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**TALGA**  
RESOURCES

TALGA RESOURCES LTD

# GRAPHITE PROJECTS UPDATE

15 OCTOBER 2013

 ASX: TLG

**200 kta**

European natural graphite consumption

**2.1Mt**

Total JORC contained graphite

**2-3km**

Distance to sealed road

**20-25km**

Distance to rail

**1-2 days**

Delivery time to market

**100%**

Owned by Talga

**22%**

Corporate Tax Rate

**0.2%**

Minerals Tax Rate

**GRAPHITE DEPOSITS SWEDEN**

\* Cover picture; Outcropping graphite at Nunasvaara.



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# Executive Summary



- ▶ Talga Resources Ltd (“Talga”) is a **mineral exploration & development** company listed on the Australian Stock Exchange (“ASX”) since July 2010.
- ▶ The Company **wholly owns** multiple **graphite, iron ore and copper/gold** projects in **Sweden** gained through the acquisition of a Teck Resources subsidiary in 2012, as well as **Australian gold** assets owned since listing.
- ▶ Talga’s **graphite deposits** include the world’s **highest grade JORC resource** of **7.6Mt at 24.4% graphite “Cg”** at Nunasvaara, plus a **coarse flake graphite JORC resource** of **4.3Mt at 7.1% Cg** at Raitajärvi. An additional **117-178Mt at 17-23% Cg** in JORC compliant exploration targets<sup>1</sup> provides further scope for increasing resources if required.
- ▶ **Placement and board changes** complete. Entitlement Offer **fully under-written** and **soon to close** (16th October).
- ▶ Funds to enable material catalysts, including **economic studies** on two graphite projects and further finance expected from **divestment of gold and iron** projects.



# Corporate Overview



## Board of Directors

<b>Keith Coughlan*</b>	<i>Non-executive Chairman</i>	Perth
<b>Mark Thompson</b>	<i>Managing Director</i>	Perth
<b>Piers Lewis</b>	<i>Non-executive Director</i>	Perth

\* Appointed 26 Sept 2013



## Capitalisation Summary

Ordinary Shares ASX:TLG	63.6M
Unlisted Options <sup>1</sup>	3.75M
Cash at end of June 2013	\$0.6M
Debt	\$0.0M
Market Capitalisation @ \$0.05	\$3.4M

## Top Shareholders (+3%) at 20 September 2013

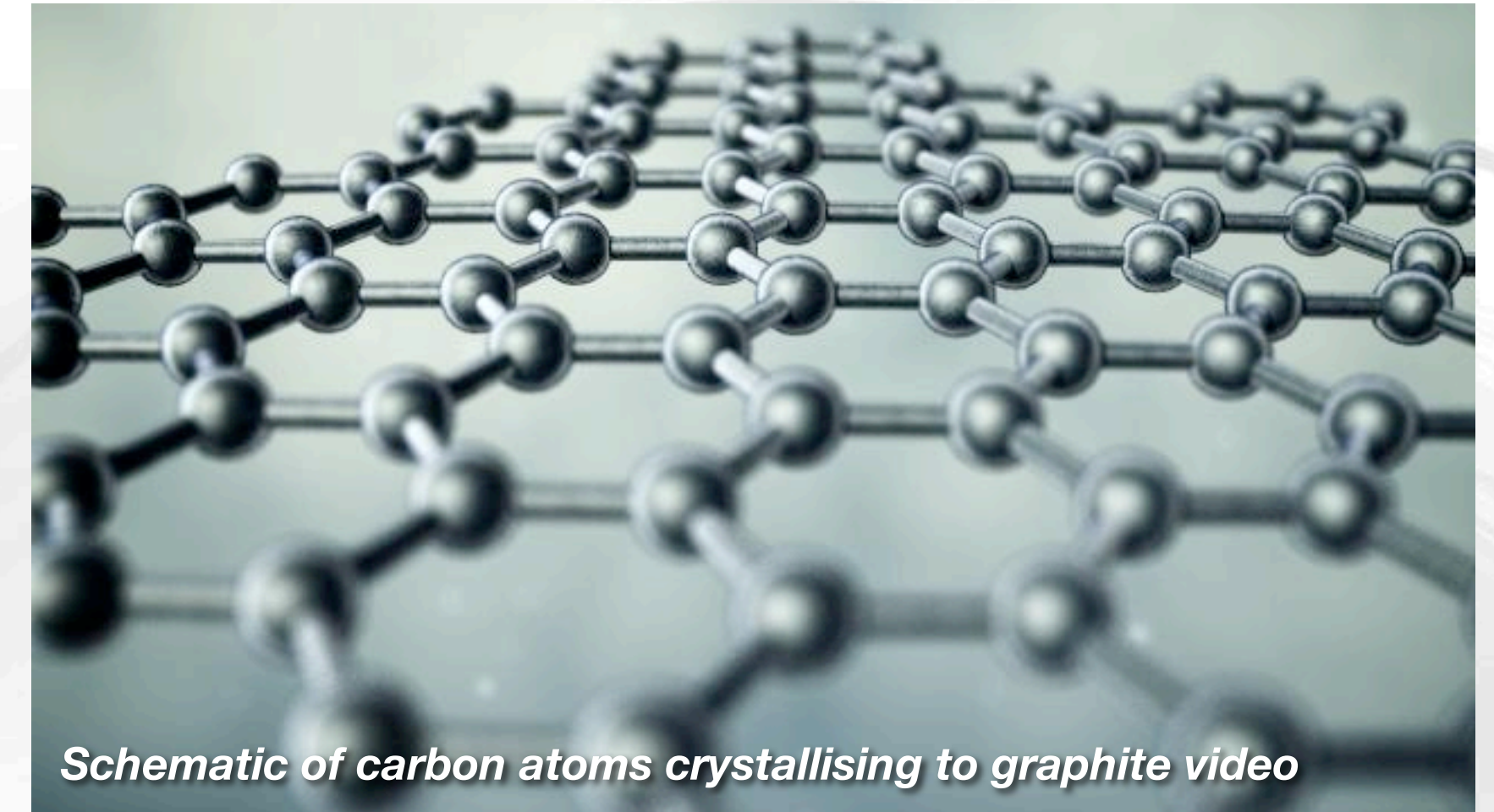
Lateral Minerals Pty Ltd (Mark Thompson)	14.3%
Yandal Investments Pty Ltd	4.2%
Kin Chun Wong	4.1%
United Overseas Service Management Ltd	4.0%
Hereford Group Ltd	3.3%

**Top 20 own 53.2%**

<sup>1</sup> 2.75m @ 40c director exp 30.11.2014, 0.5m @ 35c employee exp 21.7.2015, 0.5m @ 45c employee exp 3.10.2016

# What is Graphite?

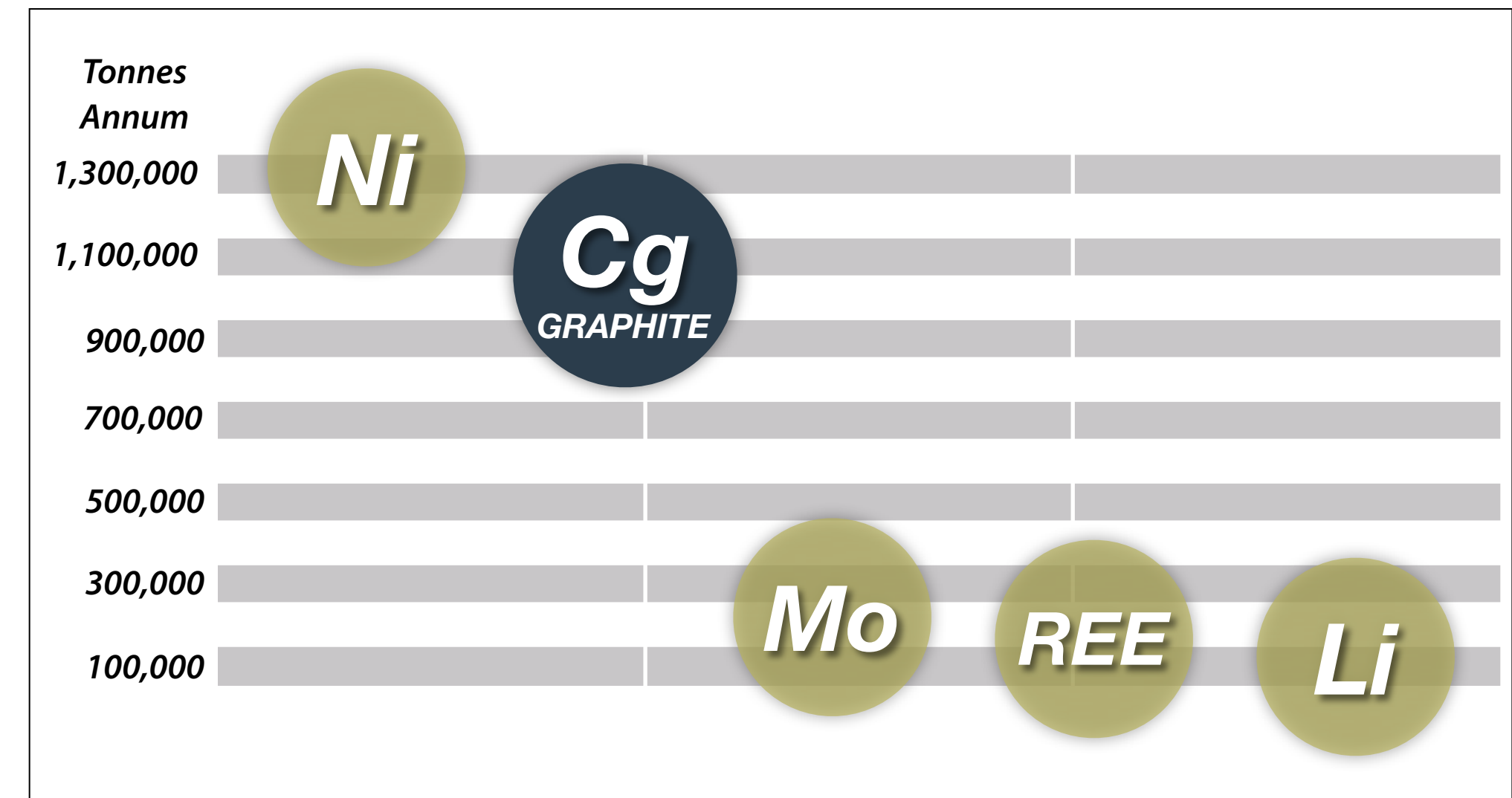
- ▶ Graphite is a shiny grey mineral that can occur in **nature** when **carbon** in rocks becomes **crystalline**.
- ▶ Graphite consists of parallel sheets of carbon atoms in a hexagonal array and requires considerable **pressure** and **temperature** to form. A single sheet is called **graphene**.
- ▶ Graphite has **unique properties** including very high **thermal** and **electrical conductivity**.
- ▶ Graphite is used in thousands of applications and products with **major consumption** by the steel and manufacturing industries.
- ▶ Graphite is finding **new markets** from new uses in products as diverse as insulation panels and battery/energy technologies.



# Natural graphite market

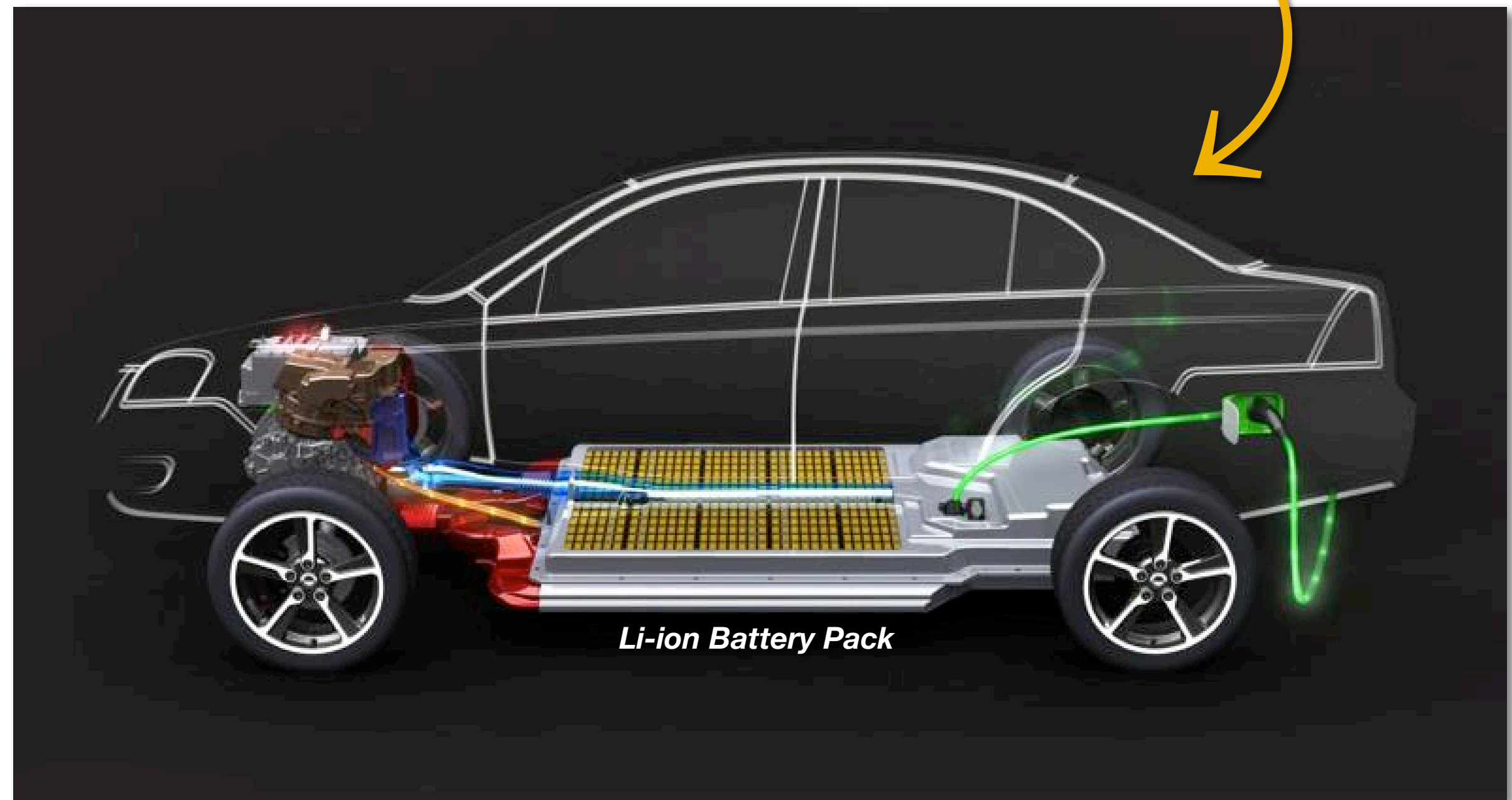
- ▶ **Natural graphite market (1.0Mt/yr) worth US\$1B/yr** with main consumption in steel and refractories, batteries, automotive parts and lubricants.
- ▶ Annual **consumption** is split approximately **45%** for microcrystalline flake (particle size <75 micron; also called **amorphous** in the trade) and **55%** for macrocrystalline flake (>75 micron size, also generically called just **flake**).
- ▶ Graphite is most commonly sold as a concentrate by private contract and therefore prices are not transparent. Industry prices are surveyed and published by **Industrial Minerals** magazine.
- ▶ Graphite price is determined by **particle (flake) size, carbon content (purity) and in some products; shape**. Most natural graphite is sold to traders who upsell to refiners/purifiers, polishers and shapers before it is retailed to end user.
- ▶ Historical graphite **market growth** related to diverse industrial demand of 3-5% annum; **new markets growing** 7-10% annum.

Volume Comparison of Natural Graphite Market



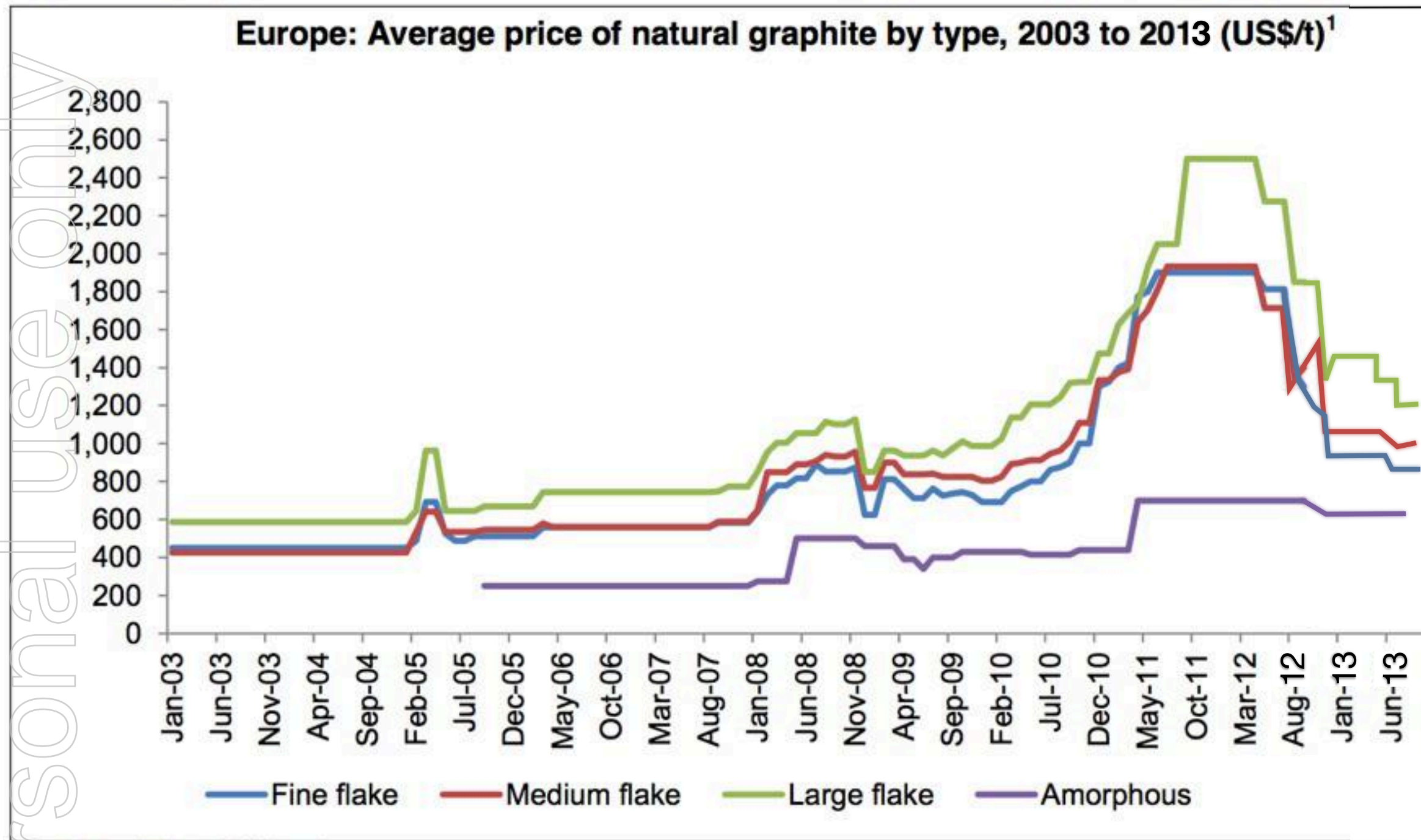
# New Demand Driver

- ▶ Graphite is a significant component of many types of battery, particularly Li-ion.
- ▶ Battery grade graphite is currently made by shaping and treating large flake graphite.
- ▶ Commonly there is 10x more graphite than lithium in a Li-ion battery anode.
- ▶ Rapid growth; global graphite-rich anode materials market US\$500M (2012), up from US\$375M (2011)\*.
- ▶ Electric vehicles currently use 10kg to 90+kg graphite per vehicle in batteries alone.
- ▶ Increased mobility of energy, storage devices, graphene and other new technologies offer a carbon age that is expected to impact positively on future demand for natural graphite.

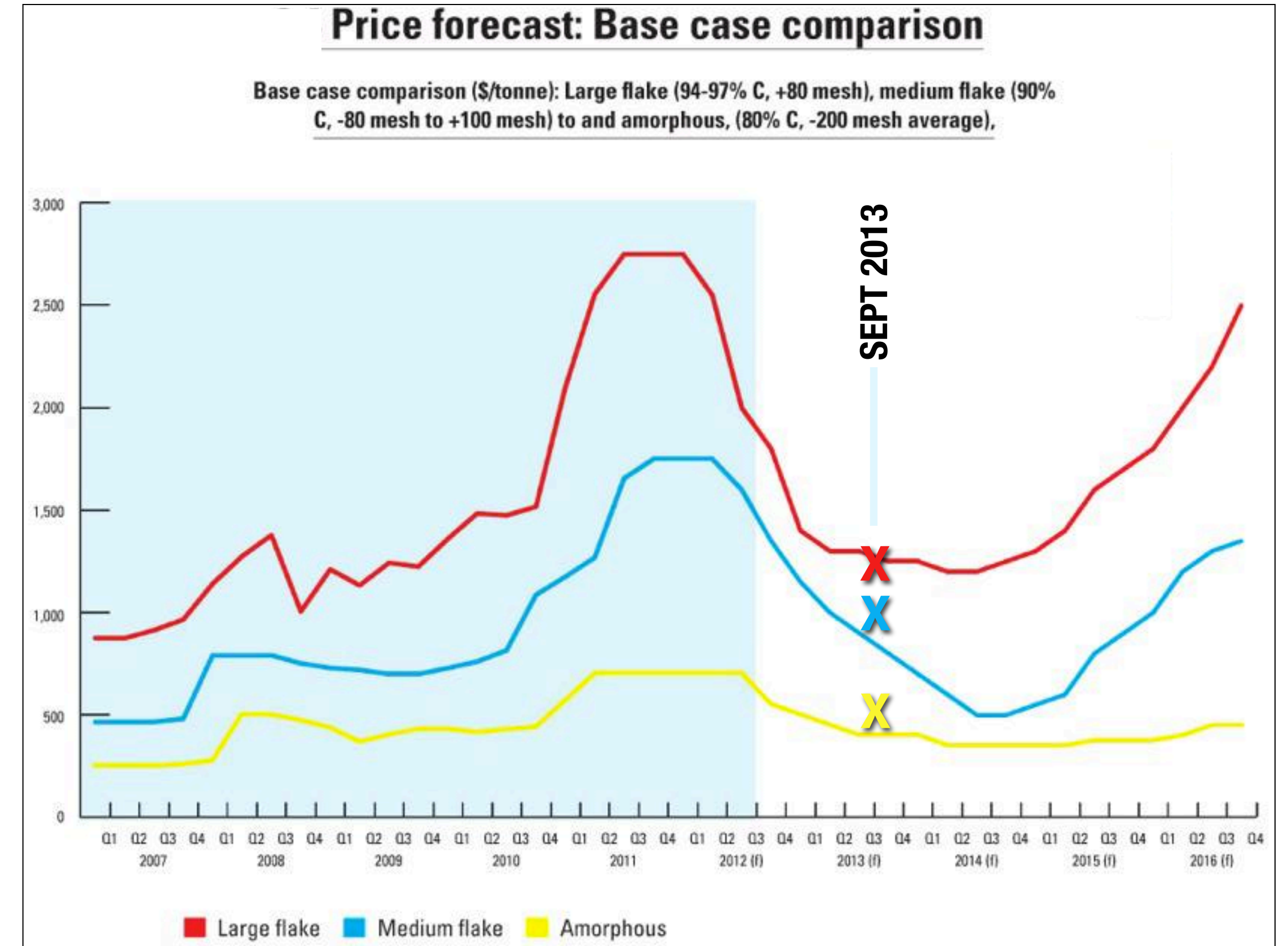


\*IDC Energy Insights "Business Strategy: Lithium Ion Manufacturing Global"

# Graphite Price Trending Above Historic Levels



Source: Industrial Minerals  
Notes: 1-CIF European port FCL



Price forecast by *Industrial Minerals* shows expected trends intact but the **larger volume market types** have traded **above expected levels** since forecast in Dec 2012.

After record prices in 2011-12 prices for all graphite types declined but **stabilised far above long term historical levels**. Note that price falls and trends are correlated but **not all graphite types declined at the same rate** due to diversity of market segments and changes in supply from China.



# Why Graphite is News?

▶ 80% of world's natural graphite supply (including 95% of world's amorphous graphite supply) is from China.

▶ Increasing state control/mine consolidation and higher domestic consumption have resulted in lower exports from China.

▶ Costs increasing in China under higher export tariffs, taxes and labour costs.

▶ The apparent supply risk now being addressed by importing countries. Graphite is classified a "**Strategic Mineral**" by USA, UK and EU government agencies.

# 80%

Of the world's natural graphite supply is mined in China (including 95% of world amorphous graphite)



# China Changes

- ▶ Increased domestic demand and rising costs have **cut exports**, in **some graphite types** as much as **50%** from 2011-12.
- ▶ Government has taken ownership of some fields and **consolidation** has **decreased production**. Eg. The amorphous graphite mines in Hunan that were responsible for **over 90% of world supply** closed for several years now, may produce at **10% of historic rate in future**. Depth of development (450m underground) and thin nature of seams (2-5m) means **higher costs in future = less supply**.
- ▶ Signs of **similar consolidation** in coarse flake producing districts.
- ▶ Post-GFC **freight rates** are returning to **normal**, **cutting margins on exports**. Price gap on graphite sold in **coastal China** compared to **CIF Europe highest in 10 years**.

*Closed graphite mines in Lutang, Hunan Province after government consolidation.*

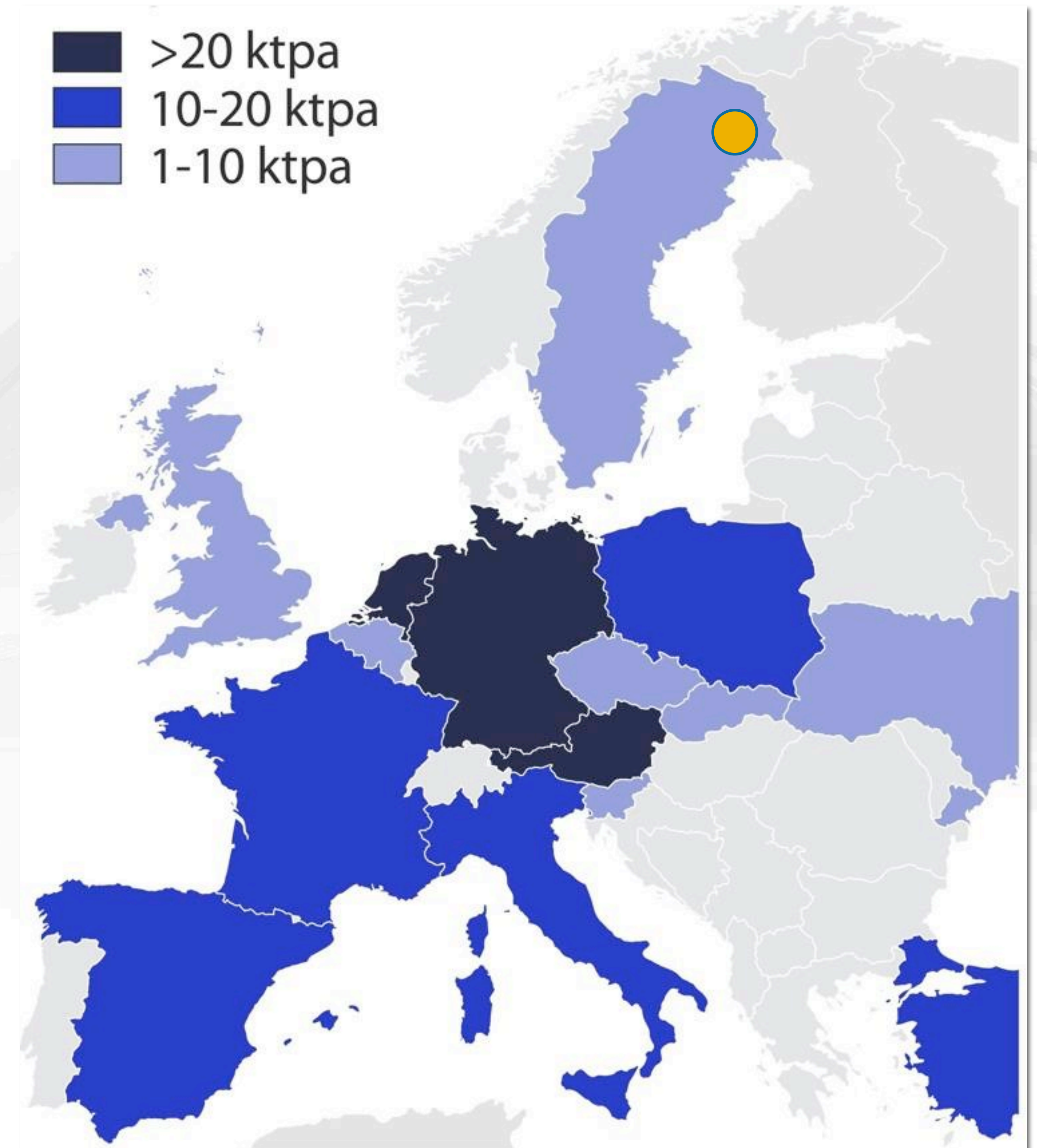
*Photo M Thompson/Talga Oct 2012*

# Sweden is Proximal to Major Graphite Markets

- ▶ EU consumes 20% of world's natural graphite production, and imports 95% of its needs (vast majority from China).
- ▶ EU has classified graphite as a "critical raw material".
- ▶ EU graphite consumers looking for new reliable supply outside of China.
- ▶ Sweden is currently a major supplier of iron ore, copper, gold and other minerals to the EU markets and is a historic graphite producer.
- ▶ Graphite deposits in Sweden can enjoy a distinct order/delivery time advantage compared to China and other jurisdictions.

## Europe Natural Graphite Imports

(,000t/annum) Industrial Minerals 2012 Report Data Subset 1+2





# Advantages of Northern Sweden for Mining

- ▶ Ranked **2<sup>nd</sup> best mining jurisdiction in world** by Fraser Institute 2012-13
- ▶ Corporate tax rate **22%**, Mineral Production tax **0.2%**.
- ▶ **Established** bulk commodity **infrastructure** with open access rail, road and ports.
- ▶ **Low cost power** from hydroelectricity and nuclear grid.
- ▶ Well established **quality mining province** with **highly skilled** workforce, neighbouring **producers** and **support industries**.
- ▶ Fennoscandian Shield hosts **world-class mineral deposits** but remains under-explored relative to peers.

The 36Mtpa 'Aitik' Cu-Au mine, northern Sweden.

# Direct Road and Rail Advantages

- ▶ Graphite projects located **proximal to high quality sealed roads** and open access heavy haulage **railway**.
- ▶ Option to **road/rail direct** to major customers as Sweden **links to mainland Europe markets**.
- ▶ Potential \$100-200/tonne **cost advantage** on delivered graphite compared to shipments from China or other jurisdictions.



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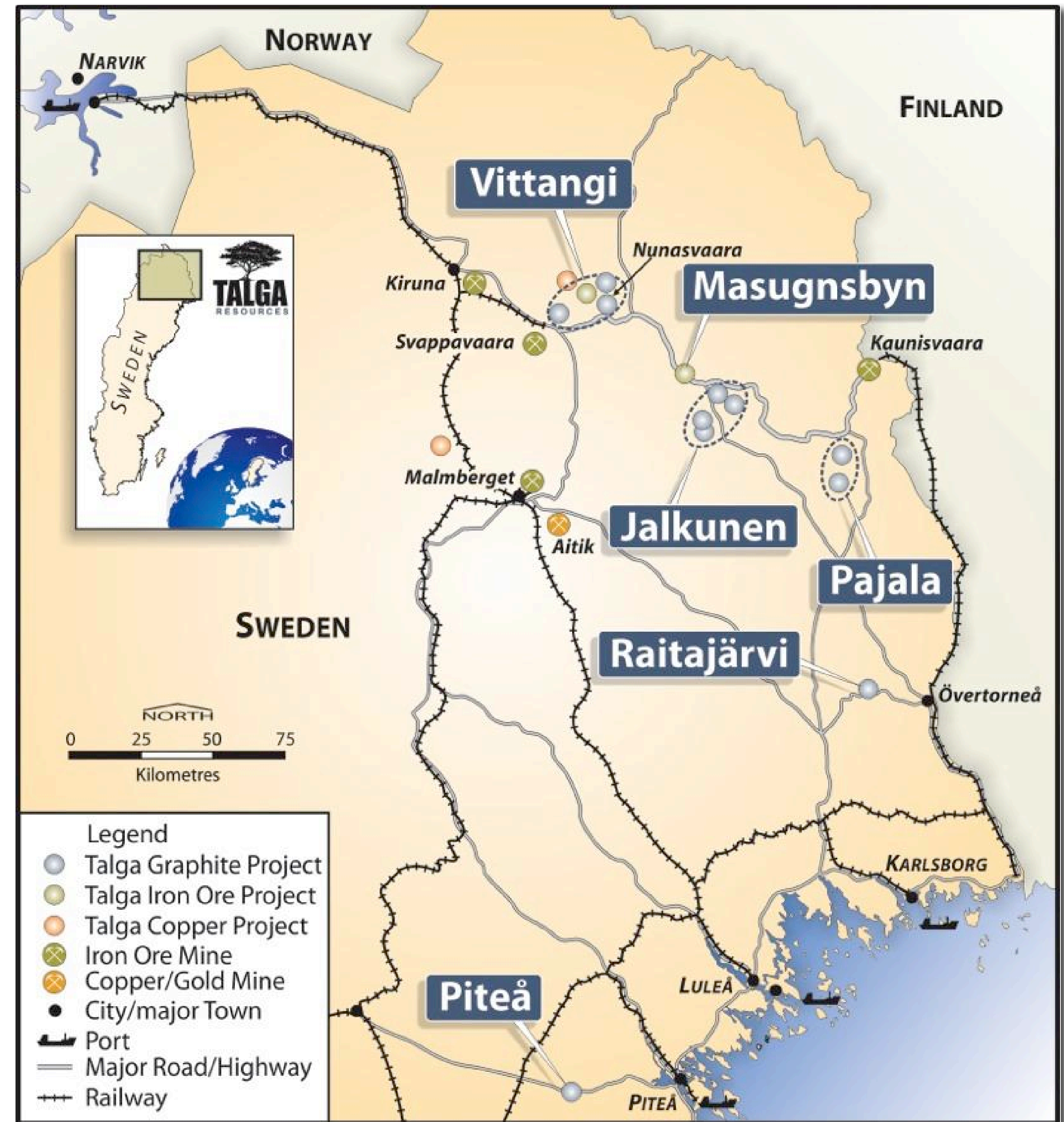
# Shipping Options

- ▶ Port of Luleå is the largest dry bulk handling port in Sweden.
- ▶ Current draught 11.8m with 30m fairway (up to Panamax).
- ▶ Deepening to 15.0m with 50m fairway in 2016.
- ▶ Currently exporting 9Mt annum including magnetite concentrates.
- ▶ Spare capacity; Quay length up to 770m currently available.
- ▶ All year access. MoU with Talga for graphite concentrate export of up to 80kt annum.



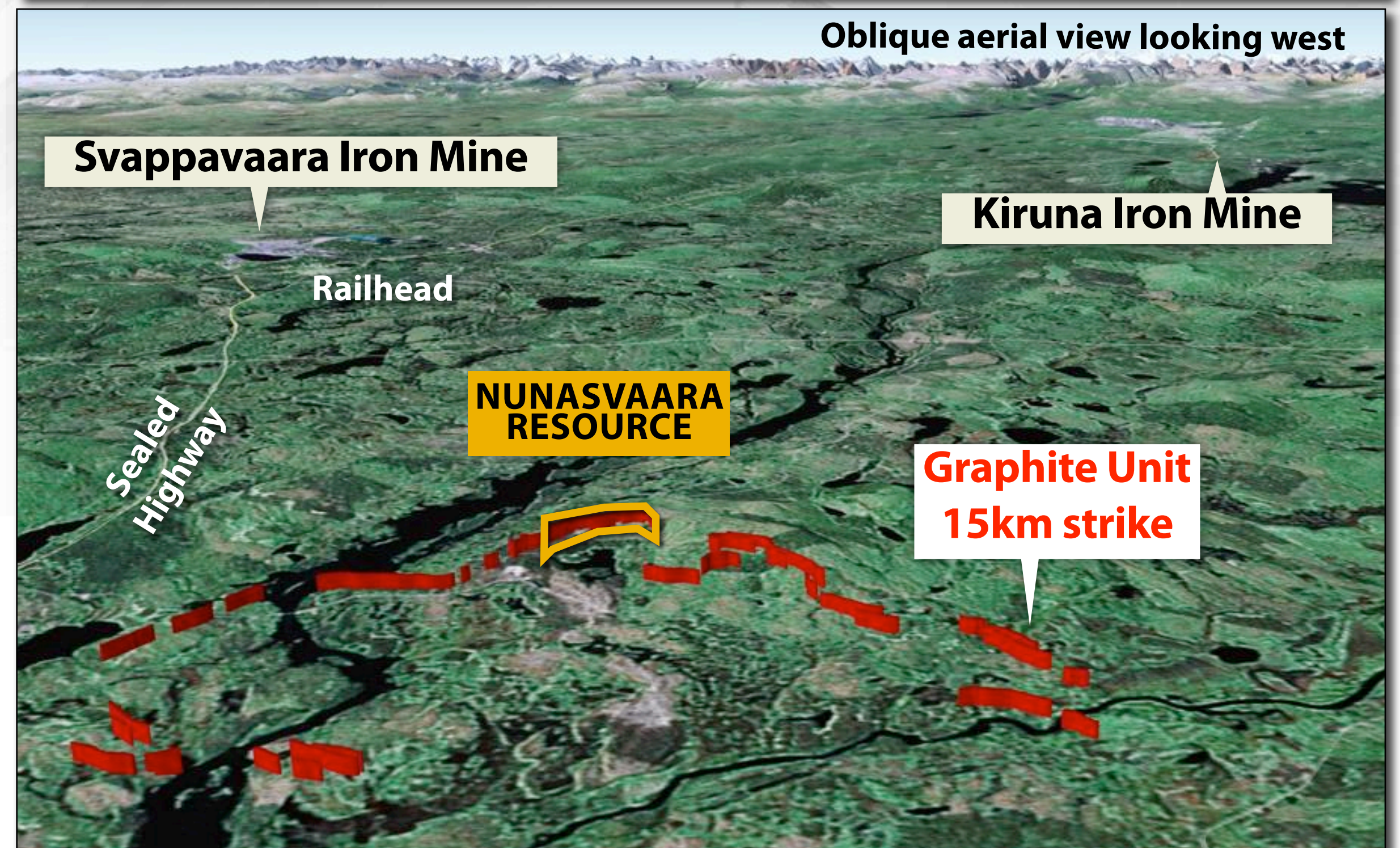
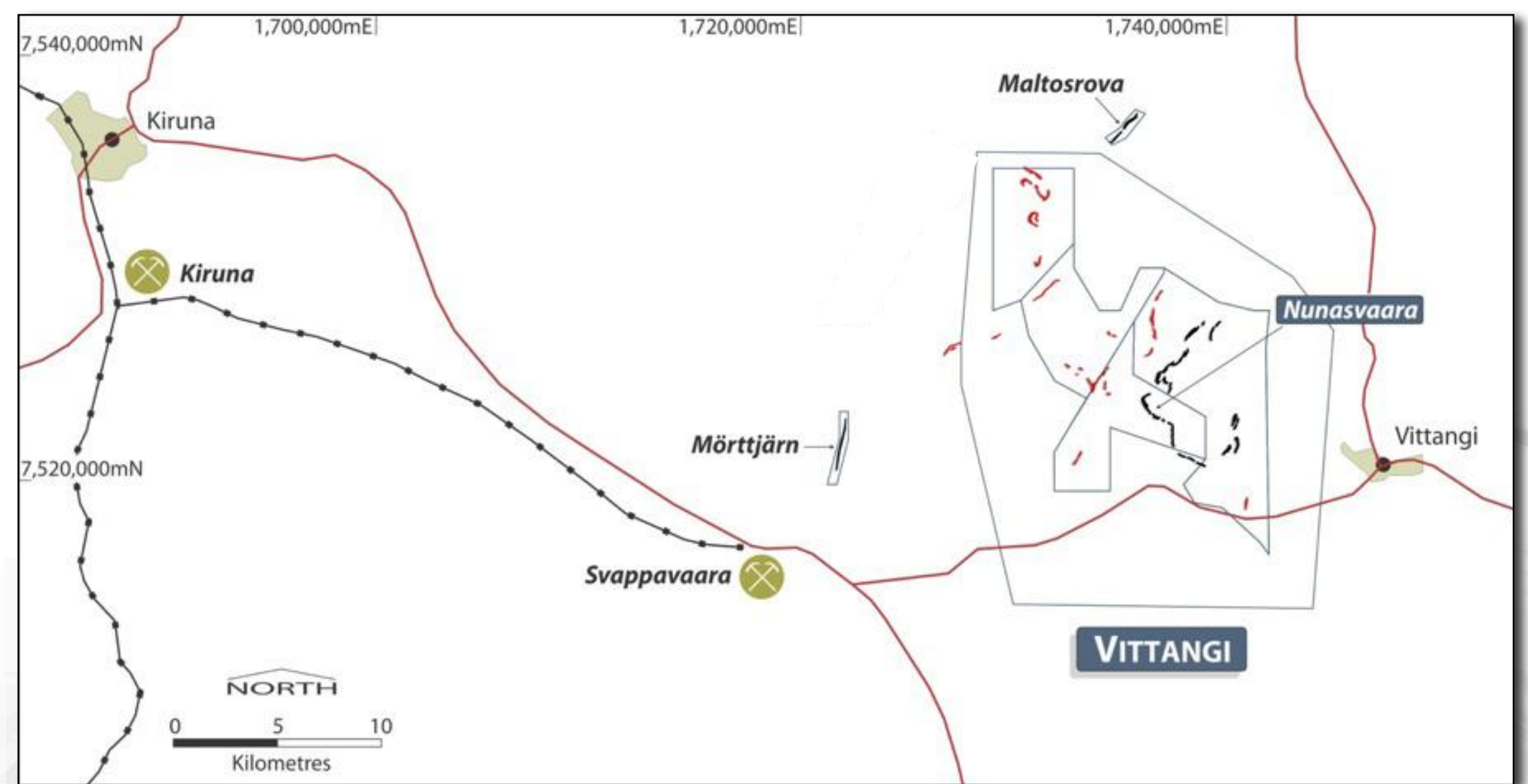
# Talga's Swedish Graphite Projects

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- ▶ **100% ownership** of five graphite projects with multiple deposits offering a **full range** of market size specifications.
  - ▶ **Two advanced stage** projects in the **development pipeline**. These are drilled to **JORC Indicated** status and preliminary **economic studies** are underway;
    - **Nunasvaara** is a microcrystalline flake deposit with the **highest resource grade** in the world. It is located within the **Vittangi** project.
    - **Raitajärvi** is a **coarse flake deposit** with 49% of flake classified large to jumbo size.
  - ▶ **Piteå** is our third high priority project; At an earlier stage of drilling but exceptionally **well located** and contains **predominantly XL-size** (jumbo) flake graphite.



# Vittangi Project (Nunasvaara)

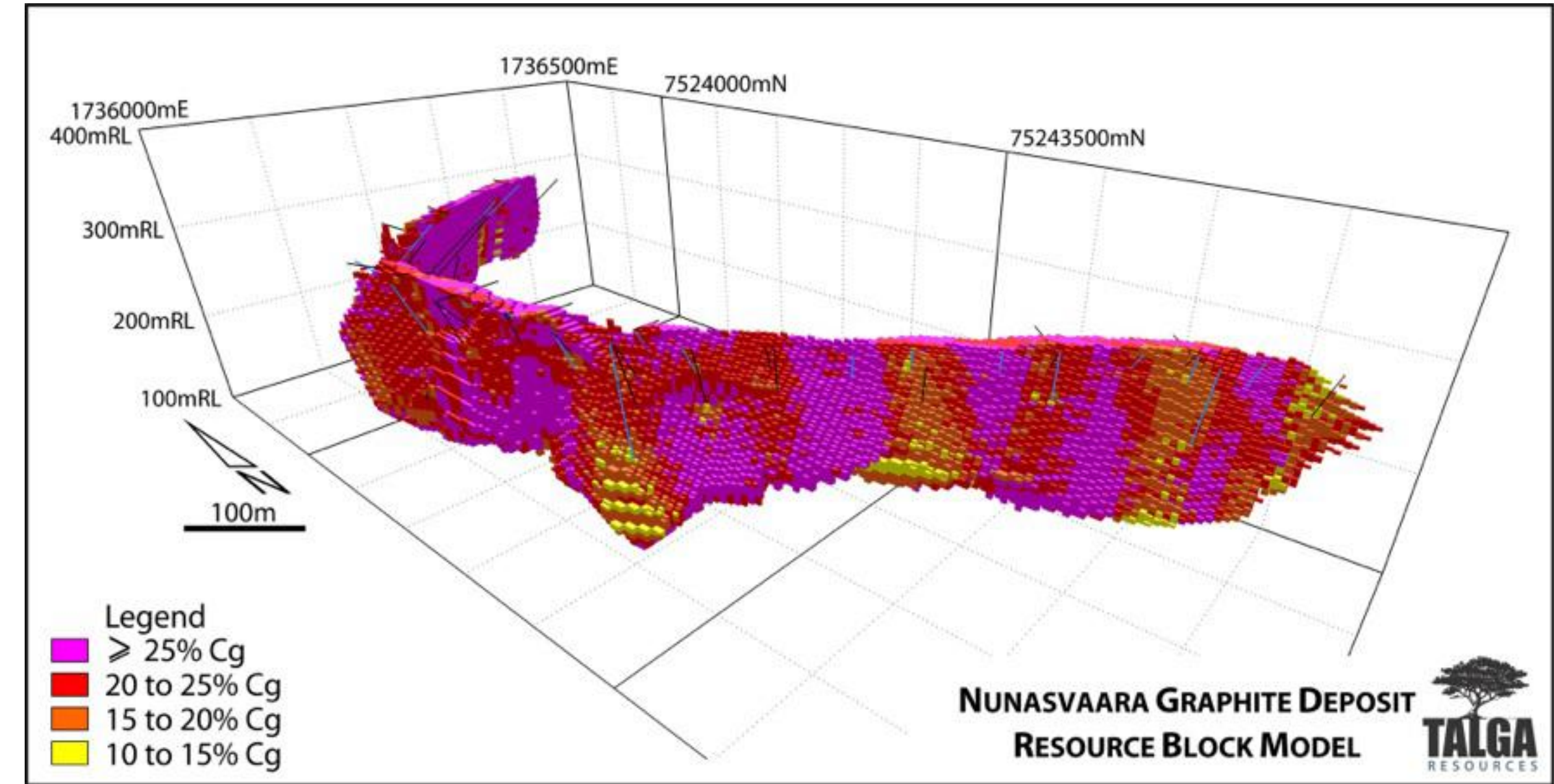
- ▶ Located in Kiruna mining district of northern Sweden, discovered 1898 and declared a state mining field 1929.
- ▶ **Seven** exploration permits covering **313.7 km<sup>2</sup>** contain multiple graphite deposits, the main focus being *Nunasvaara*.
- ▶ Ideal location provides favourable logistics:  
**3km to highway and grid power,**  
**15km to town, 23km to railway.**
- ▶ Testwork by state-owned companies pre-1992 included geophysics, trenching and diamond drilling.
- ▶ Since 1992 privatisation of mineral sector the area was held by 'majors' exploring for copper-gold. No modern work on graphite potential prior to Talga drilling 19 diamond drill holes in July 2012.





# Nunasvaara Graphite Deposit

- ▶ Current total JORC resource **7.6Mt @ 24.4% Cg**.
- ▶ Mineralisation commences at surface. Current strike **1.2km and open**; average true width over strike **20m** (range 10-50m). Drilled to 165m depth and remains **open**.
- ▶ Predominantly **microcrystalline graphite** for bulk volume industrial market. China exports have dropped, prices **60% above long term average**.
- ▶ Utilisation of the resource is aided by **exceptional grade**, open-pit **bulk mining** option, **low-cost grid power** and **nearby road/rail/port** options.
- ▶ Potential **10+ year mine life** at 400ktpa milling rate to produce **50-70ktpa concentrate** defined from first drill program.
- ▶ A scoping study has commenced, with first phase **pit optimisation** and **mine scheduling** work **completed**. Product specification studies, metallurgy and final economic inputs are pending. Results expected **13Q4/14Q1**.

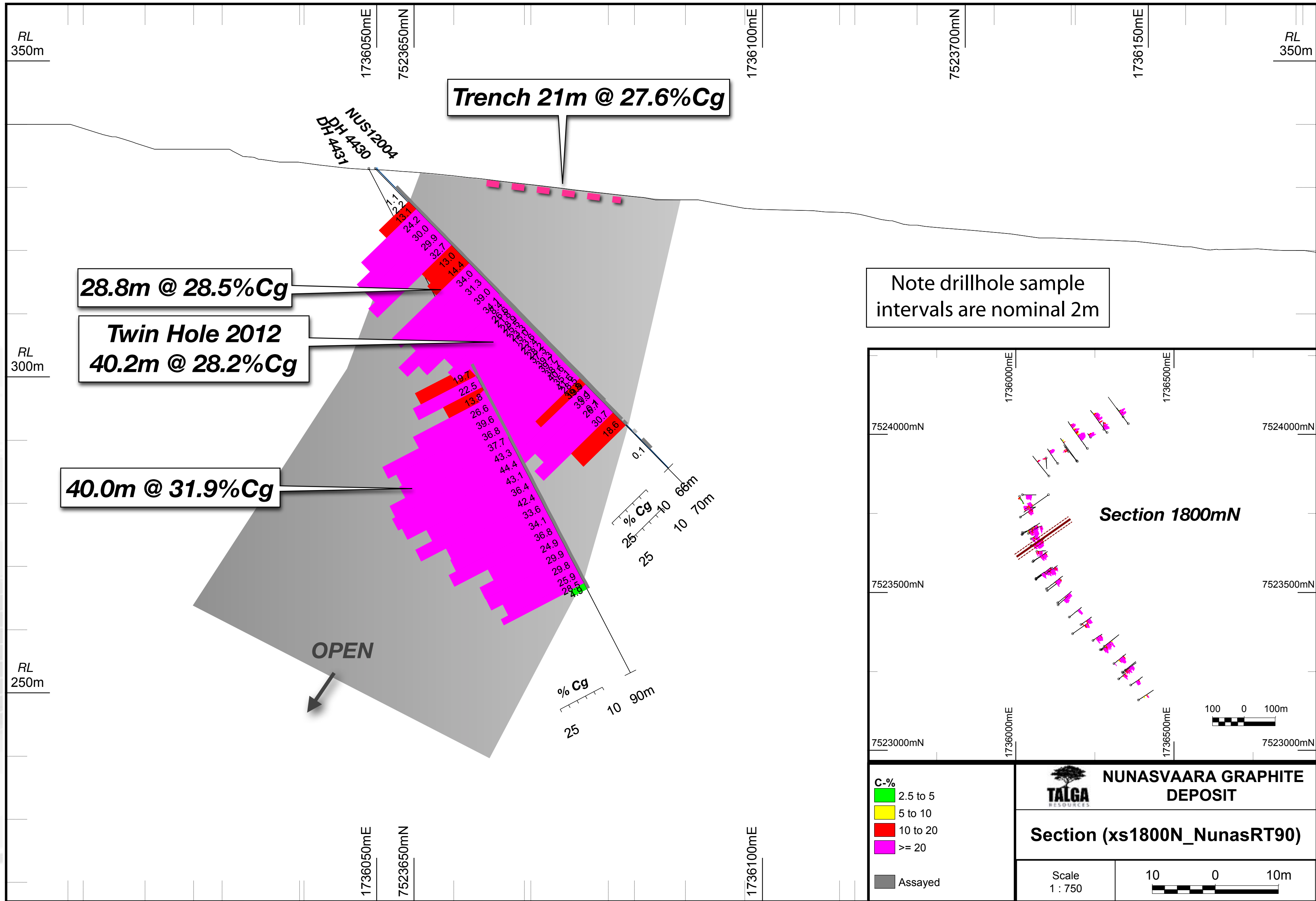


Nunasvaara Mineral Resource (10% Cg lower cut-off grade) Nov 2012

JORC Classification	Tonnes (Mt)	Grade (%Cg)	Contained Graphite (tonnes)
Indicated	5.6	24.6	1,377,600
Inferred	2.0	24.0	480,000
<b>Total</b>	<b>7.6</b>	<b>24.4</b>	<b>1,857,600</b>

# Nunasvaara Section 1800N

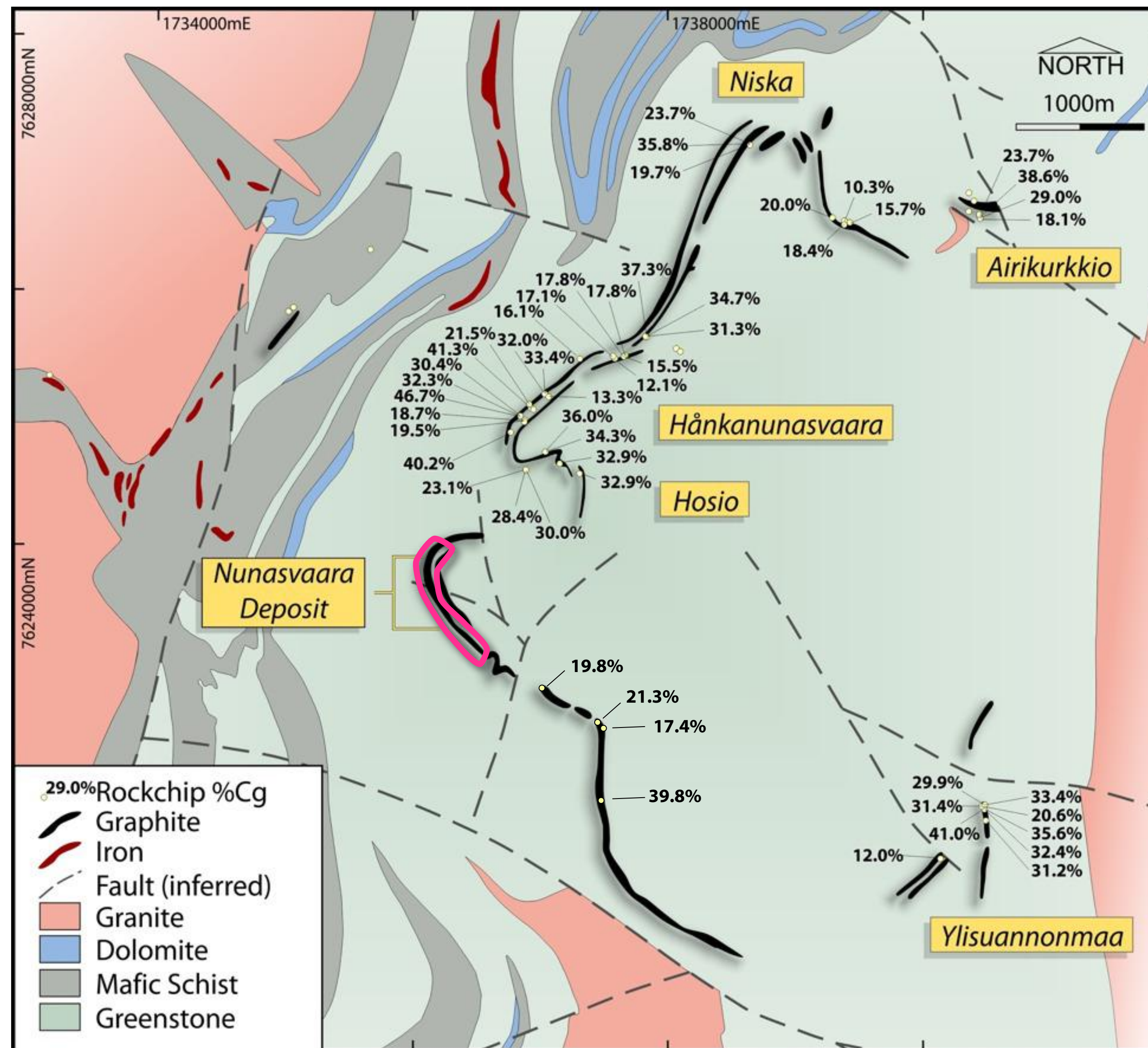
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# Nunasvaara growth potential

- ▶ Nunasvaara graphite unit extends over 15km strike. Talga rock chips average 26.2% Cg with grades up to 46.7% Cg.
- ▶ Less than 8% of graphite unit drill tested to date.
- ▶ Additional JORC Exploration Target<sup>1</sup> of 34-51Mt @ 20-25% Cg for 0-100m portion only defined along strike. Further satellite deposits exist nearby.

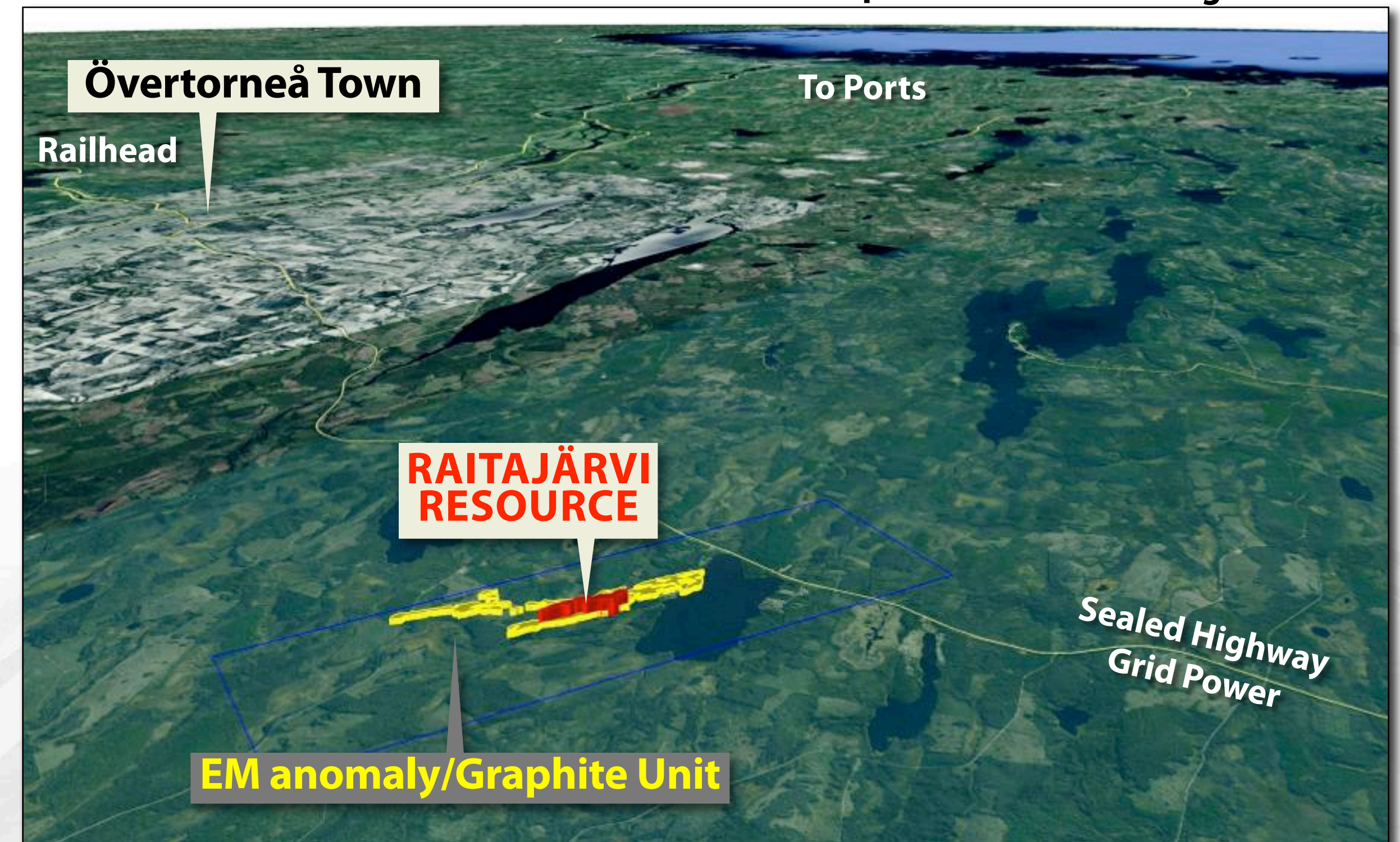
Project	Exploration Target <sup>1</sup>	Tonnage Range (Mt)	Grade Range (%Cg)
Vittangi	Nunasvaara	34-51	20-25
	Mörtjtjärn	10-16	15-20
	Maltosrova	2-3	20-30
<b>Total 0-100m depth</b>		<b>46-70Mt</b>	<b>15-25%Cg</b>



<sup>1</sup> **Exploration Targets:** The estimates of exploration target sizes in this announcement are in accordance with the guidelines of the JORC Code (2004) and should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and quality of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

# Raitajärvi Graphite Project

- ▶ Advantageously located 2km from the Överkalix - Övertorneå Highway and grid power, 25km to town and railway, 130km to port.
- ▶ Two exploration permits covering 17 km<sup>2</sup>.
- ▶ Historically defined graphite deposit discovered 1974-78. SGU geophysics defined three large elongate conductors within a 6 x 1.5km area.
- ▶ Trenching and drilling revealed coarse flake graphite at surface, with potential for open-pit style development.
- ▶ Diamond drilling includes 20 historic holes for 1,242m by SGU and 28 Talga holes (2013) for 3,606m.
- ▶ Raitajärvi deposit has been designated an Area of National Interest for minerals by the SGU. The Designation affords protection, to the extent possible, against competing land use and measures that may hinder future potential mineral extraction.



Coarse flake graphite in surface trench



Road and grid power running through project

# Raitajärvi Large Flake Deposit

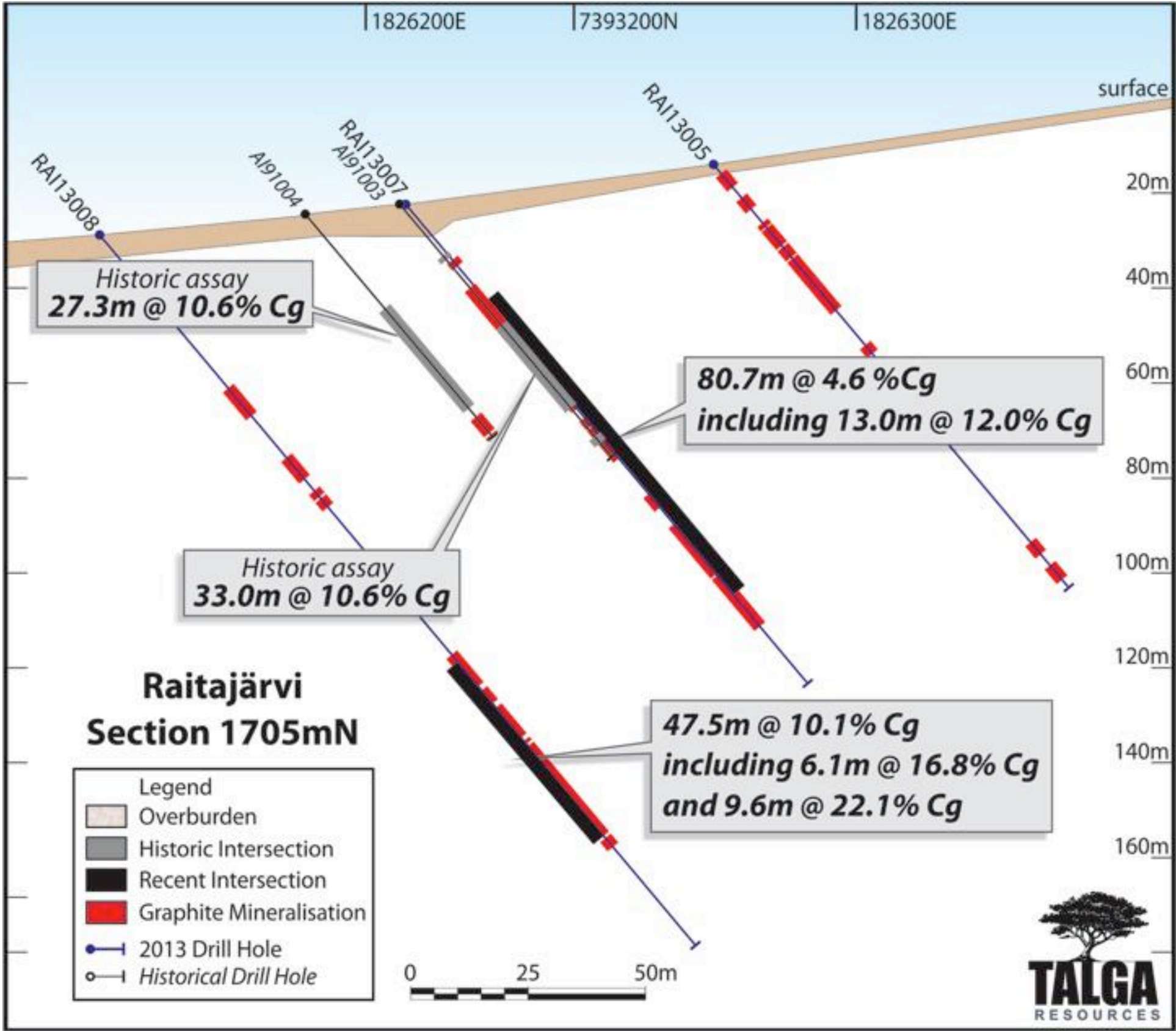
- ▶ Current total JORC resource of **4.3Mt @ 7.1% Cg**.
- ▶ A high proportion of resource is **coarse flake** and at JORC Indicated status.
- ▶ **87%** of graphite flake size >100 micron ("µm") and **49%** >200µm.
- ▶ Historic metallurgical tests produced excellent results with graphite concentrate grading **90-94% C** from simple (unoptimised) flotation and **99% C** in basic enrichment test.
- ▶ Potential **10+ year mine life** at 400ktpa milling rate to produce **25ktpa coarse flake graphite concentrate**. Scoping study planned to commence.
- ▶ Growth potential: **Less than 25%** of EM anomaly **drill tested**. See ASX:TLG release 4 Feb 2013 for more details.

Raitajärvi Mineral Resource (5% Cg lower cut-off) Aug 2013

JORC Classification	Tonnes (Mt)	Grade (%Cg)	Contained Graphite (t)
Indicated	3.4	7.3	246,400
Inferred	0.9	6.4	60,900
<b>Total</b>	<b>4.3</b>	<b>7.1</b>	<b>307,300</b>

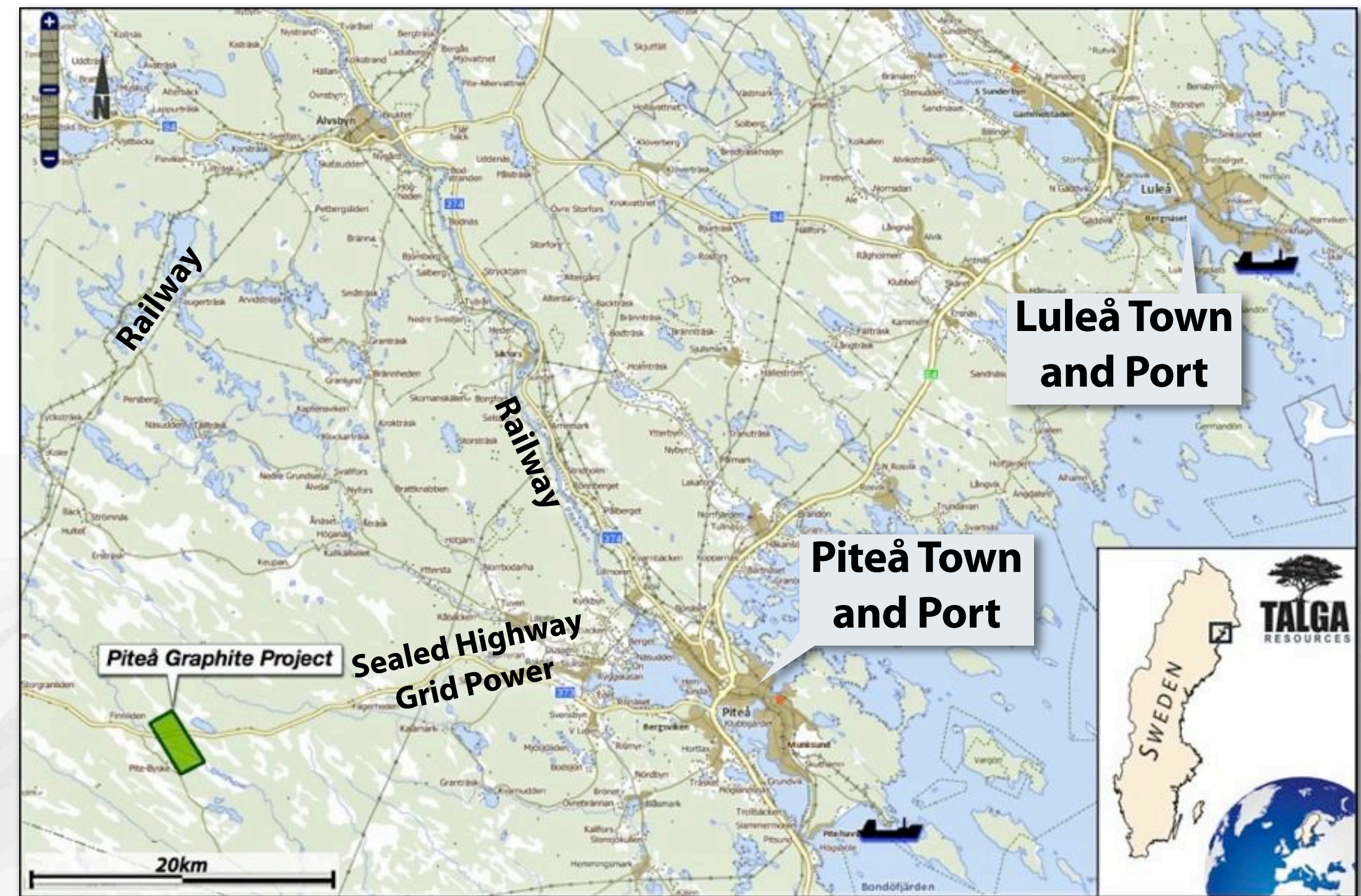
Raitajärvi graphite flake size (historic drill sample microscopy, n=87)

Deposit	< 100µm	100-200µm	200-400µm	>400µm
<b>Raitajärvi</b>	<b>13%</b>	<b>38%</b>	<b>38%</b>	<b>11%</b>



# Piteå Jumbo Flake Project

- ▶ Located on sealed road 50km from port of Piteå and adjacent to grid power.
- ▶ 3 historic drillholes targeting base metals intercepted coarse flake graphite within a 4 x 1 km EM anomaly.
- ▶ 70-90% of flake graphite at Piteå exceeds 300 µm size ("jumbo").
- ▶ Such large flake graphite is premium product gaining higher prices.



Drill Sample	100-300 µm	300-600 µm	> 600 µm
ÖNU89001 27.2m	10%	50%	40%
ÖNU89001 44.2m	10%	70%	20%
ÖNU89002 53.6m	20%	70%	10%
ÖNU89002 103.0m	20%	70%	10%
ÖNU89002 107.6m	30%	60%	10%

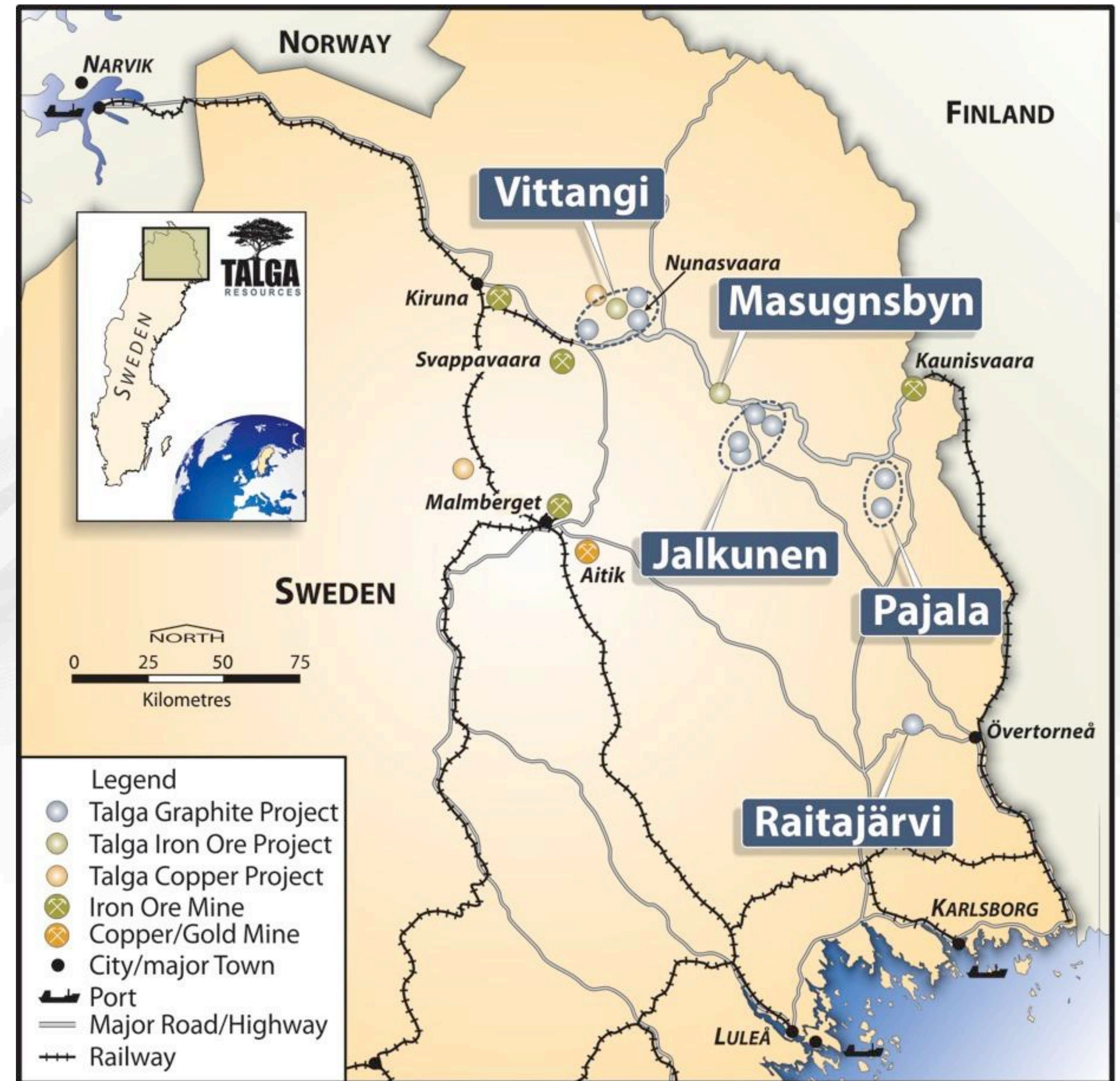


Coarse flake graphite present in historic drill core from the Piteå project stored at the SGU. Hole ÖNU89001, 44.2m depth.

# Future Growth Pipeline

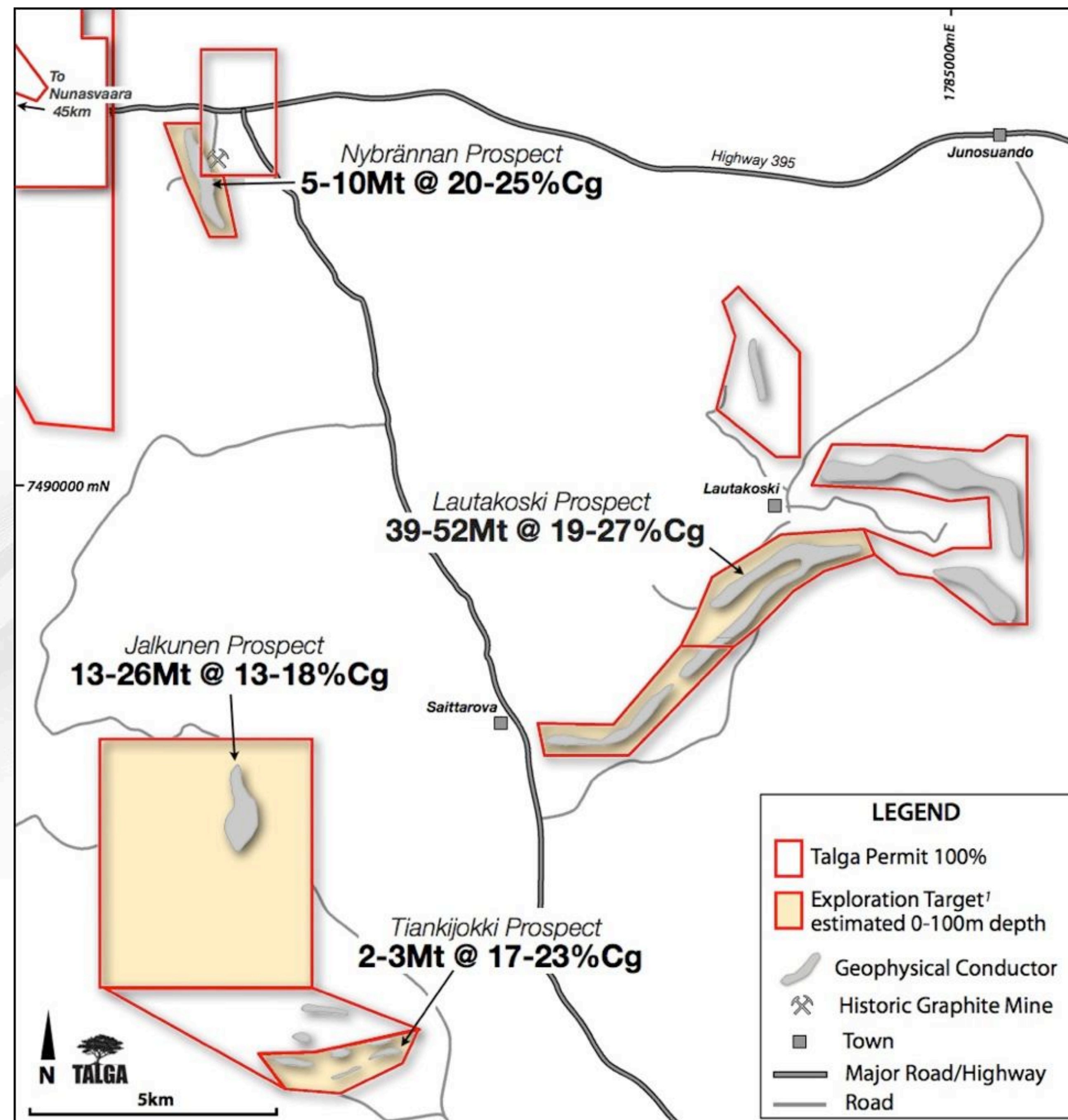
- ▶ Talga owns multiple advanced stage graphite deposits defined by historic diamond **drilling**, mapping and geophysics.
- ▶ A total of 117-178Mt JORC compliant exploration targets' are defined across the projects.

Project	Exploration Target <sup>1</sup>	Tonnage Range (Mt)	Grade Range (%Cg)
<i>Vittangi</i>	<i>Nunasvaara</i>	34-51	20-25
	<i>Mörttjärn</i>	10-16	15-20
	<i>Maltosrova</i>	2-3	20-30
<i>Raitajärvi</i>	<i>Raitajärvi</i>	7-9	6-10
<i>Jalkunen</i>	<i>Lautakoski</i>	39-52	19-27
	<i>Jalkunen</i>	13-26	13-18
	<i>Tiankijokki</i>	2-3	17-23
	<i>Nybrännan</i>	5-10	20-25
<i>Pajala</i>	<i>Lehtosölkä</i>	4-6	8-14
	<i>Liviovaara</i>	1-2	18-30
<b>Total 0-100m depth</b>		<b>117-178Mt</b>	<b>17-23%Cg</b>



# Jalkunen Graphite Project

- ▶ Multiple conductors with significant graphite intercepted in historic drilling.
- ▶ Highlights include:
  - Lautakoski* 45m @ 19.4% Cg and 9m @ 35.0% Cg
  - Jalkunen* 51m @ 15.4% Cg
  - Tiankijokki* 26m @ 27.7% Cg
- ▶ Graphite flake size ranges <50 - 400 μm
- ▶ Drilling and geophysics define JORC compliant total Exploration Targets<sup>1</sup> of 59-91Mt @ 18-24% Cg.
- ▶ Exploration Target only estimated for 0-100m.
- ▶ Quantity and quality of graphite occurrences, shallow depth and favourable locations offer clear potential for massive additional scale to be added in future.





# Pajala Graphite Project

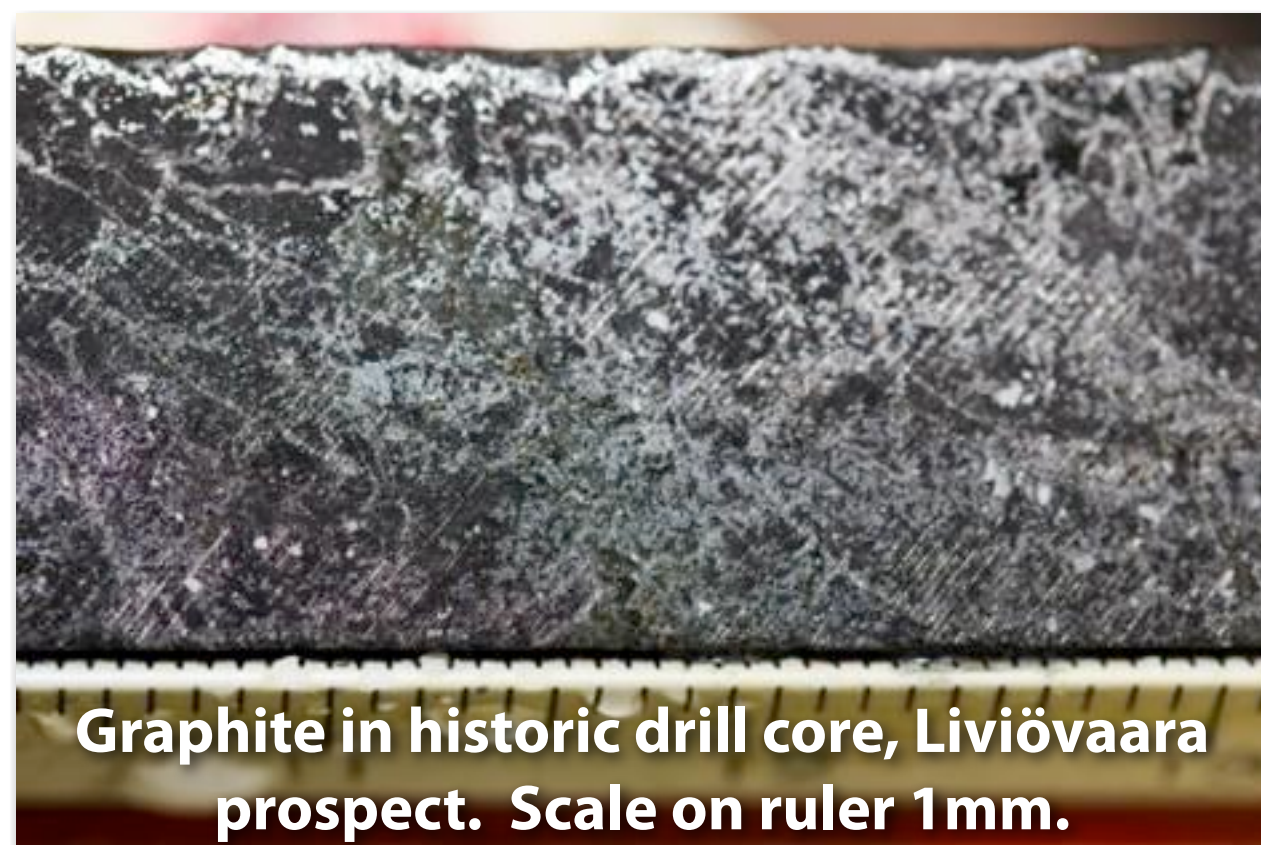
▶ The Pajala project contains two graphite prospects defined by historic drilling.

## ▶ Lehtosölkä Prospect

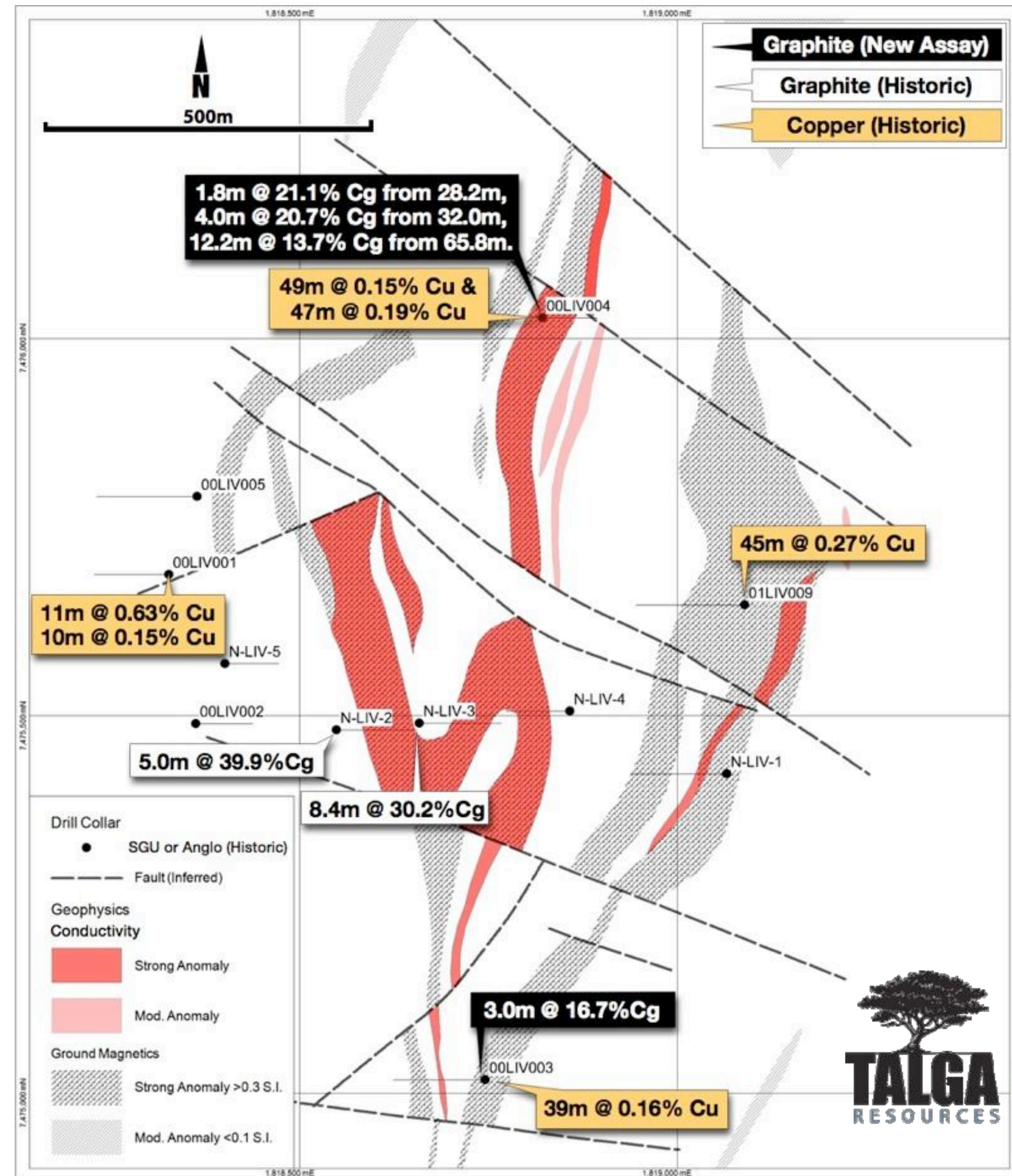
- 5 historic diamond holes by SGU, best intercept **19.5m @ 7.5% Cg**. Contains **coarse flake graphite** with **bimodal** size distribution around **100 µm** and **300-400 µm**, with **20% of flake observed >400 µm** ("jumbo").

## ▶ Liviövaara Prospect

- 13 historic diamond holes by SGU and Anglo, targeting Cu-Au sulphides. Best graphite intercepts: **4.6m @ 39.9% Cg** and **8.4m @ 30.2% Cg**, flake size range **<50 µm - 100 µm**.



## Liviövaara Prospect - Historic drilling and Talga re-assaying



# Indicative Path to Next Graphite Milestones

Activity	2012			2013				2014	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Nunasvaara Geophysics	✓								
TCL Sweden Ltd Acquisition	✓								
Nunasvaara Drill Phase 1		✓							
Nunasvaara Results & Resource			✓						
Nunasvaara Scoping Study						✓			
Drilling Raitajärvi Phase 1				✓	✓				
Raitajärvi Results/Resource					✓				
Raitajärvi Resource						✓			
Marketing Deal/Offtake Option									
Raitajärvi Scoping Study									

# Talga Investment Highlights

<b>Grade</b>	High grade graphite resources provide opportunities for <b>low capex, high margin production</b> .
<b>Sweden</b>	Operating in a <b>top mining jurisdiction</b> with <b>producing infrastructure</b> on the doorstep of European markets. Extremely <b>low cost power, port agreement</b> in place and <b>direct road/rail</b> options.
<b>Product Suite</b>	<b>Multiple deposits</b> cater for demand from ultrafine to jumbo flake end-users.
<b>Demand</b>	<b>Strong commodity price outlook</b> , expanding <b>applications</b> and significant <b>Europe demand</b> .
<b>Scale</b>	<b>Large inventory</b> and <b>growth pipeline</b> . No attempt to flood the market; focus is on <b>profitability</b> .
<b>Advanced</b>	<b>Advanced stage</b> with <b>economic studies commenced</b> on JORC Indicated resources
<b>Cheap</b>	Talga is <b>undervalued</b> relative to peers, particularly given the potential <b>low capex, high margin</b> production and <b>transport cost advantages</b> of being proximal to markets.
<b>Capitalisation</b>	Recent placement and underwritten entitlement offer will provide funds to complete milestone catalysts yet shares on issue remain tight; <b>84.8M TLG ord post transactions</b> .
<b>Board</b>	<b>Experienced MD</b> . Recent board restructure resulting in Mr. Keith Coughlan becoming <b>new Chairman</b> during recent capital raising process.
<b>Newsflow</b>	Upcoming news anticipated includes <b>preliminary economic studies</b> on Nunasvaara and Raitajärvi, pivotal <b>strategic partnerships/marketing</b> and <b>divestment of gold and iron ore assets</b> .

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# Appendices

## Talga Asset Structure and JORC Resources

**TALGA RESOURCES LTD**

100%

**Talga Mining Pty Ltd**

100%

**Talga Mining Pty Ltd  
Filial (Sweden)**

100%

100%

**GRAPHITE**

**IRON**

*Nunasvaara Graphite Mineral Resource @ 10% Cg lower cut-off Nov 2012*

Classification	Tonnes (Mt)	Graphite (%Cg)
Indicated	5.6	24.6
Inferred	2.0	24.0
<b>Total</b>	<b>7.6</b>	<b>24.4</b>

*Raitajärvi Graphite Mineral Resource @ 5% Cg lower cut-off Aug 2013*

Classification	Tonnes (Mt)	Graphite (%Cg)
Indicated	3.4	7.3
Inferred	0.9	6.4
<b>Total</b>	<b>4.3</b>	<b>7.1</b>

*Iron Mineral Resources @ 20% Fe lower cut-off July 2013*

Deposit	Tonnes (Mt)	Grade %Fe	JORC Category
Vathanvaara	51.2	36.0	Inferred Resource
Kuusi Nunasvaara	46.1	28.7	Inferred Resource
Mänty Vathanvaara	16.3	31.0	Inferred Resource
Sorvivuoma	5.5	38.3	Inferred Resource
Jänkkä	4.5	33.0	Inferred Resource
Masugnsbyn	87.0	28.3	Indicated Resource
Masugnsbyn	25.0	29.5	Inferred Resource
<b>Total</b>	<b>235.6</b>	<b>30.7</b>	

### Graphite market size classification.

Trade Name	microns	US Mesh Size
Amorphous/Ultrafine	<10	na
Amorphous/Fine	10-75	-200
Small	75-150	200-100
Medium	150-180	100-80
Large	180-300	80-50
XL/Jumbo	>300	50+

Source: Industrial Minerals Natural Graphite Report 2012 cross referencing various sources. Many terms are proprietary or mixed use; there are few if any industry standards in naming principles.

### Common natural graphite concentrate product sizes, grades and prices

Size (microns)	Size US Mesh	Purity % C	Quote US \$/tonne
300+	50+	94-97	>1800
180-300	80-50	94-97	1350
		90	1200
150-180	100-80	94-97	1200
		90	1025
		85-87	900
75-150	200-100	94-97	1050
		90	850
-75	-200	80-85	525

Source: Industrial Minerals Magazine Aug 2013.

Most prices FCL, CIF European Port.

Note prices averaged from low-high range and selected as common commercial products where natural graphite sold as concentrate. Many specialty grades with much higher prices are traded but do not represent the bulk of market demand.

# References & Qualified Persons

<sup>1</sup> **Exploration Targets:** The estimates of exploration target sizes in this announcement are in accordance with the guidelines of the JORC Code (2004) and should not be misunderstood or misconstrued as estimates of Mineral Resources. The potential quantity and quality of the exploration targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

## Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled and reviewed by Mr Darren Griggs and Mr Mark Thompson, who are members of the Australian Institute of Geoscientists. Mr Griggs and Mr Thompson are employees of the Company and have sufficient experience which is relevant to the activity which is being undertaken to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Mr Griggs and Mr Thompson consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Resource Estimation is based on information compiled and reviewed by Mr Simon Coxhell of CoxsRocks Pty Ltd. Mr Coxhell is a consultant to the Company and a member of the Australian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this document and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"). Mr Coxhell consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.