS using a petrographic microscope (P254426, P254427, P254445, P254455, P254460, P10, P11 & P12).

The MLA indicates Geumam has a flake size distribution of 25-100µm (D80), classifying the graphite as fine size (Figures 3 and 4). The MLA testwork is consistent with earlier results obtained from SEM and petrographic examination by AMDEL (2012) of a sample collected from Area C (Sample no 3, Figure 5), indicating a fine flake size of about 85µm.

The MLA indicates the graphite schist contains graphite (7.5%) and clay-graphite (6%), accompanied by ash minerals, comprising mainly quartz (53%) and K- feldspar (18.5%), together with plagioclase (3%), muscovite (4%), illite clay (1%), biotite (2%) and chlorite (2%). Trace levels (<1%) of calcite, limonite, apatite, ilmenite, amphibole and green-coloured vanadium-bearing muscovite (roscoelite) were also recorded. Up to 50% of the graphite occurs as "free flakes", the

balance of the graphite mainly occurring as intergrowths with muscovite and lesser amounts within particles composed of quartz and K-feldspar.

Exploration Targets

Geological mapping and sampling and a review of all the historical exploration data reported by the *Korean Mining Promotion Corporation* has identified zones of graphite of potentially economically significant size and grade at prospect Areas A, B, C, D, E, F and G at Geumam (Figure 5). These zones outcrop from surface and the moderately-dipping graphite mineralization is amenable to open pit mining methods. A summary of the Exploration Target for each area is indicated in Table 2.

Table 2: Summary of Exploration Targets* at the Geumam Graphite Project.

Prospect Area	Length (m)	Width (m)	Depth (m)	Est SG (g/cc)	Tonnes (t)	Grade (% Cg)	Contained Graphite (Mt)
A	120	45	100	2.3	1-2Mt	8-15%	0.08-0.30
B West	300	35	100	2.3	2-3Mt	2-8%	0.04-0.24
B East	250	30	100	2.3	2-3Mt	2-8%	0.04-0.24
C	600	50	100	2.3	5-8Mt	8-15%	0.40-1.20
D	80	50	100	2.3	1Mt	2-8%	0.02-0.08
E	300	25	100	2.3	1-2Mt	2-8%	0.02-0.16
F	850	25	100	2.3	3-6Mt	5-15%	0.15-0.90
G	400	25	100	2.3	2-3Mt	5-15%	0.10-0.45
Totals			100	2.3	17-28Mt	5-13%	0.85-3.57

*** Cautionary Statement: These "Exploration Targets" were prepared by Mr Christopher M. Sennitt *MSc Economic Geology, BSc Applied Geology, FAIG, SEG,* based on geological mapping and sampling by *Senlac Geological Services Pty Ltd* and historical mapping and sampling undertaken by the *Korean Mining Promotion Corporation* (1980a, 1980b & 1980c). The estimate is conceptual in nature, as there is insufficient exploration to define a resource. It is uncertain if further exploration will produce a resource.**

Proposed Exploration Programme

Currently the Company is finalising access agreements with local surface right holders in order that it can commence a drilling programme at the Geumam Project. The drilling programme will be targeted to substantially increase the current resource base at Geumam.

Competent Person Statement

Information in this "ASX Announcement" relating to Exploration Targets, Exploration Results and geological data is based on information compiled by Mr Christopher Sennitt, a Competent Person who is a Fellow of the *Australian Institute of Geoscientists* (Member No 2412). Mr Sennitt is a consulting geologist employed by Senlac Geological Services Pty Ltd. Senlac Geological Services Pty Ltd is a shareholder in Lamboo Resources Ltd. Mr Sennitt 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*" (JORC Code 2012 Edition). Mr Sennitt consents to the inclusion in this ASX Announcement of the matters based on his information in the form and context in which it appears.

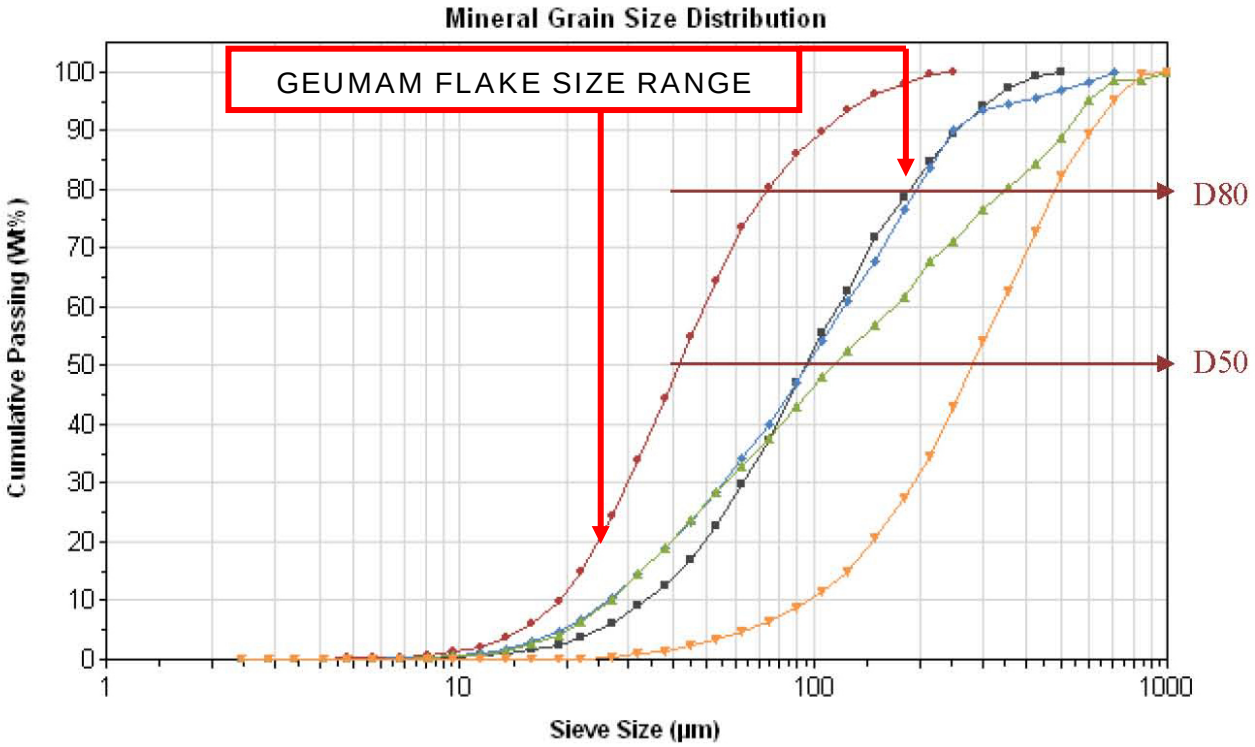

Figure 3: Graphite Grain Size Distribution Geumam Project.

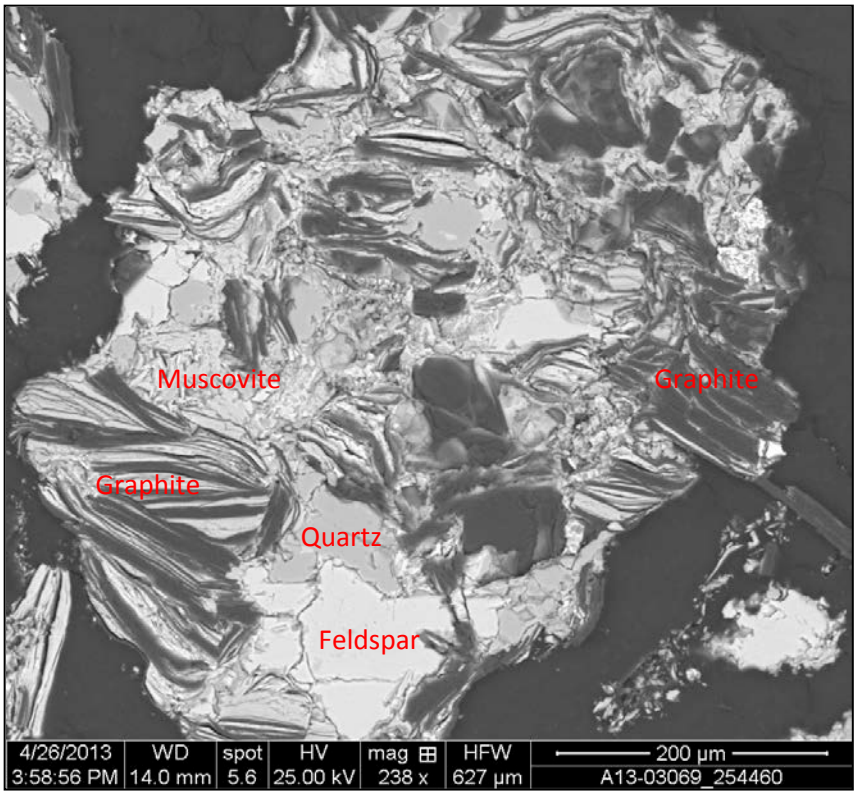

Figure 4: Back Scatter Electron Microscope Image showing fine-medium size graphite flakes intergrown with muscovite (Sample No 254460).

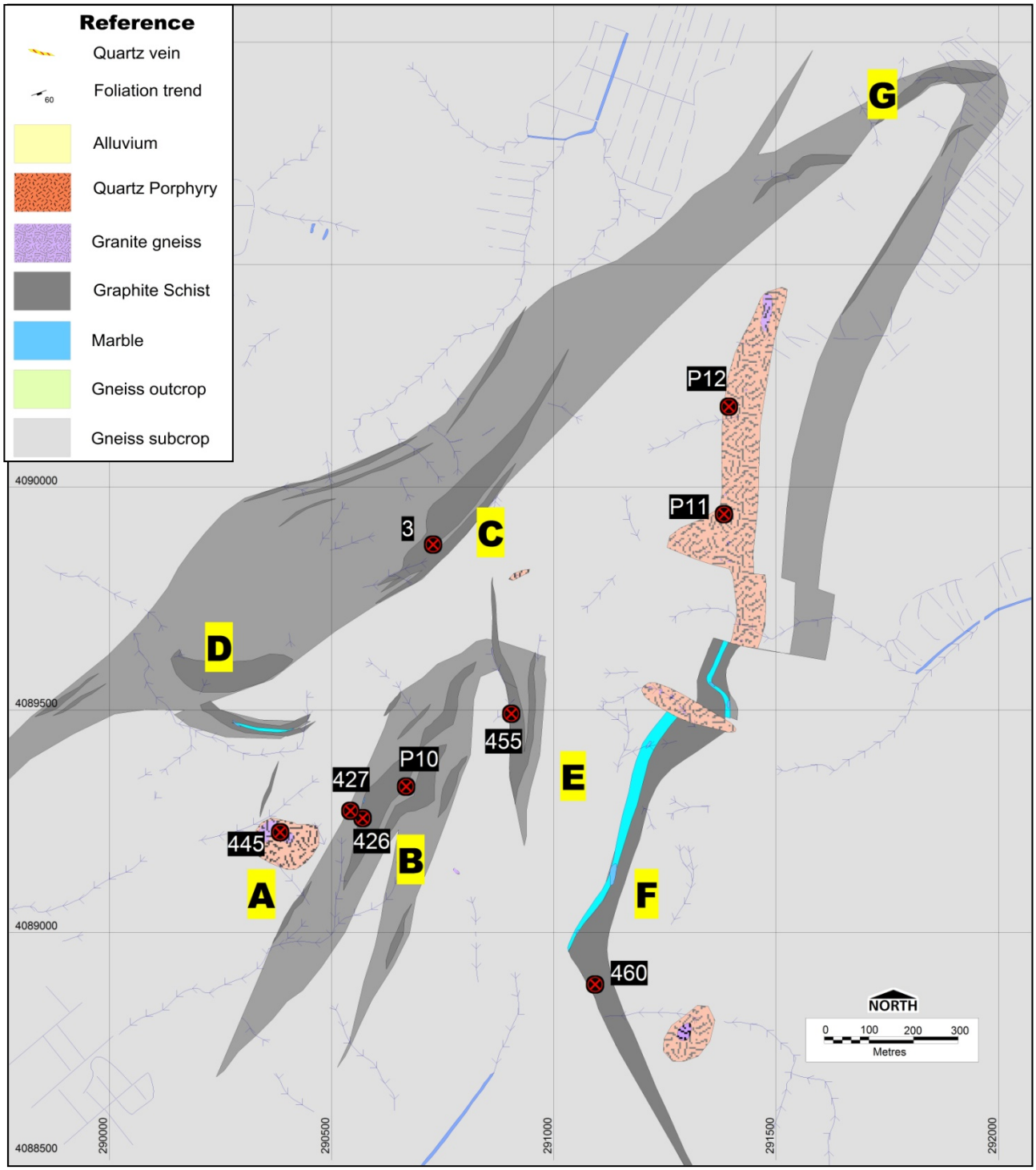

Figure 5: Petrology Sample Location Map. Some sample numbers are abbreviated and have a prefix P254. The main geological units and graphite mineralized Areas A, B, C, D, E, F and G are indicated.

Appendix – Graphite Market in South Korea

South Korea was the largest global producer of graphite during the 1950-1992, when China dumped stockpiled graphite into the market over a sustained period to 2005, putting many producers in Europe and South Korea out of business. The graphite price has now recovered substantially (refer Figure 6).

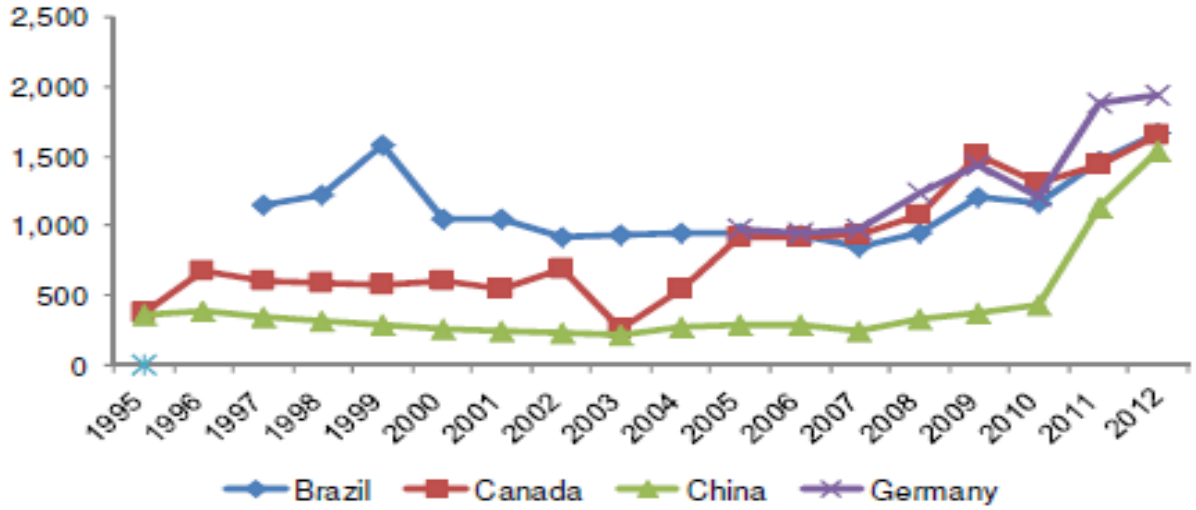

Figure 6: Average value ($US/t) of natural flake graphite exports by major exporters 1995 to 2012 (Source: Global Trade Atlas.

South Korea is the third largest Asian economy, with major steel, automobile and heavy chemical industries. Well-developed downstream graphite processing industry exists in South Korea. Demand for graphite is expected to grow in North Asia at a higher rate than any other region over the next 5 years.

There is an opportunity to substitute flake graphite into some synthetic graphite markets because of its cost competitiveness. South Korea is the world's second largest importer of synthetic graphite, estimated to be 52,000t in 2011 and growing at a rate of 27%pa.

A new graphite mining and processing operation in South Korea will have several key advantages over most potential global competitors, including:

- Favourable geology, with world class graphite deposits situated in the North China craton.
- Close proximity to the largest markets for graphite in North Asia (China, Japan and South Korea). South Korean companies are at the leading edge of technological developments in electronics, batteries and automobiles, the principle sectors that are driving new demand for graphite. In addition, major Japanese players are investing in new synthetic graphite plants in South Korea.
- Minimal transportation freight costs.
- Low sovereign risk for investment.
- Highly efficient container ports, linked to an excellent modern road and rail transportation network.
- Low electrical power costs for industry (base load thermal coal and nuclear power).
- Highly educated and skilled workforce.
- Stable, democratically elected government.
- Workable Mining Act.

Appendix – JORC 2012 Criteria

According to clauses 18 and 19 of the 2012 JORC Code, the criteria in sections 1 and 2 of Table 1 need to be addressed when first reporting new exploration results. These are listed below and comments made on an "if not, why not" basis.

Section 1 Sampling Techniques and Data

Section 1 Criteria	Commentary
Sampling techniques	The petrology samples are by necessity a small sample. They were selected as a grab sample on the basis of being "typical" of the outcrop from which they were collected. A comprehensive sampling exercise involving numerous samples would be more representative statistically, but this approach was rejected at this early stage of exploration.
Drilling techniques	No drilling was undertaken – only grab samples were required for the work undertaken.
Drill sample recovery	No drilling was undertaken – only grab samples were required for the work undertaken.
Logging	No drilling was undertaken – only grab samples were required for the work undertaken.
Sub-sampling techniques and sample preparation	A *Jones Riffle* splitter was used to split a representative sample for the MLA study. The samples were further screened to -850/+106 µm. Representative splits were taken using a *Quantachrome Mini-riffler* and mixed with carnauba wax. MLA analysis was performed on polished sections made from these samples. The +106/-850 µm fraction range was measured for the graphite flake size distribution, in order to represent preserved rock fragments that are closest to the original graphite size and rock texture.
Quality of assay data and laboratory tests	The Mineral Liberation Analyser (MLA) is a quantitative mineralogical technology, developed by Actlabs, which uses a *FEI Quanta600F* scanning electron microscope ("SEM"). Mineral matter was identified and quantified using the XBSE measurement mode on the *Quanta 600F* MLA instrument. By a combination of image analysis, employing atomic number contrast imaging from back-scattered electron ("BSE") signal intensity and Energy Dispersive Spectrometry ("EDS"), using two *Bruker 5010 SDD* detectors, minerals and other attributes are directly measured on the MLA. The BSE signal intensity is proportional to the mean atomic number of minerals. The Field Emission Gun MLA was used at an accelerating voltage of 25 kV and a spot size of 6.
Verification of sampling and assaying	No drilling or assaying was undertaken – only grab samples were collected for the work undertaken.
Location of data points	A hand-held Garmin GPS-60 Global Positioning System ("GPS") was used to obtain accurate locations in the field. Typically signals from 5-9 satellites were received and the accuracy of coordinate data is considered to be ±5 metres. The map projection used was Universal Transverse Mercator WGS-84, zone 52 North. Topographic maps at 1:5,000 scale were used as base maps for the project.
Data spacing and distribution	The grab samples were collected for the work undertaken on the basis of lithology type and outcrop distribution.
Orientation of data in relation to geological	The grab samples collected were conformable with gneissic and schistose foliation of the outcrop.

Section 1 Criteria	Commentary
structure	
Sample security	Samples were sealed in a 20kg international courier box and shipped by DHL Air Express from Seoul, South Korea to ACTLABS Ancaster Laboratory, Ontario, Canada. The sample security is considered adequate.
Audits or reviews	No audits or reviews of sampling techniques or data have been undertaken at this early stage of exploration.

Section 2 Reporting of Exploration Results

Section 2 Criteria	Commentary
Mineral tenement and land tenure status	*Lamboo Resources Limited* holds five (5) granted Mining Rights through its wholly-owned Korean subsidiary *Won Kwang Mines Inc*. The (5) registered granted Mining Rights include 80077 (Dangjin 55-3), 80014 (Dangjin 65-1), 78355 (Dangjin 65-2), 200258 (Dangjin 54-2) and 200259 (Dangjin 55-4). All granted Mining Rights are in good standing and there are no encumbrances, royalties or impediments.
Exploration done by other parties	Geumam was an operating graphite mine during 1985-1992. Geumam has been previously explored by the *Korean Mining Promotion Corporation* ("KMPC"). Previous exploration by the KMPC has included geological mapping, rock chip pit and trench sampling (KMPC, 1980a & 1980b), a self potential geophysical survey (1980c), resource estimates (KMPC, 1982), metallurgical studies (KMPC, 1983a & 1983b), mine valuation reports (KMPC, 1984 & 1988), and resource estimates (KMPC, 1989). Independent Geologist *Veronica Webster Pty Ltd* (2012) reported an inferred JORC resource at Geumam in the Prospectus for *Peninsula Graphite Limited* (dated 6 September 2012) on behalf of *OMI Holdings Limited*.
Geology	The Geumam graphite deposit is regarded as a typical flake graphite deposit formed by high-temperature, high-pressure granulite facies metamorphism. The flake graphite is probably of organic origin, with algal mats or bituminous seeps considered the possible source material for pre-graphitic carbon. The graphite schist is interpreted to have originally been thin-bedded, carbonaceous and feldspathic, medium-grained quartz sandstone. The schistocity is considered to represent original bedding. The graphite schist is hosted within biotite gneiss of the Precambrian Seobaegsan Gneiss Complex.
Drill hole Information	No drilling was undertaken – only grab samples were required for the work undertaken.
Data aggregation methods	No assaying was undertaken – only grab samples were required for the work undertaken.
Relationship between mineralisation widths and intercept lengths	No drilling or assaying was undertaken – only grab samples were required for the work undertaken.
Diagrams	Refer Figure 3 for graphite flake size analysis.Refer Figure 5 for sample locations and geology.
Balanced reporting	Only grab samples were collected for the work undertaken. No assaying was undertaken.
Other substantive exploration data	No other substantive exploration data was collected.
Further work	Database compilation and validation is currently being undertaken. A diamond drilling programme is planned to increase the graphite resource.