SOVEREIGN METALS LIMITED

STRONG FINAL RESULTS FROM DUWI PROJECT DRILLING

JORC ESTIMATE COMMENCED

Sovereign Metals Limited ("Sovereign" or "Company") is pleased to report that the Company has now completed the 2014 RC & diamond core resource drilling program at the Duwi Flake Graphite Project in Malawi. Thick and high grade zones of coarse flake graphite mineralisation are reported in a large and coherent body over a cumulative strike length of ~2.2km. CSA Global has commenced modelling for calculation of a maiden JORC resource estimate for the Duwi Project, expected mid-October.

Highlights:

- *48 RC and diamond core holes totalling 5,285m now completed and assayed at Duwi.*
- *Wide zones of high-grade flake graphite mineralisation intersected from surface at Duwi Main Zone, Duwi Bend and Nyama, over a cumulative 2.2km strike length.*
- *Results from 2nd and final tranche of drilling include:*

DWRC0036:	***76m** @ **9.3%TGC** (from 138m)*
	inc. 20m @ 11.7% TGC
DWRC0025:	***52m** @ **9.5% TGC** (from 2m)*
	inc. 22m @ 11.9% TGC
DWRD0009:	***47m** @ **8.8% TGC** (from 66m)*
	inc. 14m @ 10.1% TGC
DWDD0011:	***74m** @ **9.7% TGC** (from 6m)*
	inc. 54m @ 10.1% TGC

- *Mineralisation remains open down dip and along strike at all prospects.*
- *Approximately ~2.2km of strike length drilled of the known ~24km strike length of the Duwi Trend suggesting substantial potential to expand mineralised bodies with further drilling.*
- *Maiden JORC resource estimate well advanced and expected to be complete in mid-October 2014.*

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Summary

RC and diamond drilling results for the 2nd and final tranche of samples from Duwi Main, Duwi Bend and Nyama have now been received by the Company. A total of 5,285 metres of combined RC and diamond drilling was undertaken in the 2014 program in 48 drill-holes. A further 1,388m in 10 holes and 1,974m of trenching were completed at Duwi Main and other prospects in 2013.

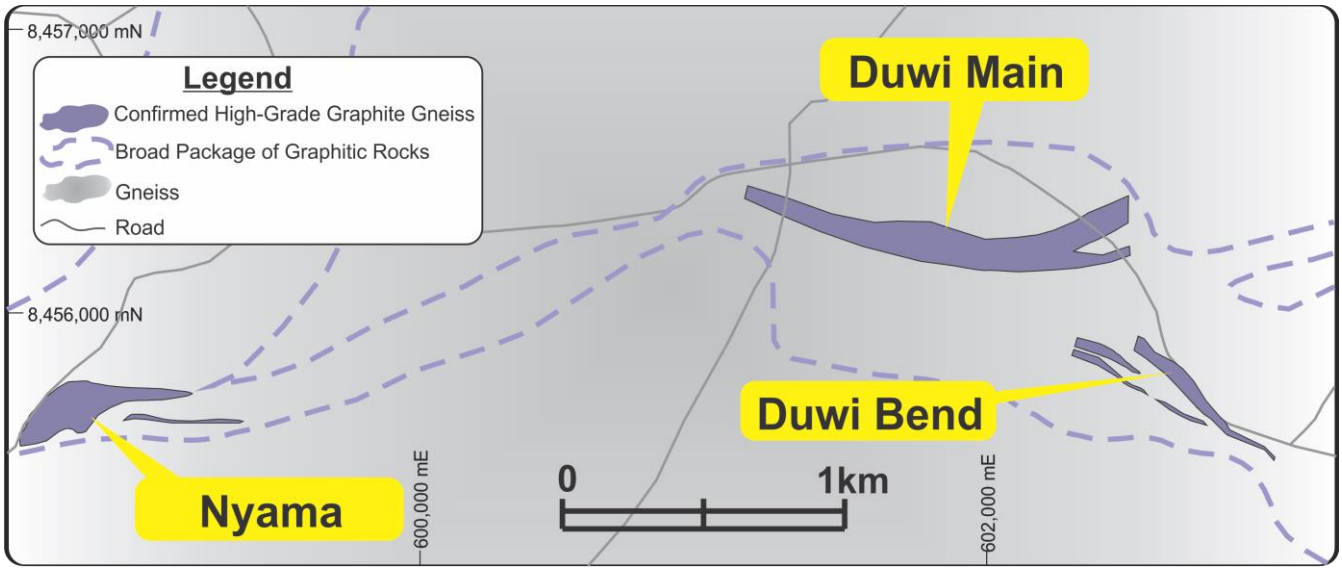

Figure 1. Simplified map showing Duwi Main, Duwi Bend and Nyama Prospects.

The Duwi Main, Duwi Bend and Nyama prospects have thick zones of graphite mineralisation over a cumulative drilled strike length of ~2.2km (see Figure 2).

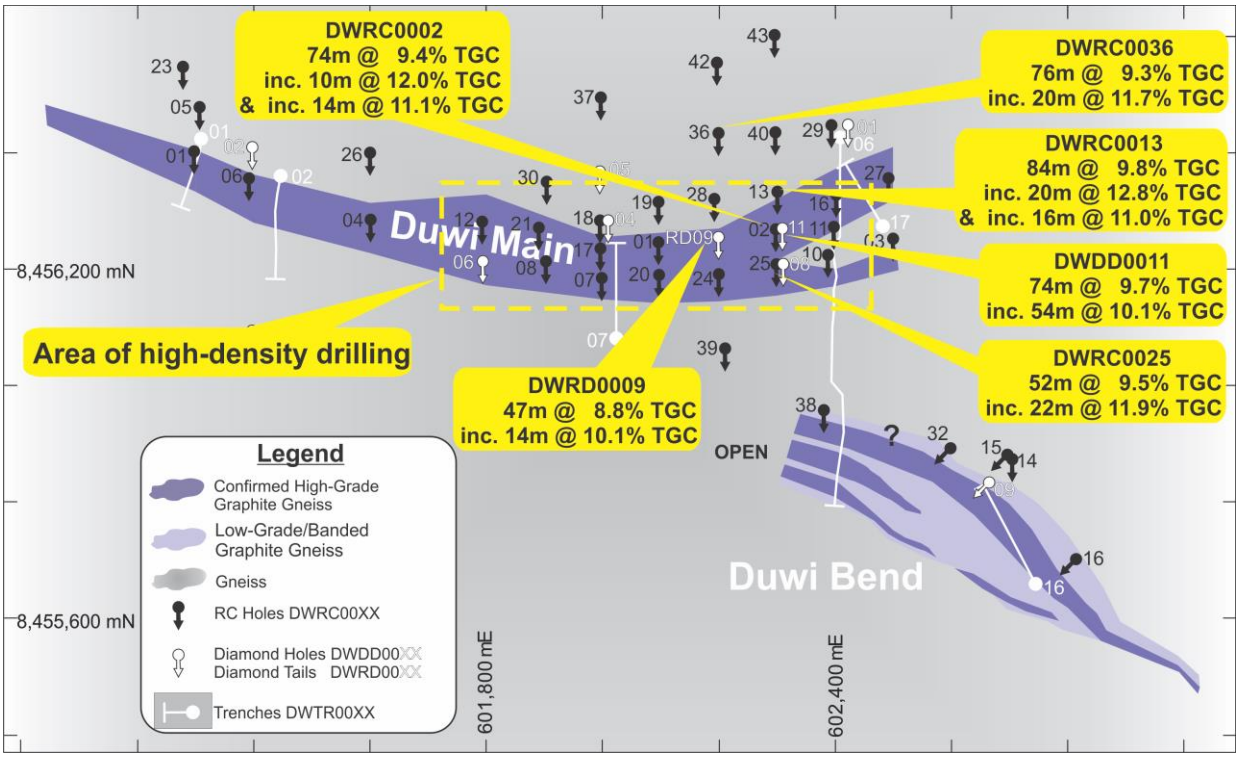

Figure 2. Simplified map of Duwi Main and Duwi Bend showing selected 2014 RC drilling results reported to date.

In particular, the Duwi Main zone has shown a number of thick, high grade graphite intercepts that begin at surface (Figures 3-5). This area was drilled at a higher density, nominally 50m by 100m, in order to provide more comprehensive data for the likely initial area of focus for a mining study.

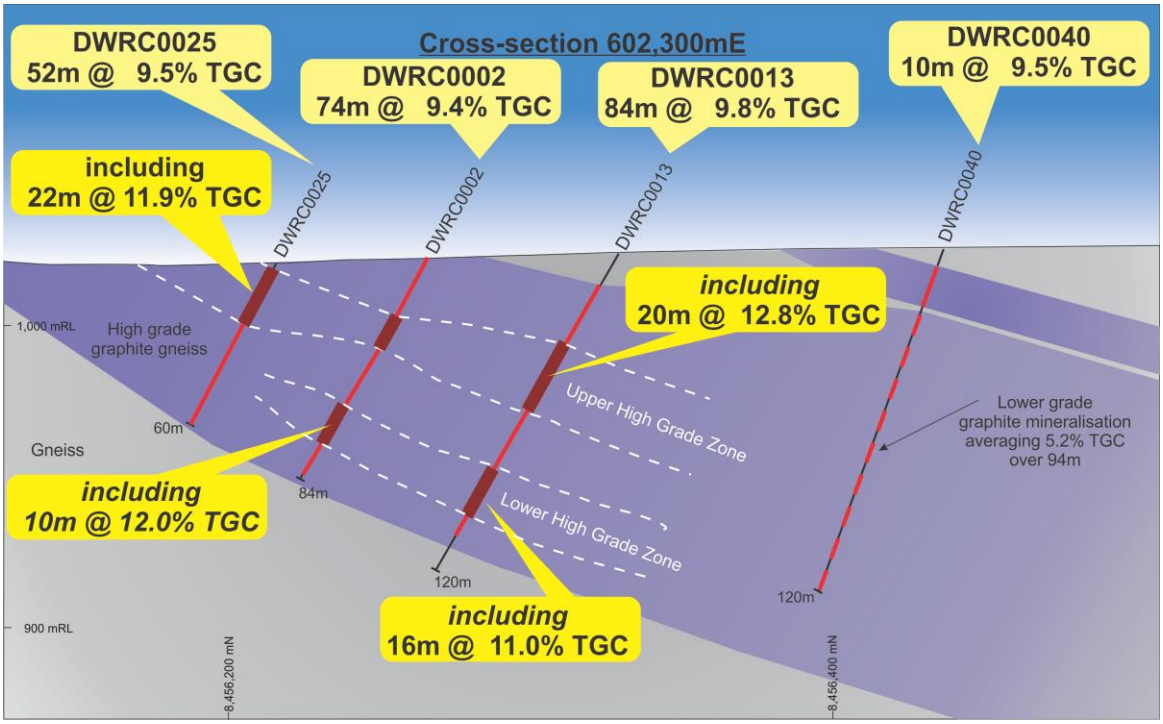

Figure 3. 602,300mE cross-section at Duwi Main Zone

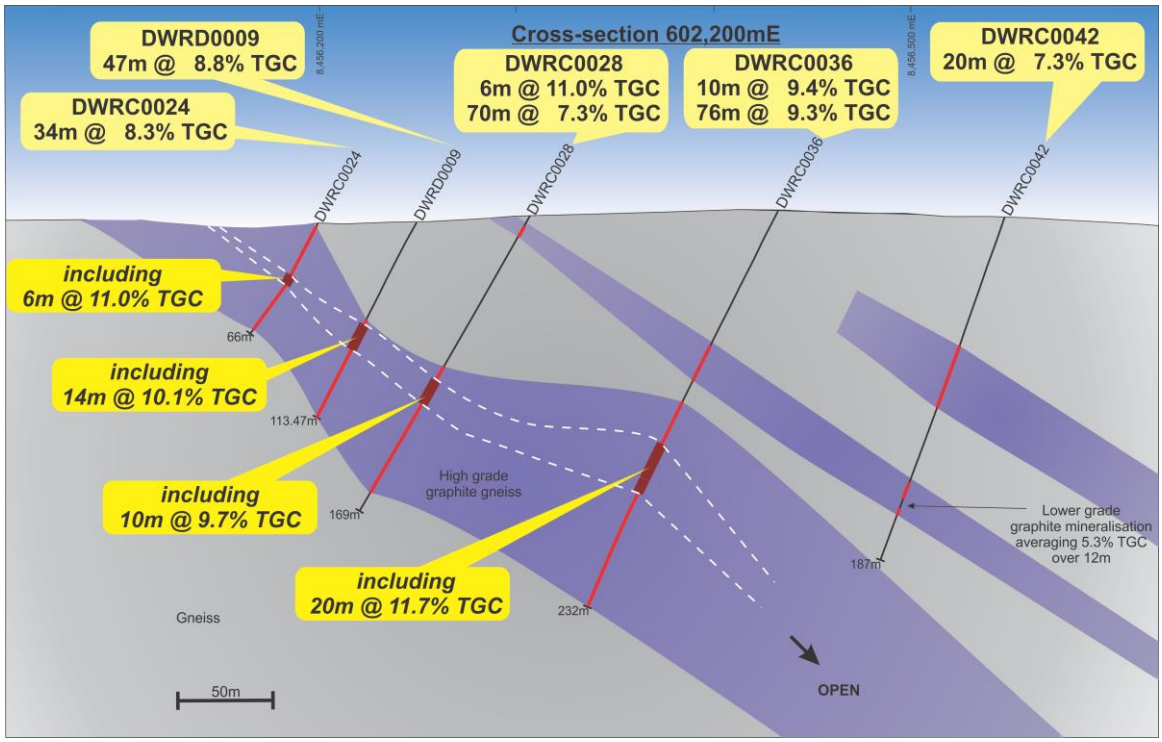

Figure 4. 602,200mE cross-section at Duwi Main Zone

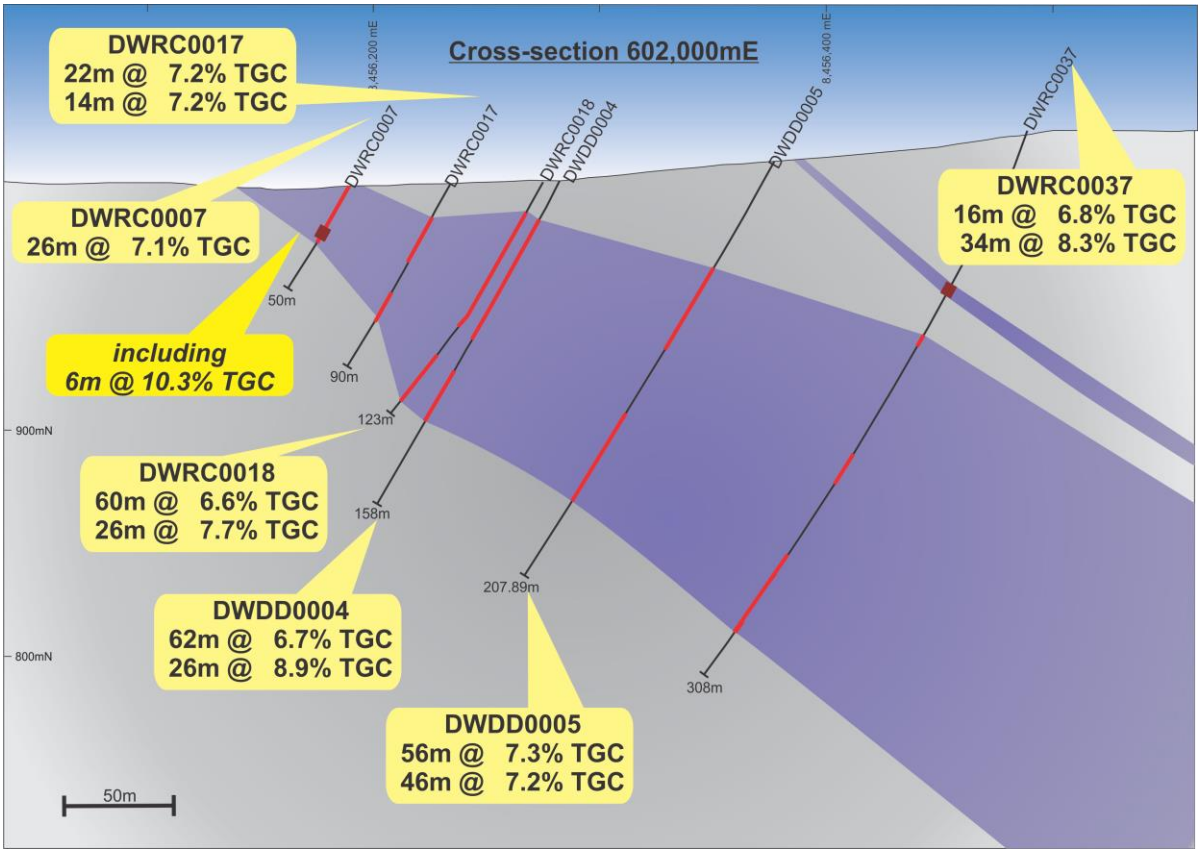

Figure 5. 602,000mE cross-section at Duwi Main Zone

A total of approximately 2.2km of the overall ~24km strike length of the known graphite mineralisation on the Duwi Trend has been drilled to date. All three deposits drilled to date within the Duwi Trend remain open down dip and along strike, suggesting that further drilling should be able to substantially expand the future graphite resource.

The Duwi Project is located within 20km of Lilongwe, the capital city of Malawi, and is well serviced by road, rail, electricity and other infrastructure (see Figure 6). Metallurgical testwork to date demonstrates that the Duwi Project can produce a world class large flake graphite concentrate, with greater than 64% of concentrates +100mesh (see ASX announcement 21 January 2014).

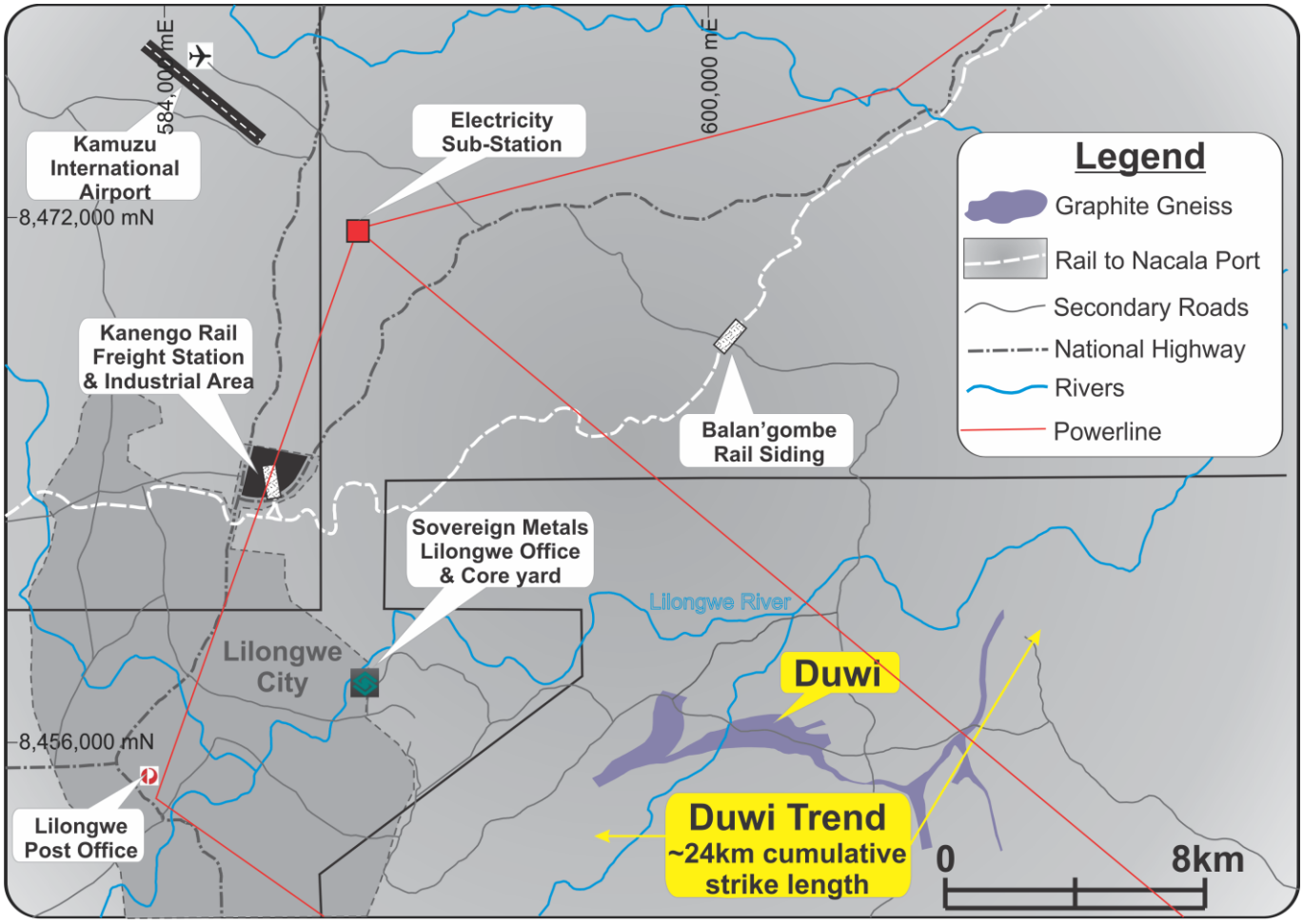

Figure 6. Map showing location of the Duwi Trend in relation to important infrastructure.

CSA Global have been engaged to prepare a maiden resource estimate for the Duwi Project. Their work is well advanced and is expected to be completed by mid-October 2014.

Table 1: Duwi 2013 and 2014 RC and Diamond drilling results as of 25th September 2014

Hole ID	Lower cut-off % TGC	From (m)	To (m)	Total Length (m)	% TGC	Comments
DWDD0001 #	6	22	44	22	8.9	Twin of DWRC0029
	6	94	150	56	7.5	
DWDD0002 #	6	32	104	72	7.5	
DWDD0004 #	6	22	84	62	6.7	Twin of DWRC0018
	6	96	122	26	8.9	
DWDD0005 #	6	40	96	56	7.3	
	6	124	170	46	7.2	
DWDD0006 #	6	0	34	34	8.5	
DWDD0008	6	3	60	57	8.9	Twin of DWRC0025
	inc	5	24	19	12	
DWDD0009	6	10	26	16	7.5	
	6	74	98	24	7.4	
	6	122	136	14	6.6	
DWDD0010	Core not assayed - whole core exclusively for metallurgical test-work					
DWDD0011	6	6	80	74	9.7	Twin of DWRC0002
	inc	12	66	54	10.1	
DWDD0012	Core not assayed - whole core exclusively for metallurgical test-work					
DWRD0009	6	66	113	47	8.8	
	inc	68	82	14	10.1	
DWRC0001 #	6	56	80	24	7.4	
	inc	58	70	12	8	
DWRC0002 #	6	8	82	74	9.4	Twin of DWDD0011
	inc	18	68	50	10.1	
	inc	28	38	10	12	
DWRC0003 #	6	14	36	22	6.5	
DWRC0004 #	6	24	36	12	9	
	inc	26	36	10	9.6	
DWRC0005 #	6	66	86	20	8.4	
	inc	68	72	4	10.3	
DWRC0006	6	0	54	54	7.7	
	inc	0	6	6	10.1	
DWRC0007	6	2	28	26	7.1	
	inc	20	26	6	10.3	
DWRC0008	6	40	54	14	6.6	
DWRC0010 #	6	4	34	30	8.3	
	inc	20	28	8	11.6	
DWRC0011	no significant intercepts					
DWRC0012 #	6	52	76	24	9.3	
	inc	52	66	14	11.6	
DWRC0013 #	6	24	108	84	9.8	
	inc	50	70	20	12.8	
	& inc	90	106	16	11	
DWRC0014 #	no significant intercepts					
DWRC0015	6	14	32	18	8.6	
	6	66	98	32	8.5	
	inc	68	84	16	10.2	
DWRC0016	6	76	88	12	6.4	
DWRC0017	6	16	38	22	7.2	
	6	54	68	14	7.25	
DWRC0018 #	6	16	76	60	6.6	Twin of DWDD0004
	6	92	118	26	7.7	

Hole ID	Lower cut-off % TGC	From (m)	To (m)	Total Length (m)	% TGC	Comments
DWRC0019	6	0	44	44	6.9	
	6	70	124	54	7.9	
	inc	102	124	22	10.1	
	6	132	142	10	8.8	
DWRC0020	6	0	46	46	6.4	
DWRC0021	6	60	100	40	6.9	
DWRC0022	6	12	30	18	8.7	
DWRC0023	6	94	147	53	7.7	
DWRC0024	6	28	62	34	8.3	
	inc	30	36	6	11	
DWRC0025	6	2	54	52	9.5	Twin of DWDD0008
	inc	2	24	22	11.9	
DWRC0026	6	86	118	32	7.4	
	inc	104	116	12	9.2	
DWRC0027	6	20	32	12	7	
DWRC0028	6	88	158	70	7.3	
	inc	100	110	10	9.7	
DWRC0029	6	20	32	12	8.9	Twin of DWDD0001
	6	100	172	72	7.8	
DWRC0030	6	0	16	16	10.4	
	6	118	156	38	6.6	
DWRC0031	6	14	26	12	7.5	
	6	76	88	12	7.8	
	6	146	156	10	8	
DWRC0032	6	0	8	8	8.4	
	6	24	56	32	8.4	
	6	100	157	57	6.1	
DWRC0033	6	48	54	6	8.2	
	6	90	96	6	6.9	
	6	128	136	8	8.1	
DWRC0034	6	76	86	10	8	
DWRC0036	6	116	126	10	9.4	
	6	138	214	76	9.3	
	inc	140	160	20	11.7	
	6	224	232	8	8.6	
DWRC0037	6	78	84	6	12.1	
	6	104	110	6	7.4	
	6	166	182	16	6.8	
	6	230	236	6	9.6	
	6	256	290	34	8.3	
DWRC0038	6	10	18	8	11.1	
	6	26	34	8	7.8	
DWRC0039	6	34	46	12	6.3	
DWRC0040	6	14	24	10	9.5	
DWRC0041	6	98	110	12	8.3	
	6	126	134	8	6.8	
	6	152	166	14	6.8	
DWRC0042	6	58	78	20	7.3	
	6	154	166	12	5.3	
DWRC0043	no significant intercepts					

** Drilling has intersected mineralisation at orthogonal or near orthogonal angles and therefore all mineralised intercepts reported are true width or near true width.*
 # Reported previously

Table 2: Details for 2013 and 2014 RC and Diamond drill-holes reported to date

Hole ID	East	North	RL (mASL)	Depth (m)	Azimuth	Dip
DWDD0001 #	602399.8	8456444.0	1016.3	170.02	180	-60
DWDD0002 #	601398.9	8456411.8	996.8	131	180	-60
DWDD0004 #	602001.5	8456279.7	1010.1	158	180	-60
DWDD0005 #	601998.8	8456374.7	1019.1	207.89	180	-60
DWDD0006 #	601801.5	8456212.6	1009.4	119.29	180	-60
DWDD0007 #	601398.6	8456065.9	986.6	119.29	180	-60
DWDD0008	602299.5	8456212.2	1020.4	59.72	180	-90
DWDD0009	602657.9	8455812.0	1047.5	149.42	225	-55
DWDD0010	602298.4	8456214.6	1020.3	29.37	180	-60
DWDD0011	602300.2	8456262.5	1021.7	83.32	180	-60
DWDD0012	602403.9	8456217.5	1024.3	29.27	180	-60
DWRD0009	602200.1	8456250.2	1018.2	113.47	180	-70
DWRC0001 #	602099.0	8456242.8	1014.4	81	180	-60
DWRC0002 #	602300.2	8456265.0	1021.6	84	180	-60
DWRC0003 #	602497.9	8456250.9	1024.9	40	180	-60
DWRC0004 #	601609.3	8456279.8	1002.4	45	180	-60
DWRC0005 #	601314.8	8456470.8	996.3	90	180	-60
DWRC0006	601398.7	8456358.9	993.1	60	180	-60
DWRC0007	602000.9	8456187.9	1005.7	50	180	-60
DWRC0008	601901.0	8456208.2	1006.2	57	180	-60
DWRC0010 #	602399.4	8456217.5	1024.2	45	180	-60
DWRC0011 #	602398.8	8456269.5	1023.7	66	180	-60
DWRC0012 #	601797.0	8456276.0	1011.7	80	180	-60
DWRC0013 #	602302.0	8456328.7	1022.9	120	180	-60
DWRC0014 #	602697.6	8455848.0	1045.6	47	180	-60
DWRC0015	602691.5	8455849.2	1045.6	150	225	-55
DWRC0016	602398.5	8456322.8	1022.8	96	180	-60
DWRC0017	601999.2	8456233.0	1006.7	90	180	-60
DWRC0018 #	602004.2	8456275.0	1009.7	123	180	-60
DWRC0019	602099.4	8456299.6	1015.6	144	180	-60
DWRC0020	602101.2	8456192.3	1012.6	48	180	-60
DWRC0021	601898.3	8456273.5	1011.1	108	180	-60
DWRC0022	601307.3	8456417.2	991.7	48	180	-60
DWRC0023	601281.6	8456539.3	997.7	147	180	-60
DWRC0024	602200.3	8456199.6	1016.0	66	180	-60
DWRC0025	602299.7	8456214.8	1020.1	60	180	-60
DWRC0026	601597.5	8456385.6	1004.0	132	180	-60
DWRC0027	602500.4	8456365.8	1020.6	111	180	-60

Hole ID	East	North	RL (mASL)	Depth (m)	Azimuth	Dip
DWRC0028	602199.5	8456307.1	1020.4	169	180	-60
DWRC0029	602397.7	8456439.6	1016.4	199	180	-60
DWRC0030	601898.9	8456343.1	1016.1	157	180	-60
DWRC0031	602823.7	8455689.9	1055.8	163	225	-55
DWRC0032	602598.7	8455888.7	1041.1	157	225	-55
DWRC0033	598795.1	8455767.8	991.8	166	180	-60
DWRC0034	598700.7	8455737.9	996.3	169	180	-60
DWRC0035	598996.5	8455747.0	986.4	73	180	-60
DWRC0036	602201.9	8456436.3	1023.5	232	180	-65
DWRC0037	601999.6	8456491.4	1032.1	308	180	-60
DWRC0038	602380.4	8455955.5	1032.5	46	180	-60
DWRC0039	602208.3	8456062.2	1021.6	81	180	-60
DWRC0040	602298.3	8456434.6	1021.1	121	180	-65
DWRC0041	598802.2	8455867.6	991.7	187	180	-60
DWRC0042	602198.2	8456549.5	1020.1	187	180	-70
DWRC0043	602297.8	8456597.1	1012.1	217	180	-70

 # Reported previously

Competent Person

The information in this report that relates to Exploration Results is based on information compiled by Mr Peter Woodman, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Woodman is a director of Sovereign Metals Limited. Mr Woodman 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'. Mr Woodman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	RC Drilling Commentary	Diamond Drilling 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.*	5 ½ inch Reverse Circulation (RC) drilling was employed to generate 1m samples, riffle split 1:8 by hand then riffle split 1:2 through a 50/50 splitter and combined to form 2m composite samples in mineralised zones and 4m composite samples in unmineralised zones.	HQ and HQ-3 Diamond Drilling (DD) was employed to generate drill core, which was quarter cut and sampled on generally 2m intervals in mineralised zones and 4m intervals in unmineralised zones.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Duplicate samples were taken on average every 20th sample (both split and composites) to provide checks on sample representivity.	Duplicate quarter core samples were taken every 20th sample, to provide checks on sample representivity. Diamond drill twins of four (4) RC holes (9%) were completed to test the representivity and accuracy of the RC drilling method for sampling graphite.
	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 6% TGC has been applied to define mineralisation. From the RC bulk sample a 1-2kg sample is generated for analysis. Diamond core is quarter cut for analysis sampling. Samples were shipped to an Intertek- Genalysis sample preparation laboratory in Johannesburg or Perth. Upon receipt of sample, the laboratory prepares ~100g pulp samples for shipment (if required) to and analysis by Intertek-Genalysis Perth. A 0.2g charge is analysed for Total Graphitic Carbon (TGC) using an Eltra carbon analyser resistance furnace.	
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).*	Both diamond and reverse circulation drilling was completed on a nominal grid pattern of 50m by 100m or 50m by 200m spacing across the prospect. Drill holes were generally drilled at -60° dip on azimuths deemed appropriate to perpendicularly cross-cut the strike of mineralised zones. 5 ½ inch RC was drilled from surface. Diamond drilling, HQ-3 triple tube sized giving 61.1mm core was drilled from surface through oxide material to provide greatest recovery, and where fresh rock was encountered HQ core (63.5mm diameter core) was drilled.	
Drill Sample Recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	The RC bulk sample recovery was systematically weighed and examined for overall recovery and representivity.	Diamond core was measured by Company employees for recovery and recorded. For the overall program an overall recovery of 95.5% was achieved during the 2014 program.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The analysis laboratory records received sample weights, and the company retrieved this data for analysis. It is not believed that any bias has occurred due to loss or gain of sample.	Core recovery is monitored during the drilling process, and core depths are checked against drilling data and rod counts to ensure correctness. Representivity of the core is assessed using duplicate sampling of every 20th sample.
	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.	No relationship exists between sample recovery and grade, hence no bias is demonstrated.	
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 RC and DD drill samples were geologically logged, recording relevant data to a set template on 1m intervals. In the case of DD, core is also geotechnically logged, and the core is photographed for future record. All logged data was codified to a set company codes system. This offers sufficient detail for the purposes of interpretation, further studies and resource estimation.	
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	All logging included lithological features, and estimates of mineralisation percentages and flake characteristics. All core is photographed.	
	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.*	Not applicable RC drilling.	1/4 drill core was cut using a motorised diamond blade core saw and sampled for laboratory analysis
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	1m samples were riffle split 1:8 by hand then riffle split 1:2 through a 50/50 splitter and combined to form 2m composite samples in mineralised zones and 4m composite samples in unmineralised zones. Only 3 wet samples were encountered in the program, these samples were dried, broken up using a mortar and pestle, and split per the above procedure.	Not applicable for DD drilling.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Each entire sample was crushed to nominal 100% -3mm in a Boyd crusher then pulverised to 85% -75µm. Approximately 100g pulp is collected for analysis at Intertek-Genalysis Perth.	
	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 these averaged better than 1:20.	
	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.	1:20 field duplicate samples (a second sample split from the same interval) were taken to attempt to quantify the equality. Review of these samples against the original samples showed consistency.	Quarter core duplicate samples were collected every 20th sample. Review of these samples against the original samples showed consistency.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample size is considered appropriate for the material sampled. It is believed that grain size has no bearing on the grade of the sampled material.	
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. 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 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.	The Eltra CS analyser is calibrated by the laboratory using a combination of certified carbon and graphite standards. Calibration is achieved by using a blank followed by a 3-point calibration of the expected TGC range of the samples. One reading is made per analysis. Certified reference standards produced from material sourced from the Company's tenements are inserted 1:20 samples. Blank material (1:20) and crushed material duplicates (1:20) are analysed. Laboratory check samples (blanks, standards and duplicates) are also analysed as per normal laboratory practice. No assay results were obtained outside of the laboratory.	
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.	A total of four (4) twin diamond/RC holes have been completed over the Duwi Main Prospect. Results for all holes have been returned and all are well within geological tolerance.	
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All data was collected initially 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	

Criteria	JORC Code explanation	RC Drilling Commentary	Diamond Drilling Commentary
		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.*	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 UTM Zone 36 South.	
	Quality and adequacy of topographic control.	The Company's consulting surveyor used a Leica GPS System 1200 in RTK mode to collect a grid mesh of points to create topographic control over the drilling prospects. On average, 100m lines were sampled, with 50m spaced points along the line, with infill at toe/crest of inclines. 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.*	Combined RC and DD drilling has been completed over the greater part of the Duwi Main prospect at an east-west line spacing of 100m (just 2 lines were undrilled, leaving a two 200m spaced gaps), with drillholes separated at nominal 50m north-south spacing on the lines. At the Duwi Bend and Nyama prospects completed drillhole spacing is less regular representing the lesser developed nature of the prospects, however the drill planning has maintained the spacing at notional 100m lines with 50m hole spacing on lines.	
	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 or Ore Reserve estimations are covered in this release.	
	Whether sample compositing has been applied.	Sample compositing at sampling stage occurred on 2m intervals i.e 2 x 1m samples were composited to form a single 2m composite sample in mineralised zones and 4m in non-mineralised zones.	
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 were stored in secure storage from the time of drilling, through gathering and splitting. The samples were sealed as soon as splitting was completed, and again securely stored awaiting shipment. Sample tracking was achieved using dispatch tracking during shipment to Johannesburg or Perth. Laboratory best practice methods were employed by the laboratory from Johannesburg to Perth.	
Audits or reviews	*The results of any audits or reviews of sampling techniques and data*	An audit of the sampling techniques was carried out by an independent, qualified, 3rd party geologist in advance of a resource estimate. No material issues were identified. 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	RC Drilling Commentary	Diamond Drilling 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 2 Exclusive Prospecting Licences in Malawi and one Reconnaissance Licence. EPL0355 granted in 2012 for 3 years, EPL0372 granted in 2013 for 3 years, RL0146 granted in 2013 for one year. Both EPLs are renewable for two additional periods of 2 years each upon expiry. An application has been submitted to the relevant Malawian authorities to convert the majority of RL0146 to a new EPL.	
	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*	Duwi Main Zone, Duwi Bend and Nyama mineralisation occurs as multiple, high grade bands of flake graphite, hosted within Proterozoic gneissic rocks of felsic to intermediate composition.	
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 Table 1 within the text and its footnote.	
	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.*	No top cuts have been applied. A nominal 6% TGC lower cut-off has been applied.	
	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.	High grade intercepts within broader low grade intervals have been separated as "including" results.	
	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.*	The Duwi Main mineral prospect exhibits a reasonably consistent dip of 50° to 20° to the north.	
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	All intercepts reported are considered true width or near true width.	
	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'.	Not Applicable – refer to explanation directly above.	
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 1-5 and Table 1 within the main text of this report.	

Criteria	JORC Code explanation	RC Drilling Commentary	Diamond Drilling Commentary
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 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.*	No additional meaningful and material exploration data has been excluded from this report that has not previously been reported to the ASX.	
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 is to define an initial Mineral Resource for the Duwi Main, Duwi Bend and Nyama prospects and to undertake a further comprehensive bench-scale metallurgical testwork program that will form the basis of an initial scoping study on the project. Both of these phases of exploration are already underway.	
	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 1-5 in text.	