

ASX ANNOUNCEMENT

ASX: VXL & VXLO

5 May 2015

50% INCREASE IN ULEY GRAPHITE RESOURCE

- Material increase in contained graphite in Uley Pit 2 to 520,000t
- Very high graphite grade maintained at 11.63% graphitic carbon
- 68% of Mineral Resource is in the higher certainty Measured and Indicated categories
- Mineralisation continues up-plunge and remains open along strike and at depth
- Updated Uley Pit Ore Reserve due in May 2015
- This update is based only on 48% of planned drilling program, confirming potential to easily increase reserves based on the well understood geological setting
- Drill campaign for remaining 52% of program recommenced across southern area of Uley Pit 2

Valence Industries Limited (the 'Company') is very pleased to announce a material upgrade to the Mineral Resource estimate at its wholly owned Uley Pit 2 project in South Australia.

Summary Table Uley Pit 2 in-situ JORC 2012 Mineral Resource*							
Resource Classification	Tonnage (Mt)	Graphitic Carbon (%)	Contained Graphite ('000 tonnes)				
Measured	0.36	17.51	60				
Indicated	2.75	11.39	310				
Inferred	1.44	10.61	150				
Total	4.54	11.63	520				

The updated JORC 2012 Mineral Resource for Uley Pit 2 is:

* April 2015 estimate, reported using a 3.5% Graphitic Carbon cutoff for reporting purposes. Graphitic Carbon Grade tonnage distributions subdivided by JORC Code 2012 Resource Categories using rounded figures

• Measured and Indicated Mineral Resource of 3.11 Mt at 12.1%gC (graphitic Carbon) and an Inferred Resource of 1.44 Mt at 10.6%gC (both at 3.5% Cut-off grade) ensures continuity of product supply for long term sales contracts.



- An 88% increase in Inferred contained tonnes within the area of Uley Pit 2 and the current development drill-out progressing up-plunge and south along strike. This sees the resource moving increasingly towards surface as drilling moves south and supports expediting planning for a Uley Pit 2 cutback as shown by the new Inferred Mineral Resource tonnage estimate of 1.44M at 10.6%gC.
- The latest drilling program has further confirmed continuity of near surface, high grade graphite within a simple and well understood geological setting, moving 41% of the previous Inferred resource to the Indicated resource category.
- High-grade graphite mineralisation is present at the surface as soft clays, which will enable product value to be harnessed through a simple washing process rather than complex process engineering.

Christopher Darby, CEO & Managing Director Valence Industries, commented:

"This material resource upgrade strongly supports the program to expand processing capacity at our Uley Graphite operations and matches the level of demand from our customers. At the same time, increasing the size of our resource supports the confidence being shown in the company by its financiers as we move to accelerate the significant expansion program under our Feasibility Study."

Uley Pit 2 Project

Diamond core drilling during late 2014 at the Uley Pit 2 project comprised 57 diamond core holes at a nominal spacing of 25m X 25m and 25m X 50m. Of those 57 diamond core holes assays have been completed for a total of 4,305m to which this update relates. (See ASX announcements dated 12/3/2015, 17/11/2014 and 1/09/2014 for further information). Infill drilling within the optimised pit was completed and selected wider spaced drilling immediately south of the pit is also included in this resource. (Figure 1)

The Mineral Resource estimate now includes the additional information gained from this drilling. An increase in total Mineral Resource of 50% which includes a 44% increase in the contained graphitic Carbon tonnes from the previous estimate. This includes an increase of 41% in contained tonnes reporting to the Measured and Indicated categories, and an additional 88% in contained Inferred tonnes gained through drilling along strike to the South of the proposed Uley Pit 2. (Figure 1)

During May 2015 an interim ore reserve, update will be released. While there is a 44% increase in the measured and indicated contained resource, the interim ore reserve increase is not expected to present a proportional increase, as the drilling in the south west is currently wider spaced and not complete, which means that pit designs for reserves cannot currently be finalised in that area. However, on completion of all drilling in the 2015 drilling campaign Valence Industries would expect a significant ore reserve increase in September 2015.

Drilling Program	Metres of Drilling	% of Total Drilling
2014 Mineral Resource:	4,080	31%
This 2015 Mineral Resource Interim update:	4,305	33%
2015 Mineral Resource final update:	4,695	36%
2015 Uley Pit 2 & Uley Pit 2 Extension:	13,080	100%



The current extension to the Mineral Resource is shown in the diagram below at the north and the south of Uley Pit 2.



Figure 1 Uley Pit 2 Project with further upside

Current Drilling Campaign

The 2015 drilling campaign covers 9,000 metres of drilling. To date only 57 drill holes in the planned drilling campaign, for 97 drill holes, has been completed and 40 drillholes remain to be drilled and assayed. It is expected that results from this drilling and assay program will be reported periodically in the coming weeks as further assays are received.

Significantly, mineralisation remains open along strike to the south of the current resource and is also open at depth. The stronger geophysical response reported in previous releases continues to be a significant indicator of higher-grade areas of mineralisation. The strike continuity is the focus



of the current drilling campaign which is underway to the South of the Uley Pit 2 resource area. This drilling program is being undertaken on a nominal 25m X 25m pattern (Figure 2 and Figure 3) and will allow:

- Proof of continuity of mineralisation to the south of the existing mining lease and well into the wholly owned exploration tenure.
- An increase in resource confidence on the Inferred portion of the existing estimate, allowing a conversion to Ore Reserve once an optimisation on the resource has been completed
- Further technical marketing with respect to significant supply upside on pre-qualified Uley GraphiteTM products.



Figure 2: Uley Pit 2 Plan view, 2015 core drilling campaign





Figure 3: 2015 drilling along Exploration Target Uley Pit 2 (TEM geophysical signature)

Exploration Target

In addition to the updated mineral resource, the Company has estimated a significant Exploration Target (Figure 3) immediately to the south of Uley Pit 2¹, in accordance with s17 of the JORC Code:

Tonnes of graphite	9.0Mt to 12.0Mt
Grade of graphitic Carbon	9% to 12%

The Company cautions that the Exploration Target is conceptual in nature. The Exploration Target estimation is an expression of the potential for geological extensions to the Uley Pit 2 prospect based on prior work by third parties and interpretation of that data by Valence Industries. There has been insufficient exploration to estimate a Mineral Resource on the extension and it is uncertain if further exploration will result in the determination of a Mineral Resource on the extension.

The Company notes that the work in relation to the Exploration Target has relied upon historic data from open file and archived reports and the information relied upon cannot be duplicated or otherwise verified by the Company. The estimate made here is an Exploration Target under JORC 2012 Clause 17.

¹ In establishing the Exploration Target cross sectional area calculations have been based on assumed strike and dip continuity of the estimated mineralisation in the proposed Uley Pit 2. Polygonal volume estimates were prepared applying a nominal bulk density of 1.91t/m3. Wireframes were developed in Vulcan software and clipped to a detailed topographic survey.



Several additional Exploration Targets in the immediate vicinity of the Uley Pit 2 area will be an additional technical focus for the Company during 2015.

For further information, please contact:

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Competent Persons Statement

The information in this document that relates to the Uley Exploration Results, Geology and Data is based on information provided by Ms Karen Lloyd, who is a Member of the Australasian Institute of Mining and Metallurgy. Ms Lloyd is the fulltime Director of Jorvik Resources, and is engaged by Valence Industries as the General Manager – Technical Delivery. Ms Lloyd has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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".

The reported Resources that relate to the Uley Pit 2 Deposit are based on information compiled by Ms Ellen Maidens. The Uley resource modelling and documentation were completed by Ms Ellen Maidens. Ms Maidens is a Member of the Australian Institute of Geologists and is a full-time employee of Coffey Mining. Ms Maidens has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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".

The information in this document that relates to the Uley Exploration Target, Geology and Data is based on information provided by Ms Karen Lloyd, who is a Member of the Australasian Institute of Mining and Metallurgy. Ms Lloyd is the General Manager – Technical Delivery for Valence Industries. Ms Lloyd has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Mineral Resources and Reserves".

Forward Looking Statements

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Valence Industries Limited (Valence Industries) are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the company, its directors and management of Valence Industries, that could cause Valence Industries' actual results to differ materially from the results expressed or anticipated in these statements.

Valence Industries cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Valence Industries does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law.





Table 1 – Summary Table – Uley Pit 2 In situ Mineral Resource

April 2015 OK Estimate

Reported using a 3.5% Graphitic Carbon cutoff for reporting purposes Graphitic Carbon Grade tonnage distributions subdivided by JORC Code 2012 Resource Categories

using ROUNDED figures

	Measure	d		Indicated	Ŀ		Inferred		Total (N	/leasured + Inferred	Indicated +)
Tonnes (Mt)	Graphitic C (%)	Contained Graphite (Mt)	Tonnes (Mt)	Graphitic C (%)	Contained Graphite (Mt)	Tonnes (Mt)	Graphitic C (%)	Contained Graphite (Mt)	Tonnes (Mt)	Graphitic C (%)	Contained Graphite (Mt)
0.36	17.51	0.06	2.75	11.39	0.31	1.44	10.61	0.15	4.54	11.63	0.53

Notes:

- The Uley Project is located on the Eyre Peninsula, 15km west-southwest of Port Lincoln in the state of South Australia.
- Graphite mineralisation is hosted by folded and thrust graphitic schists and gneisses.
- The deposit is covered by 25m x 25m spaced diamond drillholes. 30 of these are vertical and the remaining 41 drillholes are angled at -60° to 090°
- Validated data from 70 diamond drillholes has been used in the resource estimate.
- Drillhole data was used to create wireframes of the mineralised zones utilising a 3.5% Graphitic C lower cut-off.
- Low grade interpretations have been omitted as advice is that recovery of graphite is problematic from this material.
- Drillhole logging data was used to create a surface of the base of oxidation and top of fresh rock. These have been used to inform
 the block model though was not used in tabulating the resource.
- Graphitic C assays and non-carbonate assays were used in the estimation. For the purpose of the estimation, Coffey have assumed the Non-carbonate C is comprised primarily of graphite. Study of core photos, drill logs and petrography reports do not suggest the presence of any non-elemental carbon within the non-carbonate C. Comparison of non-carbonate C and graphitic C assays show the difference between the two techniques is less than the analytical error of the assay techniques.
- Previous reports note that assays are of +75µm screened material for samples from the 18 drillholes drilled in 1993. Records of weights for the sieved fractions have not been recovered and hence tonnages relying on data from these holes have not been corrected. Assays from all other samples were taken from complete samples.
- QAQC for the earlier drilling consists of umpire duplicates of early samples. No blanks or standards have been used in the sampling
 protocols. No potential samples were highlighted by the umpire assays and they are considered to be acceptable for use in the
 Resource estimation. QAQC for the 2014 programme consists of the insertion of certified standards at a rate of 1 in 25 and the
 assaying of bulk reject duplicates at a rate of ~1 in 100. No problems were highlighted by the QAQC results.
- The severely selectively sampled holes from the 2011 drilling programme have been relogged so that there are lithological records for the entire holes. The visibly mineralised core that was not previously sampled has been sampled. The average grade of these samples is 8.04% Graphitic C.
- Both the resampling of the 2011 drillholes and the sampling of the 2014 drillholes have been selective, with only visibly graphitic
 material sampled. In all, 52% of drilled core has been sampled. The selective sampling remains potentially problematic in several
 areas.
- Drill core was sampled on geological units ranging between 0.3m and 4m in length with the majority of sample lengths being 1m. These have been composited to 1m intervals for the Resource estimate.
- Statistical analyses were completed on the raw sample data and the 1m composite data. A top cut of 50% Graphitic C was applied
 to the composites in the mineralised zones in the footwall (FW) and hangingwall (HW) domains, and a top cut of 30% Graphitic C
 was applied to the composites in the flat lying/near surface domain.
- Directional variograms were generated for composite data from both the FW and HW domains and variogram models created. As
 the flat lying domain contained insufficient samples to conduct variography, parameters from the FW domain were applied to the
 flat lying domain with adjusted orientation.
- Grade estimates were generated for parent blocks of size 12.5m (X) x 12.5m (Y) x 4m (Z) with sub-blocks of size 1.25m x 1.25m x 1m. The method used to obtain grade estimates was Ordinary Kriging (OK).
- In situ dry bulk densities were assigned on the basis of 371 measurements made from 22 drillholes from the 2014 programme. It should be noted that the quantity of bulk density data has improved substantially, and revised and essentially lower bulk densities applied to graphite mineralisation are the result of the Valence data. This change is likely to be related to a higher level of weathering of the host rock than was previously understood.
- Resource classification was developed from the confidence levels of key criteria including drilling methods, geological
 understanding and interpretation, sampling, data density and location, grade estimation and quality of the estimates. The
 resource classification and estimate does not specifically address the definition or quantity of material types or product quality as
 all contacts are relatively gradational and metallurgical testwork is on-going.
- A graphitic carbon cutoff of 3.5% was adopted based on a graphite product price of \$1,500/t, a processing cost of \$28.50/t, a coarse fraction of 70% and an overall recovery of 90%. The values of 70% coarse fraction (>75µm) and 90% recovery have come from review of two testwork programmes carried out on Uley ore samples in April and May 2007 and another programme carried out in August 2014.

(Coffey, 2015)

8



Figure 4 – Project Tenure







Figure 5 – Drillhole Collar Locations (in local Uley mine grid)









Figure 7 – Drillhole and Geology Cross Section 9525N





Figure 8 – Drillhole and Geology Cross Sections 9425N



Figure 9 – Drillhole and Geology Cross Sections 9275N





Table 2 – Collar Coordinates for Drillholes used in the Resource

Hole ID	Easting	Northing	RL	Total Depth (m)
MD222	10004	9593.5	499	41
MD223	9950	9600	498.3	43
MD304	9999.78	9425.11	497.27	97
MD305	9950.19	9425.33	498.85	61.4
MD306	10049.23	9425.52	495.75	93.5
MD307	10102.64	9427.54	493.69	97
MD308	10275.21	9425.16	485.57	95.5
MD309	10324.96	9425.92	482.2	66.5
MD310	10224.77	9424.59	488.98	51.5
MD311	10175.68	9426.86	491.38	55.5
MD312	10024.4	9425.34	496.55	89.5
MD313	10073.15	9426.23	495.15	87.5
MD317	9999.94	9474.38	497.88	111.2
MD319	10050.38	9476.2	496.55	105
MD320	10099.72	9473.07	496.57	102.5
MD321	10100.21	9522.52	498.05	108
MD323	10048.42	9524.7	498.67	96.5
MD324	10149.25	9525.33	495.58	104.5
MD500	10122.2	9523.09	497.16	105.5
MD501	10068.51	9523.52	498.76	108.5



	Hole ID
	MD502
	MD503
	MD504
\bigcirc	MD505
(15)	MD506
	MD507
	MD508
	MD509
	MD510
	MD511
	MD600
	MD601
	MD602
(15)	MD603
	MD604
	MD605
	MD606
	MD607
	MD608
	MD607 MD608

Hole ID	Easting	Northing	RL	Total Depth (m)
MD502	10016.92	9525.72	498.72	96.3
MD503	10153.51	9474.03	494.2	85.6
MD504	10125.76	9475.87	496.35	100
MD505	10073.84	9479.46	497.52	102.5
MD506	10019.49	9474.15	497.41	94.4
MD507	9968.76	9473.82	498.23	105.5
MD508	9974.31	9427.34	498.4	99.5
MD509	9978.63	9372.79	498.92	104
MD510	10024.97	9374.4	498.35	80.4
MD511	10133.84	9423.01	492.34	81.4
MD600	9999.94	9525.16	498.26	110.2
MD601	10000.19	9499.99	498.08	101.2
MD602	9975.31	9525.02	497.93	149.3
MD603	9975.37	9499.95	498.07	140.2
MD604	9949.89	9524.99	497.53	140.3
MD605	9950.04	9500.08	497.58	144.3
MD606	10099.88	9500.05	497.82	80.6
MD607	10124.88	9449.92	494.52	68.2
MD608	10075.13	9500.1	498.39	114.7
MD609	10099.89	9450.11	494.9	80.2
MD610	10050.57	9499.98	498.09	114.7



Hole ID	Easting	Northing	RL	Total Depth (m)
MD611	10074.92	9450.22	495.34	97.9
MD612	10025.07	9499.95	498.05	101.2
MD613	10050.23	9450.16	495.86	119.2
MD614	10000.51	9401.75	498.13	101.2
MD615	10025.41	9449.97	496.95	121.8
MD616	9975.76	9399.98	498.62	120.7
MD617	10000.31	9450.07	497.83	110.2
MD618	9950.63	9400.02	499.19	119.2
MD619	9975.78	9449.89	498.28	110.2
MD620	9926.2	9400	498.96	117.7
MD621	10150.29	9500.04	495.13	50.2
MD622	9926.07	9449.86	498.15	128.2
MD623	10125.65	9500.59	496.33	64.2
MD624	9950.37	9450.04	498.51	119.2
MD625	10151.01	9449.98	493.89	40.2
MD626	10100.26	9372.25	492.87	56.2
MD627	10125.56	9373.27	490.88	53
MD628	9976.25	9550.04	498.16	119.2
MD629	10075.46	9374.99	494.85	56.8
MD630	10025.81	9402.83	496.96	78.5
MD631	10050.69	9374.97	496.86	80.2
MD632	10051.97	9402.79	495.98	95.2



	Hole ID
	MD633
	MD634
	MD635
\bigcirc	MD636
(15)	MD637
	MD638
	MD639
	MD640
	MD641
((U))	MD642
	MD643
	MD644
	MD645
(\bigcirc)	MD646
	MD647
(\square)	MD648
	MD649
	MD650
	MD651
\bigcirc	MD652
	MD653
	MD654

Hole ID	Easting	Northing	RL	Total Depth (m)
MD633	10026.43	9375.12	498.15	79.6
MD634	10076.49	9394.31	495.19	84.6
MD635	10000.1	9374.96	499.36	78.8
MD636	10125.94	9399.98	491.74	42.6
MD637	9975.59	9375.02	499.03	80.2
MD638	10101.37	9405.95	492.09	77.7
MD639	9950.27	9374.98	499.28	99.7
MD640	9928.4	9374.97	499.15	100.4
MD641	9950.83	9574.94	498.18	165.2
MD642	10000.47	9549.91	498.691	150.5
MD643	9974.95	9574.99	498.561	135.5
MD644	9999.99	9575	498.899	131.2
MD645	10024.98	9575	499.056	114.6
MD646	9975.34	9599.94	498.658	135.7
MD647	10025.56	9600.35	499.197	114.6
MD648	9950.66	9474.91	498.14	119.6
MD649	9926.43	9424.81	498.628	105.6
MD650	10025.88	9549.95	498.835	110.2
MD651	9925.19	9349.98	498.832	102.7
MD652	10050.25	9549.94	499.122	89.2
MD653	9875.41	9275.14	497.135	123.4
MD654	9950.75	9550.51	497.778	101.1
MD655	9900.39	9224.99	496.904	104
MD656	9950.36	9350	499.05	99.7
MD657	9850.67	9275.5	495.843	110.2



Hole ID	Easting	Northing	RL	Total Depth (m)
MD658	9875.22	9224.61	496.474	109.9
MD659	10050.36	9575.36	499.44	99.9
MD660	9900.64	9350.05	498.784	107.1
MD661	9850.74	9224.96	495.569	109.6
MD662	10075.45	9552.83	499.357	99.6
MD663	10075.38	9575.38	499.531	100.9
MD664	9875.39	9324.92	497.068	99.7
MD665	9875.39	9349.93	498.034	102
MD666	10100.55	9550.38	499.026	88
MD667	10100.47	9575.39	499.147	95.6
MD668	9900.53	9325.02	498.573	101.2
MD684	10050.04	9600.02	499.438	99.2
MD685	10075.34	9599.99	499.856	107.2
MD686	10100.11	9600.01	499.1	107.1
MKD15	10137	9400	491.74	75.4
MRPAC001	10117	9471	495	36



The following extract from the JORC Code 2012 Table 1 is provided for compliance with the Code requirements for the reporting of Mineral Resources:

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections). Table 3 – Extract of JORC Code 2012 Table 1

Criteria	JORC Code Explanation	Commentary	Competent Person
Sampling techniques	 Nature and quality of sampling (eg 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 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 (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g 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 (eg submarine nodules) may warrant disclosure of detailed information. 	 All holes used in the Resource Estimate were HQ diamond drillholes sampling moderately dipping stratabound graphite mineralised zones. 30 vertical drillholes were used in the estimate together with 40 drillholes drilled at -60° towards 090. Half cores samples were obtained on geological intervals, typically 1m in length but ranging from 0.3m to 4m. High grade graphite mineralisation is reasonably visible during geological logging and sampling. Visibly mineralised intervals were crushed and pulverised to at least 85% passing 75µm, then sent for analysis by LECO method. The sample preparation and assaying techniques are industry standard and appropriate for this type of mineralisation. Some core material remains selectively sampled. 	KL
Drilling techniques	 Drill type (eg core, reverse circulation, openhole 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). 	 All holes used in the Resource Estimate were drilled from surface. 30 drillholes were drilled using HQ standard tube and were not orientated. 42 angled drillholes were drilled using HQ triple tube. Downhole surveys were obtained using a Ranger SS118 downhole camera. The angled drillholes were orientated using the Reflex ACT II RD core orientation tool. 	KL
Drill sample recovery	 Method of recording and assessing core and chip sample recoveries and results assessed. 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. 	 Core recovery was captured by logging "Core Loss" in areas of no/low recovery. Industry standard procedures/techniques were employed to ensure maximum downhole recovery. Overall core recovery for all resource drillholes is 85%. There has been no identified relationship between sample recovery and grade. 	KL
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. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the 	 Geological and geotechnical logging of the drillholes is of an appropriate standard to support a Mineral Resource estimation, mining studies and metallurgical studies. Geological core logging is qualitative. Core photography is available. The total length of the samples intervals for all holes used in the estimate was 3,420m (52% of total core was sampled) 	KL



Criteria	JORC Code Explanation	Commentary	Competent Person
	relevant intersections logged.		
Sub-sampling techniques and sample preparation	 If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 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. Whether sample sizes are appropriate to the grain size of the material being sampled. 	 Half core samples were taken. In competent core these were cut by core saw. In incompetent material the sample was collected by manual halving of the material. Half core sampling is an appropriate, industry standard technique. Bulk reject duplicate samples were taken in the 42 angled drillholes to ensure sample representivity. These duplicates were inserted at a typical frequency of 1 in 100 samples (1% rate of insertion). Certified reference standards were inserted at a typical rate of 1 in 20 samples (5% rate of insertion) for quality assurance checks of analyses reported by the mineral testing laboratory ALS Global. There is no record of field duplicate samples or standards having been submitted in the 30 vertical drillholes to test sampling representatively. Samples from the 18 vertical 1993 drillholes were crushed and sieved on site prior to dispatching the coarse +75µm to ALS-Chemex for assaying. There is no available data on weights of sieved fractions. If the fine fraction was a significant proportion of the sample, assays from the coarse fractions should be higher than corresponding whole rock assays. A study of grades from the 1993 drilling with the whole rock assays from the other programme shows no difference in grade tenor. Visual comparison of grades in the 1993 drilling with neighbouring holes from the other programme likewise shows no notable difference in grade tenor. As such, despite the description of assaying of coarse fractions carried out on site. Sample some crushed and spit to >70% passing -6mm and pulverized to >85% passing 75µm prior to assaying by ALS Brisbane. Sample sizes are deemed appropriate for the material being sampled. 	KL



	Criteria	JORC Code Explanation	Commentary	Competent Person
TALUSE ONIY	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. 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. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	 Techniques used are: C-IR18 (Graphitic carbon by LECO analyser) C-CAL15 (Inorganic carbon by difference) C-IR17 (Organic carbon by LECO analyser) C-CON01 (Carbon concentrate by LECO analyser) C-IR07 Total Carbon by LECO analyser) C-IR18 was used for the 2014 samples, and C-IR17 was used for previous samples. As the rocks are assumed to contain no organic material (supported by petrographic study), the difference between these two techniques is less than the analytical error of the techniques and hence considered negligible. Bulk reject duplicate samples were taken in the 42 angled drillholes to ensure sample representivity. These duplicates were inserted at a typical frequency of 1 in 100 samples (1% rate of insertion). Certified reference standards were inserted at a typical rate of 1 in 20 samples (5% rate of insertion) for accuracy checks of analyses reported by the mineral testing laboratory ALS Global. There is no record of field duplicate samples or standards having been submitted in the 30 vertical drillholes to test sampling representatively. Internal laboratory QAQC for all sampling has been reviewed with no problems highlighted with respect to sampling bigs or precision. 	KL
	Verification of sampling and assaying	 The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	 With respect to sampling bias of precision. There are no twinned drillholes. Areas of overlap between angled and vertical drillholes show intercepts of similar tenor and thickness Assays in the database have been checked against laboratory certificates and original logs which contained assay data. No inconsistencies were identified. Non-sampled intervals were assumed to be "unmineralised" and given a Graphitic C value of 0.01%, equivalent to half the detection limit of C-IR18. 	KL
	Location of data points	 Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	 Drill location co-ordinates are reported in Uley Mine Grid (transformed to truncated AMG) The reported truncation was: Easting = -554,216.866M Northing = -6,139,092.867M ADH = RL +404.252M Drillhole collars have been re-surveyed in the field and these transformations validated. All drillholes were re-surveyed during 2014 by PA Dansie & Associates Pty Ltd. A whole of site survey was undertaken during 2014 by Maptek Pty Ltd. 	KL



Criteria JORC Code Explanation		Commentary	Competent Person
Data spacing and distribution	 Data spacing for reporting of Exploration Results. 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. Whether sample compositing has been applied. 	 No exploration results are reported or included in this Mineral Resource estimate. Diamond drilling on an infill spacing of up to 25m X 25m was used to estimate geological and grade continuity at a level deemed appropriate for the classification and reporting of a Mineral Resource estimate. 1m sample composites applied during the estimation process. 	KL
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. 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. 	 Drilling orientation is considered appropriate considering the deposit type and orientation of moderately WNW dipping mineralisation. Sampling bias relating to the orientation of sampling is considered minimal. 	KL
Sample security	 The measures taken to ensure sample security. 	 All reasonable measures are being taken to ensure sample security along the value chain. These measures include the recording of sample dispatch and receipt reports, secure storage of samples, and a locked and gated core shed The assay method used is destructive. A representative sample library is maintained on site. 	KL
Audits or reviews	 The results of any audits or reviews of sampling techniques and data. 	 No formal third party audits have been undertaken. Laboratory procedures and manuals are comprehensively documented on-site and both the AMDEL and ALS laboratories are considered to be reputable laboratories for carbon analysis. As the assaying techniques used are broadly destructive techniques, with a limited ash residue, they are not suited for replicate analysis. The quality control protocols implemented at Uley are considered to represent good industry practice and allow some assessment of analytical precision and accuracy. The assay data is considered to display acceptable precision. Internal laboratory QAQC data (standards, blanks and duplicates) have been reviewed and no significant problems were identified regarding the quality of the assaying. 	KL



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Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section).

Criteria	JORC Code Explanation	Commentary	Competent Person
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 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 Uley Graphite Project consists of five contiguous tenements on the Eyre Peninsula of South Australia, of which two are retention leases two are mining leases and one is an exploration licence. Tenement identification numbers are: ML5561, ML5562, EL4778, RL66 and RL67. Mining development is subject to the approved Program for Environmental Protection and Rehabilitation (PEPR) and an Environmental Licence which is mandated under South Australian State legislation. Valence Industries has a 100% interest in these tenements and no royalty, joint venture or other material agreements are in place other than a royalty of 1.5% with its former parent company SER. Tenement ownership is secure with expiration dates varying from 2016 (EL4778) to March 2017 (ML5561 and ML5562). There are no known impediments to obtaining a license to operate in the area. 	KL
Exploration done by other parties	 Acknowledgment and appraisal of exploration by other parties. 	 A number of parties have undertaken exploration on the leases and the data set held by Valence Industries includes all available information. 	KL
Geology	 Deposit type, geological setting and style of mineralisation. 	 Graphite is developed as a constituent mineral in coarse prograde metamorphic assemblages as well as in the fabric and foliation of micaceaous schists. These are interpreted to be the folded, thrust and metamorphosed equivalents of the Cook Gap Schist. Folding of stratigraphy on various local scales is obvious. 	KL
Drillhole Information	 A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: easting and northing of the drillhole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar dip and azimuth of the hole down hole length and interception depth hole length 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 	 A summary of the drillholes used in the Resource Estimate is provided in Table 2 of this report. 	EM/KL



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Criteria	JORC Code Explanation	Commentary	Competent Person
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. 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. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	 This table accompanies a Resource Estimation, and is not reporting Exploration results. No metal equivalents are used. 	KL
Relationship between mineralisation widths and intercept lengths	 These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. 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'). 	 As this table accompanies a Resource Estimation, and is not reporting Exploration results, this section is not applicable. The relationships are captured and defined on a hole-by-hole basis in the resource model and orientations of holes to mineralised zone are appropriately accounted for in the estimate. 	KL
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 drillhole collar locations and appropriate sectional views. 	 Collar Plan of Resource Drillholes is presented in Figure 2 of this report. Typical cross sections are presented in Figure 5 to Figure 9 of this report. 	EM/KL
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. 	 Valence Industries carry out balanced reporting of exploration results. Selective sampling of only visibly graphitic material has been carried out on the 2011 and 2014 drill core. 	EM/KL
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 material available exploration information was considered. This comprised a drilling database, previous estimates and reports and academic literature, petrological reports, metallurgical test work reports, density determinations, and site visit photography/communication. Historical production records from the original Uley Mine provided assumptions relating to future potential economic extraction. 	KL
Further work	 The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	 Exploration work to quantify the extent and continuity of mineralisation within the Valence Industries held tenure is ongoing. This work includes planned diamond and reverse circulation drilling, further geophysical surveys and geological mapping. This exploration effort is deemed commercially sensitive. 	KL



Section 3 Estimation and Reporting of Mineral Resources (Criteria listed in section 1, and where relevant in section 2, also apply to this section).

Criteria	JORC Code Explanation	Commentary	Competent Person
Database integrity	 Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	 Data has been provided as an Access database. A total of 18 diamond holes drilled 1993 era drilled by Graphite Mines of Australia, 12 SER diamond drillholes drilled in 2011, and 40 Valence Industries angled diamond holes in the Uley area have been used in the resource modelling study. The database used for resource estimation consists solely of diamond drilling and has been reviewed and re-validated for obvious errors by Coffey prior to commencing the resource estimation study. The assay data has been cross checked against assay certificates provided by ALS Chemex. The following checks were completed prior to uploading the drilling data into a Vulcan database: Check and correct overlapping intervals. Ensure downhole surveys existed at a 0m depth. Ensure consistency of depths between different data tables, for example survey, collar and assays. Check gaps in the assay data which were replaced by -999. Hole MD623 had not been assayed at time of data handover and so has not been included in the resource database. No records were apparently kept for the sieved fraction weights from the 1993 drilling to determine factors for tonnage and assay grade fractions. As discussed in the subsampling section of Section 1 of this table, statistical comparison of these samples with the other samples shows there is no difference between the 1993 assays and the whole rock assays. As such the1993 samples are treated as whole rock assays for the Mineral Resource estimate. 	EM/
Site visits	 Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	 Ms Karen Lloyd (Jorvik Resources Pty Ltd), Competent Person for geology and exploration data has been engaged by Valence Industries in the capacity of General Manager – Technical Delivery and undertakes regular site visits to Uley. 	KL
Geological interpretation	 Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting 	 The current geological interpretation is based on review of previous estimates and reports and has been augmented by the geological and structural information provided by the 2014 angled infill diamond drillholes. Information from site visits and geological reports suggests the graphite lenses occurs within an anticlinorium i.e. a fold with parasitic folds on its limbs, as occurred in the Uley mine to the north. The current model is of a recumbent antiform plunging very shallowly to the ENE, with HW lodes dipping shallowly to the WNW and FW lodes dipping moderately (~33°) to the WNW. 	EM



Criteria	JORC Code Explanation	Commentary	Competent Person
	continuity both of grade and geology.		
Dimensions	 The extent and 	The dimensions of the block model are:	EM
U	variability of the Mineral Resource expressed as	Easting (X) Northing RL (Z) (Y)	l
	length (along strike or otherwise), plan width, and denth below	Minimum 9800 9200 340	l
	surface to the upper and lower limits of the	Maximum Coordinates 10400 9700 540	l
	Mineral Resource.	Block size (m) 12.5 12.5 4	l
		Sub Block size (m) 1.25 1.25 1	1
		Rotation 0 0 0	L
Estimation and modelling techniques	 The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions about correlation between 	 Graphitic C (%) was estimated using Ordinary Kriging (OK) utilising the cut 1m composites in Vulcan mining software. Grade estimation was constrained to blocks inside the mineralisation wireframes with hard boundaries applied. The exception to this was zone 2. This zone contains both a HW and a FW limb. The blocks were flagged as being HW (202) or FW (201) but were informed using all composites from zone 2 (both 201 and 202) to allow the estimation of the hinge area to be well informed. Any non-sampled intervals were assigned a value of 0.01% Graphitic C. No other elements were estimated, be they deleterious or not. No assumptions were made concerning mining selectivity beyond small to medium scale open pit mining. Material types and quality were not defined in the model given the data available for interpretation and estimation. It is assumed that metallurgical testing based on bulk samples are broadly representative of products likely to be obtained from mining of this mineralisation. The deposit was domain – in the following domains: Footwall domain – in the hanging wall of the fold, dipping at approximately 33° Hanging wall domain – in the hanging wall of the fold, dipping at approximately 15° Flat lying domain – shallow overprinting mineralisation Extreme grade values were top cut. A top cut of 50% Graphitic C was used within the FW and HW domains and a top cut of 30% Graphitic C was used within the FW and HW domains and a top cut of 30% draphitic C was used within the Flat lying domain. The parent block size is approximately ½ of the nominal 25m x 25m drill spacing with sub-blocking chosen to allow for adequate volume resolution. The search parameters are suitable given the parent block size, data spacing, and the orientation of the modelled mineralisation. The search parameters ares usitable given the	EM



Criteria	JORC Code Explanation	Commentary	Competent Person
D	 variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available. 		
Moisture	 Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	 Tonnes are estimated based on a dry insitu bulk density. 	EM
Cut-off parameters	 The basis of the adopted cut-off grade(s) or quality parameters applied. 	A graphitic carbon cutoff of 3.5% was adopted based on a graphite product price of \$1,500/t, a processing cost of \$28.50/t, a coarse fraction of 70% and an overall recovery of 90%. The values of 70% coarse fraction (>75μm) and 90% recovery have come from review of two testwork programmes carried out on Uley ore samples in April and May 2007 and another programme carried out in August 2014.	CCH/ KL
Mining factors or assumptions	 Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	 The Uley project has been historically mined by open cut mining methods and it was assumed that this would still be the case for any future mining operation. No assumptions have been made about mining selectivity for specific material types or quality. No dilution or other factors have been applied to the resource estimate. Conceptually, consideration of the resource estimate and subsequent mining scenarios remain at a high level only. It is assumed that there is some basis for determining reasonable prospects for eventual economic extraction considering historic mining of the nearby Uley graphite deposit in a very similar geological setting and location. 	
Metallurgical factors or assumptions	 The basis for assumptions or predictions regarding metallurgical amenability. It is always 	Three testwork reports, ALS Testwork Report P0550, P0565 and P0582 were reviewed and clearly indicate that a total graphitic carbon grade of >90% and at >85% recovery can be achieved on the samples of Uley graphite tested with 3 stages of cleaning in conformance with the existing plant design. The testwork	ссн



Criteria	JORC Code Explanation	Commentary			Competent Person
	necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical	further indicates th additional regrind grade product is po During further PFS testwork will be re	aat if two additional mill were added to t ossible. and/or DFS program quired.	stages of cleaning and an he circuit a >98% graphite ns additional variability	
Environmental factors or assumptions	 Assumptions made. Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental 	 Mining developme and approval of a Rehabilitation (PE mandated under S been on care an ended in 1993. It is will be considered eventual economic 	nt is subject to the Program for Environ outh Australian Stat d maintenance sin not expected that e d a material constr extraction.	development, submission onmental Protection and imental Licence which is te legislation. The site has nee historical production environmental constraints aint to the prospects of	KL
Bulk density	 Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of 	Density was assigned to Oxidation state	o the block model as Average Bulk Density for mineralised material (t/m ³)	follows: Average Bulk Density for waste material (t/m ³)	EM
	the measurements, the	Oxidised	1.79	1.91	
	nature, size and representativeness of	I ransitional Fresh	2.08	2.01	



Criteria	JORC Code Explanation	Commentary	Competent Person
	 the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	 A total of 371 bulk density measurements were collected from the 2014 drillcore. The Archimedes method was used on uncut core from 22 representative holes with each distinct lithology and weathering zone in each hole tested. The bulk density results were flagged against the ore zones and oxidation state in Vulcan and averages for mineralised and waste determined for oxide, transitional and fresh weathered (defined by BOCO and TOFR surfaces). Four samples were removed prior to running averages due to being extreme values. Three samples were <1.2 and one was >4. The values were evaluated against core photos and against "typical" bulk density values as listed in section 9.2 of the Field Geologist's Manual (Fourth Edition, 2001). These bulk density values are lower than those used in last year's model. It should be noted that the quantity of bulk density data has improved substantially, and revised and essentially lower bulk densities applied to graphite mineralisation are the result of the Valence Industries data. This change is likely to be related to a higher level of weathering of the host rock than was previously understood. No corrections have been applied for the sieved fraction weights from the 18 1993 drillholes to determine factors for tonnage and assay grade fractions. As discussed in the sampling sections, these results are statistically no different to the whole rock assays and as such, these samples are being treated as whole rock samples for the Mineral Resource estimate. 	
Classification	 The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	 Resource classification is based on quantity/quality of sample data as follows: The infilling to 25m x 25m drilling centres has increased sample density to the point where confidence in the geological and grade continuity, and the quality of the estimation, are such that the majority of the estimated blocks are classified as Indicated. Mineralised zones based on 1 drillhole only remain unclassified. Small portions of the mineralisation in the centre of the fold (zones 1, 2 and 3) have been classified as Measured due to the continuity of grade thickness and tenor, and the quality of the estimation. These areas are limited due in part to uncertainty introduced by selective sampling of the drillholes. The classification scheme as applied is considered to adequately reflect the sample density and geological interpretation. The resource classification and estimate does not specifically address the definition or quantity of material types or product quality as all contacts are relatively gradational and metallurgical testwork is on-going. 	EM/IK
Audits or reviews	 The results of any audits or reviews of Mineral Resource estimates. 	 Ms Karen Lloyd of Jorvik Resources Pty Ltd (engaged as General Manager – Technical delivery for Valence Industries) formally reviewed the data used for the Mineral Resource estimate. No third party reviews have been undertaken on the Mineral Resources estimation process, though formal peer review through the Coffey system has been undertaken prior to reporting. 	KL



Criteria	JORC Code Explanation	Commentary	Competent Person
Discussion of relative accuracy/ confidence	 Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate solution. Documentation should include assumptions made and the procedures used. 	 The grade estimate is based on the assumption that open cut mining methods will be applied and high confidence grade control, for example RC grade control drilling, or ditch-witch bench top sampling will be available for ore/waste demarcation. As such the Resource estimate should be considered to be a global estimate. The resource classification and estimate does not specifically address the definition or quantity of material types or product quality as all contacts are relatively gradational and metallurgical testwork is on-going. Bulk metallurgical tests are assumed to be representative of the mineralised material within the Uley Pit 2 deposit. 	ΕM