ASX Release

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The Manager
Company Announcements
Australian Securities Exchange Limited

Strategic investment in producing graphite asset

Highlights

- **Current operations generating cash flow**
- **Sales pipeline to US offtake partner in place**
- **Low cost sustainable producer of quality flake graphite**
- **Opportunities for mine expansion and growth**
- **Acquisition - 25% interest for GBP2 million (A$4.3m)**

Bass Metals (**Bass, ASX: BSM**) has entered into an agreement with AIM listed Stratmin Global Resources Plc (**Stratmin, AIM:STG**), to acquire a strategic interest in their Madagascan graphite operations which currently produce high quality graphite flake concentrate for sale to a large US based offtake partner.

Rick Anthon, Bass Chairman commented: “This is an excellent opportunity to take a position in a producing graphite asset, with cash flows supported by a high quality offtake partner and with a very experienced technical team to drive continued growth in the portfolio.”

The acquisition will occur via an investment in the Stratmin subsidiary company Graphmada Mauritius, which is the 100% owner of the Madagascan operating company, Graphmada S.A.R.L.

The agreement entitles Bass to acquire a 25% interest in Graphmada for an investment of GBP2 million (A$4.3) with an option to extend to a 35% interest subject to additional funding conditions.

About Graphmada

Graphmada operates the Loharano natural flake graphite mine situated in the central east of Madagascar, Africa, approximately 100 kilometres from Tamatave, the primary shipping port servicing Madagascar.

It is a low cost sustainable producer. The graphite ores have a high percentage of premium value large and jumbo graphite flake sizes. They are easily mined out of a soft regolith, clay host and a simple floatation process produces the concentrate and premium value flake size.

Access to the mine is along the main highway to the capital city with a short two-kilometre haul road from the highway to the mine and processing plant.

Figure 1: Location of Loharano Mining Operations

Flake graphite concentrate from Loharano is currently being sold to a large US based offtake partner. Processed graphite is dried and screened into various flake sizes, then bagged in one tonne bulk bags into containers for shipment from the nearby port of Tamatave to the US or other global destinations.

Figure 2: Low cost free dig bench mining at Loharano mine site

Figure 3: Graphite floatation cells at Loharano

Mineral resource and exploration

Stratmin has previously reported the following Mineral Resource at Loharano:

Mineral Resource Category – Loharano Operation (Cut-off Grade – 2%)			
Classification	**Tonnage ('000)**	**Grade (%)**	**Contained Graphite (tonnes)**
Total Measured	-	-	-
Total Indicated	421	5.15	21,630
Total Inferred	5,273	4.04	213,029
Total Resources*	**5,694**	**4.12**	**234,659**

** Rounding in effect*

*These estimates were prepared and first disclosed by Stratmin under the JORC Code 2004. The estimates have not been updated to JORC Code 2012 on the basis that the information has not materially changed since it was last reported. A Competent Person has not done sufficient work to classify the historical estimates as mineral resources or ore reserves in accordance with the 2012 edition of the JORC Code and it is uncertain that following evaluation and/or further exploration work that they will be able to be reported as mineral resources or ore reserves in accordance with the 2012 edition of the JORC Code.

Figure 4: Drying and bagging facilities at Loharano

Mineral exploration and further ore type categorisation is currently underway at the Loharano Mine with an objective to update and increase the initial Mineral Resource under the guidelines required for reporting of Mineral Resources and Reserves set out in the 2012 edition of the JORC Code.

Figures 5&6: Simple flotation & large flake size distribution

Growth Opportunities

Stratmin has invested over GBP7.5 million (A$16+ million) to date in building a large tenement portfolio, high-grade (>94% TGC) graphite concentrate processing facility, as well as infrastructure and logistical support for the project. The company employs over 90 people on site with a well skilled permanent in country team.

Currently the Loharano plant is producing at a rate of 300 tonnes per month. Stratmin aims to increase this to 500 tonnes per month (6,000 tpa) in the next few weeks as the plant shifts to 24 hour per day, 6 days per week, production. Approximately 50% of the concentrate produced by Graphmada is anticipated to be of large flake size capable of selling for US$1,200 in the current market.

In parallel to the exploration at the Loharano Mine Site, a Feasibility Study on the adjacent Mahefadok area is progressing. The study aims to assess the viability of a new 25-year, 12,000 to 20,000 tonne per year graphite concentrate plant to complement the existing processing facility at the Loharano mine.

In addition, Stratmin recently partnered with Tirupati Carbons and Chemicals, a private Indian company with a 20-year track record of graphite project development, concentrate production and graphite and related product sales. This partnership is focused on the expansion of operations in Madagascar and development of value added graphite products.

Agreement Details

Bass has entered into a subscription agreement with Graphmada Mauritius to subscribe for shares equivalent to a 25% interest in Graphmada for GBP 2 million (A$4.3 million).

Bass has the right to subscribe GBP 500,000 (A$1.1 million) by 31 September 2015 and a further GBP1.5 million (A$3.2 million) by 30 November 2015. In the event that the later payment is not made the Bass shareholding in Graphmada will be calculated on a pro rata basis, or approximately 7.7% of Graphmada on a fully diluted basis.

The subscription of funds by Bass is conditional on the completion of due diligence satisfactory to Bass and the execution of a shareholders agreement for Graphmada Mauritius between Bass and Stratmin.

Bass is currently exploring a number of options to ensure the necessary funding is available.

Partnership approach

Commenting on the proposed transaction Rick Anthon said: “Bass is partnering with Stratmin at this time to take a strategic position in a rapidly developing graphite company, to fund the expansion of existing facilities, construction of a new mine and plant and to participate in future activities of the group.

“The investment gives Bass exposure to a producing asset in a sought after commodity with a clear path to increased production and sales.

Bass is very excited to partner with Stratmin and the experienced graphite team they have built and we believe this will bring significant shareholder value.

“We are looking forward to a new chapter in Bass’ history, growing into a significant operator and building value.”

Messrs David Premraj and Jeffrey Marvin are directors of both Bass and Stratmin, and Bass’ board has established an independent board committee consisting of Rick Anthon for the transaction.

Contacts and information:

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Appendix A: Listing Rule 5.12 Disclosure

Historic estimates presented in this announcement are based on the report *"Independent Technical Report on the Loharano Graphite Mine Project, Madagascar,"* dated September 25, 2012.

- This report was commissioned by Stratmin Global Resources Plc from Creo Design (Pty) Ltd, a Geological and GIS Consulting firm.
- The report was authored by Dr J Hattingh Ph.D. (Geology) Pr. Sci Nat.
- This report was prepared in accordance with the guidelines of JORC 2004 and the categories of mineralisation are comparable to those defined in Appendix 5A JORC Code.

Other estimates are taken from the report "*Preliminary Scoping Report Mahefadok Regolith-Hosted Flake Graphite Deposit Brickaville, Madagascar*", dated 15 June 2015.

- TABLE 1 of Appendix 5A (JORC Code) for the report "*Preliminary Scoping Report Mahefadok Regolith-Hosted Flake Graphite Deposit Brickaville, Madagascar*", dated 15 June 2015 is presented as Appendix 1 to this announcement.
- This report was commissioned by Stratmin Global Resources Plc from Vato Consulting LLC and SymAudire Pty Ltd.
- The report was co-authored by Jannie Leeuwner and Jonathan Robbeson, both Competent Persons as defined by the JORC Code 2012.

The historic estimates of these reports are relevant and material to the investment being made by Bass Metals Ltd in Graphmada Mauritius as they form a component of the technical due diligence source material for the transaction being announced.

Historic estimates are based on an extensive exploration program that included examination of historic production sites exploited during French colonial administration prior to 1947. More recently exploration has included high-resolution satellite mapping, surface mapping, trenching, pitting and auger drilling at Loharano that provided 588 independent samples that were submitted for analyses. Assay results were captured in a database from which 3D modeling was completed and resource estimates calculated.

Recently, packages have been mined from the Loharano ore body and processed on site with consistent production of flake graphite concentrate of 94% TCG reported.

In order to verify estimates in accordance with Appendix 5A (JORC Code) a core-drilling program is required to augment the auger, trenching and pitting generated samples. 100m drill spacing to a depth of 30m is required. To upgrade the resource model from Inferred to Indicated as defined by the JORC Code, will require infill drilling with a drill spacing of 50m.

Graphmada currently has exploration work underway in preparation for the drilling required to verify resources in historic estimates and complete testing and extension of resources in historic and new ore bodies. This will be funded through a combination of finances provided by revenues from sales, the transaction in this announcement and other capital raising as required.

Competent Persons Statement

Mr Jannie Leeuwner – BSc (Hons) Pr.Sci.Nat. MGSSA (Consultant to StratMin Global Resources Plc), is a full-time employee of Vato Consulting LLC. Mr. Leeuwner is a registered Professional Natural Scientist (Pr.Sci.Nat. - 400155/13) with the South African Council for Natural Scientific Professional (SACNASP). Mr. Jonathan Robbeson – BSc (Hons1), MEconGeol, (CP Geo), *(Consultant to StratMin Global Resources Plc),* is a full time employee SymAudire Pty Ltd and is a registered Chartered Professional (Geology) with the Australian Institute of Mining and Metallurgy (AusIMM – 304542). Mr. Leeuwner and Mr Robbeson both have sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and the activity being undertaken to qualify as a Competent Persons as defined in the Note for Mining Oil & Gas Companies, June 2009, of the London Stock Exchange and the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr. Leeuwner and Mr Robbeson both consent to the inclusion of the information in this release in the form and context in which it appears and state that the information in this announcement provided under Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the Loharano Graphite Mine Project.

Appendix 1 – JORC Code, 2012 Edition – Table 1

Discussion and results within this appendix relate to the StratMin Global Resources plc – Mahefadok Project, Madagascar

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
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 sounds, 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 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 (eg submarine nodules) may warrant disclosure of detailed information.	• Outcrop samples were collected on surface and included in-situ composite and grab samples of the graphite bearing host rocks. Trenches and pits were excavated manually (up to 3.2m) and mechanically (up to 6.00m) along pre-defined section lines throughout the deposit. The trenches and pits were designed to expose geology across the strike length of the graphite occurrence and cut channel sampling within these pits and trenches was done vertically, and these samples were immediately bagged and tagged. • Sampling procedures included 1-metre composites along the depth intervals and lithological sub-division mark-ups to gather representative samples from intervals. Duplicate samples and pulps were analysed to provide checks on sample representatively. • Visual estimation of graphite percentages and flake sizes have been used to define mineralisation prior to return of assays. Trench and pit samples were collected within lithological sub-divisions only and not across geological boundaries. Samples were solar dried, and manually crushed, split twice through a 50/50 riffle splitter to obtain a representative sub-sample charge weighing between 100-120g that is send to an independent SANAS accredited laboratory (ALS Chemex) in South Africa for further analysis.
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.).	• No drilling has been carried out at this stage and will be completed as a follow up to the current preliminary exploration activities described herein.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed.	• Not applicable to trenching and pitting, however a predefined sampling procedure is in place. • Sampling procedures include continuous vertical cut channel sampling of (10 cm

Criteria	JORC Code explanation	Commentary
	• 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.	wide and 5 cm deep) within lithological sub-division intervals. • No relationship exists between sample recovery and grade, hence no bias is expected.
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 relevant intersections logged.	• Trenches and pits were all geologically logged and photographed, geological recording of relevant was captured on StratMin logging templates was completed. All data was codified to a set company codes system as per sampling and logging procedures which are in place. This offers sufficient detail for the purposes of geological interpretation, further studies and resource estimation where continuity of the orebody needs to be proved and understood. • No geotechnical logging has been completed to date. • All logging included lithological features, structural measurements, and estimates of graphite percentages and flake sizes which is quantitative and is recorded on the logging sheets. Photographs have been taken as a qualitative check on logging when the need arises. • All of the trenches and pits were 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.	• No core has been drilled, and only trenching and pitting has been completed to date. • Outcrop, trench and pit samples were solar dried, crushed and split twice using a 50:50 riffle splitter. The crushing and splitting equipment was cleaned according to best practice procedures prior to every run. • Each sample was manually crushed to nominal -3mm and approximately 100-120g sub-samples was collected and send to ALS Chemex in South Africa. Field duplicates were retained on site for follow up studies if needs arise. • Certified graphite standards (GC-09 and GC-10) and silica blanks (AMIS0439) were inserted every 20th sample, and 2 pulp duplicates included per every 100 samples. • ALS Chemex Laboratory check samples (blanks, standards and duplicates) were also inserted by the laboratory to maintain QAQC standards.

Criteria	JORC Code explanation	Commentary
	• Whether sample sizes are appropriate to the grain size of the material being sampled.	• In-house duplicate samples (a second sample of the same interval) were taken and a review of these samples against the original sample assays showed consistency. • The sample sizes are considered appropriate for the material sampled.
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.	• Samples were analysed by a SANAS Accredited Laboratory (ALS Chemex) in South Africa. Sub-sample preparation included sorting and pulverizing such that 80% of the sample is -75 micron or less in size. • A split of the sub-sample was analysed using a LECO Analyser to determine Total Carbon (TC), Sulphur (S) and Graphitic Carbon (GC) contents (these are considered both partial and total digestion analyses). • For TC and S, analysed through the (C-IR07, S-IR08/(t)) methods, a stream of oxygen passes through a prepared sample (0.05 to 0.6g), it is heated in a furnace to approximately 1350°C and the sulphur dioxide and carbon dioxide released from the sample are measured with infrared detection. • For GC (analysed through the C-IR18 method), a 0.1g sample is leached with dilute hydrochloric acid to remove inorganic carbon. After filtering, washing and drying, the remaining sample residue is roasted at 425°C to remove organic carbon. The roasted residue is analysed for Carbon - High temperature LECO furnace with infra-red detection. • Certified graphite standards (GC-09 and GC-10) and silica blanks (AMIS0439) were inserted every 20th sample, and 2 duplicate pulps inserted per every 100 samples. • Internal Laboratory check samples (blanks, standards and duplicates) are also analysed as per normal laboratory practice. • All certified and laboratory internal standards, blanks and duplicates were reviewed and found to be within acceptable limits. • For the ground magnetic survey a Geotron G5 magnetometer was used and readings were recorded every 10 m in nanotesla (nT). A base station was set-up using a second Geotron G5 magnetometer and readings were recorded every 30 seconds in nT. Diurnal drift corrections were completed using Geotron Dump G5

Criteria	JORC Code explanation	Commentary
		software.
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.	• All work was completed by StratMin and Vato Consulting personnel. Significant mineralisation intersections were verified by Vato Consulting and an external consultant from Signature Gold Limited. • No twinned holes were drilled as only trenching and sampling has been completed to date. Drilling has been planned for the upcoming exploration season to verify all the results obtained by trenching and pitting. • All data was collected initially on paper log sheets. This data was hand entered into spreadsheets and validated by internal and external consultants. All paper log sheets were scanned, and electronic spreadsheets stored together with the photographs of the intersections or geological features logged. • The master collar, lithology and assay database with all photographs are backed-up and stored on an external hard drive. • During the validation process, a total of 4 samples were identified as being swapped around, and another 4 samples were identified where GC values were reported slightly higher that TC values. The laboratory investigated, re-analysed, corrected and re-issued these results that were validated and identified as being appropriate.
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. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Hand-held Garmin GPS's were used to locate surface, pit and trench locations, and final location coordinates were completed taking average readings up to 5 minutes and with estimated positional errors between 1 and 3 meters. • The WGS84 UTM Zone 39S projection system is used at the Mahefadok Prospect and a 50m grid system (geology and mining grid) has been set up along northings and eastings and is oriented GRID NORTH. • Topographical control is considered sufficient for the stage of exploration, surface wireframes downloaded from worldwide SRTM 15m ASTER data has been used to date.

Criteria	JORC Code explanation	Commentary
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.	• Trenches and pits were spaced between 50 to 100 m along the orebody strike and spacing between pits were approx. 10 to 20 m across strike. • The data spacing is considered adequate to prove geological continuity appropriate for geological interpretation and the production of geological wireframes. Drilling will be completed in the near future to close the spacing even further and provide and apply sufficient information to produce Mineral Resource Estimates. • No sample compositing occurred and samples were taken at 1m intervals within host lithology boundaries only.
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.	• Trenches and pits spaced between 50 to 100 m along the orebody strike and approx. 10 to 20 m across strike. Channel sampling methods were vertical within these pits and trenches and is considered appropriate to achieve unbiased results within the Regolith-Hosted Flake Graphite orebody. • Considering the size of the orebody (approx. 1.5km along strike and 150m wide) the methods of sampling and spacing of these samples are not considered to introduce sampling bias at this stage. Further work on this will be considered during Mineral Resource Estimation.
Sample security	• The measures taken to ensure sample security.	• Samples were stored in secure storage area at the project site from the time of gathering to sample preparation. • Samples bags were sealed as soon as sub-sampling was completed, and stored securely until dispatch to the laboratory via courier. The chain of custody and waybill forms accompany each sample batch to ALS Chemex in South Africa. • Courier Sample tracking is achieved using dispatch tracking codes during shipment to South Africa.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits of the sampling techniques and data was carried out due to the early stage of exploration (i.e. pre 2013). However it is noted here that modern exploration on the Mahefadok prospect only commenced in late 2013. • It is considered by the Company that industry best practice methods have since this date been implemented by the company at all stages of exploration.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	• Exploitation permit no PE 26670 is located in the Toamasina Province of Madagascar and held by the Malagasy company, Graph-Mada SARL which is wholly owned subsidiary of the AIM listed company, StratMin Global Resources Plc. Permit no PE 26670 was granted on 21/01/2008 and is valid for 40 years. • The permit is in good standing, and all statuary approvals are in place to conduct exploration and exploitation activities throughout this permit area and specifically on the Mahefadok Flake Graphite Deposit.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Graph-Mada SARL excavated 4 pits in the northern part of the Mahefadok prospect in 2013 which revealed significant regolith-hosted graphite mineralisation at depth. • These pits were excavated over a north-south distance (and along strike of the Mahefadok Ore body) of approx. 70 meters and Graph-Mada's in-house laboratory analysis of the pit samples returned up to 3 m @ 7.04 % Total Carbon (TC). • No other systematic exploration activities were completed within this permit area or on the Mahefadok Regolith Flake Graphite deposit until 2014 when StratMin and Vato Consulting completed preliminary Exploration Activities over the area.
Geology	• Deposit type, geological setting and style of mineralisation.	• Crystalline "hard rock" flake graphite deposits preferentially the precursor to the Mahefadok Regolith-Hosted Flake Graphite Deposit occur in graphitic gneisses within Neoproterozoic metasedimentary type rocks and include accessory minerals of biotite (± sillimanite / kyanite, ± garnet). • Due to the tropical climate and because graphite is comparatively inert, weathering of the "hard rock" graphitic gneiss units further concentrate the

Criteria	JORC Code explanation	Commentary
		graphite to form residual regolith-hosted accumulations within the weathered profile. • Regolith refers to weathered material that occurs above unweathered bedrock. Two primary subdivisions are the pedolith (PED) and the saprolith (SAP). Secondary subdivisions of the pedolith, from the surface downwards, include soil (SL), ferruginous zone (FZ), and the mottled zone (MZ). Secondary subdivisions of the saprolith, include saprolite (SP) and saprock (SR). • The Mahefadok Flake Graphite Deposit contains high-grade lenticular bodies of flake graphite within the weathered profile described above. Thicknesses of this profile range from 3.5m thick to over 38m thick in some places around the deposit where preferential weathering of the graphite bearing bedrock has occurred. • The "Hard rock" mineralizing host is still present at depth below the "Regolith-Hosted deposit" and dips at 40 □ to 50□ to the west.
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: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o Drillhole 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.	• To Date no drilling has been completed on the Mahefadok prospect and is planned to occur as a follow up to these preliminary exploration activities. • 34 outcrop samples were collected over PE 26670 and 75 pits (up to depths of 5.9m) and 6 trenches (up to depths of 6.0m) were excavated over the Mahefadok Regolith-Hosted Flake Graphite Deposit. • No Mineral Resource has been estimated over the deposit as of yet and the completion of this is pending obtaining follow up drilling results over the prospect. • The plethora of information available has been able to determine the extent, style and nature of the Mahefadok Flake Graphite Deposit while initial sampling has determined that flake graphite mineralisation persist throughout the mineralised zones defined by the preliminary exploration activities completed to date over the deposit.
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.	• Channel samples from trenches and pits through the mineralised profile at Mahefadok have been reported on a length weighted basis over the mineralised intersection. Higher grade portions if present within these sections have also been quoted to be part of the length of the entire intersection. An

Criteria	JORC Code explanation	Commentary
	• 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.	example of this is as described as follows: o SGRP033 (representing **S**tratMin **G**lobal **R**esources **P**it number **33**) o This pit was dug to a depth of 5m from surface at Mahefadok o The flake graphite mineralised body occurred from 3m to 5m within the pit profile o The 1m intersection from 3m-4m contained 6.22% GC (Graphitic Carbon) o The 1m intersection from 4m-5m contained 9.26% GC (Graphitic Carbon) o The results quoted by StratMin are as follows: ▪ **SGRP033** 2m @ 7.74% GC (including 1m @ 9.26% GC) • No Cut-off grade studies have been completed and all results are quoted as "uncut" values as they appear on the original assay sheets from the accredited laboratory. • No Metal Equivalents have been stated.
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').	• The Mahefadok Flake Graphite Deposit is hosted within a weathered regolith profile and the main mineralised lenses / horizons occur sub-horizontally within the deposit (due to the preferential accumulation of graphite within layers within the weathering of the regolith profile). • The relationship between sample widths and the orientation of the orebody are yet to be confirmed. • The deeper parts (+6m) of the Mahefadok ore body have yet to be tested and no information is available past the trenching depths at the current stage to discuss the geological nature of the ore body and grade of mineralisation. Further drilling works will confirm the nature and orientation of the deeper parts of the ore body and main "Hard Rock" mineralised gneiss.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. • These should include, but not be limited to a plan view of drill hole collar	• This information has been accurately represented in the preliminary report and contains all relevant information required for the reader to understand the orebody size, scale, orientation and nature.

Criteria	JORC Code explanation	Commentary
	locations and appropriate sectional views.	
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.	• The summary table of all intercepts and quoted within the preliminary report is contained within the appendix. This information contain all sample data collected over the deposit.
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 relevant geological, geophysical and geomorphological information collected over the Mahefadok prospect has been discussed within the main headers of the report. • Density measurements from trenches and pits were completed where graphite mineralisation was observed. This included the use of a steel cylinder (with a known volume) to collect material. After the material is weighed, the density is calculated (density = weight of material / volume of the cylinder). Densities varied between 1.58 and 2.10 gcm3 (with an average of 1.89 gcm3). • For the ground magnetic survey a Geotron G5 magnetometer was used and readings were recorded every 10 m in nanotesla (nT). A base station was set-up using a second Geotron G5 magnetometer and readings were recorded every 30 seconds in nT. Diurnal drift corrections were completed using Geotron Dump G5 software. • The corrected ground magnetic data were processed (including, gridding, filtering, and contouring) using Encom DiscoverTM (v12) software. The processing methodology involved gridding the diurnally corrected data using the Inverse Distance Weighting (IDW2) interpolation algorithm (to the power of 2), a search distance of 200 m and a spatial resolution / cell size of 5 m. Filtering involved the application of a 3x3 cell averaging filter and contouring was at an interval of 25 m. • Further and more comprehensive analysis will be completed during a feasibility study.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this	• A diamond drilling program is in the process of being planned to progress Mineral Resource, Reserve and Feasibility Studies, which include but not limited to further Geophysical, Geotechnical and Geometallurgical Studies, Groundwater and Environmental studies, Mine Planning and Scheduling. • Based on the synthesis of data from the initial exploration activities, the aim of

Criteria	JORC Code explanation	Commentary
	information is not commercially sensitive.	the next round of exploration is to produce a Mineral Resource on the already identified mineralisation at the Mahefadok prospect. • Once this work has been completed further exploration initiatives will be implemented to look at increasing the size of the Resources.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

No Mineral Resources have been quoted or published within this Scoping report, however some geological modeling and follow up work has been completed and is quoted herein

Criteria	JORC Code explanation	Commentary
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.	• A Microsoft Excel database is used as the secure form of data storage for the Mahefadok Exploration data. The master database is located in a password-protected folder on the Office server at the Loharano Operation, Madagascar, and a second offsite database is kept at the offices of Vato Consulting, Antananarivo. Peripheral users have read-only access to this database. • It is considered by the Company that industry best practice methods have since this date been implemented by the company at all stages of exploration. All work completed by StratMin and Vato Consulting personnel was verified and validate by Vato Consulting and an external consultant from Signature Gold Limited to be well in line or better than industry standard practice. • All data initially collected on paper logging sheets to create an audit trail is then entered into spreadsheets and validated by internal and external consultants. All paper log sheets are scanned, and electronic spreadsheets stored together with the photographs of the intersections or geological features logged. • The master collar, lithology and assay database with all photographs are backed-up and stored on an external hard drive. • During the validation process, a total of 4 samples were identified as being incorrectly entered, and another 4 samples were identified where GC values were reported slightly higher that TC values. The laboratory investigated, re-analysed, corrected and re-issued these results that were validated and

Criteria	JORC Code explanation	Commentary
		identified as being appropriate.
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.	• Mr Jannie Leeuwner a full time employee of Vato Consulting. Mr Leeuwner was responsible for exploration activities and data capture, maintenance and management of the Mahefadok Exploration database. Mr Leeuwner a co-author and Competent Person of this report. • Mr Jonathan Robbeson, co-author of this report is a full time employee of Signature Gold Limited. Mr Robbeson verified, validated and interpreted the exploration data and results from the activities completed at Mahefadok. Mr Robbeson has to date not been to the Mahefadok Site, but has the relevant experience in the field and styles of deposit to be considered a Competent Person.
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 continuity both of grade and geology.	• The Flake Graphite Mineralisation hosted with the weathered regolith profile at Mahefadok has been mapped, pitted and trenched at approximately 50-100m intersections along strike (for near 1.5km) and 10-20m intervals for 150m perpendicular to strike. In over 80% of the cases mineralisation was defined within the Pedolith and Saprolith profile and continuity of the said mineralised horizons have been proved through most of the deposit. • Pitting, trenching, mapping, geophysical, geochemical, satellite etc… data has been used to collate information on the mineralisation at the Mahefadok prospect. • Mineralisation is found within 2 distinct zones at the Mahefadok Deposit (Zone 1 to the north and Zone 2 to the south). • Within each of the mineralised zones, grades vary between the distinct layers of the weathering profile and seem to become richer the deeper one moves through the profile. Each of the Regolith layers that contain Flake Graphite Mineralisation have been wireframes separately and any resource estimation that will be completed will be done so using samples that are “Hard Coded” to those geology domains only. • The main “Hard Rock” mineralizing host (Graphitic Gneiss), has been mapped as outcrop around the area, but no drilling has yet been completed to validate the continuity and grade of this horizon. Again, samples from drilling that intersects this horizon will be hard coded by geology during the estimation procedures. • No Mineral Resource has been produced for the Mahefadok “Regolith-Hosted” or Hard Rock” mineralisation to date, but the information contained herein

Criteria	JORC Code explanation	Commentary
		forms the precursor to this work that will be completed in due course.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The geological wireframes depicting the Regolith-Hosted Flake Graphite Mineralisation at Mahefadok have been trenches, pitted, sampled over a strike length of approximately 1.5km and 150m perpendicular to strike. • The Regolith-Hosted flake graphite mineralisation has been trenched to a maximum of 6m below surface and continues at depth and has not been closed off with drilling data as of yet. • The assessment of the Loharano mine mineralisation (same style and mineralizing host) some 1km to the north of the Mahefadok has drilled intersection of Regolith-Hosted Mineralisation to +20m depth in some areas. It is assumed where the regolith profile reaches these depths at Mahefadok mineralisation may still persist. This can and will only be tested with follow up drilling during the next stage of exploration at Mahefadok.
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 behind modelling of selective mining units. • Any assumptions about correlation between variables.	• No Mineral Resource Estimation has been completed on the Mahefadok Regolith-Hosted Flake Graphite Deposit to date. • Only once further drilling, geochemical, geometallurgical and geological data is available will Mineral Resource studies be able to be commenced at the Deposit. • From available data check estimates and estimation strategies at the Loharano Mineral Resource can be cross checked with those proposed at Mahefadok. The reliability of these can also be cross referenced with mining and reconciliation data available for this operation. • Recovery would be assumed to be +70% based on the records available from the Loharano Operation. • All samples are assayed for Sulphur, and estimation of Sulphur will be completed during the Mineral Resource estimate. • A block model of the Mahefadok Regolith-Hosted Flake Graphite Deposit was created to ascertain the tonnage of the already defined mineralisation at the prospect – No grade estimation was completed as no representative drilling is available. • Parent and sub-cell sizes used are defined below and geological wireframes representing the mineralised regolith horizons were blocked out using v9.1 VulcanTM Software. ▪ 10m (x), 24m (y) and 2m (z) – Parent Cells

Criteria	JORC Code explanation	Commentary
	• 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 drill hole data, and use of reconciliation data if available.	▪ 1.25m (x), 3m (y) and 0.25m (z) – Sub-cells • All blocking routines were constrained by the geological wireframes of the Regolith Profiles. • No Grade estimation has been completed so no grade cut-off values and boundary analysis or validation of estimation parameters, block sizes, KNA, reconciliations, etc… have been completed to date.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Tonnages are estimated on a wet basis based off density analysis completed over the domains hosting flake graphite mineralisation. • Density measurements from trenches and pits were completed in the geological domains where graphite mineralisation was observed. This included the use of a steel cylinder (with a known volume) to collect material. After the material is weighed, the density is calculated (density = weight of material / volume of the cylinder). Densities varied between 1.58 and 2.10 gcm3 (with an average of 1.89 gcm3). • No Dry density calculations have been completed, but it is understood that moisture content varies throughout the regolith profile depending on the height of the water table in the region.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• No grade estimation has been completed to date, so no cut-off grade analysis has been completed. • Cut-off grades will be determined during the Mineral Reserve studies for the operation based on various modifying factors as the reserve and Life of Mine schedule is developed.
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 Mahefadok Deposit will be mined by conventional open cut mining methods. The deposit will be mined sequentially from North to South. Normal dig and haul mining equipment such as excavators and trucks will mine the deposit sequentially. • No drill and blasting is required as no “cap-rock” is present above the Regolith-Hosted Flake Graphite Mineralisation, a simple clear and grub with a dozer is required to open up the orebody, with top soil stockpiled in windrows less than 3m high and used during later rehabilitation works. Overburden/ waste is then stripped off and stockpiled separately, while the ore is mined, and transported, and stockpiles at the processing plant. • Based on field trenching and pitting observations and the degree of weathering

Criteria	JORC Code explanation	Commentary
		observed in the field 5m benches with 50-60 implemented as minimum practice. This should be confirmed with a geotechnical assessment during feasibility studies.
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always 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 assumptions made.	• No geometallurgical studies have been completed to date from ores at the Mahefadok Deposit. • A normal communition and flotation circuit is currently used at the Loharano operation and it is assumed that similar operation will be needed for the Mahefadok ores.
Environmental factors or assumptions	• 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 assumptions made.	• A constant rehabilitation mining technique will be implemented once the conventional open pit has progressed for enough to start stockpiling waste rock back into the open voids created by mining. This area should then be covered with topsoil from pervious clearing and grubbing activities. • Little to no AMD is predicted for the operation however NAPP testing will be completed on ores and waste rock better understand this. • All noise dust, odour, surface water, groundwater studies should be completed during the feasibility studies.
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 the measurements, the nature, size and representativeness of 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.	• Density measurements from trenches and pits were completed in the geological domains where graphite mineralisation was observed. This included the use of a steel cylinder (with a known volume) to collect material. After the material is weighed, the density is calculated (density = weight of material / volume of the cylinder). Densities varied between 1.58 and 2.10 gcm3 (with an average of 1.89 gcm3). • Further density and relative density measurements will be taken throughout the following exploration campaigns to better understand variability throughout the deposit
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).	• No Mineral Resource has been produced to date for the Mahefadok Regolith-Hosted Flake Graphite Deposit and classification studies will be completed at a later date.

Criteria	JORC Code explanation	Commentary
	• Whether the result appropriately reflects the Competent Person's view of the deposit.	
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• No Mineral Resource has been produced to date for the Mahefadok Regolith-Hosted Flake Graphite Deposit and prior to release of this information an independent expert will contracted to review the information
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 tonnages, which should be 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 should be compared with production data, where available.	• No Mineral Resource has been produced to date for the Mahefadok Regolith-Hosted Flake Graphite Deposit. • When the Mineral resource is produced, all available best management practices will be used to assess the accuracy and confidence of the estimate.

Section 4 Estimation and Reporting of Ore Reserves

No Ore Reserves have been detailed within this report and will depend on the results of the Feasibility Study to be conducted on the Mahefadok Saprolite-Hosted Flake Graphite Deposit