

GRAPHITECORP

This is a replacement prospectus dated 10 November 2015. It replaces a prospectus dated 23 October 2015, relating to shares of Graphitecorp Limited ACN 157 690 830.

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Prospectus

for an offer of 10 million shares in Graphitecorp Limited ACN 157 690 830 at \$0.20 per share to raise \$2 million

*This is an important document and should be read in its entirety.
An investment in Graphitecorp should be considered speculative.*

Broker

Morgans IN ALLIANCE WITH **CIMB**

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Legal Adviser

Lawyers **McCullough
Robertson**

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IMPORTANT NOTICES

General

This replacement prospectus is dated 10 November 2015 and was lodged with ASIC on that date. It replaces the original prospectus lodged with ASIC on 23 October 2015. Graphitecorp has applied to the ASX for the admission of Graphitecorp to the official list of ASX and for quotation of the Shares the subject of this Offer. This replacement prospectus (hereinafter referred to as 'this prospectus') has been issued to provide further information about the contractual arrangements between Graphitecorp and its joint venture partners, the assets the subject of those arrangements, the risks arising from an investment in Shares, further detail about the governance arrangements of Graphitecorp and to remove certain forward looking statements regarding the timetable for the progression of the Project. Neither ASIC or ASX takes any responsibility for the contents of this prospectus or the merits of the investment to which this prospectus relates. No Shares will be allotted or transferred on the basis of this prospectus after the expiry date (10 December 2016).

No person is authorised to give any information or make representations about the Offer, which is not contained in this prospectus. Information or representations not contained in this prospectus are not authorised by Graphitecorp, or any other person, in connection with the Offer.

This prospectus sets out important information about Graphitecorp and should be read in its entirety. Examine the risk factors that could affect the performance of an investment in Graphitecorp carefully. Consider those factors carefully. Consider seeking professional advice before deciding whether to invest. The offer does not take into account the investment objectives, financial situation or needs of particular investors.

JORC Code competent person statement

The information in the Chairman's letter, sections 1.1 and 2.1 and in the Independent Technical Report (including the extract of that report in section 4) that relates to the Inferred Mineral Resource and Exploration Target for the Project is based on information compiled by Mr Robert Dennis who is a full-time employee of RungePincockMinarco and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mr Dennis has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code. The Independent Technical Report by RungePincockMinarco sets out in section 1.6 the specific areas of responsibility for the various authors of that report, including Mr Dennis. Please refer to the Independent Technical Report for further information.

Australian residents only

The offer is available to Australian residents. The distribution of this prospectus in jurisdictions outside Australia may be restricted by law. Seek advice on and observe any restrictions. This prospectus is not an offer in any place where, or to any person to whom, it would not be lawful to make the Offer.

Defined terms

Some terms used in this prospectus are defined in the Glossary.

Electronic prospectus

This prospectus is available electronically at <http://www.graphitecorp.com.au>. Electronic versions of this prospectus should be downloaded and read in their entirety. Applications for Shares may only be made on the application form attached to this prospectus or in its paper copy form downloaded in its entirety from <http://www.graphitecorp.com.au>.

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IMPORTANT NOTICES

Exposure period

Graphitecorp has not processed application forms during the seven day exposure period, which was extended by a further seven days, following lodgment of the original prospectus with ASIC. This exposure period enabled the original prospectus to be examined by market participants. No preference will be given to application forms received during the exposure period. ASIC Class Order 00/169 means that there is no additional exposure period under the Corporations Act 2001 (Cth) for this replacement prospectus.

Privacy

If you complete an application form you will be giving Graphitecorp personal information. Graphitecorp and the share registry collect, hold and use that personal information to assess your application and to communicate and provide services to you as a shareholder. Graphitecorp may disclose information to its agents, service providers (such as the share registry) and government bodies. You may access, correct and update the personal information that we hold about you by contacting the share registry.

Currency

Monetary amounts shown in this prospectus are expressed in Australian dollars unless otherwise stated.

Photographs and diagrams

Photographs used in this prospectus without descriptions are only for illustration. The people shown are not endorsing this prospectus or its contents. Diagrams used in this Prospectus may not be drawn to scale. The assets depicted in photographs in this prospectus are not assets of the Company unless otherwise stated.

Speculative investment

An investment in Shares should be regarded as speculative.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

IMPORTANT DATES*

Graphitecorp commences acceptance of applications

Tuesday, 10 November 2015

Offer Closes (Brisbane Time)

5.00pm Friday, 20 November 2015

Quotation of Shares on ASX

Monday, 30 November 2015

*Dates and times are indicative only and subject to change



Letter from the Chairman

10 NOVEMBER 2015

Dear Investor

On behalf of the Board, it gives me great pleasure to offer you this opportunity to invest in Graphitecorp Limited, a graphite project developer that has 80% joint venture (JV) interests in a high grade flake graphite project strategically located in Queensland. Those interests are currently held in two separate joint ventures. Graphitecorp's 20% joint venture parties are Exco Resources Limited, a wholly-owned subsidiary of Washington H. Soul Pattinson and Company Limited and Flamingo Copper Mines Pty Ltd, a wholly-owned subsidiary of Queensland Mining Corporation Limited.¹

The Mount Dromedary Graphite Deposit was discovered in the 1970s, mapped later in the 1990s, and is located 125km north-northwest of Cloncurry in Northwest Queensland (Mount Dromedary Flake Graphite Project). Prior to drilling this year, the graphite schist unit at Mount Dromedary was mapped by Graphitecorp during 2014 as outcropping at surface over a strike-length of three kilometres.

Our drilling program in September 2015 confirmed the presence of a high grade flake graphite deposit at Mount Dromedary and fulfilled our farm-in obligations with permit holders. Six of nine holes drilled ended open in graphite mineralisation and most holes commenced in graphite mineralisation.

RungePincockMinarco (RPM) has estimated a maiden Inferred Mineral Resource of 4.3Mt @ 15.0% C Graphitic, which Mineral Resource has high and medium grade portions with the high grade portion amounting to 2.7 Mt @ 20.4% C Graphitic and the medium grade portion amounting to 1.6 Mt @ 5.7% C Graphitic.²

¹ Graphitecorp proposes to exercise its rights to acquire Flamingo's joint venture interest (and the relevant EPM) – refer to section 8.2 for further information.

² Details of the Inferred Mineral Resource, including the relevant cut-off grades, flake size and important qualifications, are set out in, and should be read in conjunction with, Table 1 and Table 2 of the Independent Technical Report annexed to this prospectus (the summary of which is included as section 4).

In addition, RPM has an Exploration Target of 101-156Mt @ 12%-18% C Graphitic.³ *The Exploration Target is conceptual in nature, as there is insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will produce a Mineral Resource.*

The Board considers that these results support additional investment, to further understand the deposit and to complete a detailed feasibility assessment of establishing a business to mine, process and market high quality graphite products into Asian and other global markets. Importantly, the project is expected to have a cost competitive and readily available transport solution. The Mount Dromedary Flake Graphite Project lies less than 1km west of the Burke Development Road (Route 83), a two-lane, sealed all weather public highway.

For more information on the Mount Dromedary Flake Graphite Project, see sections 1 and 2 and the Independent Technical Report.

The stewardship of the project is critical to Graphitecorp's success. We have assembled an outstanding board and management team with relevant leadership, project development and graphite industry experience. In particular, the Board is fortunate to have secured Philip St Baker as Managing Director. As the former managing director of ERM Power Limited, Mr St Baker took that company from a family owned business to an IPO in 2010, reaching a market capitalisation of \$500 million during his tenure as managing director. I worked closely with Mr St Baker for four years in my capacity as chairman of ERM Power Limited and I am confident he has the skills to steward the project, with the support of the Board, to its full potential. Notably, Mr St Baker's interests are aligned closely to all shareholders. Having invested significantly in Graphitecorp, he will have voting power in excess of 11.4% on listing (excluding any Shares Mr St Baker or his associates take up under the Offer).

³ An Exploration Target is not a Mineral Resource. An explanation of the basis of the estimate, including relevant information on which it is based, is set out in, and should be read in conjunction with, Table 3 of the Independent Technical Report annexed to this prospectus (the summary of which is included as section 4).

It is also important to highlight the skills of two other members of our team, Greg Baynton and Martin Ebeling. Mr Baynton identified the Mount Dromedary graphite opportunity through examination of historical records and has an extensive track record in resource development, corporate governance and financial advisory experience. I have known Mr Baynton for more than 20 years and know Graphitecorp will benefit greatly from his energy and intense focus on creating shareholder value.

Mr Ebeling is based in Germany and is a marketing and technical consultant to the Board. He has decades of graphite industry experience, including a deep knowledge of graphite products and markets, along with a strong understanding of graphite mining, processing and purification techniques.

The Board will collectively have voting power in Graphitecorp in excess of 59% on listing (excluding any Shares taken up by the Directors under the Offer), a strong incentive to create value for all Graphitecorp shareholders.

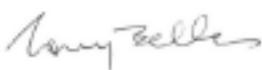
For detailed biographies of the Board, see section 3.

The offer under this prospectus is for 10 million Shares at \$0.20 per Share to raise \$2 million (before Offer costs). The funds raised by this Offer, together with existing cash reserves, will provide Graphitecorp with working capital to further define the size and quality of the Mount Dromedary flake graphite deposit and complete a detailed feasibility assessment of a business to mine, process and market high quality graphite products into Asian and other global markets.

The nature of mineral exploration and development is inherently difficult to predict. There are numerous risks that may delay progression of the project, increase expected costs, affect expected revenues or otherwise make the project uneconomic. While the Board will endeavor to mitigate those risks to the extent practicable, many risk factors, such as commodity prices or the prevailing economic environment (particularly the state of the equity markets and the appetite of investors in those markets), are outside the control of the Board. In preparing this prospectus, the Board has identified a range of key risks, which are set out in detail in section 5. I encourage you to read that section carefully, so you can better understand and balance the risks of an investment in Graphitecorp. I encourage you to read this document carefully before making your investment decision.

I look forward to welcoming you as a shareholder.

Yours faithfully



Tony Bellas
Chairman

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1. Investment Overview



Outcropping graphite schist, Mount Dromedary central area - drill-sites prepared prior to drilling in September 2015

OFFER OVERVIEW

Issue price per share	\$0.20
Total number of Shares offered	10,000,000
Total proceeds raised (before Offer costs)	\$2,000,000
Shares on issue at completion of the Offer	69,538,047
Market capitalisation at \$0.20 per Share	\$13.9 million

SECTION 1

INVESTMENT OVERVIEW

1.1 PROJECT OVERVIEW

The Mount Dromedary Flake Graphite Project (**Project**) is located 125km north-northwest of Cloncurry in Northwest Queensland, adjacent to a sealed highway. Graphitecorp holds joint venture interests of 80% in the non-metal mineral rights within four exploration permits for minerals (EPM) (**Permits**). The Permits are held in two separate joint ventures: one with Exco Resources Limited, a wholly-owned subsidiary of Washington H. Soul Pattinson and Company Limited and the other with Flamingo Copper Mines Pty Ltd, a wholly-owned subsidiary of Queensland Mining Corporation Limited.⁴

Exploration work during 2014 and earlier this year identified a high grade flake graphite mineralization hosted in schist and slate, outcropping over a 3,000m strike length, with thicknesses in excess of 30m and up to 240m.

RungePincockMinarco, Graphitecorp's independent technical expert, has defined:

- a maiden Inferred Mineral Resource of 4.3Mt @ 15% C Graphitic⁵; and
- an Exploration Target of 101-156Mt @ 12%-18% C Graphitic.⁶

The Exploration Target is conceptual in nature, as there is insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will produce a Mineral Resource.

Preliminary testwork has indicated that good grade concentrates (93.3% C_{FIXED}) could be produced using flotation with concentrate re-grinding at relatively coarse grind sizes (see the Independent Technical Report, section 8.5).

⁴Graphitecorp proposes to exercise its rights to acquire Flamingo's joint venture interest (and the relevant EPM) – refer to section 8.2 for further information.

⁵Details of the Inferred Mineral Resource, including the relevant cut-off grades, flake size and important qualifications, are set out in, and should be read in conjunction with, Table 1 and Table 2 of the Independent Technical Report annexed to this prospectus (the summary of which is included as section 4).

⁶An Exploration Target is not a Mineral Resource. An explanation of the basis of the estimate, including relevant information on which it is based, is set out in, and should be read in conjunction with, Table 3 of the Independent Technical Report annexed to this prospectus (the summary of which is included as section 4).



The entrance to the Mount Dromedary Project from the Bourke Development Road

1.2 GRAPHITE MARKET

Graphite possesses a unique combination of properties such as being light weight, strong, conductive, heat resistant, corrosion resistant, and having high lubricity. As a result, graphite has an extremely diverse and expanding number of industrial and technological applications. Common applications include refractories, carburisers, brake pads, gaskets, seals, insulation, lubricants, paints, plastics, resins, batteries, capacitors, solar cells, nuclear reactors, powder metallurgy and graphene. Industries reliant on graphite include steel, metals, automotive, aerospace, defence, energy storage, nuclear energy, renewable energy, construction, paints, plastics, paper, chemical, petrochemical, electronics, telecommunications, consumer goods, water, beverage, agriculture, medical, and personal care.

Given the economic importance of flake graphite and the fact that China has supplied about 70% to 80% of the world's supply over the last 25 years the EU have classified it as Strategic Mineral and the USA have classified it as a Critical Supply Mineral.

Demand for graphite is on a long term positive trend linked to production levels of steel, aluminium, consumer goods, and the overall global GDP growth, having approximately doubled between 2000 and 2010.

Graphite is a specialised niche industrial mineral market where nimble and low cost operators with good deposit and location fundamentals, good downstream market knowledge and sustainable safety and environmental standards will be favoured.

SECTION 1

INVESTMENT OVERVIEW

1.3 OPPORTUNITY

Graphite continues to attract investor interest, due in part to the anticipated growth in graphite demand from advanced technologies (such as lithium-ion batteries and other energy storage devices) and also as a result of supply side constraints in China, the world’s largest graphite producer. The Asia Pacific region represents the largest market for graphite globally and, given the location of the Project, will be Graphitecorp’s primary focus for any product developed.

Graphitecorp will apply the funds raised under the Offer, together with its existing cash reserves, to progress the Mount Dromedary Project toward a final investment decision (FID).

The Directors believe that the Mount Dromedary Flake Graphite Project is well-located to supply Asia-Pacific markets from export ports in Queensland.

Using existing road transport to Brisbane, an opportunity exists to export bagged graphite product to North Asian, European and USA markets from the Port of Brisbane.



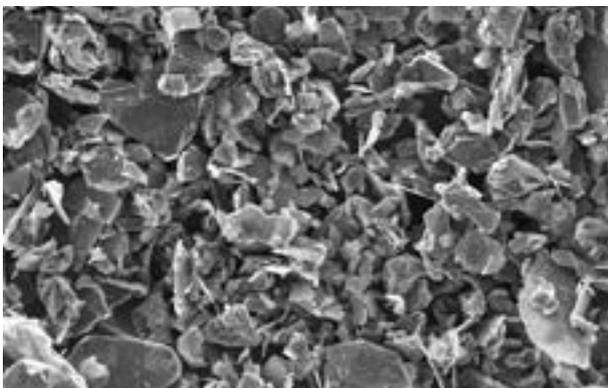
1.4 BUSINESS PLAN

Graphitecorp aims to establish itself as the lowest cost exporter of flake graphite concentrate in the Asia Pacific region. A key element of this is to focus, in the near term, on developing long term strategic relationships with customers and technology partners.

- Phase 1 of the business plan is to develop the Mount Dromedary Graphite Project. While further work is required, the Board intends to progress the Project as quickly as possible, with a view that FID could be achieved within FY2017.

In parallel with the work to further define the graphite resource, Graphitecorp intends to undertake a sales and marketing campaign to build strategic relationships that will ultimately capture marketshare in the Asia Pacific natural graphite concentrate market.

- Phase 2 of the business plan is to achieve safe, reliable low cost production, low transport costs and exceed customer expectations in terms of product delivery, quality, and support.
- Phase 3 of the business plan is to investigate downstream opportunity, (such as manufacture of high purity spherical graphite and graphene research, development and commercialisation), which would involve working closely with strategic customers and technology partners.



High-purity micronised flake graphite



Natural flake graphite concentrate powder

SECTION 1

INVESTMENT OVERVIEW

TABLE 1: PROJECT DEVELOPMENT MILESTONES[#]

	FY2015				FY2016				FY2017				FY2018			
	Q1	Q2	Q3	Q4												
Research and concept development		✓														
Visual assessment and surface sampling			✓													
Metallurgical test work			✓													
Conceptual economic assessment			✓													
Verification drilling					✓											
Inferred resource						✓										
In-house Preliminary economic assessment					✓											

TABLE 2: INDICATIVE TIMETABLE TO FID[#]

	FY2015				FY2016				FY2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Infill drilling												
Metallurgical test work												
Resource estimate (indicated/measured)												
Environmental authority/mining licence												
Off-take agreements												
Engineering/procurement												

[#] The Gantt chart above sets out the Board's current best estimate of timing to FID. Accurately estimating timing on, or the likelihood of achieving, a FID on a project of this nature, which involves potential delays, some of which are outside the control of Graphitecorp (such as environmental risk and counterparty risk) and various risks that, should they eventuate, may support a decision not to progress the project (such as exploration and development risk and commodity price risk), is inherently difficult. Accordingly, you should not place undue reliance on the time line set out above and consider it with regard to the risks described in section 5.



1.5 USE OF FUNDS

USE OF FUNDS	AMOUNT
Drilling and metallurgical testing [^]	\$1,155,000
Studies, permitting and banking [^]	\$995,000
Product development and sales	\$350,000
Expenses of the Offer	\$196,000
Corporate expenses	\$295,000
Working capital	\$309,000
Total funds	\$3,300,000[#]

[#] The Offer will raise \$2 million (before Offer costs) which, combined with Graphitecorp's existing cash reserves of about \$1.3 million, gives Graphitecorp cash resources of \$3.3 million on admission.

[^] Expected timing for these steps is set out in section 1.4 (table 2). Required studies will likely include mineralogical, geological (including resource estimates), metallurgical, hydrological, geochemical, cultural, social, fauna, flora, soil, water, mining, processing, logistics, communications, sales, marketing and economic studies. Permitting includes applying for an environmental authority, and other relevant permits required to conduct mining operations, including an application for a mining lease.

An ASX listing will deliver significant benefits for Graphitecorp including:

- ongoing access to equity capital markets;
- increasing its public profile;
- where appropriate, facilitating further investment by the issue of Shares; and
- an opportunity to incentivise management.

The company has sufficient working capital to carry out the objectives outlined above.

SECTION 1

INVESTMENT OVERVIEW

1.6 SHAREHOLDING STRUCTURE

The shareholding structure of Graphitecorp at the date of this prospectus, and on admission to the ASX, is set out in the table below:

SHAREHOLDER	NOW (M)		ON ADMISSION (M)	
	Value	Percentage	Value	Percentage
IPO investors	Nil	Nil	10	14.4%
Directors and management	38.3	67.7%	41.3	59.4%
Seed investors and others [#]	18.2	32.3%	18.2	26.2%

[#] Excluding Mr St Baker, who took up shares as a seed investor.

The holders of about 75% of the issued capital of Graphitecorp on admission will be restricted from selling or otherwise dealing in the Shares held by them at the date of this prospectus for periods from August 2016 to November 2017 (see section 8.4).

1.7 BOARD AND MANAGEMENT

Graphitecorp has assembled a board with commendable experience in resource exploration, project development and equity capital markets.

- **Tony Bellas** Chairman
- **Philip St Baker** Managing Director
- **Greg Baynton** Executive Director

In addition, Martin Ebeling has recently been appointed 'Market & Technical Adviser' to Graphitecorp. Mr Ebeling has extensive experience in graphite products and international markets for graphite, together with experience in mining, processing and purification of graphite.

In addition, the Board will rely on expertise of consultants, as and when required by Graphitecorp. In particular, the Board will rely on expert consultants in the areas of geological assessment, reserve estimation, metallurgical assessment, environmental assessment, permitting and tenure, engineering and procurement, construction and commissioning.

The Board will hold voting power in Graphitecorp of in excess of 59% (excluding any Shares taken up by the Directors under the Offer) on Graphitecorp being admitted to the official list of ASX.

For detailed biographies of the Board and Mr Ebeling, see section 3.1.

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1.8 INTERESTS, BENEFITS AND RELATED PARTY TRANSACTIONS

DIRECTOR	NOW (M) [^]		ON ADMISSION (M) [^]	
Tony Bellas	3.9	6.9%	3.9 [^]	5.6%
Phil St Baker [#]	5.0	8.8%	8.0 ^{##^}	11.5%
Seed investors	29.4	52.0%	29.4 [^]	42.3%

[^] Does not include any Shares taken up by the relevant Director under the Offer.

[#] Mr St Baker has also been granted 1,562,500 performance rights, which vest progressively during the term of his executive agreement subject to continuity of employment and share price appreciate hurdles (see section 8.5).

^{##} Reflects the issue of 2,976,903 Shares to Mr St Baker as remuneration from his date of employment to the admission of Graphitecorp, which issue is conditional on Graphitecorp's admission to the official list of ASX.

Messrs St Baker and Baynton are executives and receive salary of \$150,000 per annum and \$100,000 per annum (including superannuation) respectively (and no further remuneration in their roles as Directors). Mr Bellas receives \$50,000 per annum as Chairman.

The Directors also have the benefit of directors and officers insurance cover, an indemnity from Graphitecorp and other customary rights under a deed of indemnity, access and insurance that Graphitecorp has entered into with each Director.

1.9 KEY RISKS SUMMARY

An investment in Graphitecorp should be considered in light of the following key risks:

- **Exploration and development risk**

The exploration and development of mineral projects is highly speculative and involves a high degree of financial and other risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not reduce or eliminate.

SECTION 1

INVESTMENT OVERVIEW

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- **Financial resources**

Graphitecorp has no operating revenue and is unlikely to generate any revenue in the short to medium term. The Board anticipates that Graphitecorp's existing cash resources, together with the proceeds of the Offer, will be sufficient to progress the Project to FID. Graphitecorp's budget assumes that its joint venture partners will contribute their participating interest to the joint venture. If they do not do so, Graphitecorp may need to either raise further equity capital to progress the Project to FID, or adjust the focus and parameters of planned development. Beyond that, if its exploration program is successful, more substantive equity funding will likely be required to advance the prospect toward commercial production.

- **Commodity prices**

The value of Graphitecorp's assets is likely to correlate with the price of graphite. Industrial mineral prices fluctuate, can be difficult to predict with any degree of accuracy and are affected by numerous factors beyond Graphitecorp's control.

- **Counterparty risk**

Graphitecorp has only recently (in September 2015) farmed-in to the Permits. At the date of this prospectus, the joint venture parties have not yet agreed long form agreements in respect of the joint venture. Any delay in agreeing those terms may delay expenditure on the Project. Also, both farm-in agreements include protections to Exco and Flamingo if economic metals discoveries are made.⁷ In the case of the joint venture with Flamingo Copper Mines Pty Ltd, if the Permit holder seeks to develop a metals project which is inconsistent with the development of the graphite project, priority will be determined by the resource with the greatest net recoverable value. In the case of the Exco joint venture, if the Permit holder seeks to develop a metals project which is inconsistent with the development of the graphite project, priority will be determined by the resource with the greatest net recoverable value (to Exco). Accordingly, even if Graphitecorp is able to define a commercial resource, it may not be able to progress commercial development and would have no compensation for such an outcome. The Board considers the likelihood of a competing metals project preventing the development of the Project to be low – the rationale for that belief is set out under the relevant heading in section 5.2.

- **Tenure**

Graphitecorp is not the legal holder of the Permits. Under its farm-in arrangements with the Permit holder, it has rights for the non-metal minerals only (such as graphite). The fact that Graphitecorp is not the legal holder means that it relies on the legal holder to take certain actions in respect of the Permit (e.g. to pay rent, facilitate mining lease applications etc.). The Board considers the risk is mitigated in the event that Graphitecorp sought and obtained a mining lease application jointly with the Permit holders in accordance with their respective ownership interests. More detail on the Permits is set out in section 2.1.

For detailed risk summaries, see section 5.

⁷ Graphitecorp proposes to exercise its rights to acquire Flamingo's joint venture interest (and the relevant EPM) – refer to section 8.2 for further information.

1.10 NO DIVIDENDS

The Board does not expect to declare any dividends until Graphitecorp is generating revenue from commercial operations.

IMPORTANT NOTICE

This section is not intended to provide full details of the investment opportunity. You must read this prospectus in full to make an informed investment decision. The Shares offered under this prospectus carry no guarantee of return of capital, return on investment, payment of dividends or on the future value of the Shares.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

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2. The Mount Dromedary Flake Graphite Project

2.1 OVERVIEW

The Mount Dromedary Flake Graphite Project is located 125km north-northwest of Cloncurry, Queensland, adjacent to a sealed highway. Graphitecorp has an 80% interest in the deposit under a joint venture with Exco Resources Limited, a wholly-owned subsidiary of Washington H. Soul Pattinson & Company Limited, and a separate 80% interest in an exploration permit under a joint venture with Flamingo Copper Mines Pty Ltd, a wholly-owned subsidiary of Queensland Mining Corporation Limited. Graphitecorp expects to be operator of the joint ventures.⁸

Details of the permit are set out below:

EPM	Permit holder	Grant date	Sub blocks	Expiry date
EPM 16983	Exco Resources Limited	26/05/2010	Normanton 3123 S	25/05/2018
EPM 18128	Exco Resources Limited	11/04/2011	Normanton 3123 O	10/04/2016
EPM 18995	Exco Resources Limited	30/04/2012	Normanton 3123 D, J	29/04/2017
EPM 17323	Flamingo Copper Mines Pty Ltd	20/10/2010	Normanton 3123 N	19/10/2016

⁸Graphitecorp proposes to exercise its rights to acquire Flamingo's joint venture interest (and the relevant EPM) – refer to section 8.2 for further information.

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SECTION 2

THE MOUNT DROMEDARY FLAKE GRAPHITE PROJECT

The Project area was initially explored in the 1970's and 1990's. That work identified flake graphite mineralisation hosted in schist and slate. Although at an early stage of development, mineralisation is currently defined outcropping over a 3,000m strike length and thicknesses from 30m to 240m. The limited drilling to date has focused on the southern and central areas. An initial 400m reverse circulation (RC) drilling program was completed by Graphitecorp in September 2015 to confirm the presence of graphite schist at depth and complete the requirements of the relevant farm-in agreements (see section 8.2).

With the completion of the initial 400m RC drilling campaign, Graphitecorp earned an 80% interest in the Mount Dromedary Flake Graphite Project.



The outcropping graphitic schist mapped to date (outlined in white) is shown within the Mount Dromedary Graphite Project farm-in Permits and relevant sub-blocks. EPM 16983 (to the immediate south of the project area) is not shown as the graphitic schist does not appear to be present within that southern EPM.



Sampling graphite schist outcrop for analysis during November 2014



Reverse Circulation drilling samples from drill hole MD-01 during September 2015

From the results of the September 2015 maiden drilling and analysis, RPM has:

> defined a maiden Inferred Mineral Resource of 4.3Mt @ 15.0% C Graphitic with flake size in the range of 27% Jumbo, 18% Coarse, 6% Medium, 23% Fine and 26% Very fine.⁹

The Mineral Resource has high and medium grade portions: the high grade portion being 2.7Mt @ 20.4% C Graphitic and the medium grade portion being 1.6Mt @ 5.7% C Graphitic. The Mineral Resource extends from surface to approximately 80m depth.

> estimated an Exploration Target of 101-156Mt @ 12%-18% C Graphitic with flake size target in the range of 10%-30% Jumbo, 8%-20% Coarse, 3%-7% Medium, 15%-25% Fine and 25%-66% Very fine.¹⁰

⁹ Details of the Inferred Mineral Resource, including the relevant cut-off grades, flake size and important qualifications, are set out in, and should be read in conjunction with, Table 1 and Table 2 of the Independent Technical Report annexed to this prospectus (the summary of which is included as section 4).

¹⁰ An Exploration Target is not a Mineral Resource. An explanation of the basis of the estimate, including relevant information on which it is based, is set out in, and should be read in conjunction with, Table 3 of the Independent Technical Report annexed to this prospectus (the summary of which is included as section 4).

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SECTION 2

THE MOUNT DROMEDARY FLAKE GRAPHITE PROJECT

2.1 OVERVIEW - CONTINUED

The Exploration Target is conceptual in nature, as there is insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will produce a Mineral Resource.

The Board has considered preliminary “sighter” metallurgical testwork undertaken by third-parties on Mt Dromedary graphite ore.

Preliminary testwork has indicated that good grade concentrates (93.3% C_{FIXED}) could be produced using flotation with concentrate re-grinding at relatively coarse grind sizes (see the Independent Technical Report, section 8.5).

Subject to further metallurgical and processing studies, potential markets for Mount Dromedary graphite products include:

- large flake for premium markets (lithium-ion battery manufacture);
- surface enhanced/coated graphite (with carbon or silicon);
- spherical graphite manufacture; and
- micronized graphite powders.

Reverse Circulation drilling samples from drill hole MD-08 during September 2015



2.2 TRANSPORT & LOGISTICS

The deposit lies about 1km west of the sealed Burke Development Road (Route 83), which links the project with Cloncurry. From Cloncurry, the Stuart Highway and the Mount Isa System railway network provide access into the Port of Townsville. The Burke Development Road leads directly to the Port of Karumba in the Gulf of Carpentaria. Daily road-train transport to the Port of Brisbane is also available from the Burke Development Road and the Stuart Highway via freight haulage companies.

Graphitecorp has entered into a collaboration agreement with a freight haulage company to scope cost-efficient options for a road and port solution to transport bagged graphite concentrate from the Cloncurry district to the Port of Brisbane (see section 8.3). The collaboration agreement includes the investigation of cost-effective options for container loading and seaborne container shipping of graphite concentrate to overseas markets from the Port of Brisbane.



The Burke Development Road, immediately south of Mount Dromedary



(Above) Container shipping, Port of Brisbane
(Below) Passenger terminal at Cloncurry Airport, November 2014

Cloncurry Airport is serviced by regular or daily jet airline service with Brisbane and Townsville Airports (Qantas & Virgin Airlines). Local airstrips are maintained for Royal Flying Doctor medical service at the nearby cattle property homesteads of Gleeson, Boomara, Kamileroi, Melindah Downs and Coolullah Stations.



SECTION 2

THE MOUNT DROMEDARY FLAKE GRAPHITE PROJECT

2.3 GEOLOGY

The Mount Dromedary graphite deposit is hosted within the Corella Formation, a unit of the Proterozoic Mary Kathleen Group, and forms the northern sector of the Quamby-Malbon Belt of the Eastern Succession terrane, Mount Isa Block in northwest Queensland. The Corella Formation is exposed by the Boomara Horst structure, located east of the major north-south Coolullah Fault and extends south to Cloncurry.

Calc-silicate is the most extensive unit mapped in the project area, forming prominent north-south striking ridges, which dip steeply to the west. The calc-silicate is generally well bedded in dark grey outcrops.

The calc-silicate is overlain by a thin marble bed, then a black shale horizon, which grades laterally into graphitic schist and slate.

2.4 EXPLORATION PROGRAM & FUNDING

Inferred Mineral Resource and Exploration Target

The graphitic schist is clearly evident on the *World View-2* satellite imagery (0.5m resolution). This response has been used to effectively map out the unit. Further mapping in October 2014 (Senlac Geological Services) using *Mapinfo*TM software has calculated a total area of 1,088,000 m² for this unit, assuming it continues under the capping dolerite sill.

Graphite schist outcrop at Mount Dromedary



SECTION 2

THE MOUNT DROMEDARY FLAKE GRAPHITE PROJECT

The Inferred Mineral Resource and Exploration Target for the Project are considered sufficient to justify further step-out and in-fill drilling on the Project.

Phase 1 drilling (September 2015)

A preliminary 9-hole reverse circulation drill program of 400m was conducted in September 2015, which met the requirements of the farm-in agreements with Exco Resources Limited and Flamingo Copper Mines Pty Ltd, confirmed that the graphite mineralization continues at depth, obtained samples of primary graphite mineralization and achieved a maiden JORC inferred resource at the Central and Southern zones of the Mount Dromedary deposit.

Phase 2 drilling (November-December 2015)

In order to evaluate the exploration targets identified at the central zone at the Mount Dromedary graphite deposit, a 36-hole combined reverse circulation and diamond drill program is proposed (total of 800 metres of HQ core and 1,330 metres of RC). The objective is to establish an indicated and inferred, and potentially measured, JORC 2012 estimate.

Drilling hole MD-02 during September 2015



Queensland Government Competitive Drilling Initiative Grant

The Queensland Geological Survey (GSQ) announced during May 2015 that Graphitecorp was one of the successful applicants for its annual Competitive Drilling Initiative (CDI) Grant program. The CDI Grant was awarded after a detailed geological review by GSQ and a panel of independent technical experts and will reimburse up to \$36,000 of the direct costs of drilling a 600m diamond drilling program within the Mount Dromedary Graphite Deposit assuming that drilling is conducted within the agreed timeframe.

It is anticipated that the CDI grant opportunity will be incorporated with the Phase 2 exploration program and will defray the costs of phase 2 drilling campaign.

2.5 COMMITMENT TO HEALTH, SAFETY AND THE ENVIRONMENT

Graphitecorp aspires to a vision of 'Zero Harm and Zero Loss' where care for people and the environment are put first and closely followed by value creation and resource efficiency.

Graphitecorp is committed to responsible management practices that minimise adverse health, safety or environmental impacts arising from our activities, products or services, and we remain committed to developing a sustainable business.

Sampling graphite schist outcrop during November 2014



As Graphitecorp's business develops we will establish management plans that are fit for purpose and aimed at achieving the following:

- Identification and management of risks to as low as reasonably practicable;
- Empowerment of staff and contractors to address unsafe or hazardous situations;
- Provision of safe work places and systems of work;
- Compliance with relevant HSES legal requirements and other commitments;
- Contractors operating with HSES practices that accord with Graphitecorp's policy;
- Regular reviews on health, safety, environment, community and social matters;
- Visible HSES leadership felt throughout the organisation;
- Zero tolerance for deliberate reckless acts;
- Active rehabilitation support for people impacted by work related injury or illness;
- Promotion of efficient use of energy and resources, minimise wastes and emissions;
- Regular, open and honest engagement with people affected by our business;
- Pursuit of win-win relationships and partnerships;
- Active consideration of social, environmental and economic factors in decisions;
- Thorough incident reporting, investigation, learning and action management process; and
- Demonstrated respect, fairness and ethics in all our dealings.

Graphitecorp will engage with our staff, contractors, suppliers, business partners, customers and Government as required.

Nearby windmill, tank and water bore at Mount Dromedary



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This is a replacement prospectus dated 10 November 2015. It replaces a prospectus dated 23 October 2015, relating to shares of Graphitecorp Limited ACN 157 690 830.

3. Board, Management & Governance

3.1 THE BOARD & MANAGEMENT

Tony Bellas **Chairman**

Tony Bellas was appointed in August 2015. He is also chairman of Corporate Travel Management Ltd, ERM Power Ltd and Shine Corporate Ltd, and Deputy Chairman of Endeavour Foundation.

Mr Bellas has had a commercial career spanning almost 30 years including experience in both the public and private sectors. Following a long career with Queensland Treasury, where he reached the position of Deputy Under Treasurer, Mr Bellas moved to the energy industry where he held the positions of Chief Executive of CS Energy Ltd (at that time Queensland's largest generator of coal-fired and gas-fired generation) and Ergon Energy Ltd (Queensland's largest electricity distribution company and electricity retailer).

Mr Bellas was subsequently CEO of the Seymour group, one of Queensland's largest privately owned investment and development companies, and has since developed a board career that has included both public and private companies.

Tony is also a Trustee of the Brisbane State High School Foundation.

Philip St Baker **Managing Director**

Philip St Baker is a substantial shareholder in Graphitecorp and was appointed as Managing Director on 1 September 2015.

Philip was previously the Managing Director and CEO of ERM Power Limited (ASX: EPW) for eight years until October 2014 during which time the company transformed from a private power development company into one of Australia's fastest growing diversified energy companies, listed on the ASX with annual turnover growing from \$10 million to over \$2 billion. Philip oversaw the development of ERM Power's retail sales and gas exploration businesses and the expansion of its power generation business.

SECTION 3

BOARD, MANAGEMENT & GOVERNANCE

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Prior to joining ERM Power, Philip had a 16-year career with BHP Billiton gaining diverse international experience in the resources sector including mining, processing, smelting, and refining. Philip's focus at BHP Billiton was on delivering improved operational performance which commenced at site level in a coal division and progressed to a global role supporting over 100 businesses worldwide. He holds a Bachelor of Mechanical Engineering from Queensland University of Technology.

Philip is a member of the Queensland Advisory Board for the Starlight Foundation.

Greg Baynton Executive Director

Greg Baynton founded Graphitecorp in April 2012. He has been a Director of Australian exploration companies for over 17 years.

Greg has experience in investment banking, merchant banking, infrastructure investment, IPOs, public company directorships, Queensland Treasury, and the Department of Mines and Energy.

He is currently a non-executive director of ASX-listed Superloop Limited and an executive director of Orbit Capital Pty Ltd, holder of an Australian financial services licence.

Greg holds a Bachelor of Business (Accountancy), a Master of Economic Studies (UQ), a Post-graduate Diploma in Applied Finance and Investment (SIA), and an MBA in New Venture Management (QUT).

Market & Technical Adviser

In addition, Martin Ebeling has recently been appointed 'Market & Technical Adviser' to Graphitecorp. Martin was CEO and CFO of Graphit Kropfmühl AG/AMG Mining AG for 15 years until 2012. He has been working as an independent advisor since 2013. He has a deep knowledge of graphite applications in global markets along with a strong understanding of mining, processing and purification techniques.

Martin was a Director of Bogala Graphite Lanka PLC, a subsidiary of Graphit Kropfmühl and world's largest miner of vein graphite. He was also a Director of Zimbabwe German Graphite Mines Ltd, the owner of the Lynx Graphite Mine in Zimbabwe.

In 2000, he was a founding director of Qingdao Kropfmühl Graphite Co.,Ltd. in the Shandong Province of China. He has visited China on graphite-related business more than 70 times in the past 15 years.

3.2 RESPONSIBILITY OF THE BOARD

Responsibility for Graphitecorp's corporate governance rests with the Board. The Board's governing principle in meeting this responsibility is to act honestly, conscientiously and justly, in accordance with the law, in the interests of Shareholders, employees and other stakeholders.

The Board's general function is to:

- chart strategy and outline financial targets for Graphitecorp;
- monitor the implementation of strategy and performance against financial targets; and
- appoint and supervise the performance of executive management and generally to take and fulfil an effective leadership role in relation to Graphitecorp.

Power and authority in certain areas is specifically reserved to the Board – consistent with its functions as outlined above. These areas include:

- the composition of the Board including appointment and retirement or removal of Directors;
- oversight of Graphitecorp including its control and liability systems;
- where suitable, ratifying the appointment and retirement or removal of senior executives;
- reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance;
- observing the execution of strategy by senior executives and consultants, and confirming adequate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and sales;
- approving and monitoring financial and other reporting;
- performance of investment and treasury functions;
- monitoring industry developments relevant to Graphitecorp and its business;
- developing suitable key indicators of financial performance for Graphitecorp and its business;
- having input in and granting final approval of corporate strategy and performance objectives developed by management;
- the overall corporate governance of Graphitecorp including its strategic direction and goals for management and monitoring the achievement of these goals; and
- oversight of committees.

SECTION 3

BOARD, MANAGEMENT & GOVERNANCE

3.3 COMPOSITION OF THE BOARD

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board. The Chairman should facilitate the effective contribution by all Directors and promote constructive and respectful relations between Directors and between the Board, management and consultants. Otherwise, the Board must comprise members with a broad range of experience, expertise, skills and contacts relevant to Graphitecorp and its business.

3.4 BOARD CHARTER AND POLICY

The Board has adopted a charter recognising the matters outlined above. This charter outlines various other matters that are important for effective corporate governance including:

- a detailed definition of 'independence';
- a framework for the identification of candidates for appointment to the Board and their selection;
- a framework for individual performance review and evaluation;
- proper training to be made available to Director's both at the time of their appointment and on an ongoing basis;
- basic procedures for meetings of the Board and its committees – frequency, agenda, minutes and private discussion of management issues among non-executive Directors;
- ethical standards and values – formalised in a detailed code of ethics and values;
- dealings in securities – formalised in a detailed code for securities transactions designed to ensure fair and transparent trading by Directors, management and their associates; and
- communications with Shareholders and the market.

The purpose of the charter is to institutionalise good corporate governance and to build a culture of best practice in Graphitecorp's own practices.

3.5 POLICIES

Securities trading policy

The Board has adopted a securities trading policy to provide guidance on trading in shares to Directors and employees of Graphitecorp, and to other parties who may have access to price sensitive information. The trading policy is designed to ensure that any trading in Graphitecorp's securities is in accordance with the law.

Continuous disclosure policy

The Board has adopted a continuous disclosure policy, which outlines procedures to be implemented by the Board to ensure Graphitecorp complies with its continuous disclosure obligations – in particular, that Graphitecorp will promptly disclose to the market any information which may have a material effect on the price of value of Graphitecorp's shares.

The continuous disclosure policy mandates a procedure to internally identify and report information which may need to be disclosed and outlines practical implementation processes in order to ensure any identified information is adequately considered and, if necessary, communicated to ASX and Shareholders.

3.6 COMPLIANCE WITH ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The ASX document, 'Principles of Good Corporate Governance and Best Practice Recommendations' (**Guidelines**) was published by the ASX Corporate Governance Council with the aim of enhancing the credibility and transparency of Australia's capital markets. Graphitecorp's corporate governance charter has been drafted in light of the Guidelines.

The Board has assessed Graphitecorp's current practice against the Guidelines and outlines its assessment below. A number of principles in the Guidelines have not been met because Graphitecorp currently has no 'independent' Directors. Given the limited financial resources of Graphitecorp, the Board considers that funds are better spent on advancing the Project, but will consider the appointment of independent Directors with appropriate skills and relevant experience if and when Graphitecorp's financial resources justify such appointment

SECTION 3

BOARD, MANAGEMENT & GOVERNANCE

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
Principle 1 - Lay solid foundations for management and oversight		
1.1	<p>Establish the functions expressly reserved to the Board and those delegated to management, and disclose those functions.</p> <p>The Board is responsible for overall corporate governance of Graphitecorp.</p> <p>The role of the Board and delegation to management have been formalised in the corporate governance charter which outlines the main corporate governance practices in place for Graphitecorp. The Board and each Director are committed to the charter. The conduct of the Board is also governed by Graphitecorp's constitution, and where there is inconsistency with that document, the constitution prevails to the extent of the inconsistency.</p> <p>The charter will be reviewed and amended from time to time as appropriate, taking into consideration practical experience gained as a listed company.</p>	Complies
1.2	<p>Undertake appropriate checks before appointing a person as a director, and provide shareholders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p> <p>Graphitecorp has completed police checks, insolvency and banned director searches in relation to the existing Directors. The Company will conduct appropriate checks for future appointments.</p>	Complies
1.3	<p>Have a written agreement with each director and senior executive setting out the terms of their appointment.</p> <p>Graphitecorp has entered into written agreements with each Director and senior executive.</p>	Complies
1.4	<p>The Company Secretary should be accountable directly to the Board on all matters to do with the proper functioning of the Board.</p> <p>This is consistent with the charter and corporate structure of Graphitecorp. The Company Secretary has a direct relationship with the Board in relation to these matters and operates independently of the executive.</p>	Complies

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PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY	
Principle 1 - Lay solid foundations for management and oversight			
1.5	Establish a diversity policy and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them, for reporting against in each reporting period.	Graphitecorp has not adopted a diversity policy. Given that Graphitecorp has only two executives (and no other employees), the Board considers it inappropriate to adopt such a policy. The Board will consider adopting a diversity policy as Graphitecorp's operations grow.	Does not comply
1.6	Have a process for periodically evaluating the performance of the Board, its committees and individual directors, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.	The corporate governance charter provides for regular performance reviews to be conducted.	Does not comply, however, in accordance with the charter Graphitecorp intends to evaluate performance of the Board and disclose for each reporting period whether an evaluation has been undertaken.
1.7	Have a process for periodically evaluating the performance of Graphitecorp's senior executives, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.	<p>The Board's broad function is to formulate strategy and set financial targets for Graphitecorp, monitor the implementation and execution of strategy and performance against financial targets, appoint and oversee the performance of executive management, and generally take an effective leadership role in relation to Graphitecorp.</p> <p>The Chairman annually assesses the performance of Directors and senior executives, and the Chairman's performance is assessed by the other Directors.</p>	Complies

SECTION 3

BOARD, MANAGEMENT & GOVERNANCE

PRINCIPLES AND RECOMMENDATIONS		COMPLIANCE	COMPLY
Principle 2 - Structure the board to add value			
2.1	<p>Graphitecorp should have a nomination committee, which has at least three members, a majority of independent directors and is chaired by an independent director.</p> <p>The functions and operations of the nomination committee should be disclosed.</p>	<p>Graphitecorp has not established a nomination committee. Given that Graphitecorp has only two executives (and no other employees), such a policy is not considered necessary. The Board will consider establishing a nomination committee as Graphitecorp's operations grow.</p>	Does not comply.
2.2	<p>Have and disclose a Board skills matrix, setting out what the Board is looking to achieve in its membership.</p>	<p>Graphitecorp intends to informally monitor the experience, expertise, skills and qualifications necessary for the Board over time.</p>	Does not presently comply, however the Board intends to formalise a skills matrix.
2.3	<p>Disclose the names of the directors that the Board considers to be independent directors, and an explanation of why the Board is of that opinion if a factor that impacts on independence applies to a director, and disclose the length of service of each director.</p>	<p>Tony Bellas (Chairman, appointed August 2015) is not considered independent given his substantial holding in Graphitecorp (over 5% on admission to the official list of ASX). Messrs Baynton and St Baker are not considered independent because each is an executive and substantial Shareholder.</p>	Complies
2.4	<p>A majority of the Board should be independent directors.</p>	<p>Graphitecorp currently has a three member Board, none of whom are independent.</p> <p>The Board considers that the size and scope of Graphitecorp's activities does not justify the additional cost of appointing two additional independent directors at this stage.</p>	Does not comply
2.5	<p>The chairman of the Board should be an independent director and should not be the CEO.</p>	<p>The Chairman, Tony Bellas, is a non-executive Director, but he is not considered independent.</p>	Does not comply
2.6	<p>There should be a program for inducting new directors and providing appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	<p>This is consistent with the corporate governance charter and processes implemented by Graphitecorp.</p>	Complies

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PRINCIPLES AND RECOMMENDATIONS		COMPLIANCE	COMPLY
Principle 3 - Act ethically and responsibly			
3.1	Have a code of conduct for the Board, senior executives and employees, and disclose that code or a summary of that code.	Graphitecorp has adopted a code of conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance.	Complies
Principle 4 - Safeguard integrity in corporate reporting			
4.1	The Company should have an audit committee, which consists of only non-executive directors, a majority of independent directors, is chaired by an independent chairman who is not chairman of the Board, and has at least three members. The functions and operations of the audit committee should be disclosed.	Graphitecorp has an audit committee of two – Messrs Bellas and Baynton. The size and scope of Graphitecorp's activities does not justify the cost of appointing independent directors at this stage.	Does not comply
4.2	The Board should, before approving financial statements for a financial period, receive a declaration from the CEO and CFO that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Graphitecorp, formed on the basis of a sound system of risk management and internal controls, operating effectively.	This is consistent with the approach to be adopted by the audit committee and Board.	Complies
4.3	Graphitecorp's auditor should attend the AGM and be available to answer questions from security holders relevant to the audit.	Graphitecorp's auditor will be requested to attend the AGM and Shareholders will be entitled to ask questions in accordance with the Corporations Act and these Guidelines.	Complies

SECTION 3

BOARD, MANAGEMENT & GOVERNANCE

PRINCIPLES AND RECOMMENDATIONS		COMPLIANCE	COMPLY
Principle 5 - Make timely and balanced disclosure			
5.1	Have a written policy for complying with continuous disclosure obligations under the Listing Rules, and disclose that policy or a summary of it.	Graphitecorp has a written continuous disclosure policy which is designed to ensure that all material matters are appropriately disclosed in a balanced and timely manner and in accordance with the requirements of the ASX Listing Rules.	Complies
Principle 6 - Respect the rights of security holders			
6.1	Provide information about Graphitecorp and its governance to investors via its website.	The corporate governance charter and other applicable policies are available on Graphitecorp's website.	Complies
6.2	Design and implement an investor relations program to facilitate effective two-way communication with investors.	Graphitecorp aims to ensure that all Shareholders are well informed of all major developments affecting Graphitecorp and that the full participation by Shareholders at the Company's AGM is facilitated. In the opinion of the Board, these objectives can be achieved without a formal policy.	Does not comply.
6.3	Disclose the policies and processes in place to facilitate and encourage participation at meetings of security holders.	Graphitecorp intends to facilitate effective participation in the AGM, as well as the ability to submit written questions ahead of the AGM. Graphitecorp intends to adopt appropriate technologies to facilitate the effective communication and conduct of general meetings. In the opinion of the Board, these objectives can be achieved without formal policies or procedures.	Does not comply
6.4	Give security holders the option to receive communications from, and send communications to, the Company and its share registry electronically.	Graphitecorp has instructed its share registry to facilitate this option for investors, as well as future shareholders at appropriate times.	Complies

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PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
Principle 7 - Recognise and manage risk		
7.1	<p>The Board should have a risk committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members.</p> <p>The functions and operations of the risk committee should be disclosed.</p>	<p>Graphitecorp has a combined audit and risk management committee. See above for independent status of the committee members.</p> <p>The functions and operations of the committee are established under the charter.</p> <p>The size and scope of Graphitecorp's activities does not justify the cost of appointing independent directors at this stage.</p>
7.2	<p>The Board or a committee of the Board should review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, and disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Does not comply to the extent that the committee is newly formed and has not conducted an annual review.</p>
7.3	<p>Disclose if Graphitecorp has an internal audit function, how the function is structured and what role it performs, or if it does not have an internal audit function, that fact and the processes Graphitecorp employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>Does not comply</p> <p>Due to Graphitecorp's limited number of employees and relative nature and scale of its operations, the costs of an independent internal audit function would be disproportionate to the risk it seeks to mitigate. Graphitecorp has an external auditor and the audit and risk management committee will monitor and evaluate material or systemic issues.</p> <p>The Board believes it and the audit and risk management committee have adequate oversight of the existing operations.</p>
7.4	<p>Disclose whether Graphitecorp has any material exposure to economic, environmental and social sustainability risks and, if so, how it manages those risks.</p>	<p>Complies</p> <p>Graphitecorp has economic, environmental and social sustainability exposures typical for a mineral exploration and development company operating in a remote regional area. The Board has established a Health, Safety, Environment and Sustainability Policy that sets out the objectives and expectations for Graphitecorp to appropriately manage those risks.</p>

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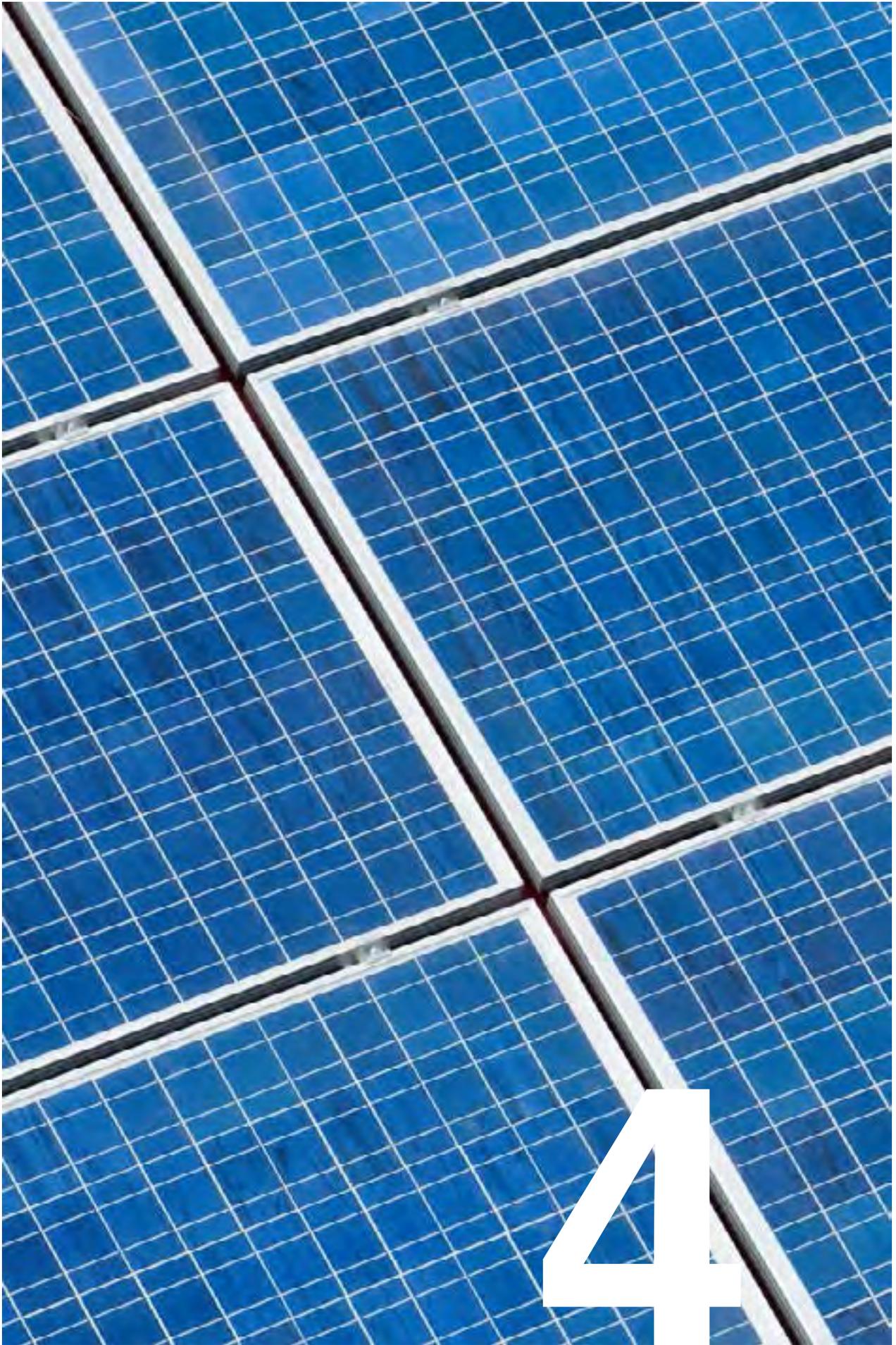
SECTION 3

BOARD, MANAGEMENT & GOVERNANCE

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
Principle 8 - Remunerate fairly and responsibly		
<p>8.1 The Board should have a remuneration committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members.</p> <p>The functions and operations of the remuneration committee should be disclosed.</p>	<p>The Board has decided that a remuneration committee is unnecessary.</p> <p>The Board believes it can adequately deal with the matters typically within the purview of a remuneration committee.</p>	<p>Does not comply</p>
<p>8.2 The policies and practices regarding the remuneration of non-executive directors, and the remuneration of executive directors and other senior executives, should be separately disclosed.</p>	<p>Graphitecorp intends to adopt remuneration policies which comply with the Guidelines including separately disclosing the remuneration of non-executive Directors, and the remuneration of executive Directors and other senior executives.</p> <p>No Director or senior executive is involved directly in deciding their own remuneration.</p>	<p>Does not presently comply, however Graphitecorp intends to disclose these policies and practices in its future annual reports</p>
<p>8.3 If Graphitecorp has an equity-based remuneration scheme, it should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and disclose that policy or a summary of it.</p>	<p>Graphitecorp has a 'rights plan'. In accordance with Graphitecorp's Securities Trading Policy participants are not permitted to enter into transactions which limit economic risk without written clearance.</p>	<p>Complies</p>

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This is a replacement prospectus dated 10 November 2015. It replaces a prospectus dated 23 October 2015, relating to shares of Graphitecorp Limited ACN 157 690 830.

SECTION 4

INDEPENDENT TECHNICAL REPORT (EXECUTIVE SUMMARY)

**4. Independent Technical Report
(Executive Summary)**

This section 4 is the executive summary of the Independent Technical Report and should be read in conjunction with the full report, set out as an annexure to this prospectus.

Graphitecorp Limited
GPO Box 525
Brisbane, QLD 4001
Attention: Mr Greg Baynton

RungePincockMinarco Limited
ABN 17 010 672 321
Level 2, 295 Ann Street
Brisbane QLD 4000
GPO Box 2774
Brisbane QLD 4001

RE: INDEPENDENT TECHNICAL REPORT

Dear Greg,

RungePincockMinarco Limited (“RPM”) has been engaged by Graphitecorp Limited (“Graphitecorp” or “Company” or the “Client”) to undertake an Independent Technical Report (“ITR” or the “Report”) in relation to the Mount Dromedary Flake Graphite Project in Queensland (the “Project” or “Mt Dromedary”), in connection with a proposed listing on the Australian Securities Exchange.

Although at an early stage of development with no mining being undertaken to date, RPM has estimated the Maiden Mineral Resource and an Exploration Target which demonstrates the high grade tenor of the mineralisation and excellent potential for the Project. Based on all data available the Company has also undertaken a conceptual level analysis of mining and metallurgical development options which highlights the currently defined resource demonstrates reasonable prospects of eventual economic extraction via conventional truck and shovel open cut mining methods.

The Client currently has “Farm-In” Agreements with ASX-listed companies; Exco Resources Limited (“EXS”) and Queensland Mining Corporation Limited (“QMC”) subsidiary Flamingo Copper Mines Pty Ltd to explore and develop graphite over 4 contiguous Exploration Permit Minerals (EPM) in the Mt Dromedary area. EPM’s are EPM 16983, EPM 17323, EPM 18128 and EPM 18995. The exploration permit JV area covers 5 small sub-blocks (Normanton 3123 D, J, N, O and S) for a total area of 14.216 square km (1,421.6 hectares). Mineral Development Licences MDL 389 and MDL 401 are excised from the EPM’s.

RPM’s technical team (“the Team”) consisted of Principal and Senior Geologists and a Process Engineer along with peer reviewers. The Team’s qualifications and experience is detailed in **Annexure A** for reference.

RPM has conducted a geological review and Mineral Resource and Exploration Potential Target Estimate which are reported in accordance with the guidelines set out in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (December 2012) published by the Joint Ore Reserves Committee ("JORC") of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia (the "JORC Code").

This Independent Technical Report has been prepared in accordance with the relevant requirements of the listing rules of the ASX and the regulatory guidelines RG111 and RG112 issued by the Australian Securities and Investments Commission ("ASIC") in relation to the preparation of independent expert reports.

RPM has not been requested to provide an independent valuation. The expert whose signature is attached to this report does not hold an AFS licence and the opinions expressed in this Report are solely of a technical nature.

A site visit was undertaken in September 2015 by Mr. Robert Dennis, the ITR Study Manager, during which open discussions were held with the Graphitecorp's personnel on technical aspects relating to relevant Project issues and in particular the geologic data which supports the Project prospectivity. Graphitecorp's personnel were cooperative and open in facilitating RPM's work. The ITR Study Manager also inspected the geology, drilling remnants and the topographic conditions present as well as existing local and regional The ITR relies on the Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland, report ("MtDGP") by Christopher M. Sennitt BSc, MSc, FAIG, SEG, provided by Graphitecorp and other information collated by Mr Sennitt and provided by the Company for review as at 16th October, 2014 as well as observation and estimates completed by RPM. The Client has not advised RPM of any material change, or event likely to cause material change, to the underlying data, designs or forecasts subsequent to the supply of information. RPM does not warrant the completeness or accuracy of information provided by the Company which has been used in the preparation of this report.

RPM has completed the ITR on the following basis:

- The Mineral Resource Estimate is undertaken and reported in accordance with the provisions of the JORC Code;
- RPM has reviewed the source data supplied to it by or on behalf of the Company and is of the opinion that the source data is sufficient, relevant and reliable for the purposes of this Report.

KEY OUTCOMES

This Report identified reasonable expectation for the eventual economic extraction of the currently defined Mineral Resource within the Project based on a conceptual level mining and metallurgical review. Details as to why the mineralisation has reasonable expectation of eventual economic extraction are discussed in Section 6.9 of the appended ITR with further details of conceptual studies undertaken in Section 9. RPM is of the opinion the Client has utilised industry standard practices to determine the Maiden Inferred Mineral Resource Estimate of 4.3 Mt @ 15.0% C Graphitic with flake size in the range of 27% Jumbo, 18 % Coarse, 6% Medium, 23% Fine and 26% Very fine. The Mineral Resource has high and medium grade portions with the high grade portion amounting to 2.7 Mt @ 20.4% C Graphitic and the medium grade portion amounting to 1.6 Mt @ 5.7% C Graphitic. The estimated Resource extends from surface to approximately 80m depth. Details of the Mineral Resource are tabulated in **Table 1**.

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INDEPENDENT TECHNICAL REPORT (EXECUTIVE SUMMARY)

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The Graphite Resource has a bimodal flake size distribution which is determined from Mineral Liberation Analysis (“MLA”) analysis of 19 surface and 11 sub-surface (RC drill) samples. The sub-surface samples are considered representative of the flake size distribution of the Mineral Resource and are tabled in **Table 2**.

In addition to the Mineral Resource estimate an Exploration Target of 101-156Mt @ 12%-18% C Graphitic has been estimated with flake size target in the range of 10%-30% Jumbo, 8%-20% Coarse, 3%-7% Medium, 15%-25% Fine and 25%-66% Very fine. The Exploration Target is exclusive of the Inferred Mineral Resource and is detailed in **Table 3**.

The Project is in an area of ample infrastructure for product and supply transport. It is adjacent to a sealed highway and 125 km north-northwest of a major railway depot at Cloncurry which has bulk commodity handling facilities. The extensive distribution of mapped surface outcrops and mineralisation widths intersected in drilling indicates that the Project may be extractable at relatively low waste to ore ratios via conventional open cut mining methods however additional mining studies need to be undertaken to confirm this assumption.

PROJECT SUMMARY

- The Mt Dromedary deposit is a flake graphite deposit hosted in graphitic schist and lithic meta-arenite of the Corella Formation, Eastern Succession of the Mt Isa Inlier.
- Mt Dromedary is located 125 km north-northwest of the town of Cloncurry in Northwest Queensland at latitude 19°37’S and longitude 140°23’E.
- Modern exploration works within the Project area commenced in 1966 predominately for metals deposits, with graphite mineralisation exploration commencing in 1991. Nord Resources (Pacific) Pty Ltd (“Nord”) completed the initial graphite exploration on EPM 6961 (1991-1999) who undertook preliminary characterisation however formed the opinion all graphite was fine and metallurgical recoveries poor. Unrep resentative sampling was suspected by subsequent companies and CRA Exploration Pty Ltd (“CRAE”) entered into the JV with Nord during 1993-1994 and completed mapping and rock chip sampling, 7 costeans and analysing 8 composite metallurgical samples. The study identified high graphite content mostly in fine size however the Project was dropped because of low graphite prices.
- In 2014 Graphitecorp assembled, interpreted and documented the historic Project data and completed additional exploration activities which included detailed surface geology mapping and sampled outcrops and trenches. Following these works and revision of the data the Client defined 2 high priority zones and undertook the maiden drilling programme on the Project which included 9 RC drill holes and subsequent completed flake size analysis and initial metallurgical test work. Based on this and historical data, a high level conceptual analysis of potential mining and processing development options was completed. This review resulted in the conclusion that the likely development would be via medium scale truck and shovel open cut mining with on-site graphite concentration to produce a graphite concentrate. Given the extensive regional infrastructure network, it is envisaged that transport to ports and markets will be relatively straight forward with minimal capital required.

PROJECT SUMMARY - CONTINUED

- MLA analysis of surface and Reverse Circulation (“RC”) drill samples indicated that the mineralisation consists of approximately 50% medium to jumbo flakes and 50 % fine to very fine sizes. The distribution is bi-modal and RPM considers the surface flake sizes to be unrepresentative of the bulk of sub-surface mineralisation intersected by the recent drilling undertaken by Graphitecorp.
- Characterisation and preliminary testwork has been conducted with a number of weathered surface samples and indicates the presence of a reasonable proportion of coarse flake.
- Preliminary flotation testwork of surface samples, incorporating regrinding has demonstrated the potential for high grade concentrates. A systematic processing program is required to define the optimal flowsheet based on likely mined materials as well as the target market requirements.
- There is well developed transport and mining supply infrastructure in the region to support any mining activities and transport to market. RPM notes that construction will be necessary to supply mining support, process, power and water to any operation and trade off studies of worker accommodation in Cloncurry or with a mine site camp will be required.

MINERAL RESOURCE

- RPM is of the opinion that the data supporting the Mineral Resource estimate has been collected using appropriate methodologies as is shown by appropriate checks and QA/QC information to be of adequate quality to support the classification applied.
- The Maiden Statement of Mineral Resources is reported as at 15th October, 2015 using a cut-off grade of 4.0% C Graphitic. The cut-off grade of 4.0% C Graphitic is based on the conceptual level mining and metallurgical reviews and is considered reasonable for a Mineral Resource likely to be exploited via open cut mining method with dedicated on-site processing plant supported by existing regional transport infrastructure.
- The Statement of Mineral Resources shown in **Table 1** and **Table 2** is reported exclusive of the Exploration Target reported in **Table 3**.

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Table 1 - 8 Mt Dromedary 15th October 2015 Mineral Resource Estimate (4% C_graphite Cut-off)

Zone	Domain	Type	Inferred Mineral Resource			Contained Graphite K Tonnes
			Quantity K Tonnes	C Graphite %	Total Carbon %	
Central	High grade	Fresh	1,300	19.2	19.4	250
		Weathered	320	18.4	19.1	60
	Medium Grade	Fresh	720	6.6	6.8	50
		Weathered	90	5.4	6.2	5
Sub-Total Central			2,400	14.8	15.1	360
South	High grade	Fresh	900	23.7	24.5	210
		Weathered	190	16.2	18.0	30
	Medium grade	Fresh	650	4.8	5.3	30
		Weathered	100	5.4	7.2	10
Sub-Total South			1,800	15.2	16.0	280
Sub-Total High Grade			2,700	20.4	23.2	550
Sub-Total Medium			1,600	5.7	6.9	90
Grand Total			4,300	15.0	15.5	640

Note:

- Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.
- Flake sizes for the Resource are tabulated in Figure 2, below.
- The Statement of Estimates of Mineral Resources has been compiled under the supervision of Mr. Robert Dennis who is a full-time employee of RPM and a Member of the AusIMM and AIG. Mr. Dennis has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the JORC Code (2012).
- All Mineral Resources figures reported in the table above represent estimates at 15th October, 2015. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
- Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition) and are reported exclusive of additional exploration targets.
- High grade Resource is the Resource estimated within a wireframe defined at 10% C Graphitic and the medium grade is in the wireframe defined at 4% C Graphitic but excluding the enclosed 10% C Graphitic wireframe.

MINERAL RESOURCE - CONTINUED

- The flake size of the deposit was tested by MLA analysis of 19 surface and 11 sub-surface RC samples. The sub-surface samples are regarded as better characterising the Resource and the recommended flake size distribution of the Resource is shown **Table 2**.

Table 2 - Classification of Mt Dromedary Graphite Project Flake Size

Classification	Sieve Size (µm)	% in interval	Cumulative %
Very Fine	<75	26.4	100.0
Fine	75-150	22.9	73.6
Medium	150-180	5.9	50.7
Large	180-300	18.2	44.8
Jumbo	>300	26.6	26.6

EXPLORATION POTENTIAL

- The Project has a history of systematic exploration which has included geological mapping, geophysical and geochemical surveys, however only one drilling programme has been completed in 2015 by the Client. The most substantial work has been completed over 2014 and 2015 by Graphitecorp.
- Only two small portions of the mapped strike length have been tested by RC drilling which forms the basis for the Mineral Resource reporting **Table 2**; resulting in a small Resource in comparison to the Exploration Target size.
- The Exploration Target excluded the volume of rock in which the Inferred Resource was estimated.
- The Exploration Target is presented in **Table 3** and is conceptual in nature and located where there has been insufficient exploration works to estimate a Mineral Resource. It is based on graphitic outcrop mapping and sampling. It is also uncertain if further exploration will result in the estimation of a Mineral Resource. RPM recommends further extensive drilling and/or underground channel sampling to increase confidence in mineralisation extent and grade.
- Flake size for this target is estimated to be in the range of 10%-30% Jumbo, 8%-20% Coarse, 3%-7% Medium, 15%-25% Fine and 44%-66% Very fine.

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INDEPENDENT TECHNICAL REPORT (EXECUTIVE SUMMARY)

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Table 3 - Exploration Targets at the Mt Dromedary Graphite Project

ZONE	Area (m ²)	Depth (m)	Volume Excluding Resource (million m ³)	Density (g/cc)	Tonnes (Mt)	Grade (% Cg)	Contained Graphite (Mt)
Southern	142,740	80-120	10.5-16.2	2.26	23.8-36.7	12%-18%	2.9-6.6
Central	72,960	80-120	4.1-7.1	2.26	9.3-15.9	12%-18%	1.1-2.9
Northern	379,700	80-120	30.4-45.6	2.26	68.7-103.0	12%-18%	8.2-18.5
TOTALS	595,400	80-120	47.6-71.5	2.26	101-156	12%-18%	12.2-28.0

Note:1. Tonnages may vary because of rounding.

2. RPM note the tonnages and grades present are conceptual in nature and located where there has been insufficient exploration works to estimate a Mineral Resource. It is also uncertain if further exploration will result in the estimation of a Mineral Resource. RPM recommends further extensive drilling and/or underground channel sampling to define any additional mineralisation;

PROCESSING

- Several mineralogical studies and preliminary testwork programs have been conducted on weathered samples from various locations over the last twenty four years. These studies indicate there is a number of ore types based on degree of weathering and graphite content, details are given in Chapter 8 of the appended ITR.
- High graphite contents as well as coarse flakes were found for a number of samples with calcite, quartz and muscovite as the typically dominant gangue minerals. Preliminary testwork indicated that good grade concentrates (>93% Cg) could be produced using flotation with concentrate re-grinding at relatively coarse grind sizes, however the testwork conditions and graphite recoveries were not reported.
- Further testwork studies of a more systematic nature are recommended to be conducted on samples that reflect optimal mining scenarios. To assist in scoping this work, consideration needs to be given to the nature of the product market as well as the influence of site water on the process.

OPPORTUNITIES

The key opportunities identified for the Project are outlined below:

- Only a small portion of the surface extent of the mapped deposit was tested in the recent drilling program. With additional drilling, additional Resources are likely to be defined to support Mining Studies and future production as highlighted by the significant exploration target range estimated.
- The grade of the deposit increases with depth and as such a phased drilling programme is recommended (as outlined in Section 7) to define the grade-depth relationship. This is planned to be followed by pit optimisation to determine the breakeven depth for any initial open pit mining operation, which should be used to minimise costs for drilling to define additional resources, advance the project to higher Resource classification and minimise the timeframe to advanced mining studies.
- As with the grade, the flake size is greater at depth raising the possibility of optimising cash flow from the project by scheduling the higher value material as early as practicable in the production schedule. A similar approach is recommended to determine the optimal drilling depth and economics of any initial operation.
- There is a possibility of focussing early mining on only the higher grade Resource potentially decreasing the cost per tonne of graphite product produced and enable production to commence in the short term, lowering the complexity of capital requirements etc.

KEY RISKS

The key risks identified for the Project are outlined below:

- Only conceptual / early stage mining and processing studies based on weathered samples have been completed. MLA flake size analysis of RC chips indicate smaller flake size for surface samples as such there is a risk that the early testwork does not reflect the true characteristics of the mineralisation and further work is required to confirm the depth-flake size distribution.
- Water resources for the Project are currently undefined. Carbonate units are present that may contain ample ground water but this possible source is not currently confirmed.
- No environmental studies have been completed. No significant impediments are identified to date but the final environmental constraints cannot be confirmed until studies are completed.
- No geotechnical studies have been completed. Pits are expected to be shallow and therefore geotechnical risks limited, however until studies are completed this cannot be confirmed.

SECTION 4

INDEPENDENT TECHNICAL REPORT (EXECUTIVE SUMMARY)

RPM QUALIFICATIONS AND EXPERIENCE

RPM provides advisory services to the mining and finance sectors. Within its core expertise it provides independent technical reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries.

RPM has independently assessed the Relevant Assets by reviewing pertinent data, including resources, reserves, manpower requirements and the life of mine plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this Report are those of RPM and its specialist advisors.

Drafts of this report were provided to the Company, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

RPM has been paid, and has agreed to be paid, professional fees for its preparation of this Report. None of RPM or its directors, staff or specialists who contributed to this report has any interest or entitlement, direct or indirect, in:

- The Company, securities or companies associated with the Company; or
- The right or options in the Relevant Assets; or
- The outcome of any proposed transaction.

Yours faithfully,



Mr Robert Dennis
Executive Consultant – Geology and Mining
RungePincockMinarco

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This is a replacement prospectus dated 10 November 2015. It replaces a prospectus dated 23 October 2015, relating to shares of Graphitecorp Limited ACN 157 690 830.

5. Key Risks

5.1 FACTORS INFLUENCING SUCCESS AND RISK

Introduction

This section identifies the major risks the Board believes are associated with an investment in Graphitecorp.

Graphitecorp's business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of Graphitecorp and the value of an investment in Graphitecorp. There can be no guarantee that Graphitecorp will achieve its stated objectives or that any forward looking statements or forecasts will eventuate. An investment in Graphitecorp should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on the value and market price of Shares.

Before deciding to invest in Graphitecorp, potential investors should:

- (a) read the entire prospectus;
- (b) consider the assumptions underlying the Directors' forward-looking statements and the risk factors that could affect those statements;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

5.2 SPECIFIC INVESTMENT RISKS

Exploration and development risk

The exploration and development of mineral projects is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time. A combination of careful evaluation, experience and knowledge may not reduce or eliminate. There are no guarantees that drilling will identify reserves sufficient to support a profitable mining operation. Even if a sizable resource is identified, the commercial viability of a mineral deposit depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, depth, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection).

5.2 SPECIFIC INVESTMENT RISKS - CONTINUED

Financial Resources

Graphitecorp has no operating revenue and is unlikely to generate any revenue in the short to medium term. The Board anticipates that its existing cash resources, together with the proceeds of the Offer, will be sufficient to progress the Project to FID. Graphitecorp's budget assumes that its joint venture partners, Exco Resources Limited and Flamingo Copper Mines Pty Ltd, will contribute their participating interest to the joint venture. If they do not do so, Graphitecorp may need to either raise further equity capital to progress the Project to FID or adjust the focus and parameters of planned development. Beyond that, if its exploration program is successful, more substantive equity funding will likely be required to advance the prospect toward commercial production. Some level of debt financing may be available to construct processing facilities. Until such time, funding will likely be by way of equity issuance, which may dilute existing Shareholders. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development or force the directors to pursue transactions which they would not pursue had sufficient funding been available.

Commodity Prices

The value of Graphitecorp's assets is likely to be positively correlated to the price of graphite. Industrial mineral prices fluctuate widely and are affected by numerous factors beyond Graphitecorp's control such as the sale or purchase of industrial minerals by dealers, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, the degree to which a dominant producer uses its market strength to bring supply into equilibrium with demand, and international political and economic trends, conditions and events. In addition to adversely affecting reserve estimates, declining commodity prices can impact operations by requiring a reassessment of the feasibility of projects. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project.

Counterparty Risk

Graphitecorp has only recently (in September 2015) farmed into the Permits. The binding farm-in agreements that Graphitecorp entered into with Exco Resources Limited and Flamingo Copper Mines Pty Ltd are summarised in section 8.2. Relevantly, the agreements provide that, on satisfying the conditions to farm-in to the Permits, a joint venture will be formed on 'customary' joint venture terms, and anticipate that the parties may agree binding long form agreements.¹¹ At the date of this prospectus, the joint venture parties have not yet agreed the terms of the long form joint venture agreements. Delays in agreeing those terms may delay expenditure on the Project and make the timing of milestones estimated by the Board (see section 1.4) unachievable. Also, both farm-in agreements include protections to Exco and Flamingo if economic metals discoveries are made. In the case of the joint venture with Flamingo, if Flamingo sought to develop a metals project which is inconsistent with the development of the graphite project, priority will be determined by the resource with the greatest net recoverable value. In the case of the joint venture with Exco, if Exco sought to develop a metals project which is inconsistent with the development of the graphite project, priority will be determined by the resource with the greatest net recoverable value to Exco (see section 8.2).

¹¹ Graphitecorp proposes to exercise its rights to acquire Flamingo's joint venture interest (and the relevant EPM) – refer to section 8.2 for further information.

SECTION 5

KEY RISKS

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Accordingly, even if Graphitecorp is able to define a commercial resource, it may not be able to progress commercial development and would have no compensation for such an outcome. In relation to Exco (which farm-in area represents more than 90% of the mapped graphitic schist outcrop area), samples from every metre of the maiden drilling program were assayed for 30 elements, including metals of potential commercial interest. The assay results received confirm that there was no material or potentially commercial levels of any metal in any of the samples. Similarly, from the surface rock samples collected in 2014 and their assay results, there was no material levels of metal of potential commercial interest in any samples assayed. Given these results, and the well-defined, narrow area of the graphitic schist mapped to date, the Board considers it a very low likelihood that any metals of commercial significance to the joint venture partners (or other metals explorers) would compete with the development of the graphite ore body under the terms of the farm-in agreement.

Tenure

Graphitecorp is not the legal holder of the Permits. Under its farm-in arrangements with Exco Resources Limited (Exco) and Flamingo Copper Mines Pty Ltd (Flamingo), it has rights for the non-metal minerals only (such as graphite). Also, the fact that Graphitecorp is not the legal holder means that it relies on the legal holder to take certain actions in respect of the Permit (e.g. to pay rent, facilitate mining lease applications etc.). The Board considers the risk is mitigated to some degree in the event that Graphitecorp sought and obtained a mining lease application jointly with the Permit holders in accordance with their respective ownership interests, which it is able to do under the terms Exco farm-in agreement.

Operating Risks and Insurance

In the short to medium term, the Board expects that the value of an investment in Graphitecorp will be affected by a range of factors, particularly the success of Graphitecorp's exploration drilling program. In the longer term, if Graphitecorp moves its prospects to mining operations, it will assume different risks in connection with those operations. In either case, Graphitecorp's operations will involve a degree of risk. In particular, Graphitecorp's operations would be subject to all of the hazards and risks normally encountered in mineral exploration and development. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows, fires and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, political unrest and theft. The occurrence of any of those could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. Graphitecorp does not currently carry insurance against all these risks and there is no assurance that such insurance will be available in the future, or if available, at reasonable premiums or on acceptable terms.

Environmental Risks

All phases of Graphitecorp's operations are subject to environmental laws, regulations and approvals. Delays in the receipt of requisite approvals, or failure to receive requisite approvals, may delay the project or adversely impact the ability to develop the graphite project. Failure to comply with environmental laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial requirements, and the imposition of injunctions to force future compliance. Statutes and regulations require permits for drilling operations, drilling bonds and reports concerning operations. In addition, there are statutes, rules and regulations governing conservation matters.

Mineral Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such resource estimates are inherently imprecise and rely on interpretations. Despite such estimates being made by qualified professionals, they may nonetheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available.

Foreign Exchange Rates

Graphitecorp is an Australian business that reports, and will likely raise the majority of its equity funding, in Australian dollars (AUD). If Graphitecorp's business plan is successful and it moves toward constructing a mining and milling operation, it is likely that a material amount of plant and equipment to be sourced for that operation will be purchased in foreign currencies, including US dollars (USD). In addition, revenue derived from the sale of graphite will likely be priced in USD or other foreign currencies, although a significant proportion of Graphitecorp's operating costs will be in AUD. Therefore, movements in the relevant exchange rate may adversely or beneficially affect Graphitecorp's prospects of reaching a positive final investment decision, cash flows and the profitability of operations.

Reliance on Key Personnel

Skilled employees and consultants are essential to the successful delivery of Graphitecorp's strategy. Given its relatively modest operations, Graphitecorp relies to a large extent on the services of certain key management personnel and contractors, the loss of any of which could delay the pursuit of Graphitecorp's strategy.

Laws and Regulation

Exploration for and development, exploitation, production and sale of graphite is subject to extensive laws and regulations, including complex tax laws and environmental laws and regulations. Existing laws or regulations, as currently interpreted or reinterpreted in the future, or future laws or regulations could adversely affect Graphitecorp. There can be no assurance that Graphitecorp will obtain on reasonable terms, or at all, the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay on Graphitecorp's planned exploration and operations, the extent of which cannot be predicted.

5.3 GENERAL INVESTMENT RISKS

Equity market conditions, particularly investor appetite for mineral exploration companies, may deteriorate. Graphitecorp's share price might fall materially from the Offer Price and, given the composition of the register and the likely market capitalisation, it is likely, at least in the short term following listing that trading in shares in Graphitecorp will be relatively illiquid. Other factors that may affect the price at which Graphitecorp shares are traded on ASX or their value could include domestic and international economic conditions. In particular, the price or value of Graphitecorp shares may be affected by factors that are unrelated to the prospects of Graphitecorp, including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could also have an adverse effect on Graphitecorp.

SECTION 5

KEY RISKS

Share Market Investments

Before the Offer there has been no public market for the Shares. It is important to recognise that, once the Shares are quoted on ASX, their price might rise or fall and they might trade at prices below or above the Offer Price. There can also be no assurance that an active trading market will develop for the Shares.

Factors affecting the price at which the Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Those fluctuations might adversely affect the price of the Shares.

General Economic Conditions

Graphitecorp's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

Accounting Standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' and Graphitecorp's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Graphitecorp's financial statements.

Taxation Risks

Changes to the rate of taxes imposed on Graphitecorp (including in overseas jurisdictions in which Graphitecorp operates now or in the future) or tax legislation generally may affect Graphitecorp and its Shareholders. In addition, an interpretation of Australian taxation laws by the Australian Taxation Office that differs to Graphitecorp's interpretation may lead to an increase in Graphitecorp's taxation liabilities and a reduction in Shareholder returns.

Personal tax liabilities are the responsibility of each individual investor. Graphitecorp is not responsible either for taxation or penalties incurred by investors.

5.4 CAUTIONARY STATEMENT

Statements contained in this prospectus may be forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The Directors' expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis, including without limitation, based on the examination of historical operating trends, data contained in Graphitecorp's records and other data available from third parties. There can be no assurance, however, that their expectations, beliefs or projections will give the results projected in the forward-looking statements. Investors should not place undue reliance on these forward-looking statements.

Additional factors that could cause actual results to differ materially from those indicated in the forward looking statements are discussed earlier in this section.

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SECTION 6

FINANCIAL INFORMATION

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6. Financial information

6.1 INTRODUCTION

This section sets out historical and pro-forma financial information. The basis for preparation and presentation of this information is also set out below.

The financial information has been prepared by management and adopted by the Board. The Board is responsible for the inclusion of all financial information in this prospectus. BDO Audit Pty Ltd has prepared an Investigating Accountant's Report in respect of the historical and pro-forma financial information. A copy of the report is contained in section 7.

The historical and pro-forma financial information has been prepared in accordance with the recognition and measurement criteria of Australian Accounting Standards and the significant accounting policies set out in section 6.5. The historical and pro-forma financial information comprises financial information of Graphitecorp Limited (referred to in this section as 'Graphitecorp' or 'the Company'). The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001* (Cth).

6.2 HISTORICAL FINANCIAL INFORMATION

The historical financial information for Graphitecorp set out below comprises:

- the reviewed Statement of Financial Position as at 30 September 2015; and
- selected notes to the reviewed Statement of Financial Position.

The historical financial information has been extracted from the reviewed financial statements of Graphitecorp for the three months ended 30 September 2015. The historical financial information does not include a Statement of Comprehensive Income or a Statement of Cash Flows. The Company is an exploration company, exploring for flake graphite in Queensland. During the period from incorporation to 30 September 2015 the Company has not earned any revenue from operations and therefore presentation of the Statement of Comprehensive Income and Statement of Cash Flows is not considered relevant.

6.3 PRO-FORMA FINANCIAL INFORMATION

The pro-forma financial information for Graphitecorp set out below comprises:

- the unaudited Pro-Forma Statement of Financial Position as at 30 September 2015; and
- selected notes to the unaudited Pro-Forma Statement of Financial Position.

The unaudited Pro-Forma Statement of Financial Position has been derived from the reviewed Statement of Financial Position as at 30 September 2015 adjusted for the following transactions as if they had occurred at 30 September 2015 (pro-forma transactions):

- i. The issue of 10,000,000 ordinary shares at an issue price of \$0.20 per share to raise \$2,000,000 cash before expenses of the Offer. All ordinary shares issued pursuant to this prospectus will be issued as fully paid.
- ii. Total cash costs expected to be incurred in connection with the preparation of the prospectus and ASX listing of Shares of \$196,000. Of that amount, \$25,577 has been prepaid at 30 September 2015 and are included in other debtors. Of these share issue costs it is estimated that \$137,799 will be classified as share issue costs in equity, relating to the issue of new shares. The remaining costs of \$58,201 will be charged to profit or loss, relating to the listing of existing shares.
- iii. The settlement of loans from Directors totalling of \$60,013.
- iv. The issue of 2,976,903 fully paid ordinary shares the company, representing 5% of the enlarged capital of Graphitecorp prior to any issue under this prospectus, to Mr St Baker in accordance with his employment contract.
- v. The issue of 2,915,549 fully paid ordinary shares to sophisticated investors at an issue price of \$0.36 cash.
- vi. Share subdivision on a 1 for 2.25 basis.

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6.4 GRAPHITECORP HISTORICAL AND PRO FORMA

The historical and pro-forma financial information should be read in conjunction with the notes in section 6.5.

STATEMENT OF FINANCIAL POSITION		REVIEWED HISTORICAL FINANCIAL INFORMATION 30 SEPTEMBER 2015	REVIEWED PRO-FORM FINANCIAL INFORMATION 30 SEPTEMBER 2015
	NOTES	\$	\$
Current assets			
Cash and cash equivalents	6.5.3	292,961	3,112,125
Trade and other receivables	6.5.4	42,344	16,767
Total current assets		335,305	3,128,892
Non-current assets			
Property, plant and equipment		8,622	8,662
Other non-current assets		-	-
Exploration and evaluation assets		156,261	156,261
Total non-current assets		164,923	164,923
Total assets		500,228	3,293,815
Current liabilities			
Trade and other payables	6.5.5	154,048	94,053
Total current liabilities		154,048	94,053
Total liabilities		154,048	94,035
Net assets		346,180	3,199,780
Equity			
Issued capital	6.5.6	372,262	3,849,464
Accumulated losses	6.5.7	(26,082)	(679,684)
Total equity		346,180	3,199,780

6.5 NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial information. The accounting policies have been consistently applied unless otherwise stated. The financial information is in compliance with the recognition and measurement requirements of Australian Accounting Standards.

6.5.1. Basis of Preparation

Going concern

The financial information has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. Graphitecorp has not generated revenues from operations. As such, Graphitecorp's ability to continue to adopt the going concern assumption will depend upon a number of matters including the successful closure of its initial public offering, its subsequent successful raising in the future of necessary funding and the successful exploration and subsequent exploitation of Graphitecorp's tenements.

Reporting basis and conventions

The financial information has been prepared on an accruals basis and is based on historical costs, except for certain financial instruments measured at fair value.

6.5.2. Accounting Policies

a. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

b. Exploration and evaluation assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

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A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

A provision is raised against exploration and evaluation assets where the directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses. The increase in the provision is charged against the results for the year. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

c. Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to Graphitecorp prior to the end of the financial period that are unpaid and arise when Graphitecorp becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30-60 days of recognition.

d. Issued capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

e. GST

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

f. Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within Graphitecorp.

Key judgements – exploration & evaluation assets

Graphitecorp performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on the continuing rights to explore the area of interest, planned future expenditure and an assessment of economically recoverable reserves, if known.

6.5 NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION - CONTINUED

6.5.3. Cash and Cash Equivalents

Reconciliation of movements in Pro-Forma cash and cash equivalents	Reference	\$
Cash and cash equivalents at 30 September 2015		292,961
Proceeds from the issue of shares	6.3(v)	1,049,600
Proceeds from the issue of shares pursuant to this prospectus	6.3(i)	2,000,000
Payment of estimated costs with respect to this prospectus	6.3(ii)	(170,423)
Repayment of Directors loans	6.3(iii)	(60,013)
Pro-Forma cash and cash equivalents		3,112,125

6.5.4. Trade and other Receivables

Reconciliation of movements in Pro-Forma trade and other receivables	Reference	\$
Trade and other receivables at 30 September 2015		42,344
Prepaid costs associated with this Prospectus	6.3(ii)	(25,577)
Pro-Forma trade and other receivables		16,767

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6.5.5. Trade and other Payables

Reconciliation of movements in Pro-Forma trade and other payables	Reference	\$
Trade and other payables at 30 September 2015		154,048
Settlement of loans from directors	6.3(iii)	(60,013)
Pro-Forma trade and other payables		94,035

6.5.6. Issued Capital

Reconciliation of movements in Pro-Forma issued capital	Reference	Number of shares
Shares on issue at 30 September 2015		22,222,737
Issue of shares to sophisticated investors	6.3(v)	2,915,549
Share subdivision on a 1 for 2.25 basis	6.3(vi)	31,422,858
Issue of shares pursuant to this prospectus	6.3(i)	10,000,000
Issue of shares to Director	6.3(iv)	2,976,903
Pro-Forma issued capital		69,538,047

6.5.6. Issued Capital

Reconciliation of movements in Pro-Forma issued capital	Reference	Subscription \$
Issued Capital at 30 September 2015		372,262
Proceeds from the issue of shares to sophisticated investors	6.3(v)	1,049,600
Proceeds from the issue of shares to this prospectus	6.3(i)	2,000,000
Issue of shares to Director	6.3(iv)	595,381
Payment of estimated costs with respect to this prospectus (share issue costs)	6.3(ii)	(137,799)
Pro-Forma issued capital		3,879,464

6.5.7. Accumulated Losses

Reconciliation of movements in Pro-Forma accumulated losses	Reference	Subscription \$
Accumulated losses at 30 September 2015		(26,082)
Payment of estimated issue costs with respect to this prospectus (listing of existing shares)	6.3(ii)	(58,221)
Issue of shares to Director	6.3(iv)	(595,381)
Pro-Forma accumulated capital		(679,684)

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6.5.8. Commitments

Future exploration commitments

Graphitecorp has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Company. The commitments at 30 September 2015 were as follows:

Exploration Commitments	\$
Less than 12 months	10,000
Between 12 months and 5 years	-
Greater than 5 years	-
Exploration Commitments	10,000

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Company has the option to negotiate new terms or relinquish the tenements. Graphitecorp also has the ability to meet expenditure requirements by joint venture or farm-in agreements.

6.5.9. Contingent Assets and Liabilities

There were no contingent assets and liabilities at 30 September 2015.

6.5.10. Subsequent Events

The Directors are not aware of any other significant changes in the state of affairs of the Company or events subsequent to 30 September 2015 that would have a material impact on the historical or pro-forma financial information.

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This is a replacement prospectus dated 10 November 2015. It replaces a prospectus dated 23 October 2015, relating to shares of Graphitecorp Limited ACN 157 690 830.

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To the Directors
Graphitecorp Ltd
GPO Box 525
Brisbane QLD 4001
Australia

23 October 2015

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON GRAPHITECORP LTD HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

We have been engaged by Graphitecorp Ltd ("the company" or "Graphitecorp") to report on the historical financial information and pro forma historical financial information of Graphitecorp as at 30 September 2015 for inclusion in the public document dated on or about 23 October 2015 and relating to the issue of 10,000,000 shares in Graphitecorp ("the document").

Expressions and terms defined in the document have the same meaning in this report.

Scope

Historical financial information

You have requested BDO Audit Pty Ltd to review the following historical financial information of Graphitecorp (the responsible party) included in the public document:

- The statement of financial position as at 30 September 2015.

Hereafter referred to as "the historical financial information".

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

The historical financial information has been extracted from the financial information of Graphitecorp for the period ended 30 September 2015, which was reviewed by BDO Audit Pty Ltd in accordance with the Australian Auditing Standards.

The historical financial information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

BDO Audit Pty Ltd ABN 33 124 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the International BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

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Pro forma historical financial information

You have requested BDO Audit Pty Ltd to review the following pro forma historical financial information of Graphitecorp (the responsible party) included in the public document:

- The proforma statement of financial position as at 30 September 2015.

Hereafter referred to as “the pro forma historical financial information”.

The pro forma historical financial information has been derived from the historical financial information of Graphitecorp, after adjusting for the effects of pro forma adjustments described in section 6.3 of the public document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in sections 6.3 and 6.5 of the public document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

Directors' responsibility

The directors of Graphitecorp are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedure. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

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Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in section 6.2 and 6.4 of the public document, and comprising the statement of financial position as at 30 September 2015, is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 6.5 of the document.

Pro forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information, as described in section 6.3 and 6.4 of the public document, and comprising the pro forma statement of financial position as at 30 September 2015, is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 6.3 and 6.5 of the public document.

Restriction on use

Without modifying our conclusions, we draw attention to section 6.1 of the public document, which describes the purpose of the financial information, being for inclusion in the public document. As a result, the financial information may not be suitable for use for another purpose.

Consent

BDO Audit Pty Ltd has consented to the inclusion of this independent limited assurance report in the public document in the form and context in which it is included.

Liability

The liability of BDO Audit Pty Ltd is limited to the inclusion of this report in the public document. BDO Audit Pty Ltd makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the public document.

General advice warning

The report has been prepared, and included the document to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Independence or Disclosure of Interest

BDO Audit Pty Ltd does not have any interest in the outcome of the proposed listing, or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. BDO Audit Pty Ltd will receive normal professional fees for the preparation of this report.

BDO Audit Pty Ltd ABN 33 124 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

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BDO Audit Pty Ltd are auditors of Graphitecorp and from time to time BDO Audit Pty Ltd also provides Graphitecorp with certain other professional services for which normal professional fees are received.

BDO Audit Pty Ltd

C R Jenkins
Director

Brisbane

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This is a replacement prospectus dated 10 November 2015. It replaces a prospectus dated 23 October 2015, relating to shares of Graphitecorp Limited ACN 157 690 830.

8. Material Agreements

8.1 CONSTITUTION

The following is a summary of Graphitecorp's constitution. This summary is not exhaustive, nor does it constitute a definitive statement of a Shareholder's rights and obligations.

Shares

The Directors are entitled to issue and cancel Shares in the capital of Graphitecorp, grant Options over unissued shares and settle the manner in which fractions of a Share are to be dealt with. The Directors may decide the persons to whom, and the terms on which, Shares are issued or Options are granted as well as the rights and restrictions that attach to those Shares or Options.

The Constitution also permits the issue of preference shares on terms determined by the Directors.

Graphitecorp may also sell a Share that is part of an unmarketable parcel of shares under the procedure set out in the Constitution.

Variation of class rights

The rights attached to any class of Shares may, unless their terms of issue state otherwise, only be varied with the consent in writing of members holding at least three-quarters of the Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of Shares of that class.

Restricted securities

If the ASX classifies any of Graphitecorp's share capital as restricted securities, then the restricted securities must not be disposed of during the escrow period and Graphitecorp must refuse to acknowledge a disposal of the restricted securities during the escrow period, except as permitted under the Listing Rules or by the ASX.

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MATERIAL AGREEMENTS

8.1 CONSTITUTION - CONTINUED

Share certificates

Subject to the requirements of the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules, Graphitecorp need not issue share certificates if the Directors so decide.

Calls

The Directors may, from time to time, call upon Shareholders for unpaid monies on their shares. The Directors must give Shareholders notice of a call at least 30 business days before the amount called is due, specifying the time and place of payment. If a call is made, Shareholders are liable to pay the amount of each call by the time and at the place specified.

A call is taken to have been made when a Directors' resolution passing the call is made or on any later date fixed by the Board. A call may be revoked or postponed at the discretion of the Directors.

Forfeiture and lien

Graphitecorp may forfeit Shares to cover any call, or other amount payable in respect of Shares, which remains unpaid following any notice to that effect sent to a Shareholder. Forfeited Shares become the property of Graphitecorp and the Directors may sell, reissue or otherwise dispose of the Shares as they think fit.

A person whose Shares have been forfeited may still be required to pay Graphitecorp all calls and other amounts owing in respect of the forfeited Shares (including interest) if the Directors so determine.

Graphitecorp has a first and paramount lien for unpaid calls, instalments and related interest and any amount it is equally required to pay in relation to a Shareholder's Shares. The lien extends to all distributions relating to the Shares, including dividends.

Graphitecorp's lien over Shares will be released if it registers a transfer of the Shares without giving the transferee notice of its claim.

Share transfers

Shares may be transferred by any method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules or by a written transfer in any usual form or in any other form approved by the Directors. The Directors may refuse to register a transfer of Shares where it is not in registrable form, Graphitecorp has a lien over any of the Shares to be transferred or where it is permitted to do so by the Listing Rules or the ASX Settlement Operating Rules.

General meetings

Each Shareholder, Director and auditor is entitled to receive notice of and attend any general meeting of Graphitecorp. Two Shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a chair and the adjournment of the meeting, unless a quorum is present when the meeting proceeds to business.

Voting rights

Subject to any rights or restrictions attached to any Shares or class of shares, on a show of hands each Shareholder present has one vote and, on a poll, one vote for each fully paid Share held, and for each partly paid Share, a fraction of a vote equivalent to the proportion to which the Share has been paid up. Voting may be in person or by proxy, attorney or representative.

Remuneration of Directors

Each Director is entitled to remuneration from Graphitecorp for his or her services as decided by the Directors but the total amount provided to all Directors for their services as Directors must not exceed in aggregate in any financial year the amount fixed by Graphitecorp in general meeting (see section 10.4). The remuneration of a Director (who is not the managing Director or an executive Director) must not include a commission on, or a percentage of, profits or operating revenue.

Remuneration may be provided in the manner that the Directors decide, including by way of non-cash benefits. There is also provision for Directors to be paid extra remuneration (as determined by the Directors) if they devote special attention to the business of Graphitecorp or otherwise perform services which are regarded as being outside of their ordinary duties as Directors or, at the request of the Directors, engage in any journey on Graphitecorp's business.

Directors are also entitled to be paid all travelling and other expenses they incur in attending to Graphitecorp's affairs, including attending and returning from general meetings or Board meetings, or meetings of any committee engaged in Graphitecorp's business.

Interests of Directors

A Director who has a material personal interest in a matter that is being considered by the Board must not be present at a meeting while the matter is being considered nor vote on the matter, unless the Corporations Act allows otherwise.

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8.1 CONSTITUTION - CONTINUED

Election and retirement of Directors

There must be a minimum of three Directors and a maximum of 12 Directors unless Graphitecorp in general meeting resolves otherwise.

Where required by the Corporations Act or Listing Rules, Graphitecorp must hold an election of directors each year. No Director, other than the managing director, may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. A Director appointed to fill a casual vacancy, who is not a managing Director, holds office until the conclusion of the next annual general meeting following his or her appointment. If there would otherwise not be a vacancy, and no Director is required to retire, then the director who has been longest in office since last being elected must retire.

If a number of Directors were elected on the same day, the Directors to retire is (in default of agreement between them) determined by ballot.

Dividends

If the Directors determine that a final or interim dividend is payable, it is (subject to the terms of issue on any Shares or class of Shares) paid on all Shares proportionate to the amount for the time being paid on each Share. Dividends may be paid by cash, electronic transfer or any other method as the Board determines.

The Directors have the power to capitalise and distribute the whole or part of the amount from time to time standing to the credit of any reserve account or otherwise available for distribution to Shareholders. The capitalisation and distribution must be in the same proportions which the Shareholders would be entitled to receive if distributed by way of a dividend.

Subject to the Listing Rules, the Directors may pay a dividend out of any fund or reserve or out of profits derived from any source.

Proportional takeover bids

Graphitecorp may prohibit registration of transfers purporting to accept an offer made under a proportionate takeover bid unless a resolution of Graphitecorp has been passed approving the proportional takeover bid under the provisions of the Constitution.

The rules in the Constitution relating to proportional takeover bids cease on the third anniversary of the adoption of the Constitution, or the renewal of the rules, unless renewed by a special resolution of Shareholders.

Indemnities and insurance

Graphitecorp must indemnify current and past Directors and other executive officers (**Officers**) of Graphitecorp on a full indemnity basis and to the fullest extent permitted by law against all liabilities incurred by the Officer as a result of their holding office in Graphitecorp or a related body corporate.

Graphitecorp may also, to the extent permitted by law, purchase and maintain insurance, or pay or agree to pay a premium for insurance, for each Officer against any liability incurred by the Officer as a result of their holding office in Graphitecorp or a related body corporate.

8.2 FARM-IN AGREEMENTS

In 2014, Graphitecorp entered into farm-in agreements with two separate parties to farm-in to the non-metal mineral rights in various exploration permits for minerals (EPM). The keys terms of those farm-in arrangements are set out below.

Exco Resources Limited

On or about 1 August 2014, Graphitecorp entered into a farm-in agreement with Exco Resources Limited ACN 080 339 671 (**Exco**), a wholly-owned subsidiary of Washington H. Soul Pattinson and Company Limited ACN 000 002 728. Pursuant to that agreement, Graphitecorp had the right to earn 80% of the non-metal mineral rights in certain sub-blocks within EPM 18995, EPM 18128 and EPM 16983 (with Exco to retain the remaining 20% interest).

The farm-in conditions included the payment of a fee on signing the farm-in agreement, together with minimum drilling obligations (the 'farm-in conditions'). Graphitecorp was also required, with samples from the drilling undertaken to satisfy the farm-in conditions, to conduct multi-element assays and share those results with Exco, which has occurred.

The farm-in conditions were satisfied in early September 2015, at which time, pursuant to the terms of the farm-in agreement, a joint venture was formed in accordance with the joint venturers' respective equity interests on customary joint venture terms until a formal joint venture agreement is signed by the parties. Otherwise, the agreement sets out a number of rights and obligations that apply to the parties as joint venturers, including that expenditure will occur based on the joint venturers' respective equity interests (being 80% to Graphitecorp and 20% to Exco), that Graphitecorp has pre-emptive rights over Exco's non-metal interests in the farm-in area and that Exco must support and facilitate the application for higher tenure, such as a mining lease or mineral development licence the costs of which will be borne in accordance with the joint venturers' respective equity interests. The parties have commenced negotiating a long form joint venture agreement.

Under the farm-in agreement, if either of the parties identify an area within the relevant tenement area capable of sustaining a commercial mining operation for competing minerals (e.g. metals vs graphite) then the priority of such development will be determined by the mineral resource with the greatest net recoverable value to Exco.

Flamingo Copper Mines Pty Ltd

On or about 1 July 2014, Graphitecorp entered into a farm-in agreement with Flamingo Copper Mines Pty Ltd ACN 076 330 375 (**Flamingo**) and its holding company, Queensland Mining Corporation Limited ACN 109 962 469. Pursuant to that agreement, Graphitecorp had the right to earn 80% of the non-metal mineral rights in EPM 17323 (with Flamingo to retain the remaining 20% interest). The graphitic schist that Graphitecorp has mapped in EPM 17323 represents approximately 5% of the Project area.

The farm-in conditions included the payment of a fee on signing the farm-in agreement, together with minimum drilling obligations (the 'farm-in conditions'). Graphitecorp was also required to share the results of the drilling undertaken to satisfy the farm-in conditions with Flamingo, which has occurred. The parties have agreed that Flamingo have until 20 November 2015 to elect to participate in the joint venture, failing which Graphitecorp may elect to acquire Flamingo's 20% interest and have EPM 17323 transferred to it (subject to granting Flamingo the metal rights in EPM 17323) for payment of \$60,000 to Flamingo. Flamingo has confirmed that it will not participate in the joint venture. Graphitecorp intends to exercise the right acquire Flamingo's interest and have EPM 17323 transferred to it, and has made the \$60,000 payment to Flamingo.

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Flamingo Copper Mines Pty Ltd - Continued

The farm-in conditions were satisfied in early September 2015, at which time, pursuant to the terms of the farm-in agreement, a joint venture was formed in accordance with the joint venturers' respective equity interests on customary joint venture terms until a formal joint venture agreement is signed by the parties.

Otherwise, the agreement sets out a number of rights and obligations that apply to the parties as joint venturers, including that expenditure will occur based on the joint venturers' respective equity interests (being 80% to Graphitecorp and 20% to Flamingo) and that Flamingo must support and facilitate the application for higher tenure, such as a mining lease or mineral development licence the costs of which will be borne in accordance with the joint venturers' respective equity interests.

Under the farm-in agreement, if either of the parties identify an area within the relevant tenement area capable of sustaining a commercial mining operation for competing minerals (e.g. metals vs graphite) then the priority of such development will be determined by the mineral resource with the greatest recoverable value (net of mining costs).

8.3 COLLABORATION AGREEMENT

Graphitecorp has entered into a collaboration agreement with a freight and logistics provider pursuant to which the parties agree to scope options for a road and port transport solution for bagged graphite concentrate based on back-loading to the Port of Brisbane.

8.4 MANDATORY RESTRICTION AGREEMENTS

The table below sets out restriction agreements that Graphitecorp has entered into with members as required under the Listing Rules. Under those agreements, the relevant member cannot sell, create a security interest in or otherwise deal in their Shares until the relevant release date.

MEMBER	SHARES	% HOLDING	RELEASE DATE
Greg Baynton	29,395,161	100%	November 2017
Phil St Baker	7,976,903	100%	November 2017
Tony Bellas	3,919,354	100%	November 2017
Seed investors	4,807,411	82.78%	August 2016

The escrow arrangements do not restrict the relevant members from accepting a successful takeover bid (being a takeover bid that is accepted by at least half of the non-escrowed Shareholders) or transferring Shares under a scheme of arrangement for all the Shares.

8.5 EXECUTIVE SERVICE CONTRACTS

Philip St Baker is employed on a fixed term contract until 31 December 2017, which may be extended by agreement. Either party may terminate without cause with six months' notice. Graphitecorp has the right to terminate immediately with cause. On termination, Mr St Baker is entitled to be paid his accrued and untaken annual leave and any accrued and untaken long service leave (if so entitled) calculated as at the last day of employment.

Mr St Baker's salary package is \$300,000 per annum (in recognition of a 60% time commitment), comprising \$150,000 per annum cash salary and performance rights under Graphitecorp's performance rights plan with a value of \$150,000 per annum as follows:

TRANCHE	RIGHTS	VESTING CONDITIONS	VESTING DATE
2016	812,500	Graphitecorp' share price closes at \$0.40 on 31 December 2016. ¹²	31 December 2016 ¹³
2017	750,000	Graphitecorp' share price closes at \$0.80 on 31 December 2017	31 December 2017

In addition to the issue of performance rights, Mr St Baker is entitled to be issued, on the admission of Graphitecorp to the official list of ASX (and in lieu of salary up until the date of admission) such number of Shares as would represent 5% of Graphitecorp's share capital on IPO (excluding Shares issued under this prospectus), being 2,976,903 Shares.

Mr St Baker's agreement otherwise contains standard terms and conditions for agreements of this nature, including confidentiality, restraint on competition and retention of intellectual property.

Greg Baynton is also employed as an executive of Graphitecorp on a fixed term contract until 31 December 2017, which may be extended by agreement. Either party may terminate without cause with six months' notice. Graphitecorp has the right to terminate immediately with cause. On termination, Mr Baynton is entitled to be paid his accrued and untaken annual leave and any accrued and untaken long service leave (if so entitled) calculated as at the last day of employment. Mr Baynton's salary package is \$100,000 per annum (for 2.5 days / week).

Mr Baynton's agreement otherwise contains standard terms and conditions for agreements of this nature, including confidentiality, restraint on competition and retention of intellectual property.

¹² Rights will vest on a pro rata basis if, in respect of the 2016 tranche, Graphitecorp's share price closes above \$0.20 but below \$0.40 and, in respect of the 2017 tranche, Graphitecorp's share price closes above \$0.40 but below \$0.80.

¹³ If any 2016 rights do not vest, then the vesting date for those rights is automatically extended to 31 December 2017 and will vest (or lapse) on the same basis as the 2017 tranche rights.

SECTION 8

MATERIAL AGREEMENTS

8.6 CONSULTANCY AGREEMENT

Martin Ebeling has been engaged by Graphitecorp under a consultancy agreement.

A monthly fee of €5,000 is payable to Mr Ebeling, plus reimbursable business expenses, in exchange for which Mr Ebeling will devote at least five days per month providing strategic consulting services to Graphitecorp.

The consultancy agreement has an initial term of six months, which ends on 22 February 2016, unless otherwise terminated. The parties may in writing agree to extend the term of the consultancy agreement, for a further period of six months, at any time prior to expiry.

8.7 DEEDS OF INDEMNITY AND ACCESS

Graphitecorp has entered into standard deeds of indemnity and access with the Directors.

Under those deeds, Graphitecorp has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director for seven years after the Director ceases to be a Director.

Graphitecorp has further undertaken to maintain Graphitecorp's board papers and to make them available to the Director for seven years after the Director ceases to be a Director.

8.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company for 13 months after the date of this prospectus:

- (a) the constitution of Graphitecorp; and
- (b) the consents to the issue of this prospectus.

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This is a replacement prospectus dated 10 November 2015. It replaces a prospectus dated 23 October 2015, relating to shares of Graphitecorp Limited ACN 157 690 830.

SECTION 8

DETAILS OF THE OFFER

9. Details of the Offer

9.1 HOW TO APPLY

Applications for Shares may only be made on an Application Form attached to or accompanying this prospectus or in its paper copy form which may be downloaded in its entirety from www.graphitecorp.com.au. Application Forms must be completed in accordance with the instructions on the Application Form. If you wish to apply for Shares online, please visit www.graphitecorp.com.au then click on the 'initial public offer' button. By making an application, you declare that you were given access to this prospectus (or any replacement prospectus), together with an Application Form. The minimum application is \$2,000 worth of Shares (10,000 Shares).

9.2 ALLOCATION OF SHARES

The Company may allocate all, or a lesser number, of Shares for which an application has been made, accept a late application or decline an application. Where applications are scaled back, there may be a different application of the scale-back policy to each Applicant.

Where no allocation is made to an Applicant or the number of Shares allocated is less than the number applied for by an Applicant, surplus Application Money is returned to that Applicant without interest. Any interest earned on Application Money is the property of Graphitecorp.

Successful Applicants are given written notice of the number of Shares allocated to them after the Closing Date. It is the responsibility of Applicants to confirm the number of Shares allocated to them before trading in Shares. Applicants who sell Shares before then, do so at their own risk.

9.3 WITHDRAWAL

The Company reserves the right to withdraw the Offer, at any time before the allotment of Shares. If the Offer does not proceed, the Application Money is refunded. No interest is paid on any Application Money refunded as a result of the withdrawal of the Offer.

9.4 TAXATION CONSIDERATIONS

The taxation consequences of an investment in the Company depend upon your particular circumstances. You should make your own enquiries about the taxation consequences of an investment in Graphitecorp. If you are in doubt as to the course you should follow, you should consult your accountant, stockbroker, lawyer or other professional adviser.

9.5 FOREIGN SELLING RESTRICTIONS

No action has been taken to register or qualify the Shares or the Offer in any jurisdiction outside Australia, or otherwise to permit a public offering of the Shares outside Australia.

The prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, the offer or invitation would be unlawful. The distribution of this prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

Each Applicant warrants and represents that:

- (a) the Applicant is an Australian citizen or resident in Australia, is located in Australia at the time of the application and is not acting for the account or benefit of any person in the United States or any other foreign person; and
- (b) the Applicant will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia or to a United States person, except in transactions exempt from registration under the *US Securities Act* 1933 as amended, and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

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This is a replacement prospectus dated 10 November 2015. It replaces a prospectus dated 23 October 2015, relating to shares of Graphitecorp Limited ACN 157 690 830.

10. Additional Information

10.1 RIGHTS ATTACHING TO SHARES

The rights attaching to Shares in Graphitecorp are set out in the constitution and summarised in section 8.1 of this prospectus.

10.2 CONSENTS AND DISCLAIMERS OF RESPONSIBILITY

None of the parties below has made any statement included in this prospectus or any statement on which a statement made in this prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this prospectus, other than the reference to its name and a statement included in this prospectus with the consent of that party, as specified below.

McCullough Robertson has given, and has not withdrawn, its written consent to be named as lawyers to Graphitecorp in the form and context in which it is named.

RungePincockMinarco has given, and has not withdrawn, its written consent to be named as independent technical expert to Graphitecorp in the form and context in which it is named. Certain employees of RungePincockMinarco have consented, as 'competent persons' under the JORC Code, to the inclusion of certain information the subject of regulation under the JORC Code. For further information, refer to the 'important notices' section and section 1.6 of the Independent Technical Report.

BDO Audit Pty Ltd has given, and has not withdrawn, its written consent to be named as Investigating Accountant and Auditor, in the form and context in which it is named and for the inclusion of its Investigating Accountant's Report in section 7 of this prospectus in the form and context in which it is included.

Link Market Services Limited has given, and not withdrawn, its written consent to be named as share registrar in the form and context in which it is named.

Morgans Corporate Limited has given, and not withdrawn, its written consent to be named as broker for the Offer in the form and context in which it is named.

SECTION 10

ADDITIONAL INFORMATION

10.3 INTERESTS OF EXPERTS & ADVISERS

Except as set out in this prospectus, no person named in this prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this prospectus:

- (a) has any interest or has had any interest during the last two years, in the formation or promotion of Graphitecorp, or in property acquired or proposed to be acquired by Graphitecorp in connection with its formation or promotion, or the Offer of the Shares; and
- (b) no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any of those persons in connection with the services provided by the person in connection with the formation or promotion of Graphitecorp, or the Offer of the Shares.

McCullough Robertson has acted as legal adviser to Graphitecorp in relation to the Offer and has been involved in undertaking due diligence enquiries and providing legal advice on the Offer. McCullough Robertson will be paid a fixed fee of \$60,000 (excluding GST) for these services.

RungePincockMinarco has acted as independent technical adviser to Graphitecorp and has prepared the Independent Technical Report annexed to this prospectus (part of which has been extracted as section 4). RungePincockMinarco will be paid a fee of \$40,000 (excluding GST) for these services.

BDO Audit Pty Ltd has acted as investigating accountant to Graphitecorp and has prepared the Investigating Accountant's Report in section 7 and performed work on due diligence enquiries. BDO Audit Pty Ltd will be paid an estimated fee of \$6,000 (excluding GST) for these services. Further amounts may be paid to BDO Audit Pty Ltd in accordance with their normal time-based charges.

BDO Audit Pty Ltd has acted as auditor to Graphitecorp. BDO Audit Pty Ltd will be paid an estimated fee of \$19,000 per annum (excluding GST) for the review of the financial report for the six month period ending 31 December 2015 and the audit of the financial report for the year ended 30 June 2016. Further amounts may be paid to BDO Audit Pty Ltd in accordance with their normal time-based charges.

Morgans Corporate Limited has acted as broker to the Offer. Morgans Corporate Limited will be paid a fee of \$20,000 (excluding GST), plus 2.5% on the value of funds it raises under the Offer.

10.4 INTERESTS OF DIRECTORS

Shareholdings

The Directors and their associates have a beneficial interest in the following Shares and performance rights in Graphitecorp:

DIRECTOR	NOW (M)		ON ADMISSION (M) ^{^^}	
Tony Bellas	3.9	6.9%	3.9 [^]	5.6%
Phil St Baker [#]	5.0	8.8%	8.0 ^{##^}	11.5%
Greg Baynton	29.4	52.0%	29.4 [^]	42.3%

[^] Does not include any Shares taken up by the relevant Director under the Offer.

[#] Mr St Baker has also been granted 1,500,000 performance rights, which vest progressively during the term of his executive agreement subject to continuity of employment and share price appreciate hurdles (see section 8.5).

^{##} Reflects the issue of 2,976,903 Shares to Mr St Baker as remuneration from his date of employment to the admission of Graphitecorp, which issue is conditional on Graphitecorp's admission to the official list of ASX.

Transactions with related parties

Prior to the date of this prospectus, Graphitecorp repaid loans totalling \$60,013 to Mr Baynton on account of various payments made by Mr Baynton on Graphitecorp's behalf. No interest was charged on those loans.

Payments to Directors

The constitution of Graphitecorp provides that the Directors may be paid, as remuneration for their services, a sum set from time to time by Graphitecorp's Shareholders in general meeting, with that sum to be divided among the Directors as they agree. The maximum aggregate amount to be approved by Shareholders for payment to the Directors is \$250,000 per annum.

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SECTION 10

ADDITIONAL INFORMATION

Mr Bellas, Graphitecorp's only non-executive Director, is currently paid fees of \$50,000 per annum. Messrs St Baker and Baynton are executives of Graphitecorp and receive salary of \$150,000 per annum and \$100,000 per annum (including superannuation) respectively (and no further remuneration in their roles as Directors).

Other than set out above or elsewhere in this prospectus:

- (a) no Director or proposed Director of Graphitecorp has, or has had in the two years before lodgement of this prospectus, any interest in the formation or promotion of Graphitecorp, or the Offer of Shares, or in any property proposed to be acquired by Graphitecorp in connection with information or promotion of the Offer of the Shares; and
- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of Graphitecorp either to induce him or her to become, or to qualify him or her as a Director, or otherwise for services rendered by him or her in connection with the promotion or formation of Graphitecorp or the Offer of Shares.

10.5 EXPENSES OF THE OFFER

The total estimated expenses of the Offer payable by the Company including ASX and ASIC fees, underwriting fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be approximately \$196,000.

10.6 AUTHORISATION

This prospectus is issued by the Graphitecorp. Each Director has consented to the lodgement of this prospectus with ASIC.

Dated 10 November 2015



Philip St Baker
Managing Director

11. Glossary

Applicant	means a person who submits an application form.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Settlement	means ASX Settlement Pty Ltd ACN 008 504 532.
ASX Settlement Operating Rules	means the ASX Settlement Operating Rules, being the operating rules of the Settlement Facility for the purposes of the Corporations Act.
Board	means the board of directors of the Company.
Cg	means graphitic carbon or fixed carbon distinguished from other sources of carbon (Cg).
CHESS	means Clearing House Electronic Subregister System, operated by ASX Settlement.
Closing Date	means the date on which the Offer closes, being Friday, 20 November 2015, or another date nominated by the Company.
Constitution	the constitution of Graphitecorp.
Corporations Act	means Corporations Act 2001 (Cth).
Directors	means the directors of the Company.
Existing Shareholders	means a Shareholders at the date of this prospectus.
Exploration Target	has the meaning given to that term in the JORC Code.
FY	means financial year, ended, or ending, on 30 June; a reference to, for example, FY2017 being the financial year ending 30 June 2017.

SECTION 11

GLOSSARY

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Graphitecorp	means Graphitecorp Limited ACN 157 690 830.
Inferred Mineral Resource	has the meaning given to that term in the JORC Code.
JORC	means, depending on the context, the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by JORC (2012 edition).
Listing Rules	means the listing rules of ASX.
Mineral Resource	has the meaning given to that term in the JORC Code.
Mt	means million tonnes.
Offer	means the offer of Shares under this prospectus.
Permits	means the exploration permits for minerals (EPM) designated as EPM 17323, EPM 18128, EPM 18995 and EPM 16983.
Project	means the Mount Dromedary Flake Graphite Project, comprising Graphitecorp's interest in the Permits.
prospectus	means this document (together with the application form), being a replacement prospectus lodged with ASIC on 10 November 2015.
RungePincockMinarco or RPM	means RungePincockMinarco Limited ACN 010 672 321, Graphitecorp's independent geologist and author of the independent geologist's report annexed to this prospectus.
Settlement Facility	has the meaning specified in the ASX Settlement Operating Rules.
Shareholders	means any person who is the registered holder of Shares .
Shares	means fully paid ordinary shares in Graphitecorp.
us or we	means the Company.
you	means the investors under this Prospectus.

Facts at a Glance

Company

Graphitecorp Limited
(ASX:GRA)
GPO Box 525
Brisbane QLD 4001
Australia
www.graphitecorp.com.au

Directors

Tony Bellas (Non-executive Chairman)
Phil St Baker (Managing Director)
Greg Baynton (Executive Director)

Strategic adviser

Martin Ebeling

Company secretary

Suzanne Yeates

Lawyers

McCullough Robertson
Level 11, Central Plaza Two
66 Eagle Street
Brisbane QLD 4000
www.mccullough.com.au

Share Registry

Link Market Services Limited
Level 15, 324 Queen Street
Brisbane QLD 4000
www.linkmarketservices.com.au

Independent Technical Expert

RungePincockMinarco Limited
Level 2
295 Ann Street
Brisbane QLD 4000
www.rpmglobal.com

Broker

Morgans Corporate Limited
Level 29
123 Eagle Street
Brisbane QLD 4000
Australia
www.morgans.com.au
1800 777 946

Auditor

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
www.bdo.com.au

Investigating Accountant

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
www.bdo.com.au

Mount Dromedary Flake Graphite Project, Queensland, Independent Technical Report

Graphitecorp Limited

Job No: ADV-BR-10938

Date: October 2015

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Document Control Sheet

Client	
Graphitecorp Limited	
Report Name	Date
Mount Dromedary Flake Graphite Project, Queensland, Independent Technical Report	October 2015
Job No.	Revision No.
ADV-BR-10938	
File Name:	
ADV-BR-10938-GraphiteCorp_ITR_Final.docx	

Authorisations				
Name	Position	Signature	Date	
Prepared By:	Bob Dennis	Executive Consultant, Geology and Mining		20 October, 2015
	Andrew Newell	Executive Consultant, Processing		
	Oyunbat Bat-Ochir	Resource Geologist		
Reviewed By	Jeremy Clark	Manager - HK		20 October, 2015
Approved By	Igor Bojanic	Head of Metals - ARC		20 October, 2015

Distribution				
Organisation	Recipient	No. Of Hard Copies	No. Of Electronic Copies	Comment
Graphitecorp Limited			1	

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IMPORTANT INFORMATION ABOUT THIS DOCUMENT

1. Our Client

This report has been produced by or on behalf of RungePincockMinarco Limited (“RPM”) solely for Graphitecorp Limited (the “Client”).

2. Client Use

The Client’s use and disclosure of this report is subject to the terms and conditions under which RPM prepared the report.

3. Notice to Third Parties

RPM prepared this report for the Client only. If you are not the Client:

- RPM has prepared this report having regard to the particular needs and interests of the Client, and in accordance with the Client’s instructions. It did not draft this report having regard to any other person’s particular needs or interests. Your needs and interests may be distinctly different to the Client’s needs and interests, and the report may not be sufficient, fit or appropriate for your purposes.
- RPM does not make and expressly disclaims from making any representation or warranty to you – express or implied – regarding this report or the conclusions or opinions set out in this report (including without limitation any representation or warranty regarding the standard of care used in preparing this report, or that any forward-looking statements, forecasts, opinions or projections contained in the report will be achieved, will prove to be correct or are based on reasonable assumptions).
- RPM expressly disclaims any liability to you and any duty of care to you.
- RPM does not authorise you to rely on this report. If you choose to use or rely on all or part of this report, then any loss or damage you may suffer in so doing is at your sole and exclusive risk.

4. Inputs, subsequent changes and no duty to update

RPM has created this report using data and information provided by or on behalf of the Client [and Client’s agents and contractors]. Unless specifically stated otherwise, RPM has not independently verified that data and information. RPM accepts no liability for the accuracy or completeness of that data and information, even if that data and information has been incorporated into or relied upon in creating this report (or parts of it).

The conclusions and opinions contained in this report apply as at the date of the report. Events (including changes to any of the data and information that RPM used in preparing the report) may have occurred since that date which may impact on those conclusions and opinions and make them unreliable. RPM is under no duty to update the report upon the occurrence of any such event, though it reserves the right to do so.

5. Mining Unknown Factors

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond RPM’s control and that RPM cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalize the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

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20 October, 2015

RungePincockMinarco Limited
ABN 17 010 672 321

Level 2, 295 Ann Street
Brisbane QLD 4000

Graphitecorp Limited
GPO Box 525
Brisbane, QLD 4001

GPO Box 2774
Brisbane QLD 4001

Attention: Mr Greg Baynton

Dear Greg,

RE: Independent Technical Report

RungePincockMinarco Limited ("RPM") has been engaged by Graphitecorp Limited ("Graphitecorp" or "Company" or the "Client") to undertake an Independent Technical Report ("ITR" or the "Report") in relation to the Mount Dromedary Flake Graphite Project in Queensland (the "Project" or "Mt Dromedary"), in connection with a proposed listing on the Australian Securities Exchange.

Although at an early stage of development with no mining being undertaken to date, RPM has estimated the Maiden Mineral Resource and an Exploration Target which demonstrates the high grade tenor of the mineralisation and excellent potential for the Project. Based on all data available the Company has also undertaken a conceptual level analysis of mining and metallurgical development options which highlights the currently defined resource demonstrates reasonable prospects of eventual economic extraction via conventional truck and shovel open cut mining methods.

The Client currently has "Farm-In" Agreements with ASX-listed companies; Exco Resources Limited ("EXS") and Queensland Mining Corporation Limited ("QMC") subsidiary Flamingo Copper Mines Pty Ltd to explore and develop graphite over 4 contiguous Exploration Permit Minerals (EPM) in the Mt Dromedary area. EPM's are EPM 16983, EPM 17323, EPM 18128 and EPM 18995. The exploration permit JV area covers 5 small sub-blocks (Normanton 3123 D, J, N, O and S) for a total area of 14.216 square km (1,421.6 hectares). Mineral Development Licences MDL 389 and MDL 401 are excised from the EPM's.

RPM's technical team ("the Team") consisted of Principal and Senior Geologists and a Process Engineer along with peer reviewers. The Team's qualifications and experience is detailed in **Annexure A** for reference.

RPM has conducted a geological review and Mineral Resource and Exploration Potential Target Estimate which are reported in accordance with the guidelines set out in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (December 2012) published by the Joint Ore Reserves Committee ("JORC") of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia (the "JORC Code").

This Independent Technical Report has been prepared in accordance with the relevant requirements of the listing rules of the ASX and the regulatory guidelines RG111 and RG112 issued by the Australian Securities and Investments Commission ("ASIC") in relation to the preparation of independent expert reports.

RPM has not been requested to provide an independent valuation. The expert whose signature is attached to this report does not hold an AFS licence and the opinions expressed in this Report are solely of a technical nature.

A site visit was undertaken in September 2015 by Mr. Robert Dennis, the ITR Study Manager, during which open discussions were held with the Graphitecorp's personnel on technical aspects relating to relevant Project issues and in particular the geologic data which supports the Project prospectivity. Graphitecorp's personnel were cooperative and open in facilitating RPM's work. The ITR Study Manager also inspected the geology, drilling remnants and the topographic conditions present as well as existing local and regional

infrastructure

The ITR relies on the Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland, report (“MtDGP”) by Christopher M. Sennitt BSc, MSc, FAIG, SEG, provided by Graphitecorp and other information collated by Mr Sennitt and provided by the Company for review as at 16th October, 2014 as well as observation and estimates completed by RPM. The Client has not advised RPM of any material change, or event likely to cause material change, to the underlying data, designs or forecasts subsequent to the supply of information. RPM does not warrant the completeness or accuracy of information provided by the Company which has been used in the preparation of this report.

RPM has completed the ITR on the following basis:

- The Mineral Resource Estimate is undertaken and reported in accordance with the provisions of the JORC Code;
- RPM has reviewed the source data supplied to it by or on behalf of the Company and is of the opinion that the source data is sufficient, relevant and reliable for the purposes of this Report.

Key Outcomes

This Report identified reasonable expectation for the eventual economic extraction of the currently defined Mineral Resource within the Project based on a conceptual level mining and metallurgical review. Details as to why the mineralisation has reasonable expectation of eventual economic extraction are discussed in Section 6.9 of the appended ITR with further details of conceptual studies undertaken in Section 9. RPM is of the opinion the Client has utilised industry standard practices to determine the Maiden Inferred Mineral Resource Estimate of 4.3 Mt @ 15.0% C Graphitic with flake size in the range of 27% Jumbo, 18 % Coarse, 6% Medium, 23% Fine and 26% Very fine. The Mineral Resource has high and medium grade portions with the high grade portion amounting to 2.7 Mt @ 20.4% C Graphitic and the medium grade portion amounting to 1.6 Mt @ 5.7% C Graphitic. The estimated Resource extends from surface to approximately 80m depth. Details of the Mineral Resource are tabulated in **Table 1**.

The Graphite Resource has a bimodal flake size distribution which is determined from Mineral Liberation Analysis (“MLA”) analysis of 19 surface and 11 sub-surface (RC drill) samples. The sub-surface samples are considered representative of the flake size distribution of the Mineral Resource and are tabled in **Table 2**.

In addition to the Mineral Resource estimate an Exploration Target of 101-156Mt @ 12%-18% C Graphitic has been estimated with flake size target in the range of 10%-30% Jumbo, 8%-20% Coarse, 3%-7% Medium, 15%-25% Fine and 25%-66% Very fine. The Exploration Target is exclusive of the Inferred Mineral Resource and is detailed in **Table 3**.

The Project is in an area of ample infrastructure for product and supply transport. It is adjacent to a sealed highway and 125 km north-northwest of a major railway depot at Cloncurry which has bulk commodity handling facilities. The extensive distribution of mapped surface outcrops and mineralisation widths intersected in drilling indicates that the Project may be extractable at relatively low waste to ore ratios via conventional open cut mining methods however additional mining studies need to be undertaken to confirm this assumption.

Project Summary

- The Mt Dromedary deposit is a flake graphite deposit hosted in graphitic schist and lithic meta-arenite of the Corella Formation, Eastern Succession of the Mt Isa Inlier.
- Mt Dromedary is located 125 km north-northwest of the town of Cloncurry in Northwest Queensland at latitude 19^o37’S and longitude 140^o23’ E.
- Modern exploration works within the Project area commenced in 1966 predominately for metals deposits, with graphite mineralisation exploration commencing in 1991. Nord Resources (Pacific) Pty Ltd (“Nord”) completed the initial graphite exploration on EPM 6961 (1991-1999) who undertook preliminary characterisation however formed the opinion all graphite was fine and metallurgical recoveries poor. Unrepresentative sampling was suspected by subsequent companies and CRA Exploration Pty Ltd (“CRAE”) entered into the JV with Nord during 1993-1994 and completed mapping and rock chip sampling, 7 costeans and analysing 8 composite metallurgical samples. The study identified high graphite contents mostly in fine size however the Project was dropped because of low

graphite prices.

- In 2014 Graphitecorp assembled, interpreted and documented the historic Project data and completed additional exploration activities which included detailed surface geology mapping and sampled outcrops and trenches. Following these works and revision of the data the Client defined 2 high priority zones and undertook the maiden drilling programme on the Project which included 9 RC drill holes and subsequent completed flake size analysis and initial metallurgical test work. Based on this and historical data, a high level conceptual analysis of potential mining and processing development options was completed. This review resulted in the conclusion that the likely development would be via medium scale truck and shovel open cut mining with on-site graphite concentration to produce a graphite concentrate. Given the extensive regional infrastructure network, it is envisaged that transport to ports and markets will be relatively straightforward with minimal capital required.
- MLA analysis of surface and Reverse Circulation (“RC”) drill samples indicated that the mineralisation consists of approximately 50% medium to jumbo flakes and 50 % fine to very fine sizes. The distribution is bi-modal and RPM considers the surface flake sizes to be unrepresentative of the bulk of sub-surface mineralisation intersected by the recent drilling undertaken by Graphitecorp.
- Characterisation and preliminary testwork has been conducted with a number of weathered surface samples and indicates the presence of a reasonable proportion of coarse flake.
- Preliminary flotation testwork of surface samples, incorporating regrinding has demonstrated the potential for high grade concentrates. A systematic processing program is required to define the optimal flowsheet based on likely mined materials as well as the target market requirements.
- There is well developed transport and mining supply infrastructure in the region to support any mining activities and transport to market. RPM notes that construction will be necessary to supply mining support, process, power and water to any operation and trade off studies of worker accommodation in Cloncurry or with a mine site camp will be required.

Mineral Resource

- RPM is of the opinion that the data supporting the Mineral Resource estimate has been collected using appropriate methodologies as is shown by appropriate checks and QA/QC information to be of adequate quality to support the classification applied.
- The Maiden Statement of Mineral Resources is reported as at 15th October, 2015 using a cut-off grade of 4.0% C Graphitic. The cut-off grade of 4.0% C Graphitic is based on the conceptual level mining and metallurgical reviews and is considered reasonable for a Mineral Resource likely to be exploited via open cut mining method with dedicated on-site processing plant supported by existing regional transport infrastructure.
- The Statement of Mineral Resources shown in **Table 1** and **Table 2** is reported exclusive of the Exploration Target reported in **Table 3**.

Table 1 - 8 Mt Dromedary 15th October 2015 Mineral Resource Estimate (4% C_graphite Cut-off)

Zone	Domain	Type	Inferred Mineral Resource			Contained Graphite K Tonnes
			Quantity K Tonnes	C Graphitic %	Total Carbon %	
Central	High grade	fresh	1,300	19.2	19.4	250
		weathered	320	18.4	19.1	60
	Medium grade	fresh	720	6.6	6.8	50
		weathered	90	5.4	6.2	5
Sub-Total (Central)			2,400	14.8	15.1	360
South	High grade	fresh	900	23.7	24.5	210
		weathered	190	16.2	18.0	30
	Medium grade	fresh	650	4.8	5.3	30
		weathered	100	5.4	7.2	10
Sub-Total South			1,800	15.2	16.0	280
Sub-Total High grade			2,700	20.4	23.2	550
Sub-Total Medium			1,600	5.7	6.9	90
Grand Total			4,300	15.0	15.5	640

Note:

- Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.
- Flake sizes for the Resource are tabulated in Figure 2, below.
- The Statement of Estimates of Mineral Resources has been compiled under the supervision of Mr. Robert Dennis who is a full-time employee of RPM and a Member of the AusIMM and AIG. Mr. Dennis has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the JORC Code (2012).
- All Mineral Resources figures reported in the table above represent estimates at 15th October, 2015. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
- Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition) and are reported exclusive of additional exploration targets.
- High grade Resource is the Resource estimated within a wireframe defined at 10% C Graphitic and the medium grade is in the wireframe defined at 4% C Graphitic but excluding the enclosed 10% C Graphitic wireframe.

- The flake size of the deposit was tested by MLA analysis of 19 surface and 11 sub-surface RC samples. The sub-surface samples are regarded as better characterising the Resource and the recommended flake size distribution of the Resource is shown Table 2.

Table 2 - Classification of Mt Dromedary Graphite Project Flake Size

Classification	Sieve Size (µm)	% in Interval	Cumulative %
Very Fine	<75	26.4	100.0
Fine	75-150	22.9	73.6
Medium	150-180	5.9	50.7
Large	180-300	18.2	44.8
Jumbo	>300	26.6	26.6

Exploration Potential

- The Project has a history of systematic exploration which has included geological mapping, geophysical and geochemical surveys, however only one drilling programme has been completed in 2015 by the Client. The most substantial work has been completed over 2014 and 2015 by Graphitecorp.

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- Only two small portions of the mapped strike length have been tested by RC drilling which forms the basis for the Mineral Resource reporting **Table 2**; resulting in a small Resource in comparison to the Exploration Target size.
- The Exploration Target excluded the volume of rock in which the Inferred Resource was estimated.
- The Exploration Target is presented in Table 3 and is conceptual in nature and located where there has been insufficient exploration works to estimate a Mineral Resource. It is based on graphitic outcrop mapping and sampling. It is also uncertain if further exploration will result in the estimation of a Mineral Resource. RPM recommends further extensive drilling and/or underground channel sampling to increase confidence in mineralisation extent and grade.
- Flake size for this target is estimated to be in the range of 10%-30% Jumbo, 8%-20% Coarse, 3%-7% Medium, 15%-25% Fine and 44%-66% Very fine.

Table 3 - Exploration Targets at the Mt Dromedary Graphite Project

ZONE	Area (m ²)	Depth (m)	Volume Excluding Resource (million m ³)	Density (g/cc)	Tonnes (Mt)	Grade (% Cg)	Contained Graphite (Mt)
Southern	142,740	80-120	10.5-16.2	2.26	23.8-36.7	12%-18%	2.9-6.6
Central	72,960	80-120	4.1-7.1	2.26	9.3-15.9	12%-18%	1.1-2.9
Northern	379,700	80-120	30.4-45.6	2.26	68.7-103.0	12%-18%	8.2-18.5
TOTALS	595,400	80-120	47.6-71.5	2.26	101-156	12%-18%	12.2-28.0

Note:1. Tonnages may vary because of rounding.

2. RPM note the tonnages and grades present are conceptual in nature and located where there has been insufficient exploration works to estimate a Mineral Resource. It is also uncertain if further exploration will result in the estimation of a Mineral Resource. RPM recommends further extensive drilling and/or underground channel sampling to define any additional mineralisation;

Processing

- Several mineralogical studies and preliminary testwork programs have been conducted on weathered samples from various locations over the last twenty four years. These studies indicate there is a number of ore types based on degree of weathering and graphite content, details are given in Chapter 8 of the appended ITR.
- High graphite contents as well as coarse flakes were found for a number of samples with calcite, quartz and muscovite as the typically dominant gangue minerals. Preliminary testwork indicated that good grade concentrates (>93% Cg) could be produced using flotation with concentrate re-grinding at relatively coarse grind sizes, however the testwork conditions and graphite recoveries were not reported.
- Further testwork studies of a more systematic nature are recommended to be conducted on samples that reflect optimal mining scenarios. To assist in scoping this work, consideration needs to be given to the nature of the product market as well as the influence of site water on the process.

Opportunities

The key opportunities identified for the Project are outlined below:

- Only a small portion of the surface extent of the mapped deposit was tested in the recent drilling program. With additional drilling, additional Resources are likely to be defined to support Mining Studies and future production as highlighted by the significant exploration target range estimated.
- The grade of the deposit increases with depth and as such a phased drilling programme is recommended (as outlined in Section 7) to define the grade-depth relationship. This is planned to be followed by pit optimisation to determine the breakeven depth for any initial open pit mining operation, which should be used to minimise costs for drilling to define additional resources, advance the project to higher Resource classification and minimise the timeframe to advanced mining studies.
- As with the grade, the flake size is greater at depth raising the possibility of optimising cash flow from the project by scheduling the higher value material as early as practicable in the production schedule. A similar approach is recommended to determine the optimal drilling depth and economics of any initial operation.

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- There is a possibility of focussing early mining on only the higher grade Resource potentially decreasing the cost per tonne of graphite product produced and enable production to commence in the short term, lowering the complexity of capital requirements etc.

Key Risks

The key risks identified for the Project are outlined below:

- Only conceptual / early stage mining and processing studies based on weathered samples have been completed. MLA flake size analysis of RC chips indicate smaller flake size for surface samples as such there is a risk that the early testwork does not reflect the true characteristics of the mineralisation and further work is required to confirm the depth-flake size distribution.
- Water resources for the Project are currently undefined. Carbonate units are present that may contain ample ground water but this possible source is not currently confirmed.
- No environmental studies have been completed. No significant impediments are identified to date but the final environmental constraints cannot be confirmed until studies are completed.
- No geotechnical studies have been completed. Pits are expected to be shallow and therefore geotechnical risks limited, however until studies are completed this cannot be confirmed.

RPM Qualifications and Experience

RPM provides advisory services to the mining and finance sectors. Within its core expertise it provides independent technical reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries.

RPM has independently assessed the Relevant Assets by reviewing pertinent data, including resources, reserves, manpower requirements and the life of mine plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this Report are those of RPM and its specialist advisors.

Drafts of this report were provided to the Company, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

RPM has been paid, and has agreed to be paid, professional fees for its preparation of this Report. None of RPM or its directors, staff or specialists who contributed to this report has any interest or entitlement, direct or indirect, in:

- The Company, securities or companies associated with the Company; or
- The right or options in the Relevant Assets; or
- The outcome of any proposed transaction.

Yours faithfully,



Mr Robert Dennis

Executive Consultant – Geology and Mining
RungePincockMinarco

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Robert Dennis, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists or a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASX website from time to time.

Mr. Robert Dennis is employed by RungePincockMinarco Limited ("RPM"). RPM has been engaged by Graphitecorp Limited ("Graphitecorp" or the "Company" or the "Client") to undertake an Independent Geologist's Report ("ITR") in relation to the Mount Dromedary Flake Graphite Project in Queensland, Australia (the "Project") and to estimate a maiden Resource for the Project to be included in a listing document for lodgement on the Australian Stock Exchange ("ASX"). The Competent Person receives a salary from RPM and RPM has been paid a fee for this service.

Mr. Robert Dennis has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Robert Dennis consents to the inclusion in the report of the matters based on his (or her) information in the form and context in which it appears.



Mr Robert Dennis
Executive Consultant – Geology and Mining
RungePincockMinarco

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1. Introduction

RungePincockMinarco (“RPM”) has been engaged by Graphitecorp Limited (“Graphitecorp” or the “Company” or the “Client”) to undertake an Independent Geologist’s Report (“ITR”) in relation to the Mount Dromedary Flake Graphite Project in Queensland, Australia (the “Project”) and to estimate a maiden Resource for the Project to be included in a listing document for lodgement on the Australian Stock Exchange (“ASX”).

The relevant assets under review in the ITR are the Mount Dromedary Flake Graphite Project (hereafter referred to as the “Project” or “Mt Dromedary”). Under farm-in arrangements, Graphitecorp has earned 80% of the Project, which is secured under 3 granted Exploration Permits for Minerals (EPMs) in the names of Exco Resources Limited (EPM 16983, EPM 18128 and EPM 18995) and EPM 17323 in the name of Flamingo Copper Mines Pty Ltd. A Mineral Resource estimate prepared in accordance with the JORC Code (2012) has been completed on the Project, with an Exploration Target defined for the Project and budgets developed for the exploration of the defined targets.

The Project was initially explored in the 1970’s and 1990’s which identified flake graphite mineralisation hosted in schist and slate. Although at an early stage of development, mineralisation is currently defined outcropping over a 3,000m strike length and thicknesses from 30m to 240m. The limited drilling to date has focused on the southern and central areas. An initial 400m RC drilling program was completed by the Client in September 2015 to confirm the presence of graphite schist at depth and complete the requirements of the Farm-in Agreement with Exco Resources Limited. This drilling was focused on the southern and central areas of the deposit, which formed the basis for the maiden Mineral Resource Estimate. Follow-up exploration has been planned following the initial drilling to further test the Exploration Target.

Preliminary “sighter” metallurgical testwork has been conducted on Mt Dromedary graphite ore by Peter H. Stitt & Associates Pty Ltd and Grafit Kropfmuhl. Senlac have presented a conceptual ‘base case’ mining and milling operation. Conventional open pit mining methods are envisaged and overburden removal is expected to be minimal in the early years. Final strip ratio will rely on mining studies based on the next stage of Resource definition.

Potential markets are proposed, to be confirmed, for Mt Dromedary including:

- Large flake for premium markets (lithium-ion battery manufacture).
- Surface Enhanced/Coated graphite (with carbon or silicon).
- Spherical graphite manufacture.
- Micronized graphite powders.

1.1 Scope of Work

RPM’s initial scope of work included:

- A one (1) day visit to the Mount Dromedary Project site;
- Review of the Project’s location, tenure and accessibility;
- Review the geology and mineralisation;
- Review the exploration work completed and comment on four planned confirmatory holes;
- Determine suitability of data for use in Mineral Resource estimation;
- Assess and describe the exploration potential;
- Design future exploration program; and
- Review conceptual mine plan designs if available;
- Review mineral processing and metallurgical testwork;
- Comment on Project risks and opportunities; and

- Review of the IPO circular prior to public release

Subsequently the scope was expanded to include a maiden Resource estimate based on recently completed drilling.

1.2 Relevant Assets

The Relevant Assets for the Report is the Mount Dromedary Flake Graphite Project.

1.3 Review Methodology

RPM's ITR methodology was as follows:

- Review existing reports and data,
- Conduct a Competent Person's site visit,
- Discussions with Project personnel of Graphitecorp,
- Preparation of the ITR and provision of drafts of the ITR to the Client's personnel to ensure factual accuracy and reasonableness of assumptions.

The comments and forecasts in this ITR are based on information supplied by the Company and by enquiry and verbal comment from the Client's personnel. Where possible, this information has been checked with hard copy data or by comment from more than one source. Where there was conflicting information on issues, RPM used its professional judgment to assess the issues.

1.4 Site Visits and Inspections

A site visit was conducted by the study manager to become familiar with the Project characteristics including inspection of the geology, drill core and the topographic conditions present at the site as well as infrastructure present. The site visit was undertaken in September 2015 by Mr. Robert Dennis. During the site visit, Mr Dennis had open discussions with Graphitecorp's personnel on technical aspects relating to the relevant issues and in particular the geologic data supporting the exploration target.

1.5 Information Sources

The ITR relies largely on the Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland, report ("MtDGP") by Christopher M. Sennitt BSc, MSc, FAIG, SEG, provided by Graphitecorp and other information collated by Mr Sennitt and provided by the Company for review. The ITR is based on information made available to RPM as at 16th October, 2015. The Clients have not advised RPM of any material change, or event likely to cause material change, to the underlying data, designs or forecasts since the supply of information. A full list of the relevant reports can be found in Annexure C.

1.6 Competent Person and Responsibilities

The statements of estimates included in the Report fall into two areas: Estimation of the Mineral Resource and additional graphite Exploration Target in the Project area.

1.6.1 Responsibilities

Geology, Exploration and Resources

The information in this report that relates to Geology and Exploration is based on information compiled by Mr. Robert Dennis who is a full-time employee of RPM and a Member of the AusIMM and the AIG. Mr. Dennis has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.



Mr Robert Dennis

Mr Dennis was assisted by Mr Oyunbat Bat-Ochir who assisted in review of the data supporting the Resource estimate and the estimation methods under the guidance of Mr Dennis.



Mr Oyunbat Bat-Ochir

Processing and Infrastructure

The information in this report that relates to Processing is based on information reviewed by Mr. Andrew Newell who is a full time Executive Consultant-Processing employed by RPM and is a Member of the AusIMM. Mr. Newell has sufficient experience which is relevant to Processing the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code.



Mr Andrew Newell

Technical Assessment Project Management

Mr. Robert Dennis has overall responsibility for compilation of the Report. His relevant experience, membership and qualifications include:

- Greater than five years' experience relevant to the type of deposit;
- Member of the AusIMM and the AIG;
- Has a BSc(Hons, First Class) majoring in Geology from the University of Queensland (St Lucia);
- Does not have economic or beneficial interest (present or contingent) in any of the reported Relevant Assets;
- Has not received a fee dependent on the findings outlined in the Report;
- Is not an officer, employee or proposed officer for the Clients or any group, holding or associated company of the issuer, and
- Assumes overall responsibility for the Report.



Mr Robert Dennis

1.7 Limitations and Exclusions

RPM's review was based on various reports, plans and tabulations provided by Graphitecorp either directly from the Project site and other offices, or from reports by other organisations whose work is the property of Graphitecorp. Graphitecorp has not advised RPM of any material change, or event likely to cause material change, to the ITR since the date of asset inspection.

The work undertaken for this Report is that required for a technical review of the information, coupled with such inspections as the Team considered appropriate to prepare this Report.

It specifically excludes all aspects of legal issues, commercial and financing matters, land titles and agreements, except such aspects as may directly influence technical, operational or cost issues and where applicable to the JORC Code guidelines.

RPM has specifically excluded making any comments on the competitive position of the Relevant Asset compared with other similar and competing producers around the world. RPM strongly advises that any potential investors make their own comprehensive assessment of both the competitive position of the Relevant Asset in the market, and the fundamentals of the copper markets at large.

1.7.1 Responsibility and Context of this Report

The contents of this Report have been based upon and created using data and information provided by or on behalf of Graphitecorp. RPM accepts no liability for the accuracy or completeness of data and information provided to it by, or obtained by it from Graphitecorp or any third parties, even if that data and information has been incorporated into or relied upon in creating this report. The report has been produced by RPM in good faith using information that was available to RPM as at the date stated on the cover page and is to be read in conjunction with the circular which has been prepared and forms part of the referenced transaction.

The Report has been produced by RPM in good faith using information that is available to RPM as at the date stated on the cover page. This report contains forecasts, estimates and findings that may materially change in the event that any of the information supplied to RPM is inaccurate or is materially changed in any way. This Report cannot be relied upon in any way if the information provided to RPM changes. RPM is under no obligation to update the information contained in the report.

Notwithstanding the above, in RPM's opinion, the data and information provided by or on behalf of Graphitecorp was reasonable in the context of a report of this nature and nothing discovered during the preparation of this Report suggests that there was a significant error or misrepresentation of such data or information.

1.7.2 Mining Unknown Factors

The findings and opinions presented herein are not warranted in any manner, expressed or implied. The ability of any person including the operator, or any other related business unit, to achieve forward looking production and economic targets is dependent upon numerous factors that are beyond RPM's control and which cannot be fully anticipated by RPM. These factors include site specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, etc. Unforeseen changes in legislation and new industry developments could substantially alter the performance of any mining operation.

1.7.3 Capability and Independence

RPM provides advisory services to the mining and finance sectors. Within its core expertise it provides Independent Expert reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries.

RPM has independently assessed the Relevant Assets of the Project by reviewing pertinent data, including resources, reserves, manpower requirements and the life of mine plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this Report are

those of RPM and its specialist advisors.

Drafts of this Report were provided to the Client, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

RPM has been paid, and has agreed to be paid, professional fees based on a fixed fee estimate for its preparation of this Report. Its remuneration is not dependent upon the findings of this Report or on the outcome of the transaction.

To the best of RPM's knowledge, none of RPM's directors, staff or specialists who contributed to this Report have any economic or beneficial interest (present or contingent), in:

- the Project, securities of the companies associated with the Project or that of Graphitecorp; or
- the right or options in the Relevant Assets; or
- the outcome of the proposed transaction.

This ITR was compiled on behalf of RPM by the signatories to this ITR, details of whose qualifications and experience are set out in Annexure A of this ITR. The specialists who contributed to the findings within this ITR have each consented to the matters based on their information in the form and context in which it appears.

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2. Project Description

The Project is located near Cloncurry in Northwest Queensland (**Figure 2-1**). Under farm-in arrangements, Graphitecorp has earned 80% of Mount Dromedary which is an early stage development project with exploration defining significant flake graphite mineralisation.

2.1 Project Location and Access

The Project is located 125 km north-northwest of the town of Cloncurry in Northwest Queensland at latitude 19°37'S and longitude 140°23' E. The Project is readily accessible by the sealed Burke Developmental Road (Route 83), which links Cloncurry with the Gulf port township of Karumba, 500m east of the Project. Cloncurry has high quality rail, road and air links to Australia's national transport, service and port infrastructure.

2.2 Regional Environment

2.2.1 Geography

Mt Dromedary lies in the Southern Gulf region, with the local area consisting of low-lying undulating terrane developed around a north-south striking ridge that rises up to 100-150 m elevation above the surrounding flat-lying flood plain. Shallow incised, intermittent streams either drain in a north-easterly direction into Dismal Creek or north-westerly into the Leichhardt River. Extensive flood conditions can develop in the drainage systems from cyclonic weather influences in the Gulf.

The nearest semi-permanent water is located in waterholes on the Leichhardt River at Gleeson Homestead. Several water bores with tanks and troughs provide potable water for cattle all year round.

In the Mt Dromedary area, the soils developed in the hills are thin, skeletal and stony, with poor fertility. Spinifex is accompanied by a range of small eucalypts, the species present depending on the rock type and soil depth. Where the soils are shallow and/or sandy, the hills are most often covered with low open woodlands of Snappy Gum (*Eucalyptus racemosa*). Cloncurry Box (*Eucalyptus leucophylla*) and Silver-leaved Box (*Eucalyptus pruinosa*) tend to be found on the deeper or heavier soils.

2.2.2 Climate

The Project area climate is characterised by hot, wet summers and cooler, dry winters, with frequent cyclonic activity between December and April, often accompanied by prolonged rainfall events and occasional high winds.

Average summer daily temperatures range between 20-32°C, and often reach 40°C in November-January. In the winter dry season months of May to August, clear nights and low humidity promote rapid cooling with average daily temperature ranges from 9 to 26°C. Humidity drops considerably from summer levels to 20 to 60 per cent with little chance of rain. Annual precipitation averages approximately 555 mm but because of high evaporation rates and variable rainfall patterns droughts are a feature of the region.

2.2.3 Industry

Local industry consists of cattle grazing, mining and service providers to the two primary industries.

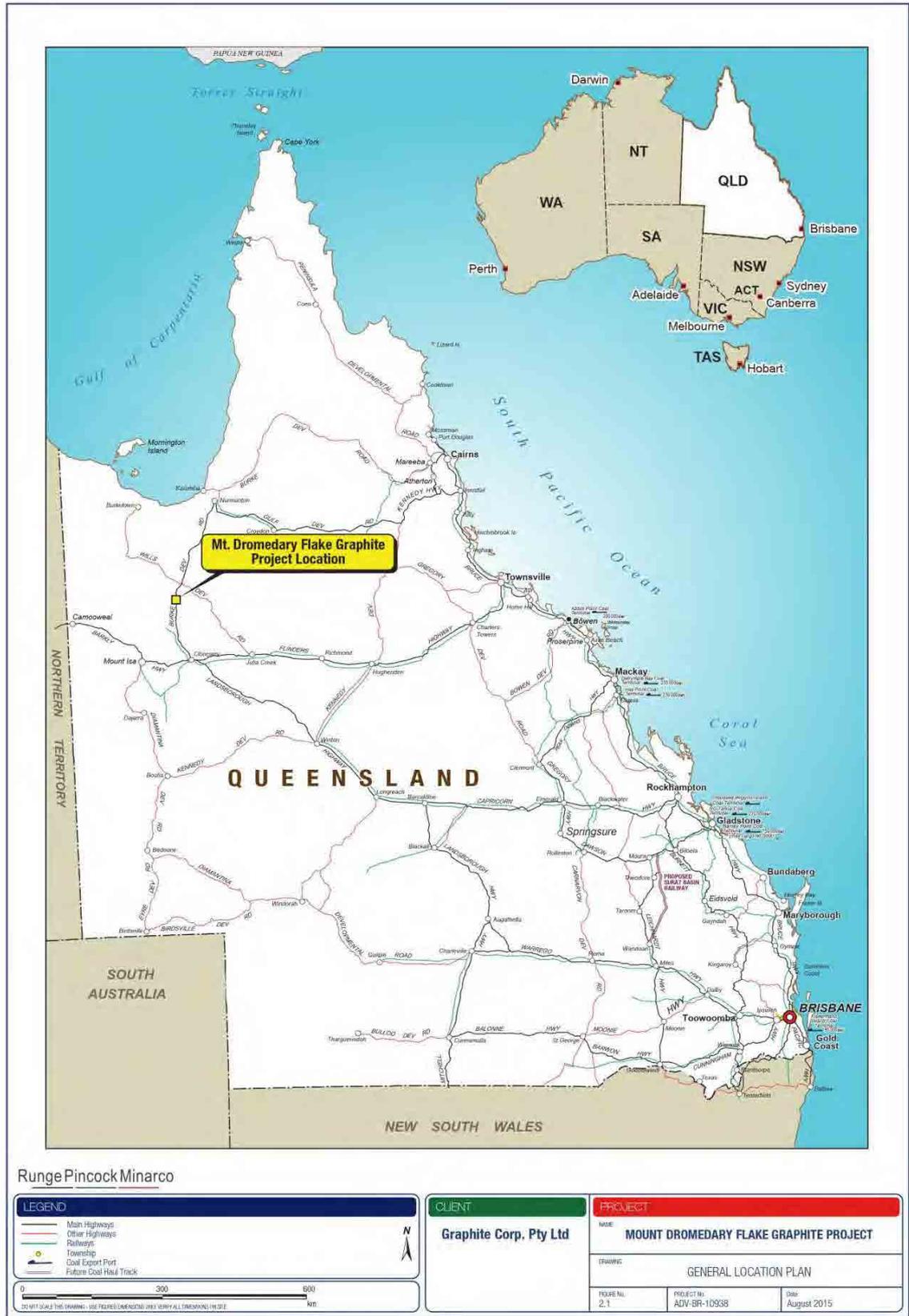
There are approximately 200 stations in the greater region, including both corporate and family-run enterprises, with corporately-owned properties tending to be larger. Breeding is an important industry for producers in the Gulf region, but supplying cattle to the live export trade has been growing in significance. The port of Karumba is used by this trade and port activity is expected to increase.

Mining plays a major role in the economy of the region. Current active mining activities in the Cloncurry region are extensive, and include the following operations:

- Ernest Henry Copper-Gold mine, operated by Glencore.
- Mt Cuthbert – a copper SX-EW operation 30 km west of Mt Dromedary
- Eloise – an underground copper mine 70 km south east of Cloncurry
- Great Australia copper-gold mine operated by EXCO Resources Limited.
- White Range, Kuridala, Vulcan and McCabe copper-cobalt-gold deposits, operated by Queensland Mining Corporation.
- Dugald River underground lead-zinc mine, newly commissioned and operated by Minerals and Metals Group Pty Ltd.
- Century zinc mine operated by Minerals and Metals Group Pty Ltd (closed in 2015).
- Cannington silver-lead mine operated by BHP Billiton.
- Rocklands copper-gold project in an advanced development stage, operated by Cudoco Limited.
- Merlin molybdenum project in an advanced development stage and operated by Chinova Resources.

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Figure 2-1 Project Location



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2.3 Regional and Local Infrastructure

There is well established infrastructure in the local area to support large scale mining activities, as is currently the case at several nearby world class deposits.

The two-lane, sealed, all weather public Burke Developmental Road is maintained by the State Government. The road is in excellent condition and the drive from Cloncurry to Mt Dromedary takes approximately 1.5 hours. The highway is gazetted for use by Road Trains (up to 75-tonne capacity) between Karumba-Cloncurry and from Cloncurry to Townsville (770 km distance) and is suitable for transport of materials and product.

Queensland Rail operates a public passenger station at Cloncurry, as well as a container handling facility at the Cloncurry Rail Siding. A 35 t mobile container crane is available to load and unload 20' shipping containers from flat-bed rail freight wagons. From the Cloncurry rail head, the shipping containers can be rail freighted by Q-Link rail service on the Mt Isa System Great Northern Railway rail line, directly into the Port of Townsville and to southern ports as required.

Cloncurry, although a relatively remote location in Queensland, has a sealed, all-weather airstrip and is well serviced by several regular daily jet airline service connections with Brisbane and Townsville Airports.

The Project is not covered by any cellular mobile phone network or by any proximal source of power. As such any mining operation at Mt Dromedary will require its own dedicated satellite telecommunications facility to provide onsite mobile communications, wireless email and internet connections and diesel generators to provide power.

There is no nearby mains water supply available to the Mt Dromedary graphite project. The Leichhardt River lies 15 km west of Mt Dromedary and permanent water holes are located at Gleeson Homestead. It may be possible water can be pumped from the Leichhardt River to a potential mining and milling operation at Mt Dromedary. A network of groundwater bores is potentially the likely means of providing a long-term reliable water supply to any potential mill processing operation for Mt Dromedary however further studies are required.

While occasional accommodation is available to support exploration efforts any mining development is likely to require a dedicated camp.

The Royal Flying Doctor Service ("RFDS") is based in Mount Isa Airport and provides valuable "rapid response" medical services for people living, working and travelling to remote pastoral stations and aboriginal communities in the Cloncurry district. Local airstrips are maintained for emergency Royal Flying Doctor medical services at the nearby cattle property homesteads of Gleeson, Boomara, Kamileroi, Melindah Downs and Coolullah Stations, all located within a 20km radius of Mt Dromedary.

2.4 Licences and Permits

2.4.1 Exploration Permits

Graphitecorp holds legally-binding "Farm-In" Agreements with ASX-listed companies; Exco Resources Limited and Queensland Mining Corporation Limited subsidiary Flamingo Copper Mines Pty Ltd to explore for and develop graphite over 4 contiguous EPM's in the Mt Dromedary area. The tenement boundaries of Mt Dromedary are illustrated in **Figure 2-2** and the tenement schedule listed below in **Table 2-1**.

EPM 18995 has Mineral Development Licences MDL 389 and MDL 401 excised from the EPM. MDL 389 and MDL 401 are held by William Croydon Pty Ltd and were granted on 8th February 2011 for lime/limestone and are due to expire on 28th February 2016.

The exploration permit JV area covers 5 minute sub-blocks (Normanton 3123 D, J, N, O and S) for a total area of 14.216 square km (1,421.6 hectares) as shown in **Figure 2-2**.

An independent title search was undertaken by RPM using the Queensland Department of Natural

Resources and Mines interactive MinesOnlineMaps Info System, as presented in **Table 2-1**. This title search confirms the title and tenement schedule as at 13th October, 2015.

RPM provides this information for reference only and recommends that land titles and ownership rights be reviewed by legal experts.

2.4.2 Pastoral Lease Holders

Completion of works on the tenements requires permission and compensation agreements with the pastoral lease holders. Mt Dromedary is situated primarily on Gleeson Station (Lands Lease 2965 PH 1525). The area south of the Gleeson Road is located on the Northern Australian Pastoral Company ("NAPCO") owned Coolullah Station, under Lands Lease 59TG40. East of the Burke Development Road, the area in EPM 18995 is held under 3LS18 Land Lease on Boomarra Station. The area on EPM 1828 falls over Lands Lease 1LS14, and is also on Boomarra Station. Boomarra Station is also owned by NAPCO. The relative locations of the roads are graphically shown in Figure 2-2.

The pastoral lease holders have a long experience of co-operating with mining interest holders with agreements typically negotiated on reasonable terms.

2.4.3 Native Title and Aboriginal Heritage

Native Title Access Agreements have been signed by Exco Resources and Queensland Mining Corporation with the Kalkadoon People the registered native title holders of the area. There are no known or identified Sacred Sites on the EPM's or nearby area. However, Native Title Site Clearances are required by Graphitecorp for approval of drill sites and access tracks as per normal industry permitting requirements. The site clearance is usually performed by a 3 member team of representatives from the Kalkadoon People, accompanied by a company representative. At the completion of the site inspection, a report is produced and lodged with the Department of Natural Resources and Mines.

2.4.4 Cultural Heritage

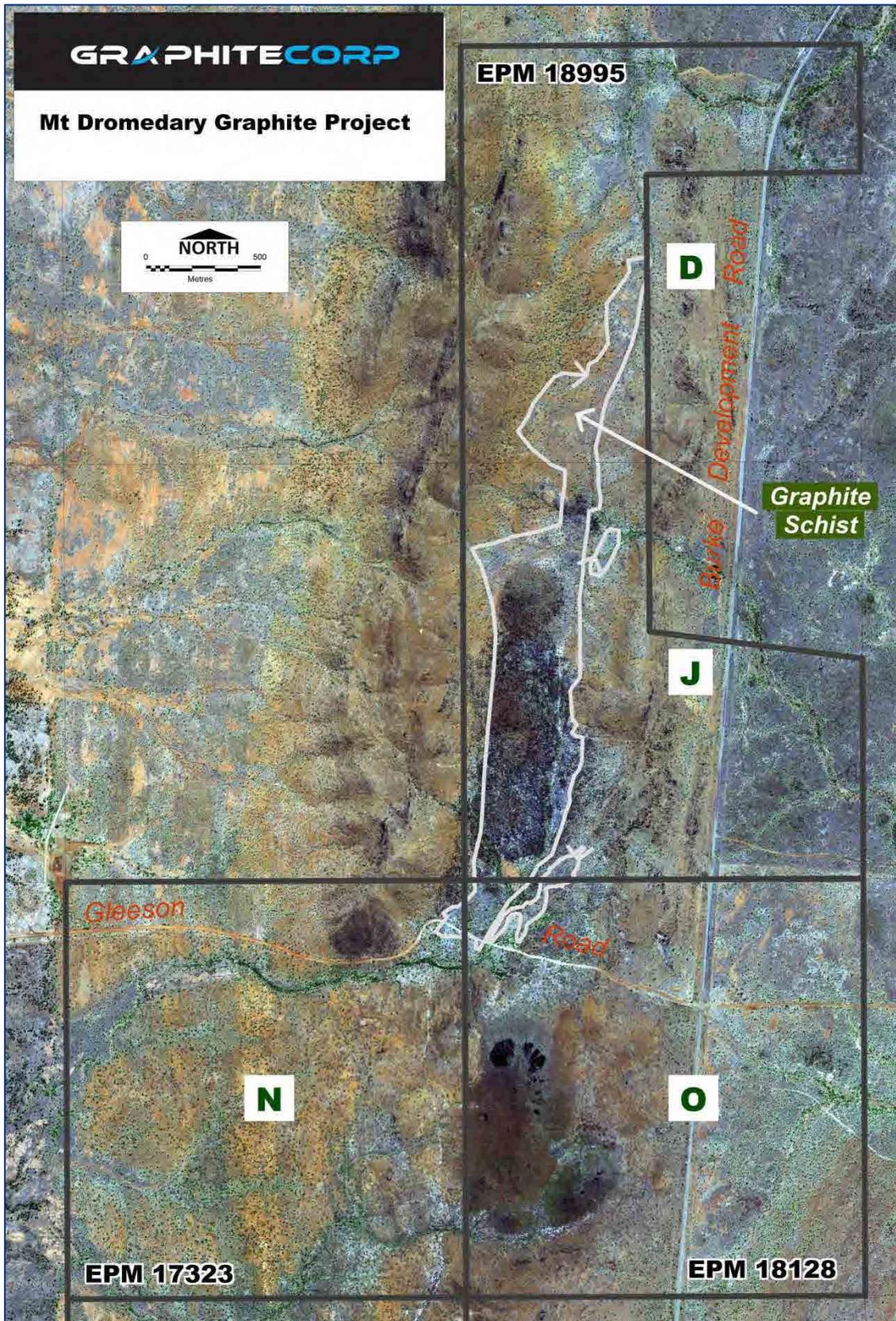
There are no known or registered cultural heritage sites within the Exploration Permits or nearby.

Table 2-1 Exploration License Details

EPM No.	Holder	Grant Date	Sub Blocks	Expiry Date
EPM 16983	Exco Resources Limited	26/05/2010	Normanton 3123 S	25/05/2018
EPM 17323	Flamingo Copper Mines Pty Ltd	20/10/2010	Normanton 3123 N	19/10/2016
EPM 18128	Exco Resources Limited	11/04/2011	Normanton 3123 O	10/04/2016
EPM 18995	Exco Resources Limited	30/04/2012	Normanton 3123 D, J	29/04/2017

Source: Tenure information supplied by Graphitecorp. Checked QLD Govt MinesOnlineMaps Info

Figure 2-2 Mineral Tenure Area



2.5 Project History

2.5.1 Exploration History

The Mt Dromedary area has been covered by a variety of exploration permits held by various individuals and companies for different commodities since modern exploration commenced in 1966 as summarised in Annexure D. During this period the majority of the exploration was for base metals however from the 1970s, because of Mr Bill Bowes, Manager of nearby Coolullah Station, the graphite potential was recognised. It is believed Mr Bowes excavated about five (5) trenches using a backhoe to expose graphite schist bedrock.

During the Nord Resources (Pacific) Pty Ltd ("Nord") exploration of EPM 6961 (1991-1999) a small synclinal basin surrounded by metamorphosed carbonaceous and calcareous rocks of the Corella Formation, situated east of Mt Dromedary and north of Black Mountain was mapped. The basin is fault-bounded and infilled by an extensive zone of graphitic schists and impure limestones. Nord collected rock chip samples from weathered graphite mineralized outcrops and submitted them for petrological examination (Richard England; Townsville) and for preliminary flotation metallurgical appraisal at Peter Stitt and Associates Sydney Laboratory. Initial examination indicated that most of the graphite was $<75\mu\text{m}$ in size and would therefore be classified as "amorphous" graphite. Because of the friable nature of the graphite schist host, the coarser flakes were assumed to break down during crushing and grinding liberation, prior to flotation processing. Because of this further work was recommended by Peter Stitt and Associates to determine if a marketable graphite product could be produced. A further four (4) 20kg rock chip samples were collected for preliminary "sighter" flotation metallurgical studies. Initial studies were very encouraging and indicated the samples contained 60-70% flake graphite ($>75\mu\text{m}$ size) grading 14.5-20% FC. Peter Stitt and Associates then generated graphite concentrates varying in purity between 25-64% FC, but at a poor overall recovery of 40%. Discussions between AMDEL Laboratories, MINPROC, and Peter Stitt and Associates suggested the main problem was the unrepresentative samples submitted and it was concluded that the use of weathered surface material had caused the recovery problems.

After CRA Exploration Pty Ltd ("CRAE") entered into the JV with Nord during 1993-1994, CRAE investigated the graphite potential with the following work program:

- Geological mapping and rock chip sampling.
- Excavation of seven (7) costeans using a backhoe.
- Collection of eight (8) composited mineralogical samples from the costeans to represent the different styles and mineralogies of the graphite schist. These composited samples were submitted for evaluation by the Advanced Technology Division ("ATD") of CRA Exploration Pty Ltd.

The report of ATD indicated the graphitic schists have a high carbon content, but was predominantly $<75\mu\text{m}$ in size and was classified as "amorphous" graphite. Exploration activities for graphite ceased. This decision also coincided with a global drop in graphite prices, induced by China dumping graphite onto the global market from stockpiles which had been built up. China maintained reduced prices over a prolonged period, to the point where other producers could not compete. Existing South Korean and European producers were forced to close their mining operations and most went out of business.

2.5.2 Recent Exploration

In 2014 Graphitecorp assembled, interpreted and documented the historic Project data and completed additional exploration activities which included detailed surface geology mapping and sampled outcrops and trenches. Following these works and revision of the data the Client defined 2 high priority zones and undertook the maiden drilling programme on the Project which included 9 Reverse Circulation drill holes for 400 m and subsequent completed flake size analysis and initial metallurgical test work. Based on this and historical data, a high level conceptual analysis of possible mining and processing development options was completed.

2.5.3 Mining History

No graphite production has occurred within the JV area as at the effective date of this report. There is a rich mining history in the region commencing from the discovery of copper in the Cloncurry region by Ernest Henry during 1867.

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3. Geology

RPM has reviewed the geology within the Project area, on both a regional and deposit scale and considers the geology is well understood and developed through the generation of geological maps, stratigraphic definitions (sedimentary sequence, dating and paragenetic history), and geological cross sectional interpretations by various authors.

3.1 Regional Geology

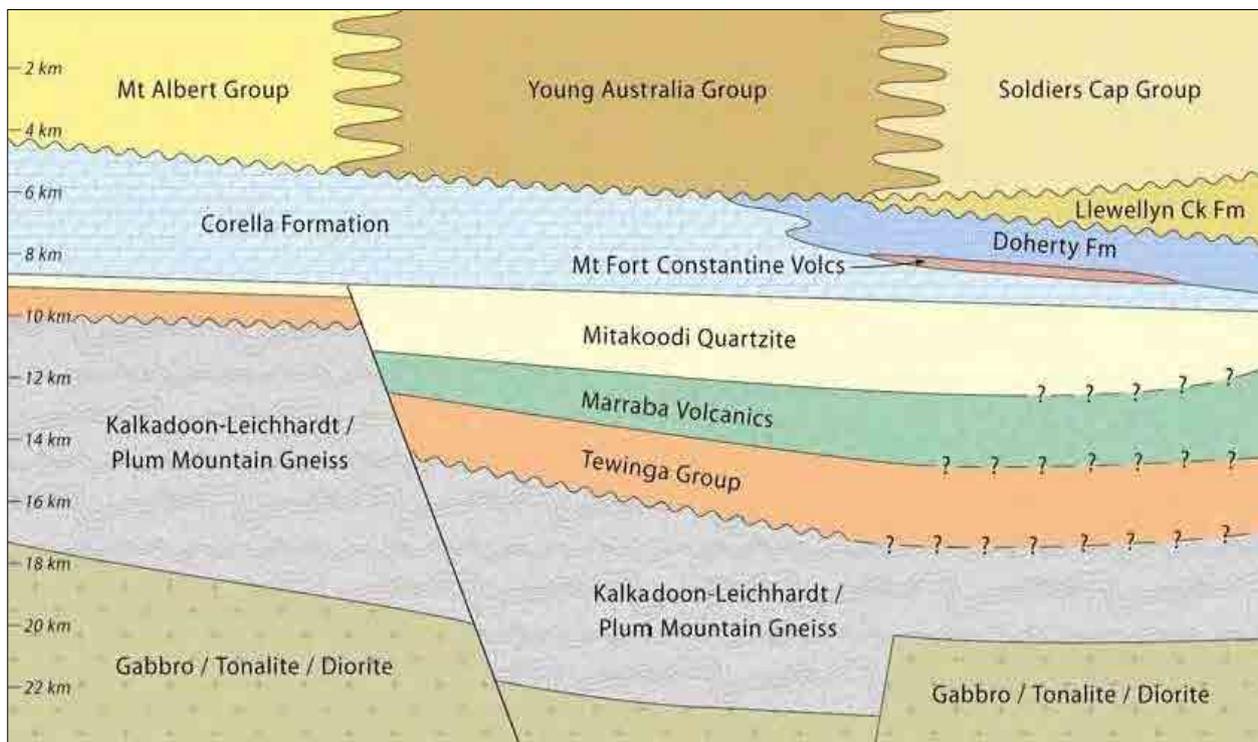
Mt Dromedary lies in the northern sector of the Quamby-Malbon Belt region (Withnall, 2008) of the Eastern Succession domain of the Proterozoic Mount Isa Inlier. The Mount Isa Inlier is dominated by Early to Middle Proterozoic metasedimentary units with bimodal rhyolitic and basaltic meta-volcanic rocks, gabbro, dolerite and widespread I-type and A-type granitoids.

An early history of basement formation and deformation was followed by several episodes of intra-craton rifting, accompanied by the development of a series of super-basins and the deposition of the Eastern Succession sequences (Page and Sun, 1998), illustrated in **Figure 3-1**.

The Eastern Succession is divided into the western Mary Kathleen Fold Belt, and eastern Cloncurry District, separated by the Pilgrim Fault (**Figure 3-2**). Another major, north-northwest trending, deep seated structure, the regional Cloncurry Fault, bisects the eastern sector of the Cloncurry District (Blenkinsop et al, 2008; Foster & Austin, 2008).

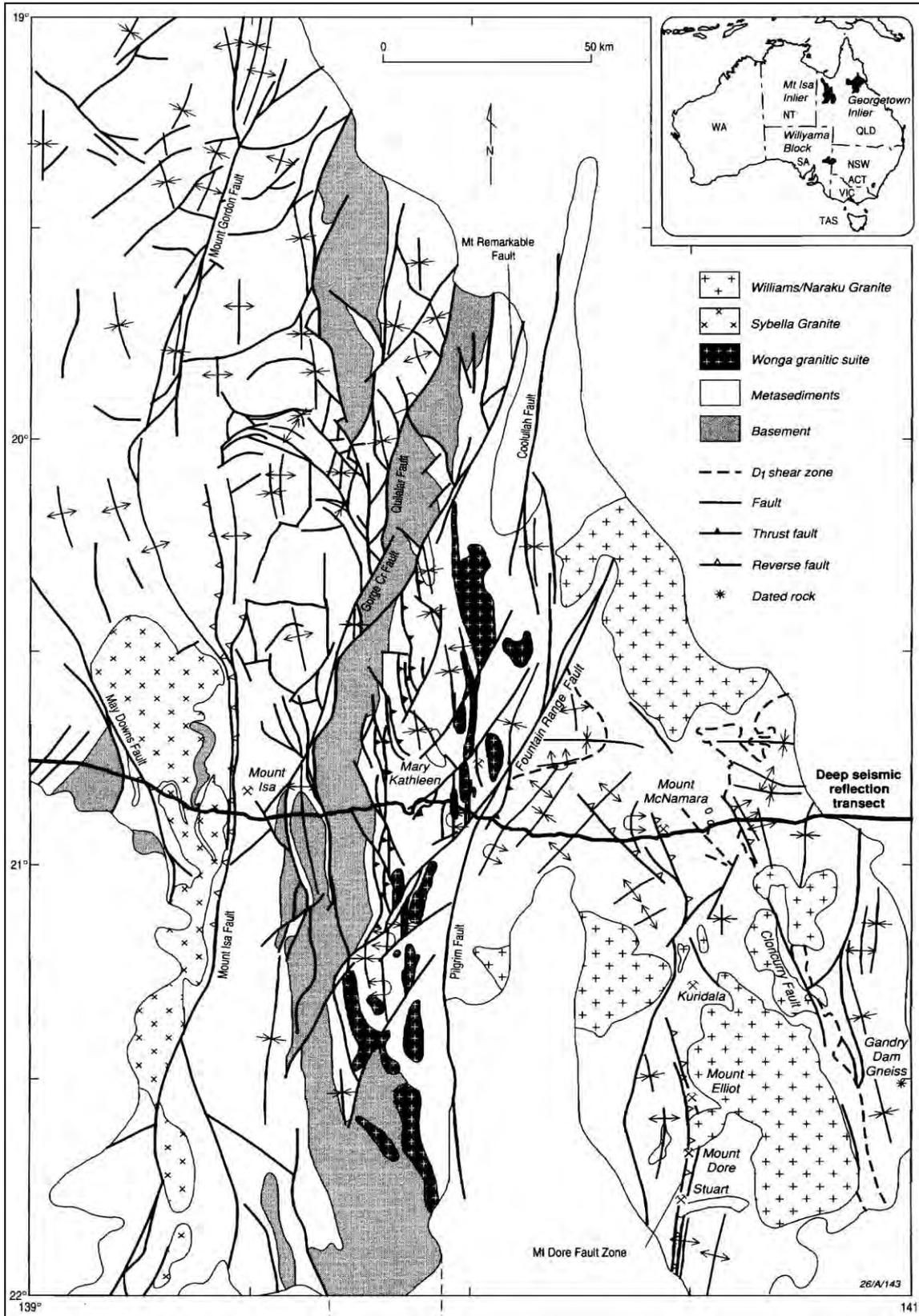
The geology was re-mapped in line with improved understanding of the sequence as per Figure 3-1 by Withnall (2008) and the Geological Survey of Queensland (2009).

Figure 3-1 Schematic Cross Section, Eastern Succession



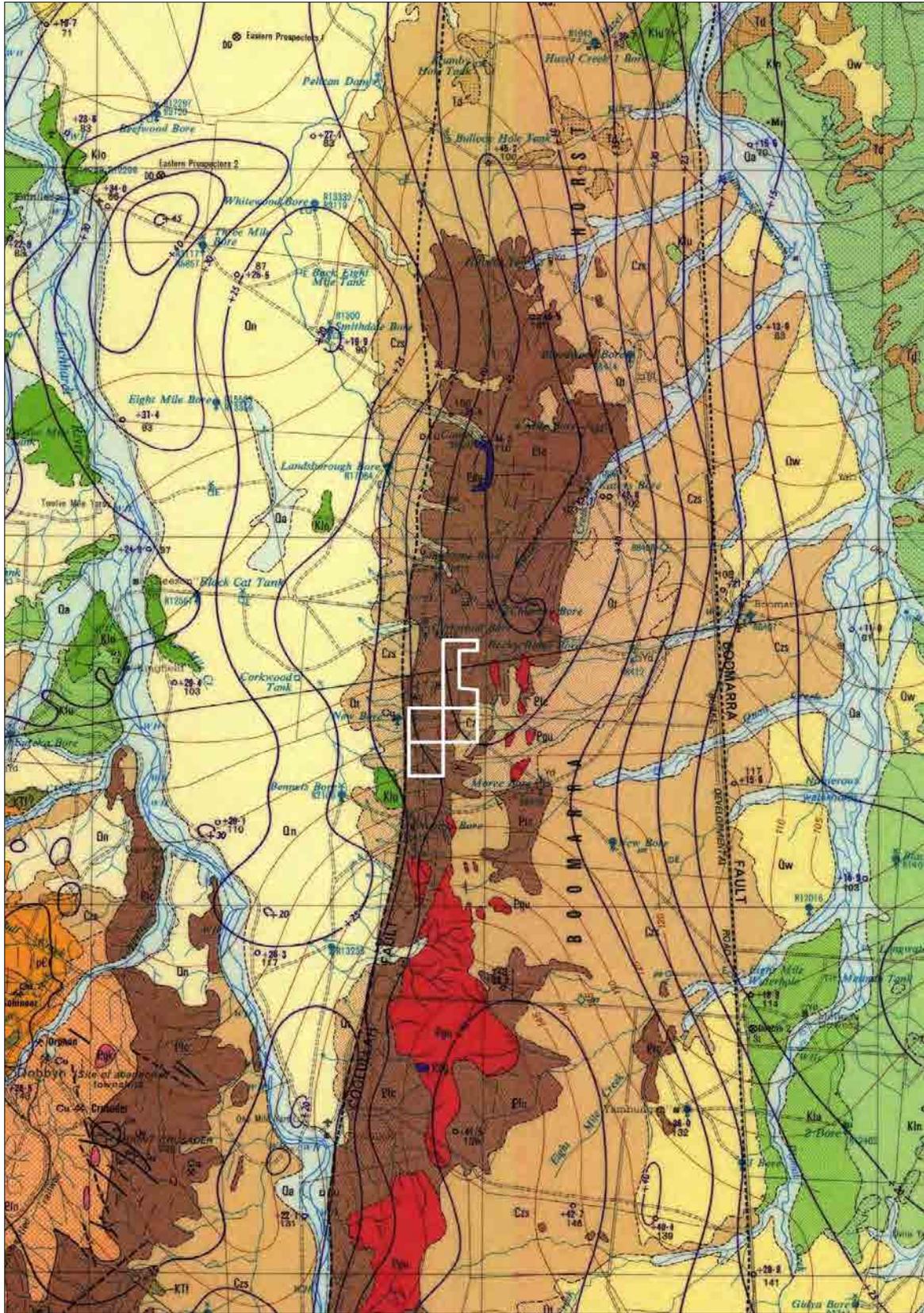
Source: After Blenkinsop et al, 2005

Figure 3-2 Major Structures of the Mount Isa Inlier and Magmatic Complex Map



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Figure 3-3 Regional Geological Map of the Mt Dromedary area (EPMs in white outline)



Source: Modified after the 250,000 scale Dobbyn Map Sheet SE-54-14 (BMR, 1972)

The tectonic history of the Mt Isa Inlier is long and complex but is well described. The rocks and geologic events defining the region are described in the following sections from oldest through to youngest.

3.1.1 1790 – 1750 MA

Basement (Boomarra Metamorphics)

The basement rocks of the Mt Isa Inlier consist of the Kalkadoon-Leichardt Gneiss, Plum Mountain Gneiss and the Boomarra Metamorphics. Mt Dromedary is located within the Boomarra Horst structure at the northern sector of the Quamby-Malbon Belt. The basement rocks of the Boomarra Horst have been mapped south of the project area by the BMR (1972) as consisting of migmatites, gneisses, quartzites and mica-schists, and Withnall (2008) revised the stratigraphy of the area and assigned them to the Boomarra Metamorphics, believed to be Early Proterozoic in age.

Boomarra Horst

The Boomarra Horst is coincident with the major Leichardt Gravity Ridge feature. The western flank of the Boomarra Horst is bounded by the major north-south Coolullah Fault structure, which can be traced at least 100km to the south, where it probably merges with the Pilgrim Fault. The eastern flank of the horst is largely obscured under Mesozoic-Cenozoic sedimentary cover but is referred to as the Boomarra Fault.

In the Mt Dromedary graphite project area, the Boomarra Metamorphics are largely obscured under Tertiary-Cainozoic cover, but it appears the Boomarra Metamorphics are in fault contact with the Corella Formation. The Boomarra Metamorphics-Corella Formation contact fault structure lies subparallel to the Coolullah Fault and is infilled by large quartz veins which dip steeply to the west.

3.1.2 1750 – 1690 MA

Deformation DAb

Igneous intrusions were initially emplaced into the basement rocks of the Mt Isa Inlier, accompanied by related coeval volcanic activity. An intra-craton rift subsequently developed in the basement rocks of the Mt Isa Inlier during 1750 – 1735 Ma, known as the Wonga Extensional Event (Blake, 1987; Blenkinsop et al, 2008; Foster & Austen, 2008). The rift was probably bounded by graben and detachment fault structures. The Wonga Extensional Event overlapped with basin formation and is referred to as the DAb Deformation Event by Rubenach (2005).

Cover Sequence 1

The rift grabens developed in the Mt Isa Inlier during deformation DAb were infilled initially by felsic volcanics of the laterally equivalent Bottletree and Argylla Formations and the Fort Constantine Volcanics of the Tewinga Group. Bimodal mafic volcanism was active in separate volcanic centres and appears to have been partially coeval with the felsic volcanism, being represented by the Eastern Creek Volcanics and its laterally equivalent Magna Lynn Metabasalt and Marraba Volcanics of the Malbon Group. Clastic sediments, comprising quartzites, were then deposited across the Mt Inlier, being represented by the Mount Oxide, Ballara and Mitakoodi Quartzites.

An unusual feature of Cover Sequence 1 is the diachronous nature of the stratigraphic sequence, with carbonates and bimodal mafic and acid volcanics gradually progressing upwards in the sequence as they migrated from west to east.

Cover Sequence 2

During the subsequent “sag” phase of the intracratonic rift, a sequence referred to as Cover Sequence 2 by Blenkinsop et al (2008) and Foster and Austen (2008) was deposited between 1790 - 1690 Ma and is represented by the Mary Kathleen Group. The base of Cover Sequence 2 consists of the Overhang Jaspilite, composed mainly of clastic rocks and minor volcanics. This unit is overlain by the laterally very extensive Corella Formation (unit Plc), which comprises well bedded platformal evaporitic carbonates (now altered to

scapolite), quartzo-feldspathic arenaceous layers, graphitic siltstone and impure carbonaceous limestone. Graphitic units at Mt Dromedary are in the Corella Formation. The Corella Formation is inferred to have been deposited within a shallow marine to evaporitic shelf environment (Reinhardt, 1986). It has been subjected to strong intra-formationally brecciated and in places contains exotic clasts. The lateral equivalent of the Corella Formation in the eastern sector of the Eastern Fold Belt is the Doherty Formation.

Magmatism (Wonga Granite, Dipvale Granodiorite & Levian Granite)

The Cover Sequences were extensively intruded by the 1750 - 1730 Ma Wonga Granite. The Mount Fort Constantine Volcanics are considered to be coeval with the Wonga Granite. Extensive sodic-calcic-potassic metasomatism, NaCl-rich scapolite and skarn development in the Corella Formation are believed to be associated with emplacement of the Wonga Granite (Oliver, 1995). Chemical changes with albitization included the addition of Na and the removal of K, Fe, Mn, Cu, Pb and Zn (Rubenach & Oliver, 2005). The Dipvale Granodiorite and the Levian Granite are considered by Davis et al (2001) to be older intrusive phases of the Naraku Batholith.

3.1.3 1690 – 1620 MA

Cover Sequence 3

Cover Sequence 3 was deposited between 1680 - 1610 Ma and extends further to the east than does Cover Sequence 2. Cover Sequence 3 is composed of quartzites, pelites, volcanic rocks and carbonates belonging to the broadly coeval Soldiers Cap, Young Australia and Mount Albert Groups, distributed respectively from east to west. Deposition of Cover Sequence 3 was abruptly terminated by the onset of the Isan Orogeny at about 1600 Ma. These sequences are not represented in Mt Dromedary and will not be described in detail.

Mafic Magmatism

Minor tonalites, granitoids and diorite (ie Ernest Henry Diorite) were emplaced under extensional conditions during 1686 - 1660 Ma. Coeval with this igneous activity was the development of widespread mafic igneous activity across the Eastern Succession during 1685-1640 Ma (Butera, 2008), when gabbro and dolerite sills and dykes (unit Pdg) intruded the Corella Formation, predominantly prior to the main metamorphism, but in some cases before consolidation. Within the Mt Dromedary project area, this mafic magmatism is represented by the Black Mountain Gabbro.

The age and geochemical characteristics of the Fe-rich tholeiites show striking similarities to similar mafic sills in the Etheridge Province (Georgetown Inlier) and the Curnamona Province near Broken Hill, suggesting a spatial link may have existed between these terranes during the early Proterozoic (Baker et al, 2010).

The extrusions and intrusions are co-magmatic, and have compositions typical of relatively evolved, fractionated, low-K, Fe-rich mid ocean ridge to back-arc basin tholeiitic basalts (Butera, 2008). Immobile major and trace element patterns suggest that the tholeiites were derived from a depleted upper mantle source and gradually evolved with increasing Fe-enrichment. These intrusions are therefore unlikely to be melts directly tapped from the mantle, but rather magmas that resided within, and fractionated in the lower crust. If so, they could have generated a significant thermal anomaly in the lower crust over an extended period which may be relevant to graphite formation at Mt Dromedary.

Emplacement of these mafic intrusions is believed by Rubenach et al (2008) to have resulted in the circulation of brines, probably sourced from the abundant evaporate sequences within the Corella Formation. These brines probably resulted in widespread early albitization at about 1650 Ma being concentrated along sill contacts and shear zones.

3.1.4 1610 – 1580 MA

Metamorphism M2 “Isan Orogeny”

Deposition of Cover Sequence 3 in the Eastern Fold Belt was terminated by the onset of the Isan Orogeny at about 1600 Ma. The Isan Orogeny occurred between 1600 – 1580 Ma, corresponding with the peak

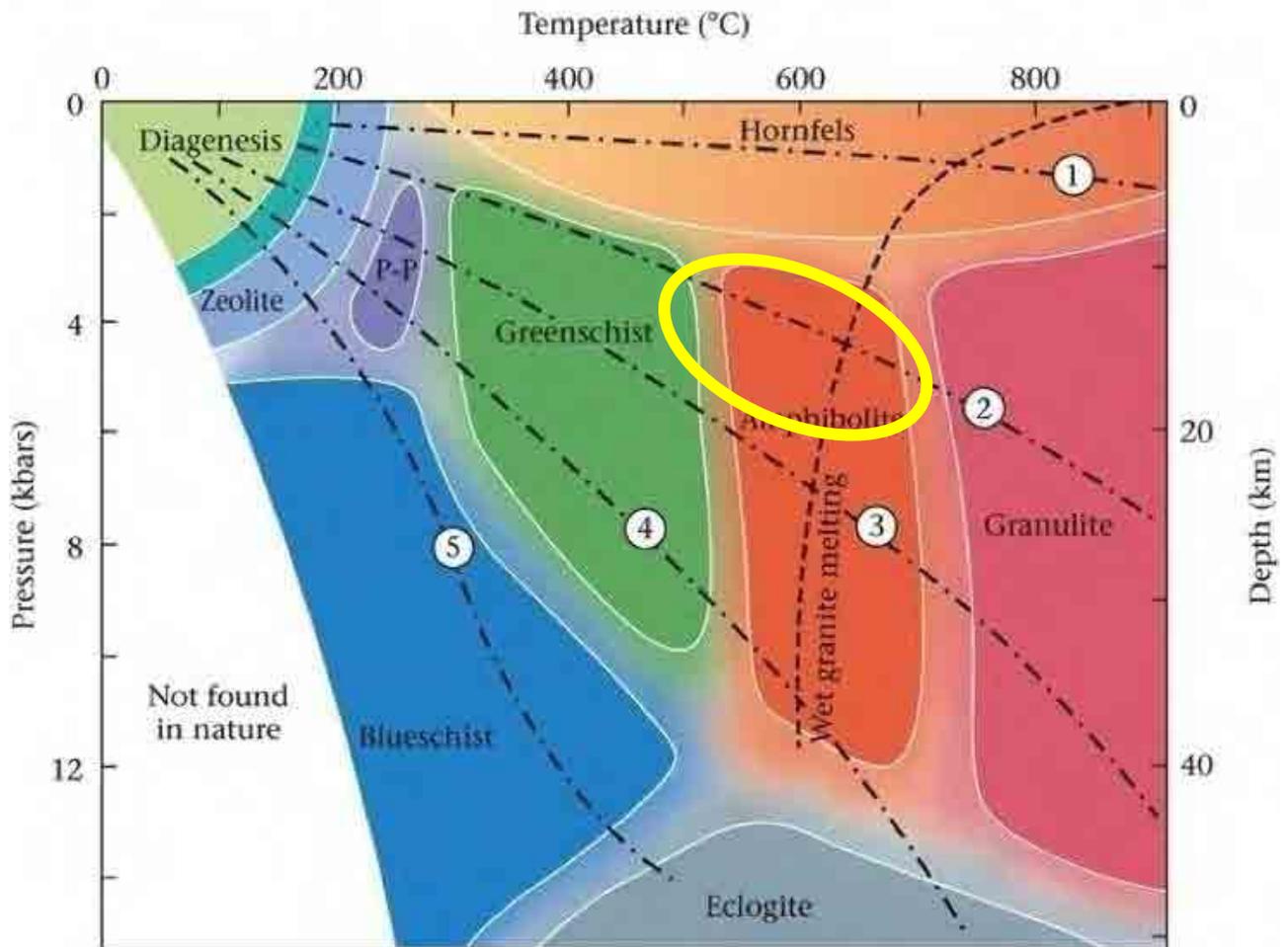
greenschist to upper amphibolite grade metamorphic facies conditions of the M2 Metamorphic Event (Rubenach et al, 2008). The metamorphic facies grades indicate the peak metamorphism occurred under medium-high temperature (580- 670°C), low-medium pressure (400-600 MPA) conditions (see yellow region in **Figure 3-4**).

Rubenach et al (2008) propose the M2 Metamorphic Event was produced by the mafic intrusions generating a significant lower crustal thermal anomaly over an extended period.

Most of the sodic-calcic alteration assemblages observed in the Corella Formation were associated with fluids derived from sedimentary formation groundwaters, with lesser magmatic components prior to and during peak metamorphism at 1595 to 1580 Ma (Oliver et al, 2008 and Baker et al., 2008). Fluid circulation was driven by the various pulses of magmatism and metamorphism caused by the inferred hot mafic underplate (and intraplate) underlying the region (Rubenach, 2005). These fluids have probably leached evaporite-rich units in the Corella Formation to become hypersaline (Kendrick et al, 2008). They may have progressively scavenged metals from the volcano-sedimentary pile to possibly be locally concentrated into structurally focused fluid sites (Oliver et al., 2008).

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Figure 3-4 Metamorphic Facies Diagram Related to Pressure, Depth and Temperature Conditions and Geothermal Gradients



Geothermal Gradients:

- 1 = High gradient, typical of contact thermal metamorphism (Low P, High T).
- 2 = Medium gradient, typical of volcanic arcs (Low-Medium P, High T).
- 3 = Medium gradient, typical of collisional mountain belts (High P, Medium T).
- 4 = Normal gradient, typical of stable continent and regional metamorphism (High P, High T).
- 5 = Low gradient, typical of subducting accretionary prism (High P, Low T).

Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

3.1.5 1650 – 1500 MA

Magmatism (Maramungee, Williams & Naraku Granites)

The Maramungee (1547 – 1545 Ma) and the Williams and Naraku batholiths (1550 – 1500 Ma) are believed to have resulted from a combination of pulses of voluminous mafic magmatism, felsic potassic magmatism, and contributions from partial melting during the peak M2 metamorphism event. These granites were emplaced as tabular, flat-lying bodies at mid-crustal levels.

The Naraku and Williams Granites consist mainly of large batholiths and plutons of coarse-grained, anorogenic A-type granites (Mark et al, 2005). Smaller intrusions of S-type microgranites are also present. Emplacement of the minor Tommy Creek microgranite took place at about 1625 Ma. Spikings et al (2001) obtained a $1408 \text{ Ma} \pm 5 \text{ Ma}$ date (by Ar/Ar Age dating of biotite) for a sample of the Naraku Granite (unit Pgu), located about 50km south of the Mt Dromedary project area. This age is much younger than those obtained further south.

Deformation D2

The second D2 Deformation event which forms the most apparent ductile deformation in the Mt Isa Inlier was dominated by sub-horizontal east-northeast and east-southeast compression from 1600 Ma and persisted until about 1500 Ma (Page & Bell, 1986; Blake & Stewart, 1992). D2 Deformation consists of steeply inclined, generally tight, poly-harmonic conjugate northeast and northwest trending open folds, north-south trending and plunging shears and steep fault zones (Blenkinsop et al, 2008). S2 is a well-developed crenulation cleavage. D2 Deformation was broadly synchronous with emplacement of the 1650-1500 Ma Williams and Naraku batholiths.

Discordant, polymict, transported breccias are locally common in the Eastern Fold Belt. However, the most widespread breccias are confined to the Corella Formation, with negligible clast transport or mixing (Marshall and Oliver, 2008).

An intense steep north-south foliation fabric is present in most of the Naraku and Williams Granite batholiths and is interpreted to represent S3 of the Isan Orogeny (Davis et al, 2001). These foliations are similar in style and orientation to those observed in the older Wonga Granite plutons. Major north-northwest-trending DAB detachment and syn-D2 faults may have been responsible for the plumbing of hydrothermal brines emanating from the Williams and Naraku Granite batholiths.

3.1.6 205 – 65 MA

Carpentaria Basin

After a long quiescent time renewed tectonism resulted in formation of the overlapping Jurassic to Cretaceous intracratonic Carpentaria Basin which lies beneath the Tertiary sediments of the Karumba Basin onshore (Smart et al, 1980). These sediments rest upon the erosional surface of deformed Proterozoic rocks of the Boomarra Horst. Offshore, the Carpentaria Depression in the Weipa Sub-basin is the major depocentre of the Carpentaria Basin, where the laterally extensive sedimentary succession attains a maximum estimated thickness of about 1800m (from seismic surveys).

The Gilbert River Formation (unit JKg) does not outcrop in the Boomarra Horst/Mt Dromedary area, but is inferred to be the basal unit of the Carpentaria Basin. The Gilbert River Formation is overlain by the basin-wide Rollings Down Group, which sequentially consists of the basal marine transgression of the Wallumbilla Formation (unit Klu), the limestone and carbonaceous oil shale of the Toolebuc Formation (unit Klo), the shallow marine Allaru Mudstone (unit Kla), with the paralic marine sediments of the Normanton Formation (unit Kln) at the top.

During Late Cretaceous, the margins of the Carpentaria Basin were locally faulted, uplifted and eroded prior to the commencement of sedimentation into the overlying Tertiary Karumba Basin.

3.1.7 65 MA – Present

Regolith

After the Carpentaria Basin sedimentation, there was a period of continuous development of regolith and landforms in the region (McConachie and Dunster, 1997). The weathering surface of the Southern Gulf is preserved by the Aurukun Surface, comprising a laterite cap over silcrete. In the Mt Dromedary area, the regolith consists of residual elevated ferruginous quartz gravels and sands (unit Td) and colluvial and outwash sands and gravels (unit Czs).

Karumba Basin

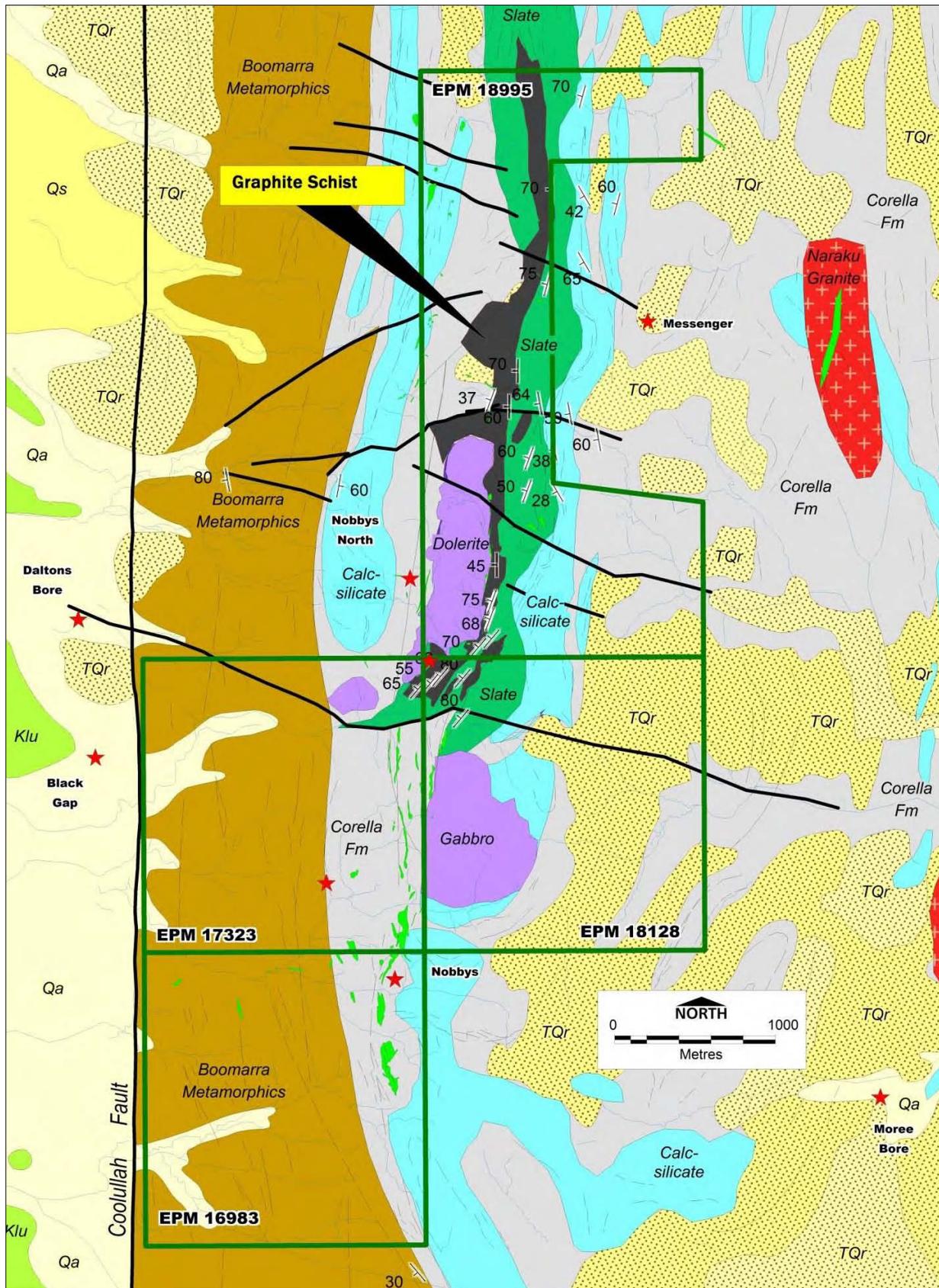
The Karumba Basin is a shallow, Cratonic margin basin superimposed upon the Mesozoic Carpentaria Basin (Smart et al, 1980). The Karumba Basin has a simplified three-cycle geological history. In the Mt Dromedary region, sedimentation comprises lacustrine travertine like limestone (unit Qt), overlain by clay, silt and sands of the Wondoola Beds (unit Qw) east of the Boomarra Horst and the Amraynald Beds (unit Qn) to the west. Large areas of black soil plains now overlie the Karumba Basin, particularly between the Leichhardt River and Flinders River catchments.

3.2 Deposit Geology

Deposit geology is well understood and consistent with the regional framework presented in Section 3.1 of this report. It is based on geological mapping of Mt Dromedary area undertaken at 1:5,000 scale during 21-26 November 2014 by Senlac Geological Services Pty Ltd and interpretations of the remote sensing imagery, geochemistry and geophysical data sets.

A generalised geologic plan at 100,000 scale mapping is shown in **Figure 3-5**, while detailed mapping based on Senlac's field work, which is consistent with the deposit scale map, is presented in **Figure 3-6** through to **Figure 3-9**.

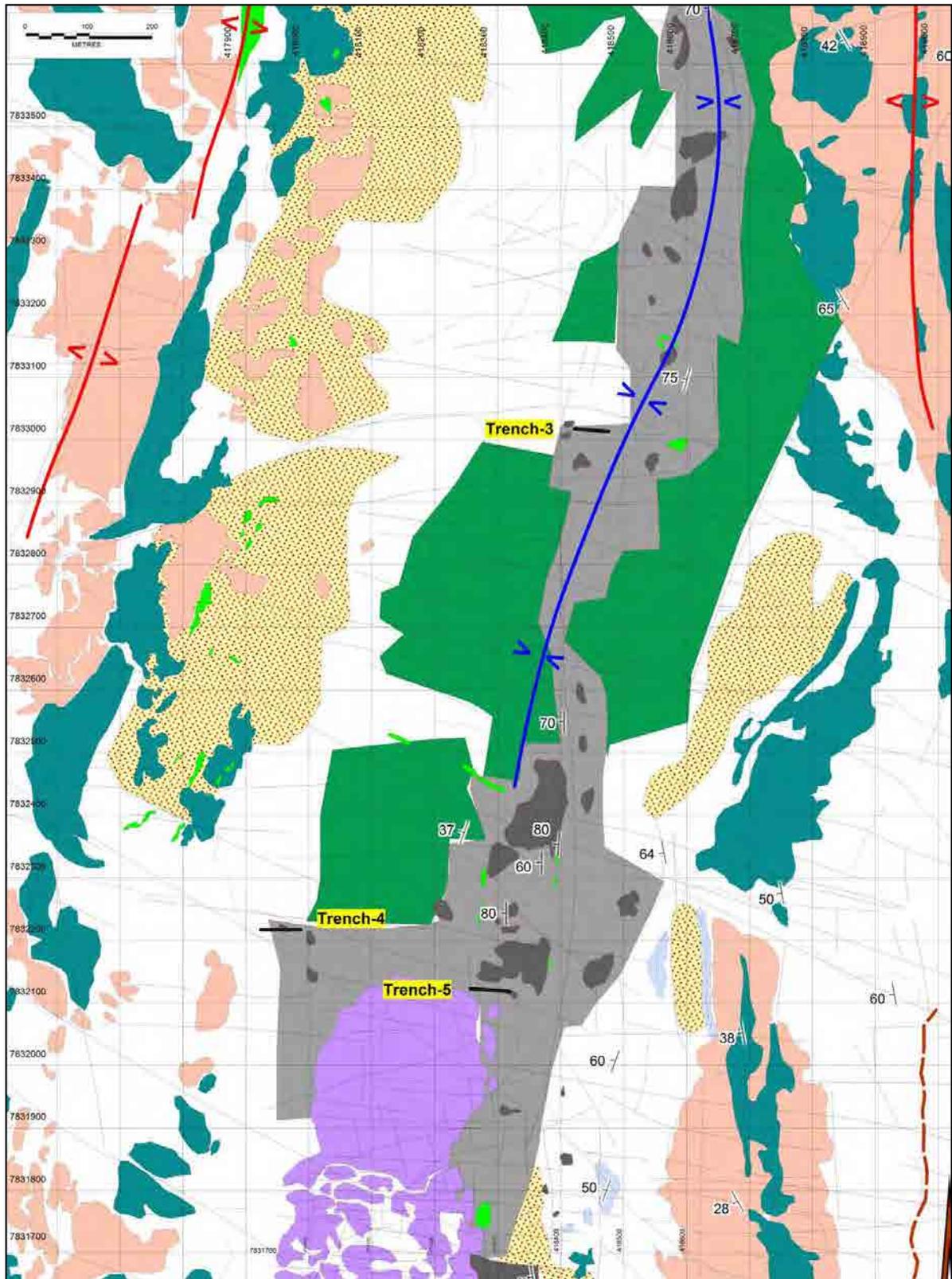
Figure 3-5 Geological Map of Mt Dromedary Area



Source: Modified after the 100,000 scale Coolulla Map Sheet 6958 (Wilson et al, 1985 and later revised by Geological Survey of Queensland, 2009).

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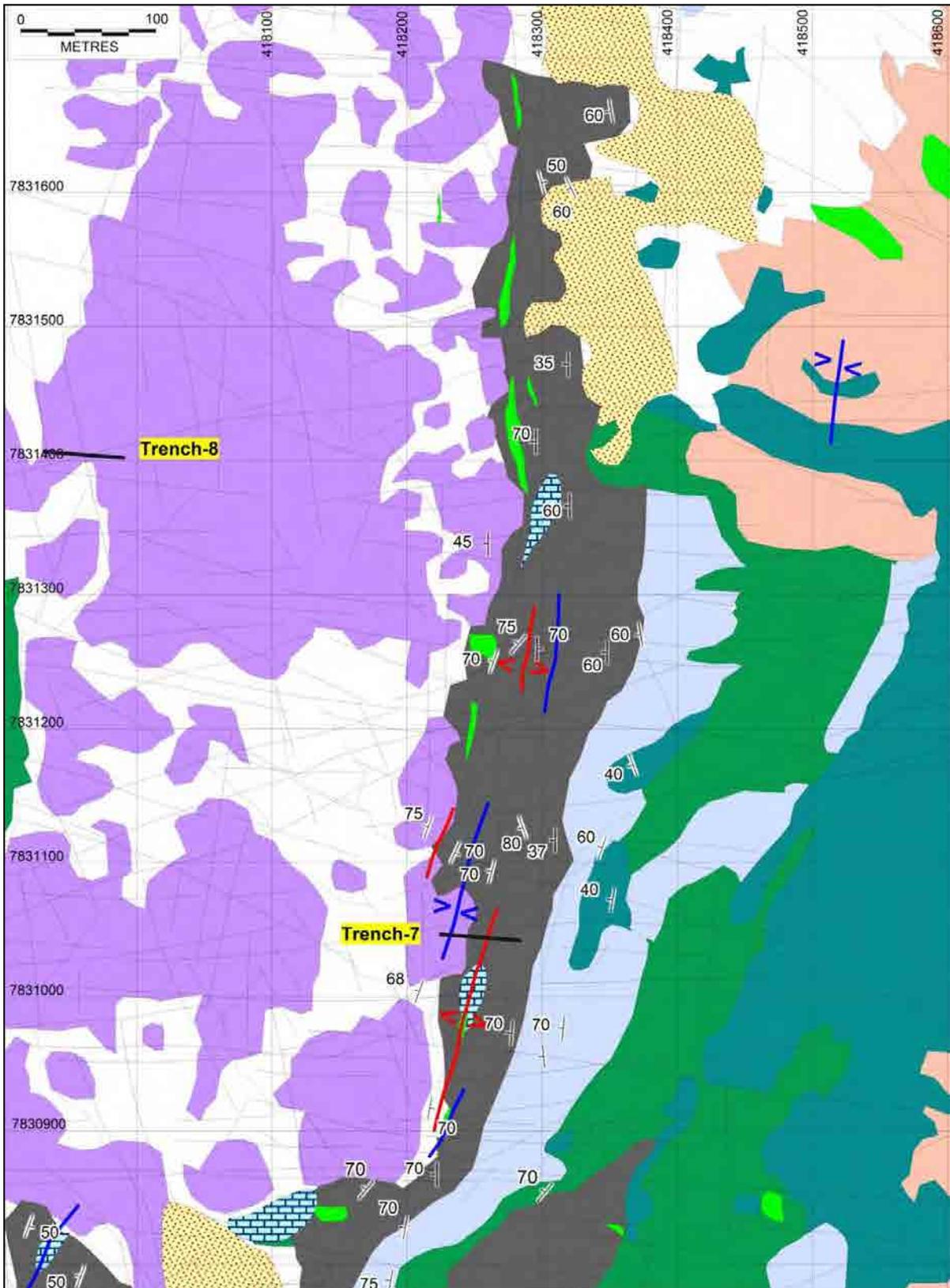
Figure 3-6 Geological Map of the Northern Graphite Zone, Mt Dromedary Area



Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

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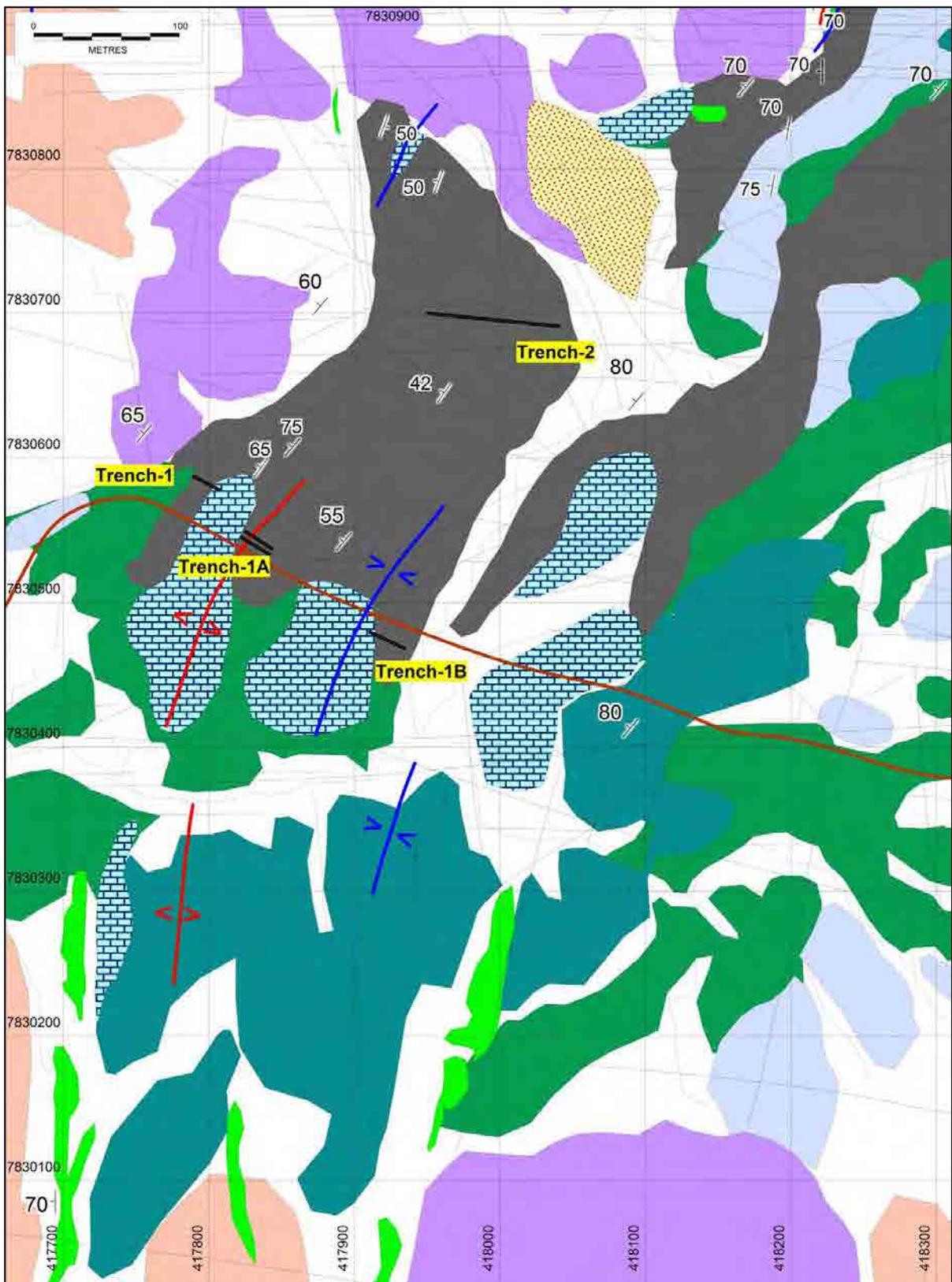
Figure 3-7 Geological Map of the Central Graphite Zone, Mt Dromedary Area



Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

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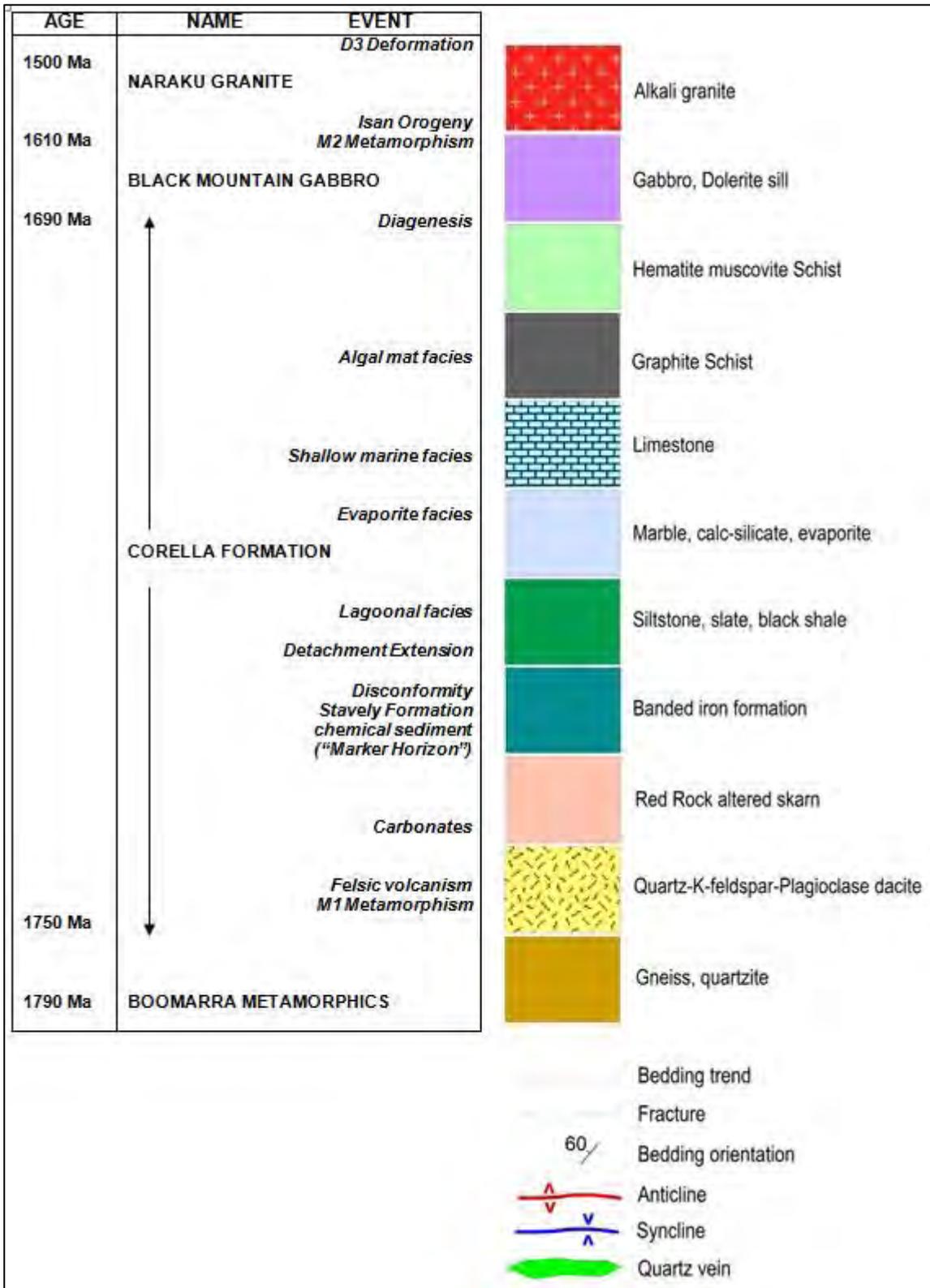
Figure 3-8 Geological Map of the Southern Graphite Zone, Mt Dromedary Area



Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

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Figure 3-9 Geological Legend and Summary History, detailed Geological Maps, Mt Dromedary Area



Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

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3.2.1 Geology Description

Graphitic Schist

The unit of economic interest is the graphitic schist mapped in **Figure 3-5** through to **Figure 3-9**.

Graphite schist forms a distinct mappable unit at Mt Dromedary and can be traced over a strike length of at least 3000m with variable width up to 400m. The unit dips consistently to the west at 35-80°, although there are local variations due to interference from orthogonal wrench fault structures.

For convenience, the graphite schist unit at Mt Dromedary can be divided into three (3) distinct zones, Southern (**Figure 3-8**), Central (**Figure 3-7**) and Northern (**Figure 3-6**), each with its own characteristic features. From the southern sector, the graphitic schist strikes north-northeast and curves to the north as the unit is traced northwards.

The graphitic schist is underlain by grey siltstone and overlain by mica schist. The western margin of the graphitic schist is marked by a fault boundary contact with a dolerite sill. The fault is infilled by a 2-3 m wide milky buck quartz vein, which displays pinch-and-swell characteristics. West of the fault contact, dolerite is evident as boulder scree and outcrop, with occasional zones of muscovite schist observed. The schist tends to bifurcate into narrow zones of high-strain graphitic material, which flows around the dolerite sill/intrusive.

Graphitic schist is typically recessive and contains discontinuous interbeds or pods of dirty impure micritic limestone, microbiolite stromatolites and black carbonaceous limestone. Concentric ameboidal oolitic carbonates are also observed, indicating contemporaneous biological activity in the original depositional environment. Occasional coarser-grained layers are observed and are suggestive of an arenaceous sandstone precursor.

Coarse flake graphite occurs within en-echelon tension gash calcite-siderite veins and quartz-calcite-graphite stockwork veinlets. Brecciation is also commonly observed. The carbonate veining appears to be better developed and more intense in the Southern Zone in particular.

Corella Formation

The Graphitic Schist is part of the Corella Formation package, a unit of the Proterozoic Mary Kathleen Group (Wilson & Grimes, 1986) which in the Mt Dromedary area lies within the Boomarra Horst, in the northern sector of the Quamby-Malbon Belt of the Eastern Succession terrane, Mount Isa Block in northwest Queensland.

As per elsewhere in the Mt Isa Inlier the carbonate-dominated sedimentation of the Corella Formation was preceded by bimodal igneous activity, with the locus of bimodal volcanism migrating from west to east with time. The Corella Formation is essentially a platform succession comprising thin-bedded calcareous sandstone, siltstone, impure limestone and dolomite, marble, carbonate breccias, minor quartzose sandstone, black shale, together with localized basalt pillow lavas and dolerite-amphibolite sills (Blake, 1987).

The Black Mountain gabbro, dolerite sills and dykes intruded the Corella Formation about 1685-1640 Ma (Butera, 2008). Some of these mafic intrusions may have been syn-depositional or early diagenesis, but were probably emplaced before lithification of the host sediments.

The rocks of the Corella Formation have subsequently been metamorphosed to amphibolite grade facies during the Isan Orogeny between 1600–1580 Ma. The prevailing metamorphic conditions are likely to have been medium-high pressure and medium-high temperature conditions (Rubenach et al, 2008 and Page et al, 2010).

In the Mt Dromedary area these relationships are apparent in the lithologies mapped with:

- Early stage felsic lava from the bi-modal suite represented by quartz-alkali feldspar/dacite lava which forms part of the ridge over the Mt Dromedary mountain range. The unit strikes north-south, dipping steeply to the west.
- Banded Iron Formation Chemical Sediment (“BIF”) is the most extensive unit mapped in Mt Dromedary, where they typically form prominent dark brown resistive outcrops that can be easily seen in the hilly

terrain. Bedding trends observed in satellite imagery within the BIFs are the same as those in the surrounding lithologies. However, closer inspection reveals the geological contact with the underlying felsic lavas looks dis-conformable. Similarly the contact with the overlying marble breccias also appears to be dis-conformable. On Mt Dromedary, the BIFs form the core of a tight north-south striking antiform, which plunges both to the north and south. Using the high-resolution satellite imagery, these BIFs can be readily mapped and traced out as laterally very extensive individual beds with large open folds. The BIFs also form a folded synform to the east of Mt Dromedary, into which the overlying marble, siltstone, limestones and graphitic schists have deposited.

- Calc-Silicate / Feldspathic Arenite is typically well bedded and forms prominent dark grey outcrops. The geological contact with the underlying felsic dacite lavas appears to be dis-conformable. Similarly, the contact with the overlying marble breccias also appears to be dis-conformable.

- Dolomitic & Pyroxene Marble overlies the calc-silicate and is 30-100m thick.

- Conformably overlying the marble unit is a thin sequence comprising grey coloured Slate, Carbonaceous Siltstone and Black Shale. The sequence strikes north-south, dipping moderate-steeply to the west. Soft sediment laminations and occasionally deformation are evident in hand specimen. Total elemental carbon is around 18%. MLA of surface samples indicates graphitic carbon in the siltstone around 10% with a fine flake size of 31.76µm. The inorganic carbon component of around 7% is attributable to carbon-rich clays (ACTLABS, 2015). This fine-grained sedimentary unit probably represents the onset of the rift sag phase of basin development in the Corella Formation. The rocks are consistent with a near-shore lagoonal depositional environment.

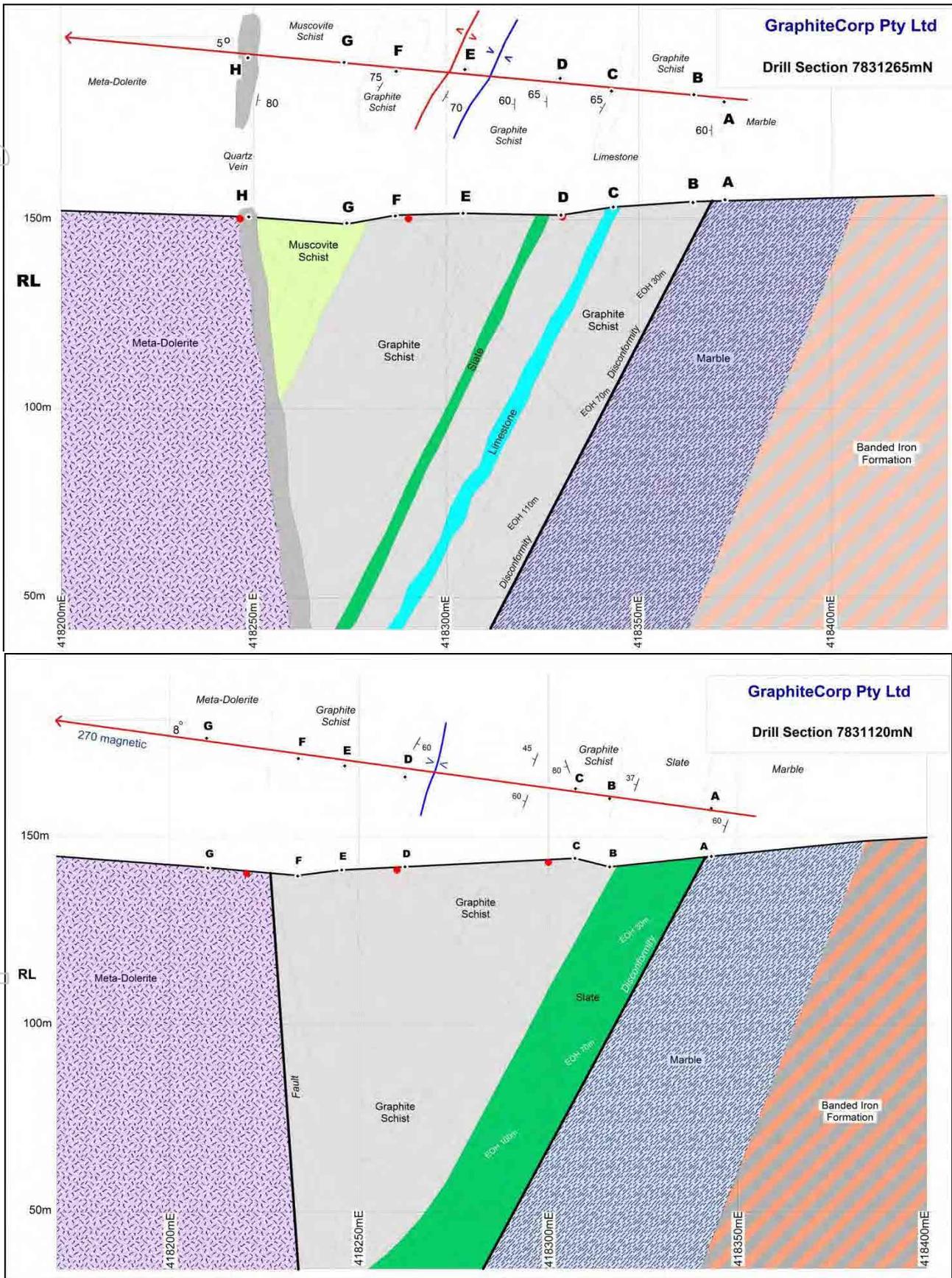
- Conformably overlying the siltstone and black shale unit are grey coloured, impure limestones and black carbonaceous limestones. They also form thin discontinuous lenses interbedded within the graphite schist. The limestone outcrops are recessive and typically poorly exposed. Light grey coloured stromatolite microbial mat structures were observed in grey impure limestones at the Mt Dromedary graphite deposit. MLA indicates the impure limestones contain about 19% Cg with approximately 1% TiOC. The graphite exhibits a bimodal distribution, consisting of about 3% "free" coarse flake graphite and average p50 fine flake graphite size of about 33µm. The flake graphite is mainly associated with muscovite and to a lesser extent quartz.

- Graphite Schist forms a distinct mappable unit at Mt Dromedary that can be traced over a strike length of at least 3 km, as described in Section 3.2.1. Its outcrop pattern is dictated by being in the core of the Corella Formation synclinorium (complexly folded core of a larger synclinal structure) with discordant intrusive and fault contacts, see **Figure 3-10**.

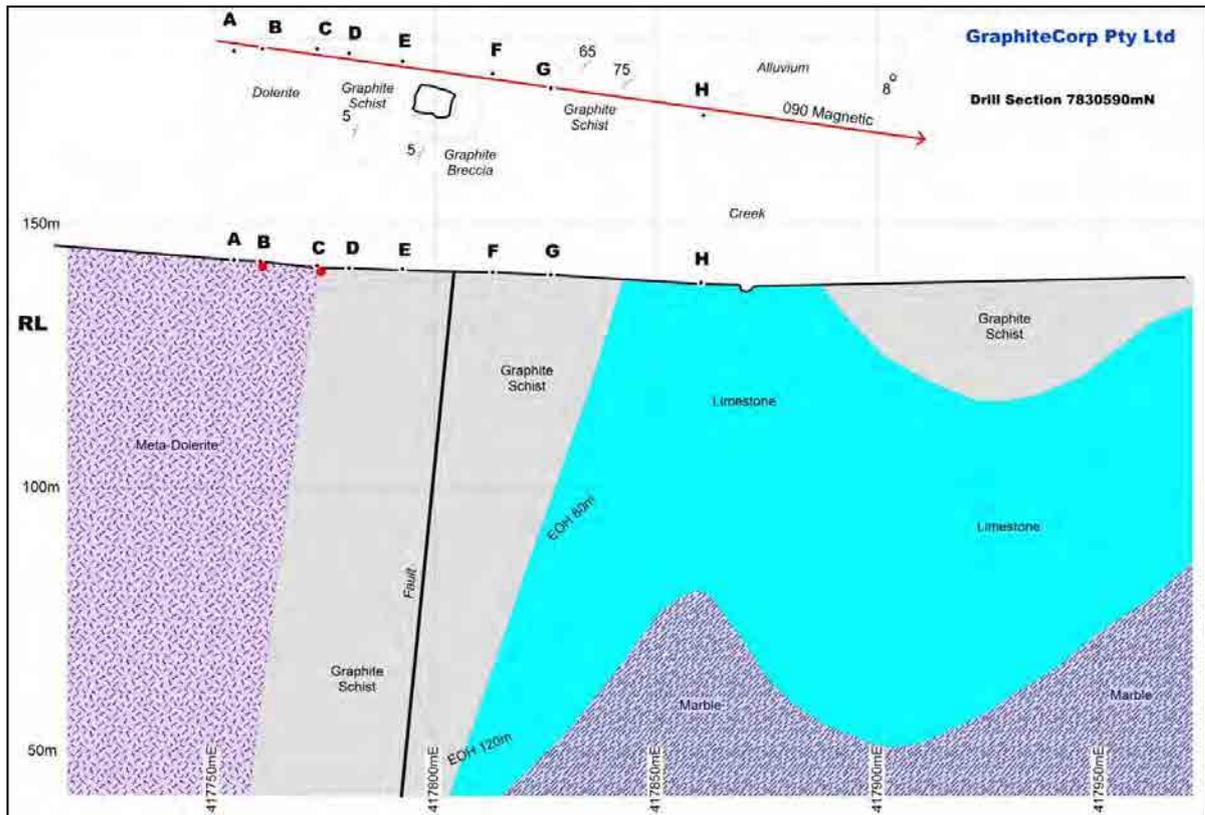
- Outcrops of chlorite-muscovite-biotite schist overly the main graphite schist unit. These schists are in proximity to the high strain zone, adjacent to the metadolerite sill and quartz vein filled fault zone. The schists have undergone intense leaching to produce a bleached cream-white fine grained powdery residue.

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Figure 3-10 Measured Sections 7831265mN, 7831120mN (Central Zone) and 7830590mN (Southern Zone) Looking North



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Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

Gabbro, Meta-dolerite & Amphibolite

A coarse grained basic gabbro intrusion forms a prominent hill at Black Mountain, with distinct rounded black boulders clearly evident on the northern slopes. The Black Mountain intrusion may have differentiated into separate gabbro and diorite phases, as the morphology of the feature is variable on satellite imagery.

A series of smaller meta-dolerite/gabbro/diorite outcrops occur to the north of Black Mountain and lie immediately adjacent to the graphite schist beds. These outcrops are not marked on the government geological maps. The dolerite may be related to the Black Mountain gabbro. It is believed to have been emplaced as a sill along the contact between the black shale horizon and the underlying calc-silicate. Graphite schist is capped by the dolerite and is exposed in a probable fault-bounded synform. It is possible the dolerite sill is genetically and temporarily related to the thermal graphitisation of original organic-rich carbonaceous matter accumulated in a trough on a limestone shelf.

Amphibolite bodies are conformable with the metasediments of the Corella formation.

Milky Buck Quartz Veins

Large milky buck quartz veins are found in the Mt Dromedary area which strike north-south and dip steeply to the west. There is a swarm of subparallel veins developed on the western margin and south of the Black Mountain gabbro intrusion that can be traced over a strike length of at least 2.4km. The quartz vein at Nobbys copper prospect is very large, up to 17m in width (Photograph 70). Traces of copper carbonate are occasionally observed in cross cutting fractures in this vein (Appleyard, 1968). The vein structures parallel the major Coolullah Fault structure, located about 1,600m further to the west, which can be traced all the way south to Cloncurry. The Coolullah Fault forms the bounding fault to the Boomarra Horst, coincident with the Leichhardt Gravity Ridge feature. It is also possible this fault structure is the northern extension of the Pilgrim Fault.

Further north, there is a prominent 2-3m wide milky buck quartz vein structure which strikes north-south and is traceable as a “pinch and swell” structure over a strike length of 1,000m. The quartz vein clearly infills a major fault structure which forms the eastern margin of the dolerite in contact with graphitic schist in the east. In contrast to the larger structure, this fault dips steeply to the east.

Copper-Quartz Veins

The contact between the intrusive dolerite/amphibolite and host calc-silicate rocks is marked by a zone of silicification. Within the silicified zone, patchy and discontinuous copper mineralisation is present. The western margin of the dolerite sill has a small quartz vein structure which strikes north-south, dipping steeply to the east and is traceable as a “pinch and swell” structure over a strike length of 1,000m. Sporadic copper-cobalt-zinc mineralisation is associated with this structure. Other copper prospects occur more distally from the locally mapped zone at the Nobby’s anomaly, situated 2km south of Mt Dromedary, the Daltons Bore and Susie Wong prospects.

Quartz-Calcite-Graphite Veins

Quartz-calcite veinlet stockworks are variably developed in the graphite schist unit, but mainly found in the Southern Zone. In some areas, these veinlets can constitute up to about 20% of the graphitic schist. The veins pre-date foliation and have been rotated into rough parallelism with it.

A late-phase of white veinlets cuts across the earlier main vein phase at right angles and is composed entirely of calcite. These calcite veinlets are post-deformation.

Cretaceous Rolling Downs Group

West of the Coolullah Fault structure, the land surface is covered by transported gravels which merge with black soil plains. There appears to be no on-lap of Mesozoic sediments over the Proterozoic basement rocks at Mt Dromedary and the Proterozoic rocks are in fault contact with the Cretaceous Rolling Downs Group.

Tertiary – Quaternary Cover

A thin veneer of residual Tertiary ferruginous duricrust (unit Tg) and red-brown soils with quartz gravels and sands (unit Czs) cap the Proterozoic rocks east of the Mt Dromedary mountain range. These unconsolidated sediments represent colluvial and outwash deposits.

The area west and east of Mt Dromedary consists of Tertiary - Quaternary floodplains of the Leichhardt and Cloncurry Rivers that flow into the Gulf of Carpentaria. Alluvial cracking clay soils are developed over the underlying Cretaceous sediments. The relatively good soil fertility results from run-on water, sediments and nutrients from regular wet season flooding.

Structure

Major structural features of the area are the Boomarra Horst; a north-south orientated elongate structure, situated in the northern sector of the Eastern Fold Belt. It is bounded by the north-south striking Coolullah Fault in the west and the subparallel Boomarra Fault in the east. It is highly likely the Coolullah Fault is a major crustal fault structure, as it is coincidental with the Leichhardt Gravity Ridge feature and forms the western margin of the Boomarra Horst. The Coolullah Fault can be traced over 120km to the south, until it terminates against the north-northeast striking Pilgrim Fault/Quamby Fault Zone (Spikings et al, 2001). It is possible the eastern margin of the Boomarra Horst, formed by the Boomarra Fault, is the northern extension of the Cloncurry Fault Lineament

In conjunction with the 1:5,000 scale geological mapping program at Mt Dromedary graphite project Senlac recorded a total of sixty seven (67) S0 bedding and S1 foliation orientations from the graphitic schist unit at Mt Dromedary. Interpretation of stereonet and rose diagrams indicates the graphitic schist strikes 185° with steep 85° dips to the west. There is a minor secondary set of 215° strikes with steep 70° dips to the northwest.

Geological mapping by Senlac Geological Services Pty Ltd indicates there are a series of subparallel north-northeast and north-south trending antiforms and synforms axes at Mt Dromedary (**Figure 3-6, Figure 3-7 &**

Figure 3-8). The folds are doubly plunging which the axis direction resulting from reverse-thrusting effects from a north-northeast striking fault. Structures and textures observed in the graphite schist include rootless folds and streaky banding S-C planes, which indicate highly ductile flow shearing. Clots of coarse graphite occupy en-echelon tension gashes. Granular graphite forms stockworks throughout the schist. These stockworks are associated with a silica-sericite selvage and finely disseminated pyrite.

The Mt Dromedary Graphitic Schist is interpreted to have originally formed in a narrow intra-horst graben rift within the Boomarra Horst. Growth faults on the basin margins opened up the sub-basin to shallow marine incursion and sediment influx. This is consistent with the thin discontinuous impure limestone and dolomite lenses, evaporite mud flats, algal mats and localised coarsening of the sequence to arenites and siltstones formed in a shallow marine-lagoonal depositional setting which is described above. It is possible the growth faults and wrench fault structures have not only controlled sedimentation but also the intrusion of the mafic gabbro plug intrusion at Black Mountain. Similarly, emplacement of related mafic dolerite sills has taken place along the western bounding fault margin of the Mount Dromedary Graben.

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4. Flake Graphite Mineralisation

The main, unit of economic interest is the Graphite Schist of the Corella Formation. Graphite mineralisation also occurs in the thin slate, carbonaceous siltstone and black shale unit and the impure limestones and black carbonaceous limestones underlying the main Graphite Schist unit of the Corella Formation but this is unlikely to have economic significance.

4.1 Geometry and Extent of Mineralisation

Graphite schist at Mt Dromedary has a known strike length of at least 3,000 m with variable width from 35 m to 350 m. The unit appears to dip consistently to the west at 35°-80°. The interpreted distribution of graphitic schist studied by Senlac is presented in **Figure 4-1**. The depth extension will be controlled by orientation of sub-surface faults and folds as illustrated in **Figure 3-10**. It is expected depending on the interpreted geometry to be over 100m except in instances of fold closures.

The western margin of the graphitic schist is marked by a fault boundary contact with dolerite sill. The fault is infilled by a 2-3m wide milky buck quartz vein, which displays pinch-and-swell characteristics. The eastern margin is a conformable to disconformable margin to slate or limestone. The graphitic schist typically contains discontinuous interbeds or pods of dirty impure micritic limestone, microbiolite stromatolites and black carbonaceous limestone. Occasional coarser-grained layers are observed and are suggestive of an arenaceous sandstone precursor.

4.2 Nature of Mineralisation

In hand specimen, the graphite schist is soft, friable, dark grey-jet black coloured and fine grained. The schist displays a strong foliation defined by flakes of graphite and fine white muscovite mica, along with grains of calcite, quartz and minor iron oxide staining, probably after minor sulphide. Coarse flake graphite occurs within en-echelon tension gash calcite-siderite veins and quartz-calcite-graphite stockwork veinlets. Brecciation is also commonly observed. The carbonate veining appears to be better developed and more intense in the Southern Zone in particular.

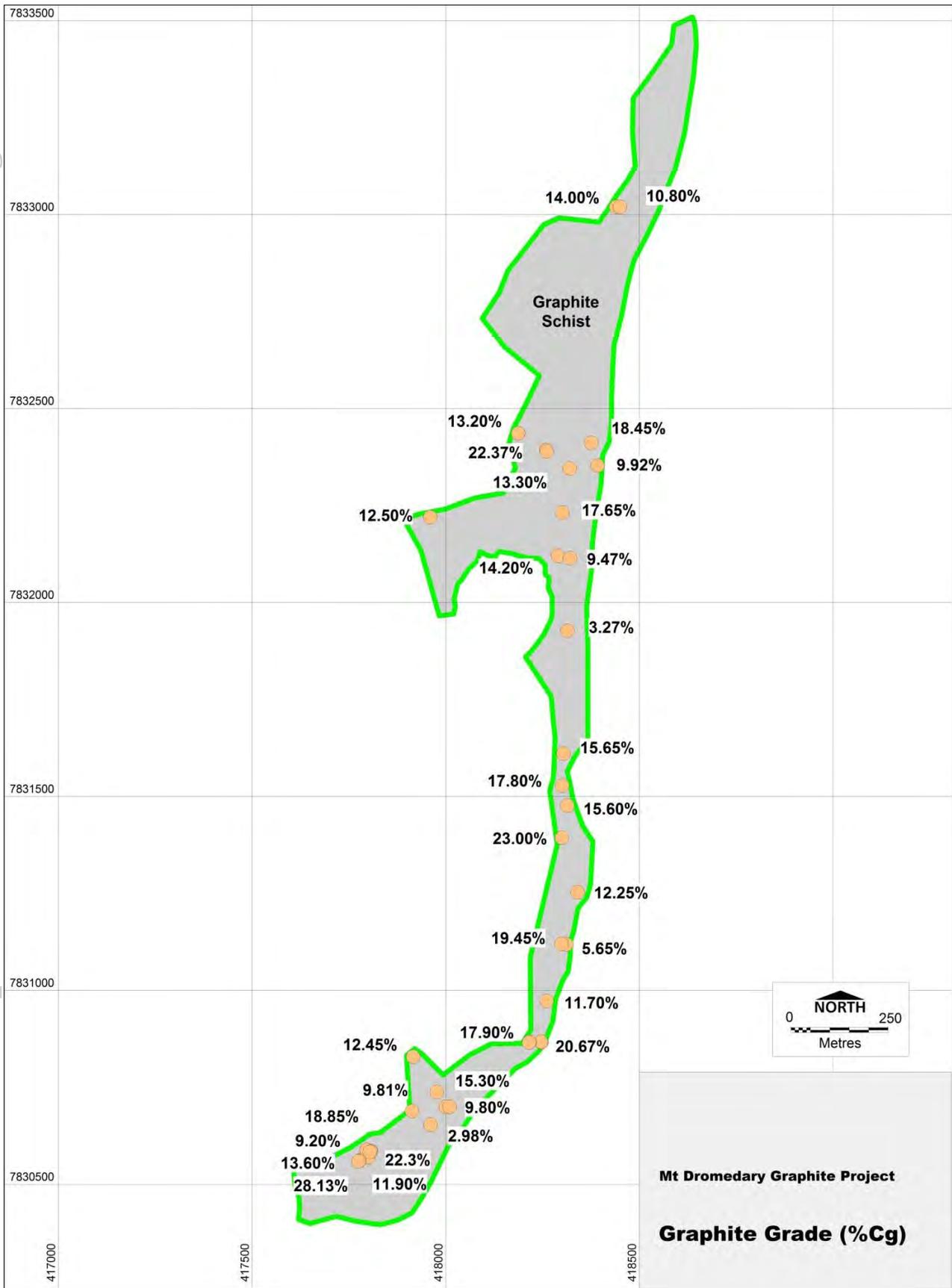
The graphitic schist contains generally between 10 and 28% graphite (within all samples to date), composed of 10-850µm sized flakes of graphite and 10-300µm size tablets of muscovite (10-20%) set in an interstitial matrix composed of <0.1mm anhedral quartz grains (10%) and calcite (20-45%). The platy minerals display a strong preferred orientation which is weakly crenulated. The rock is best described as graphite-muscovite-quartz-calcite schist.

Information on the nature of graphite is from petrographic observations, MLA analysis by Actlabs and from metallurgical work completed by Graphit Kropfmühl in 2015.

4.3 Surface Graphite Grade

The graphite grade at surface ranges from 2.98% Cg up to 28.13% Cg, but is consistently above 10% Cg over most of the deposit and averages 14.4% over the 19 surface samples. The distribution of graphite grades can be seen in **Figure 4-1**. Individual surface sample graphite grades are listed in **Table 4-1**.

Figure 4-1 Surface Graphite Grade Distribution



Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

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Table 4-1 Surface Graphite Schist Tenor

Sample No	Graphite Flake (Wt%)	Amorphous Graphite High-Carbon Clay (Wt%)
242501	25.12	0.76
242506	2.49	0.14
242507	14.13	0.16
242509	24.36	1.79
242511	5.8	2.41
242513	3.71	0.43
242514	8.93	0.1
242515	19.25	5.3
242516	15.45	1.23
242517	17.05	8.78
242518	17.32	3
242519	17.44	6.52
242520	14.6	4.03
242521	8.16	0.74
242522	16.73	3.3
242523	11.89	0.67
242524	18.47	5.6
242525	18.36	2.53
242529	14.99	3.79

4.4 Flake Graphite Characteristics

The characteristics of the flake graphite have been analysed on both sub-surface and surface samples. Because the RC drilling sub-surface samples are from a range of depths through the deposit RPM is of the opinion they better represent the likely flake characteristics of the deposit, however further sampling is required to confirm the distribution. These samples were used to define the flake size characteristics within the Inferred Mineral Resource estimate presenting in Section 6.

4.4.1 Sub-Surface Flake Graphite Characteristics

MLA analysis was also completed on the RC chips sampled during the September 2015 maiden drilling program. Ten samples were analysed from the Central area and one sample from the Southern area as detailed in **Table 4-2**. The samples from the Central area were taken from various holes at varied depth down hole from 1m lengths whereas the single sample from the Southern area was composited from a range of down hole depths to better characterise the flake size in the Southern area.

Table 4-2 Location of MLA of RC Drilling Samples

Drill Hole ID	Interval From To (m)
MD-01	18 – 19
MD-01	26 - 27
MD-02	24 - 25
MD-02	45 - 46
MD-02	57 – 58
MD-03	15 – 16
MD-03	21 – 22
MD-04	10 – 11
MD-04	19 – 20
MD-04	32 - 33
MD-06	25 - 46
MD-06	25 - 46

The sub-surface MLA results indicate a coarser average distribution of flake size than for the surface samples. For the RC samples, over 50% of the samples were in the medium to coarse categories of flake size.

Table 4-3 MLA of RC Drilling Samples (Average Maximum Diameter)

Classification	Sieve Size (µm)	% in Interval	Cumulative %
Very Fine	<75	26.4	100.0
Fine	75-150	22.9	73.6
Medium	150-180	5.9	50.7
Large	180-300	18.2	44.8
Jumbo	>300	26.6	26.6

4.4.2 Surface Flake Graphite Characteristics

The majority of graphite appears as flakes displaying cleavage, but a minor amount occurs as fine amorphous graphite that is mixed with clays. Over 95 % of the observed graphite can be considered flake graphite and less than 5% is classified as amorphous graphite. The graphite flakes display a clear preferential orientation along the foliations, see **Figure 4-2**.

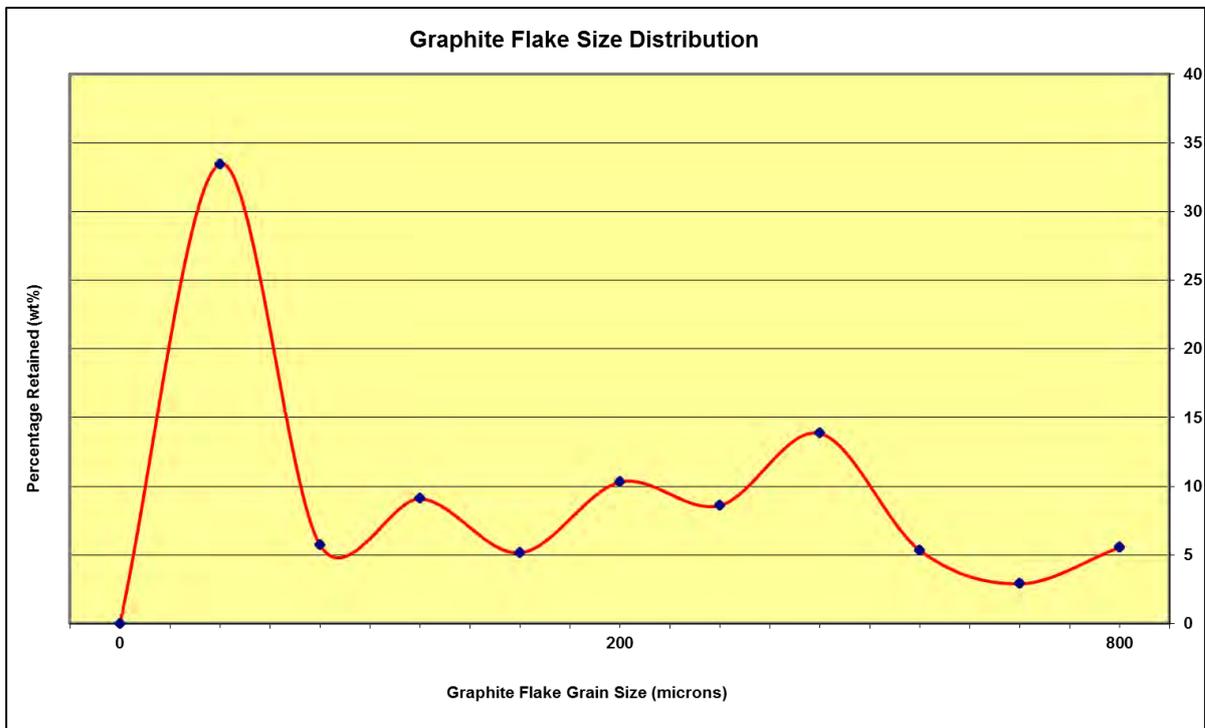
The graphite is euhedral, elongated and in reflected light cleavage can be observed. Graphite flakes vary in size from 10-800µm in length, with varied thickness. However it is clearly bimodal in grain size distribution (see **Figure 4-3**) with a large proportion below 100µm.

Figure 4-2 Flake graphite grains (light grey) in schist with preferred aligned orientation, (Sample 10001)



Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

Figure 4-3 Flake Graphite Grain Size Distribution Curve of Combined Samples GK10051, 242525 & 242526 (Graphit Kropfmühl, 2015)



Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

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The Mt Dromedary graphite deposit has a surface mean P50 value of 77.32µm, using the Maximum Diameter method from MLA but the mean value is misleading owing to the bimodal distribution. The average distribution from the MLA samples is given in **Table 4-4**. The table shows that 12.6% of surface flake is jumbo and over 26% of the flake is in the medium, large and jumbo categories.

Table 4-4 MLA of Surface Samples (Average Maximum Diameter)

Classification	Sieve Size (µm)	% in Interval	Cumulative %
Very Fine	<75	55.4	100.0
Fine	75-150	18.3	44.6
Medium	150-180	3.8	26.3
Large	180-300	10.0	22.5
Jumbo	>300	12.6	12.6

The surface MLA results suggest there is a decreasing flake size trend and increasing amorphous carbon content from south to north across the deposit, consistent with the observation of the graphite schist unit grading laterally into black shale horizon along strike to the north.

Results from the petrological samples submitted for Mineral Liberation Analysis at ACTLABS (2015) are listed in **Table 4-5** below. The MLA study identified four different types of carbon occurrence at Mt Dromedary as follows:

- Graphite; considered to be all flake graphite.
- Graphite Quartz; composed of 20% flake graphite and 80% quartz.
- Muscovite Carbon; a mix consisting of 50% muscovite and 20-40% flake graphite and/or 17-40% amorphous graphite.
- High-Carbon Clay; comprising clays with <50% amorphous graphite.

Senlac examined the surface MLA samples to determine if mineral composition varied across the zones in the deposit (**Table 4-5**). The following observations are made:

- The Southern Zone has low muscovite content.
- The Southern Zone has high calcite-dolomite content.
- The Northern Zone has higher muscovite mica content.
- The Central Zone has higher K-feldspar and Quartz content.

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Table 4-5 Surface Mean Modal Mineralogy (wt %) of Graphite Schist Zones

MINERAL	SOUTHERN ZONE	CENTRAL ZONE	NORTHERN ZONE
Graphite	13.91	14.7	14.31
Graphite-Quartz Mix	1.63	6.39	3.88
Carbon-Muscovite Mix	1.48	3.63	4.37
High-Carbon Clay	0.35	2.86	3.49
Dolomite	8.58	1.01	0.63
Calcite	46.02	20.94	31.92
Quartz	13.1	19.37	14.75
K-feldspar	2.4	7.87	0.09
Plagioclase	0.43	1.42	0.04
Epidote	0.16	0.07	0.15
Zircon	0.02	0.03	0.02
Tourmaline	0.02	0.09	0.17
Muscovite	7.46	15.25	22.35
Biotite (high Fe)	0.36	0.11	0.19
Talc	0.09	0.03	0
Kaolinite	0.06	1.34	0.25
Illite/Smectite	0.06	2.66	0.84
Chlorite	0.01	0.09	0.02
Fe Silicate clay	0.32	0.29	0.42
Fe Oxy/hydroxide	2.57	0.61	0.75
Ilmenite	0.05	0.04	0.04
Rutile	0.13	0.4	0.11
AlKFe Sulphate	0	0.04	0.22
Al Sulphate Clay	0	0	0.17
Apatite	0	0.21	0
Monazite	0.01	0.03	0.01
Others	0.75	0.54	0.81
Total	100	100	100

4.5 Genetic Model

The abundant microbial mat and small columnar and conical stromatolite forms indicate locally prolific biological activity at the site of Mt Dromedary graphite mineralisation and the interbedded discontinuous micritic limestones are suggestive of an organic-rich mud environment with thin limestone beds. These features suggest the depositional environment was shallow water lagoonal. The geology suggests that the graphite precursor was organic-rich mudstones containing algae, in the form of microbialite algal and ameboidal mats.

It is possible hydrothermal fluids, associated with emplacement of the dolerite sills, interacted with the carbonaceous siltstones, micritic limestones, algal mats and organic-rich muds and generated primitive CO₂ and CH₄ gases and liquid hydrocarbons. It is also possible these hydrothermal fluids could also have initiated thermo-chemical sulphate reduction ("TSR") of the underlying evaporite sequence.

Graphite flake forms at a pressure of 75,000 psi (1GPa) and temperature of 750⁰C and can only form in a reducing environment at these temperatures. Flake graphite is usually only found within high-temperature, high-pressure granulite metamorphic facies rocks. The high-temperature, medium-pressure type 'lower amphibolite' facies metamorphism (see **Figure 3-4**) experienced regionally by rocks of the Corella Formation during the Neoproterozoic would have been incapable of converting original carbon-rich sediments into graphite by the graphitization process. It is therefore considered the M2 Isan Orogeny event probably metamorphosed the original carbon at Mt Dromedary into graphite. This locally higher temperature and pressure could be related to the emplacement of the Black Mountain gabbro and dolerite sills.

5. Data Verification

As the Project is at an early exploration stage there is limited drill sampling (9 angled RC holes have been completed). No continuous channel sampling has been completed at this time. Resource and Exploration Potential Estimation relevant data, which will be improved and refined through time, has been collected. RPM conducted a review of the geological digital data supplied by the Client to ensure that no material issues exist and that there was no cause to consider that the data inaccurate and not representative of the underlying samples. Below is a summary of the findings.

5.1 Topography and Collar Locations

The Datum used was the Geocentric Datum of Australia GDA94 in standard use in Australia and the Map Projection is MGA54. Mt Dromedary lies within 1:50,000 scale Map Sheet 6958-4 managed by the Queensland State Government Department of Natural Resources and Mines. The 1:50,000 scale map sheet was downloaded as JPEG files and combined using Adobe Photoshop®. This JPEG was then registered and used as a topographic base map in the MAPINFO™ GIS database. Detailed drainage information from the 1:5,000 scale geological mapping was added and integrated with the satellite imagery and then digitized using MAPINFO™ and integrated with the 1:50,000 scale topographic map sheets. The digitized MAPINFO™ 10m elevation contours were exported as Management Information Format (“MIF”) files, converted into an MS EXCEL spreadsheet and then gridded using SURFER™ software.

The digital terrain model (“DTM”) is suitable for the current exploration and conceptual planning purposes undertaken. However RPM recommends that prior to detailed mine planning more detailed surveys be undertaken. Given the topography this can be completed using drone or other airborne surveys.

Collar locations are surveyed by hand held GPS which are typically accurate to less than 5m horizontally. Elevation for each sample or drill collar was not accurately measured and was controlled by the DTM surface. This is sufficiently precise for an Inferred Resource at this early stage but more accurate survey will be required at the time of Resource estimation for higher categories of confidence using DGPS or total station survey methods.

RPM checked the supplied collar survey locations. Using a hand held GPS as showing in **Table 5-1**. The check indicates the supplied collar locations are within expected tolerances. Most holes are within 1m error of the database location. Hole MD-02 has 4m error but the difference is within a tolerance that would support the classification of the Resource applied.

Table 5-1 RPM and Database Collar Location Comparison, Mt Dromedary.

Drill Hole	RPM Reading		GPS RL	Database		Error	
	Easting	Northing		Easting	Northing	Easting	Northing
MD-01	418,240	7,831,212	91	418,241	7,831,211	-1	1
MD-02	418,269	7,831,209	89	418,265	7,831,211	4	-2
MD-03	418,231	7,831,100	90	418,230	7,831,101	1	-1
MD-04	418,261	7,831,101	89	418,260	7,831,101	1	0
MD-05	418,255	7,831,146	90	418,254	7,831,146		
MD-06	417,837	7,830,637	95	417,838	7,830,636	-1	1
MD-07	417,857	7,830,613	90	417,857	7,830,614	0	-1
MD-08	417,779	7,830,604	88	417,780	7,830,603	-1	1

Co-ordinates in GDA94 Datum, MGA54 Projection

5.2 Surface Geologic Mapping

Surface geologic maps were made based on GPS controlled surface geologic mapping and the published detailed Coolullah 1:100,000 scale 6958 geological map sheet compiled by Wilson et al (1985). The Senlac interpretative geologic map incorporated the geologic understanding developed by the Predictive Mineral

Discovery Cooperative Research Centre Project 12, sponsored by the Australian Government and industry groups (CRC, 2005).

The geologic mapping and understanding is sufficient to guide current exploration and to support an Inferred Resource estimate on the Project.

5.3 Surface Geochemical Sampling Programs and Methods

Regional open file company stream sediment and soil data has been collated by the Department of Mines and Energy and was sourced by Senlac. These are of interest for general understanding of the geologic environment but because they were designed for base metal exploration they are of limited application for the graphite search.

5.3.1 CRA Exploration (1994)

CRA collected eight (8) rock chips from the unit and submitted to the Melbourne-based Advanced Technical Development section of CRA Exploration Pty Ltd for geochemical analysis and metallurgical evaluation (Newberry, 1994). The locations of the historical samples were converted to the GDA94 MGA54 map projection to obtain the corrected locations of the samples. The historical sample ledger for this program exists and was sighted by Senlac.

5.3.2 Red Rock Exploration Pty Ltd (2014)

An initial field inspection of Mt Dromedary was made by Mr James Xu of Red Rock Exploration Pty Ltd on the 21st July 2014. Initially, four (4) rock chip samples were collected (Sample No's 10001, 10002, 10003 & 10004) and are recorded in the Project Sample Ledger. The laboratory analytical certificate results were reportedly sighted by Senlac.

A second field inspection was made by Red Rock Exploration Pty Ltd in late September 2014. During this survey, petrology samples were collected.

5.3.3 Senlac Geological Services Pty Ltd (2014)

Senlac completed rock chip sampling during the detailed geological mapping survey which was completed during 21-26 November 2014. During this program 30 tag numbered samples were collected. A hand-held Garmin GPS-60 Global Positioning System ("GPS") was used to obtain the sample location in the field with the sample location and descriptions were recorded in a field notebook and later transferred into an MS Excel spreadsheet.

Wherever possible, rock chip channel composite samples were taken perpendicular to the foliation strike trend of the outcropping graphite bed. The width of the channel sample was recorded. In other instances, rock chip composite samples were collected from outcrops, or composited grab samples collected from sub-crop. A 1.5-2.0kg sample size was typically collected at each site. Samples were placed into a labelled draw-string calico bag along with the paper tag and for security were in the possession of Senlac at all times in the field..

Duplicate re-sampling of the previous sample sites sampled by Redrock Mining Pty Ltd was undertaken. An additional 2 composited rock chip samples (242525 & 242526) were also collected. The composited samples weighed a little over 6kg each. A 3kg split sub-sample from each sample was collected.

The rock chip samples were taken by Senlac to the Cloncurry transport depot of Toll NQX for transport to Brisbane and placed in a plastic drum container on a pallet. The plastic drum and pallet were then wrapped in clear plastic protective film to secure the drum to the pallet. Senlac collected the samples at the Logan City depot of Toll Group. There was no evidence of any tampering of the plastic film wrap, the plastic drum or any of the samples inside when they were collected and individually inspected.

Rock samples were sawn polished and photographed as a record of rock types encountered.

Each rock chip sample was tested using a Terraplus™ KT-10 S/C combined magnetic susceptibility (measured in SI x 10⁻³ units) and conductivity meter (resistivity measured in Ωhms).

Samples for analysis were submitted to ALS Minerals, Stafford (Brisbane) and to Graphit Kropfmuhl GmbH Hauzenberg, Germany laboratory for analysis and evaluation via Express Post International.

5.4 Rock Chip Geochemical Analytical Methods

ALS Minerals (Brisbane laboratory)

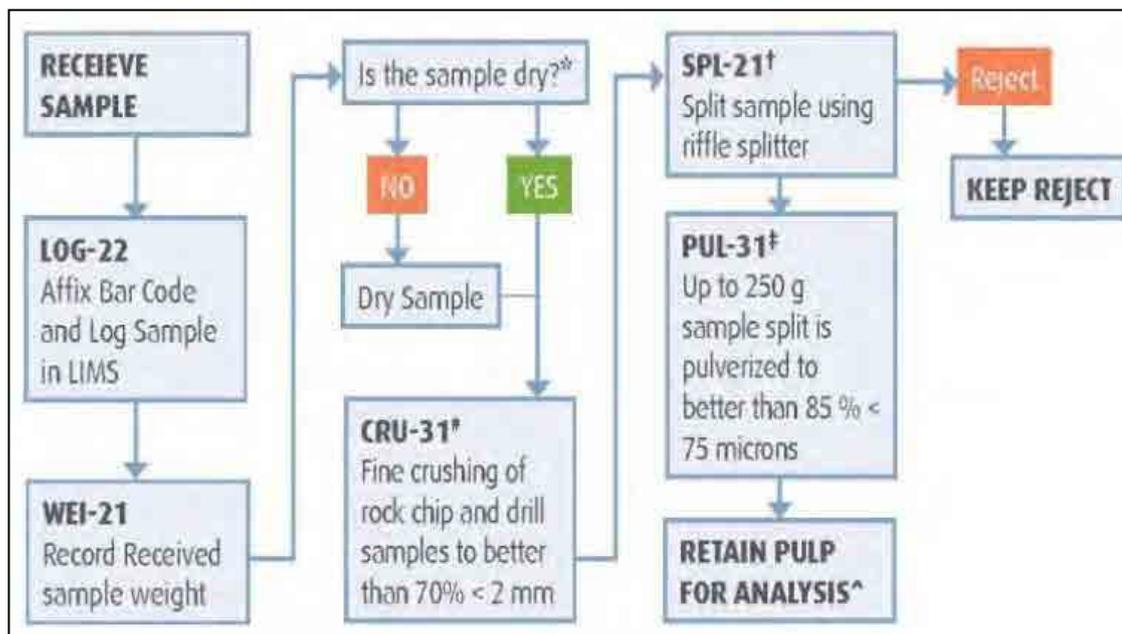
Senlac considered the CaCO_3 content of the crosscutting calcite veinlets, overprinting calcite alteration and interbedded impure limestone beds, to be potentially significant enough to warrant specific modifications of standard analytical methodologies. In consultation with Mr Shaun Kenny, ALS Minerals (Brisbane) Laboratory Manager, the LOI at two ignition temperatures was determined to establish CaO content loss at two temperature stages. The additional steps allowed more accurate determination of the inorganic carbon and organic carbon contents.

A comprehensive array of analytic methods were applied to the samples to determine without doubt the distribution of carbon species into graphitic carbon ("TGC"), volatile organic carbon species ("TOC"), carbonate carbon (as CaO), ash content, loss on ignition ("LOI"), major oxides, trace elements and major metals.

Sample Preparation

Rock chip samples were prepared according to standard sample preparation method PREP-31, as summarised in the flow chart in **Figure 5-1**. The preparation is adequate for the analysis completed.

Figure 5-1 ALS Sample Preparation Method PREP-31



Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

Method C-IR18 Total Graphitic Carbon

This is a direct graphitic carbon ("TGC") assay method. A nominal 0.1g sample is weighed into a ceramic crucible with the exact weight being electronically recorded by the Leco instrument. Inorganic carbon (carbonate, bicarbonate) is removed by reaction with dilute hydrochloric acid. After filtering, washing with water and drying, the remaining sample residue is then placed in a muffle furnace at 425 degrees, where all remaining organic carbon, other than graphite is removed by volatilisation. The ashed residue is then combusted in oxygen at 1500-2000 Deg C in a Leco furnace. Carbon is measured from the gases flow through the Infrared ("IR") cells. The detection level is 0.05% TGC.

Method C-IR07 Total Carbon

This method provides a total carbon content including carbonate carbon, volatile carbon, amorphous carbon and graphitic carbon. A nominal 0.1 – 0.2g sample is weighed into a ceramic crucible with the exact weight being electronically recorded by the Leco instrument. The sample is combusted in oxygen at 1500-2000 Deg C in a Leco furnace and the resultant carbon dioxide gas formed is quantified using an infrared detection system.

Method C-IR17 Non-Carbonate Carbon

This method is to determine the non-carbonate carbon including the volatile organic carbon species ("TOC"). A nominal 0.1 – 0.2g sample is weighed into a ceramic crucible with the exact weight being electronically recorded by the Leco instrument. Inorganic carbon (carbonate, bicarbonate) is removed by reaction with dilute hydrochloric acid. After filtering, washing with water and drying, the remaining sample residue is combusted in oxygen at 1500-2000 degrees C in a Leco furnace. Any organic carbon in the sample present as organic matter or graphite is evolved as carbon dioxide which is quantified using an infra-red detection system. This measures Non-carbonate Carbon.

C-CAL-15 Carbonates

This method is calculates the carbon in carbonates by subtraction of the non-carbonate carbon method C-IR17 from the total carbon method C-IR 07.

Method S-IR08 Total Sulphur

Accelerator material is added to a 0.20g sub-sample. Each sub-sample is then combusted in a multi-stage LECO furnace, using the same procedure for C-IR18 (described above). During combustion, sulphur-bearing elements are reduced, releasing sulphur to form SO₂ with sulphur as SO₂ measured in an infrared cell using an Eltra CS-800 for analysis.

Method Ash-01 Ash Content

A sub-sample of the pulp (1.00g) is added to a porcelain bowl that has been heated to 1000^oC prior to analysis. This sample is then pre-treated in a de-asher at 600-700^oC for one hour. The sample is then roasted in a muffle furnace at 875-900^oC under addition of oxygen for 4-5 hours. The sample is then cooled down in desiccators and weighed again to allow ash content to be calculated.

Method ME-GRA05g Loss on Ignition

Total major oxide content is determined using ICP and Loss on Ignition (LOI) values. In consultation with Mr Shaun Kenny, ALS Minerals Brisbane Laboratory Manager, two ignition LOI temperatures were determined.

The process involved:

- A prepared sample (1.00g) is placed in an oven at 425^oC for one hour, then cooled and weighed. The percent loss on ignition (425^oC) is calculated from the difference in weight (LOI425).
- The sample was then returned to the oven at 1,000^oC for one hour, then cooled and then weighed again. The percent loss on ignition (1000^oC) is calculated from the difference in weight (LOI1000).

Method ME-ICP06 Major Oxides

A (0.200g) pulp sub-sample is fused in lithium metaborate/lithium tetraborate flux (0.90g), at 1,000^oC. The melt is dissolved in 100ml of 4% HNO₃ / 2% HCl₃ solution. This solution is analysed by inductively coupled plasma ("ICP") for Al₂O₃, CaO Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SiO₂, SrO, TiO₂ with LOI correction.

Method ME-MS81 Ultra Trace Level Method

A (0.200g) pulp sub-sample is fused in lithium metaborate/lithium tetraborate flux (0.90g), at 1,000^oC. The melt is dissolved in 100ml of 4% HNO₃ / 2% HCl₃ solution. This solution is analysed by ICP for 30 trace elements;

Ba, Ce, Cr, Cs, Dy, Sr, Eu, Ga, Gd, Hf, Ho, La, Lu, Nb, Nd, Pr, Rb, Sm, Sn, Sr, Ta, Tb, Th, Tm, U, V, W, Y, Yb & Zr.

Method ME-ACD81 Four Acid Digest Method

A (0.200g) pulp sub-sample is dissolved in a four-acid digestion process using Method ME-4ACD81. This solution is analysed by ICP for 10 base metal elements; Ag, Cd, Co, Cu, Li, Mo, Ni, Pb, Sc & Zn.

Method ME-MS41 Ultra Trace Level Method

A (0.50g) pulp sub-sample is dissolved in aqua regia within a graphite heating block. After cooling, the solution is diluted with deionized water, mixed and analysed by ICP to determine 6 trace elements; As, Bi, Sb, Se, Te & Tl.

5.5 Drill Chip Geochemical Analytical Methods

The drilling program used method C-IR18 for Total Graphitic Carbon, method C-IR07 Total Carbon, method S-IR08 for Total Sulphur, method Ash-01 for Ash Content, method ME-GRA05g for Loss on Ignition, Method ME-ICP06 for Major Oxides (Al₂O₃, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SiO₂, SrO, TiO₂ & LOI), method ME-MS81 an Ultra Trace Level Method for Ba, Ce, Cr, Cs, Dy, Sr, Eu, Ga, Gd, Hf, Ho, La, Lu, Nb, Nd, Pr, Rb, Sm, Sn, Sr, Ta, Tb, Th, Tm, U, V, W, Y, Yb & Zr, method ME-ACD81, Four Acid Digest Method for Ag, Cd, Co, Cu, Li, Mo, Ni, Pb, Sc & Zn and method ME-MS41, Ultra Trace Level Method for As, Bi, Sb, Se, Te & Tl. These assay methods are described in Section 5.4 of this report. Assays were completed at ALS Brisbane.

5.6 Petrological Investigations

Petrological investigations have been conducted on Mt Dromedary by various explorers, as discussed in the following sections.

5.6.1 Nord Resources Ltd (1992)

Five (5) samples were collected from Mt Dromedary graphite project area by Nord Resources Ltd and examined by Townsville-based petrologist Richard England for petrological description (Ford et al, 1992).

5.6.2 Red Rock Exploration Pty Ltd (2014)

Three samples were submitted on behalf of Graphitecorp Limited by Red Rock Exploration Pty Ltd to Pontifex & Associates Pty Ltd in September 2014 for petrological investigation. An additional two samples were examined by Mr James Xu of Red Rock Exploration Pty Ltd at Queensland University, Geology Department's scanning electron microscopy laboratory.

5.6.3 Senlac Geological Services Pty Ltd (2014)

Eleven samples of typical graphite mineralisation and other rock types at Mt Dromedary were submitted to Activation Laboratories Ltd (ACTLABS) in Ancaster, Ontario, Canada for detailed petrological investigation.

5.6.4 Samples and Methodology

The Senlac and Red rock samples are listed in **Table 5-2**.

Table 5-2 Petrological Samples, Mt Dromedary Graphite Project.

Sample No.	Easting	Northing	SAMPLE FIELD DESCRIPTION
31517	417,820	7,830,470	Fine grained graphite-muscovite-quartz schist, with quartz-calcite-graphite veinlets. Nord.
31520	417,820	7,831,120	Fine grained graphite-muscovite-quartz schist, with 20% quartz-calcite-graphite veinlets. Nord.
31522	417,930	7,831,410	Graphite-muscovite-quartz schist. Sample 3. 3m channel. 20kg duplicate. Nord.
31523	417,870	7,831,480	Graphite-muscovite-quartz schist, with quartz-calcite-graphite veinlets. Nord.
31588	418,200	7,829,600	Calcite-tremolite-albite-quartz marble, minor pyrite. Nord.
3518680	419,240	7,832,950	Scapolite-diopside-hornblende gneiss. CRAE.
3518681	419,270	7,832,920	Metamorphosed gabbro. CRAE.
10001	417,807	7,830,586	Fine grained graphite schist. Near TRENCH-8. Sample 1a.
10002	417,810	7,830,589	TRENCH-8. Sample 2a.
10004	417,777	7,830,561	Fine grained graphite schist with calcite-quartz-graphite veinlets. TRENCH-8.
242502	417,568	7,830,502	Dolerite. South face of Mt Dromedary.
242503	417,491	7,830,754	Corella Fm. Calc-silicate.
242504	417,562	7,830,897	Quartz-K-feldspar-plagioclase-epidote altered acid volcanic.
242505	417,945	7,831,108	Dolerite sill ?.
242509	418,217	7,830,868	Finely laminated, foliated graphitic schist. Creek bed outcrop.
242510	418,217	7,830,833	Dirty marble.
242512	418,364	7,831,172	Calc-silicate breccia.
242519	418,304	7,831,611	Graphite schist.
242521	418,314	7,831,477	Graphite schist.
242527	418,195	7,830,067	Gabbro intrusion. Black Mountain.
242528	418,330	7,830,277	Marble with large scapolite crystals.

Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

Samples were cut, mounted and glued onto a glass slide, and then ground down to a thin wafer. Each thin section was then examined by petrologists Richard England, Ian Pontifex (Pontifex & Associates Pty Ltd) and Dr Mahdi Gohbadi (Activation Laboratories Ltd). Thin sections were examined using an Olympus BX51 petrographic microscope, under both transmitted and reflected light optical techniques. Photomicrographs representing all pertinent mineral phases and important rock and mineral textures (of various scales) were captured.

Information gleaned from these studies have been included in the geologic description of this report.

5.7 Bulk Density

5.7.1 Surface Density Samples

A total of 20 samples of graphite schist mineralisation from Mt Dromedary were submitted to ALS Minerals in Brisbane, for density determination, using method OA-GRA08 (rocks). RPM is of the opinion that while suitable at this stage for the Exploration Target estimate they are likely to underestimate the sub surface material due to weathering effects and that additional density measurements will need to be taken from fresh material to support a Resource estimate.

The density was determined by a modification of the Archimedes method using wax coating. Each rock sample was weighed dry. Each sample was then coated in paraffin wax to stop water ingress and weighed again. Each sample was then suspended in water and weighed. The density of each rock was calculated using a modified Archimedes equation taking into account the wax coating. Results of 20 samples are tabulated in **Table 5-3**.

Table 5-3 Surface Density Sample Results, Mt Dromedary.

Sample No.	Easting	Northing	SAMPLE DESCRIPTION	Density (t/m ³)
242501	417,804	7,830,584	Fine grained graphitic schist, with net siderite-calcite veinlets.	2.16
242506	417,961	7,830,654	Brecciated black shale-siltstone with calcite matrix. TRENCH-7.	2.51
242507	417,977	7,830,738	Calcite vein breccia (20%) in graphitic siltstone. TRENCH-7.	2.57
242509	418,217	7,830,868	Finely laminated, foliated graphitic schist. Creek bed outcrop.	1.90
242511	418,312	7,831,119	Black shale, with open cavity and calcite veins.	2.44
242513	418,314	7,831,927	Weathered, leached subcrop graphite schist.	2.48
242514	418,321	7,832,114	Weathered, leached subcrop graphite schist.	2.42
242515	418,301	7,832,232	Subcrop laminated hematite-muscovite-graphite schist.	2.40
242516	418,320	7,832,346	Weathered, leached, hematite-muscovite-graphite schist.	2.28
242517	418,392	7,832,353	Graphitic black shale, siltstone and grey impure limestone.	2.28
242518	418,376	7,832,412	Hematite-muscovite-graphite schist.	2.41
242519	418,304	7,831,611	Graphite schist.	2.27
242520	418,301	7,831,528	Graphite schist.	1.88
242521	418,314	7,831,477	Graphite schist.	2.23
242522	418,341	7,831,253	Scattered subcrop of graphite schist. Near TRENCH 2.	2.25
242523	418,261	7,830,973	Graphite schist with "sandy" matrix.	2.17
242524	418,187	7,832,436	Graphite schist. RESAMPLE of GK10051 (3kg).	2.09
242525	418,300	7,831,394	Graphite schist. RESAMPLE of 242521 for GK (3kg).	2.04
242526	418,299	7,831,120	Graphite schist. RESAMPLE of 242511 for GK (3kg).	2.28
242529	418,215	7,830,866	Graphite schist. RESAMPLE of GK10057 for GK (3kg).	2.20
			Mean Density	2.26

5.7.2 RC Drilling Density Samples

A total of eleven samples of graphite schist mineralisation from RC drilling at the Mt Dromedary graphite deposit were submitted to ALS Minerals in Brisbane, for density determination, using method OA-GRA08 as described in Section 5.7.1 of this Report. The samples were classified according the logging into weathered and unweathered samples. Various data such as lithologic assays, sulphur assays and logged water table depths were considered for this classification. Logged water table gave the most consistent information because lithologic assays and sulphur contents were inconsistent due to different rock type and pyrite contents. The interpretation of this surface will require further refinement with additional information following future drill programs to achieve higher classifications of the resource.

Results are tabulated in **Table 5-4**.

Table 5-4 RC Density Sample Results, Mt Dromedary Graphite Project.

Hole_id	Density (t/m ³)	From	To	Weathering
MD-01	2.59	18	19	fresh
MD-01	2.47	26	27	fresh
MD-02	2.45	24	25	fresh
MD-02	2.53	45	46	fresh
MD-02	2.40	57	58	fresh
MD-03	2.34	15	16	weathered
MD-03	2.17	21	22	weathered
MD-04	2.48	10	11	weathered
MD-04	2.26	19	20	weathered
MD-04	2.53	32	33	fresh
MD-06	2.57	25	26	fresh
Weathered Density	2.31			
Fresh Density	2.51			

5.7.3 Analysis of Density Results

The surface and RC drilling at Mt Dromedary were analysed by rock type and weathering as in **Table 5-3** and **Table 5-4**. The surface and weathered densities are comparable but in consideration of the likely higher density of sub-surface samples the density from the RC drilling only was adopted for the Mineral Resource estimate while the surface samples were only utilised in the Exploration Potential estimates.

5.8 Graphite Flake Size Analysis

Flake size analysis was completed Mineral Liberation Analysis ('MLA') by Activation Laboratories Ltd ('ACTLABS') in Ancaster, Ontario, Canada. Samples were analysed from both surface and sub-surface samples as described in Section 4.4. Nineteen samples were from the surface and eleven from sub-surface.

5.8.1 Methodology

Samples were analyzed by ACTLABS using a Mineral Liberation Analyser ("MLA") to determine the modal mineralogy and characterize the size and deportment of graphite flakes.

The MLA is a quantitative mineralogical technology, developed by ACTLABS, which uses a FEI Quanta600F scanning electron microscope ("SEM").

A Jones Riffle splitter was used to split a representative sample for the MLA study. The samples were further screened to +106/-850 µm. The +106/-850 µm fraction range was measured for the graphite flake size distribution, in order to represent preserved rock fragments that are closest to the original graphite size and rock texture. Representative splits were taken using a Quantachrome Mini-riffler and mixed with carnauba wax. Each sample was mounted on an epoxy resin block and coated with carbon and then polished, prior to examination using the MLA.

Mineral matter was identified and quantified using the XBSE measurement mode on the Quanta 600F MLA instrument. Minerals and other attributes are directly measured on the MLA by a combination of image analysis, employing atomic number contrast imaging from back-scattered electron ("BSE") signal intensity and Energy Dispersive Spectrometry ("EDS"), using two Bruker 5010 SDD detectors. The BSE signal intensity is proportional to the mean atomic number of minerals. The Field Emission Gun MLA was used at an accelerating voltage of 25 kV and a spot size of 6.

This is an industry acceptable method for gathering quantitative graphite flake size information.

5.8.2 Comparison of Surface and Subsurface Flake Size

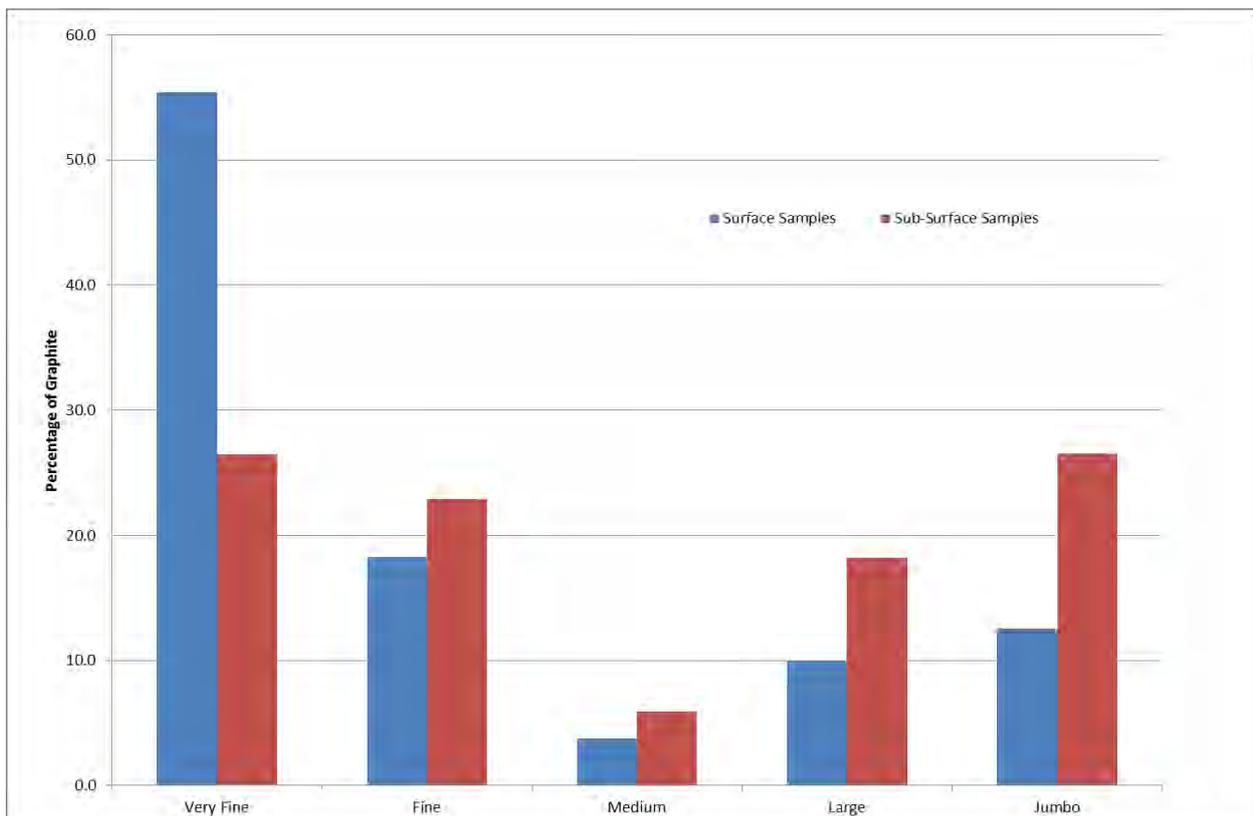
The comparison of surface and sub-surface flake sizes is tabulated in **Table 5-5** and **Figure 5-2** below. It is evident that the sub-surface distribution is coarser than the surface distribution. The reasons for this are not clearly understood at this stage and maybe a function of vicinity to the intrusive at depth or alternatively a degradation of flake size in the surface samples because of weathering effects.

RPM are of the opinion that the more vertically distributed sub-surface samples are more representative of the mineralisation and have adopted these for the Resource flake size classification however further testwork and analysis is required to confirm this assumption.

Table 5-5 Comparison of Surface and Sub-Surface Flake Size, Mt Dromedary.

Classification and Sizing		Sub-Surface		Surface	
Classification	Sieve Size (µm)	% in Interval	Cumulative %	% in Interval	Cumulative %
Very Fine	<75	26.4	100.0	55.4	100.0
Fine	75-150	22.9	73.6	18.3	44.6
Medium	150-180	5.9	50.7	3.8	26.3
Large	180-300	18.2	44.8	10.0	22.5
Jumbo	>300	26.6	26.6	12.6	12.6

Figure 5-2 Comparison of Surface and Sub-Surface Flake Size, Mt Dromedary.



5.9 Drilling Extent and Type

Reverse Circulation (“RC”) drill holes with diameters of 105 mm diameter were used to define the subsurface extent of two portions of the mineralisation within the Project. Information and samples from the RC holes have been used to underpin the Mineral Resource estimation and flake size characterisation.

Graphitecorp completed 9 RC holes in two clusters at the Central and Southern sections of the Project. The holes were declined to -60 degrees. The Central holes were drilled to the east approximately perpendicular to the mapped strike of the mineralisation whereas the Southern holes were drilled to the south east to also be perpendicular to the mapped strike at that location.

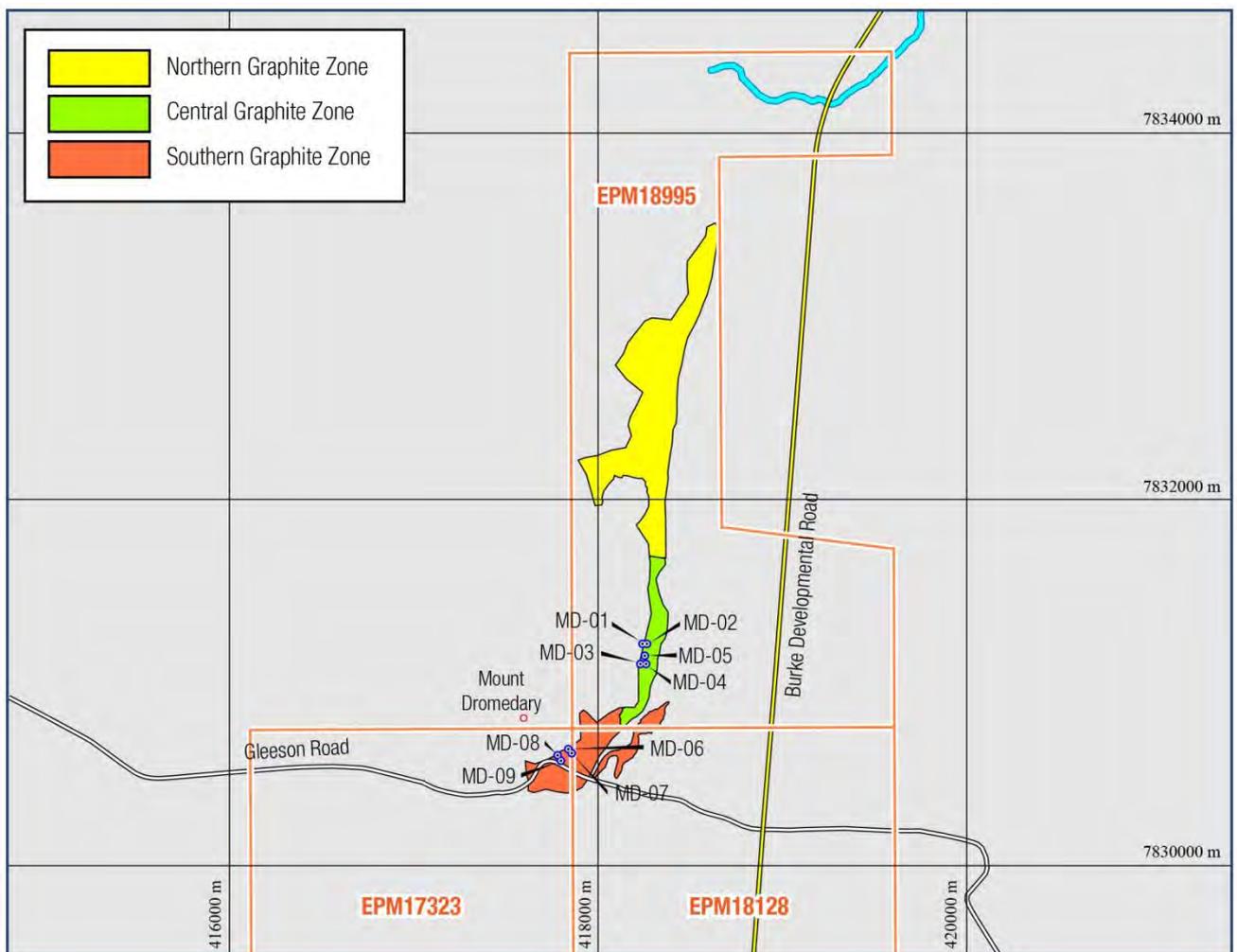
Hole Particulars are given in Table 5-6. The hole locations are shown on Figure 5-3.

Table 5-6 Mt Dromedary Drilling Summary

Hole_id	Easting	Northing	RL	Azimuth	Dip
MD-01	418,241	7,831,211	140.5	84	-50
MD-02	418,265	7,831,211	141.1	84	-50
MD-03	418,230	7,831,101	140.0	84	-50
MD-04	418,260	7,831,101	140.0	84	-50
MD-05	418,254	7,831,146	140.0	88	-50
MD-06	417,838	7,830,636	140.0	135	-50
MD-07	417,857	7,830,614	140.0	135	-50
MD-08	417,780	7,830,603	140.0	135	-50
MD-09	417,798	7,830,573	140.0	135	-50

Note: Co-ordinates are in Geocentric Datum of Australia GDA94,
 Map Projection MGA54

Figure 5-3 Mt Dromedary RC Drill Hole Locations,



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5.10 Down Hole Survey

No down hole surveys were completed. Care was taken to measure the collar declination and azimuth of the drill holes. Due to the shallow depth of the holes (62 m maximum, 44 m average), RPM is of the opinion that the collar survey is sufficient to support an Inferred Resource.

5.11 Geological and Geotechnical Logging

Graphitecorp has developed logging and sampling procedures that have been consistently implemented, giving the results a high level of confidence. Previous experience managing graphite exploration programs was used to design a logging format specifically for graphite.

Logging data is collected on paper field sheets then transferred to spreadsheets in the office. Logging procedures and methodology involved the following sequence:

1. A sieve (-2mm screen) was filled with drill chips collected from the stockpiled big plastic bag.
2. The sieve was shaken to remove fine particles out of the sample.
3. The sieve and contents were washed in water.
4. The contents were placed into a 20-compartment plastic tray labelled on a 1-metre basis.
5. The contents were examined optically using a 16 x 30 magnification hand lens (with LED light) to determine the visible geological characteristics of the interval.
6. The following geological parameters were logged and recorded in the field drill log sheet:

- Colour.
- Oxidation (as percentage).
- Hardness (hard, medium or soft).
- Grain size (coarse, medium, or fine).
- Texture.
- Lithology.
- Alteration.
- Sulphide minerals and percentage.
- Vein type and percentage.
- Graphite grade estimate as percentage. It is notoriously difficult to visually estimate graphite grade because of its fine grain size, and so a broad estimate was made with $\pm 5\%$ incremental accuracy. This is best re-calibrated when geochemical assay data becomes available.
 1. The field drill log was entered into an EXCEL spreadsheet for each drill hole.
 2. Each chip tray was photographed in high resolution mode using a Canon EOS 350D digital camera, in various settings. The images were examined and the best image selected for each interval. The photograph was cropped and enhanced using Adobe Photoshop Elements 8.0 software. The resulting image of the 20m interval was inserted as a JPEG into the EXCEL spreadsheet for each drill hole.

RPM considers all logging and data storage procedures to meet standard industry practice. Protocols were in place to ensure data is valid.

5.12 Drill Sampling Methodology

Sampling was sourced from RC chips for the nine holes completed. A large 25kg sample was down to a more manageable composited 2-metre sample size of 1kg using a 4:1 riffle splitter unit. This was accomplished in two passes. The procedure adopted to collect a sample from each 1-metre interval involved the following sequence:

1. All large 900x600mm size and small 300x200mm size plastic bags were marked up with hole number and depth interval prior to commencement of drilling.
2. A large plastic bag was attached to the cyclone using metal teeth.
3. One metre drilled and all drill chips discharged from the cyclone into the large plastic bag (900x600mm size). Approximate sample weight of 20-25kg per metre.
4. The large plastic bag was removed after 1-metre completed and replaced with the next labelled interval bag.
5. The large plastic bag with sample was hand-carried to the splitter unit.
6. The large plastic bag was emptied into the splitter unit.
7. The splitter unit was shaken to ensure contents all emptied into the collection tray.
8. The 20% split was emptied into the empty large plastic bag.
9. The collection tray returned to the splitter.
10. The large plastic bag emptied again into the splitter.
11. The 20% splitter tray was placed into the small pre-labelled 300x200mm plastic bag. The bag was temporarily sealed with a single staple.
12. The small plastic bag and contents (4% total sample) were weighed on digital scales and the weight recorded on the field drill log sheet.
13. The small plastic bag was probed using a Terraplus KT-10 combined magnetic susceptibility meter and conductivity meter. The magnetic susceptibility (SI units) and electrical conductivity (ohms) were then measured and recorded in the field drill log for each 1-metre interval.
14. The large 96% tray was emptied into the large plastic bag and temporarily stored in rows on site.

The procedure adopted to prepare 2-metre interval composited samples involved the following sequence:

1. A 500g sub sample was weighed from each 1-metre interval and combined into a small 300x200mm size pre-numbered sample bag along with a paper tag number.
2. The small plastic bag was securely sealed using 4 staples.
3. The small plastic bags were placed to a large bag for shipment to ALS.
4. The residual sample left in each small plastic bag was securely sealed and retained as a duplicate and placed in a large plastic bag labelled with the hole number.
5. The duplicate samples are stored on site in the shipping container.

RPM considers these procedures to be acceptable for making a representative sub-sample for assay purposes.

5.13 Drill Assay Methods

The same laboratory and assay methods were used for the RC drilling as were used for surface work and are described in detail in Section 5.4 of the report. The specific methods include; Method C-IR18 Total Graphitic Carbon, Method C-IR07 Total Carbon, Method S-IR08 Total Sulphur, Method Ash-01 Ash Content, Method ME-GRA05g Loss on Ignition, Method ME-ICP06 Major Oxides, Method ME-MS81 Ultra Trace Level Method, Method ME-ACD81 Four Acid Digest Method and Method ME-MS41 Ultra Trace Level Method.

5.14 Drill Quality Assurance Quality Control

5.14.1 Protocol and Summary

The Mt Dromedary RC drilling program QAQC procedures included the use of certified standards, blanks, internal laboratory pulp repeats and standards. The number of QA/QC samples for the Project is summarised

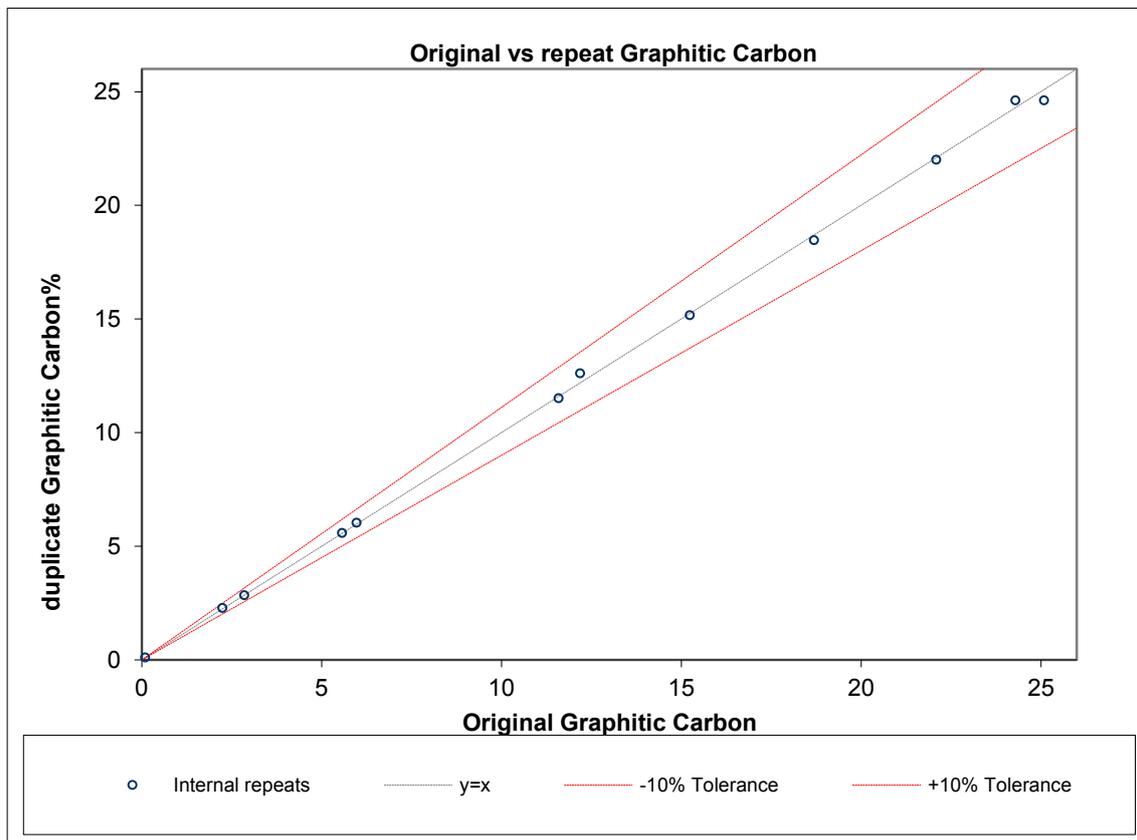
in **Table 5-7**. The large number of internal standards and repeats is due to the number of different determinations which each require their own standards.

Table 5-7 Mt Dromedary Graphite Project: Summary of QA/QC samples for the Project

2015 RC drilling program	
QA/QC Sample Type	Number of Samples
ALS internal standards	200
ALS internal repeats	70
External Standards	15
External Blanks	7
Total	292

Total of 70 internal repeats (30% of all assays) were analysed. Only 12 internal repeat assays are analysed for Graphitic Carbon.

Figure 5-4 ALS Internal Repeats for Graphitic Carbon



The results for the ALS Internal repeats for Graphitic Carbon for the RC chip samples are shown in the scatterplot in **Figure 5-4**. Analysis of these plots indicates that the majority of the results are within the 10% error limits. Interpretation of these results indicates good repeatability of the primary pulverized samples and that the pulps appear to be homogenous. In addition, no assay bias can be observed in the data highlighting the accuracy and precision of the sample preparation and analysis by the ALS Laboratory.

5.14.2 External Standards and Blanks

A total of 15 certified graphite standard (6.7% all samples) samples were analysed throughout the program which were sourced and certified by the Geostats Pty Ltd. The Client inserted the standards at a rate of one every twenty samples. Details of the standards used are shown in Table 5-8.

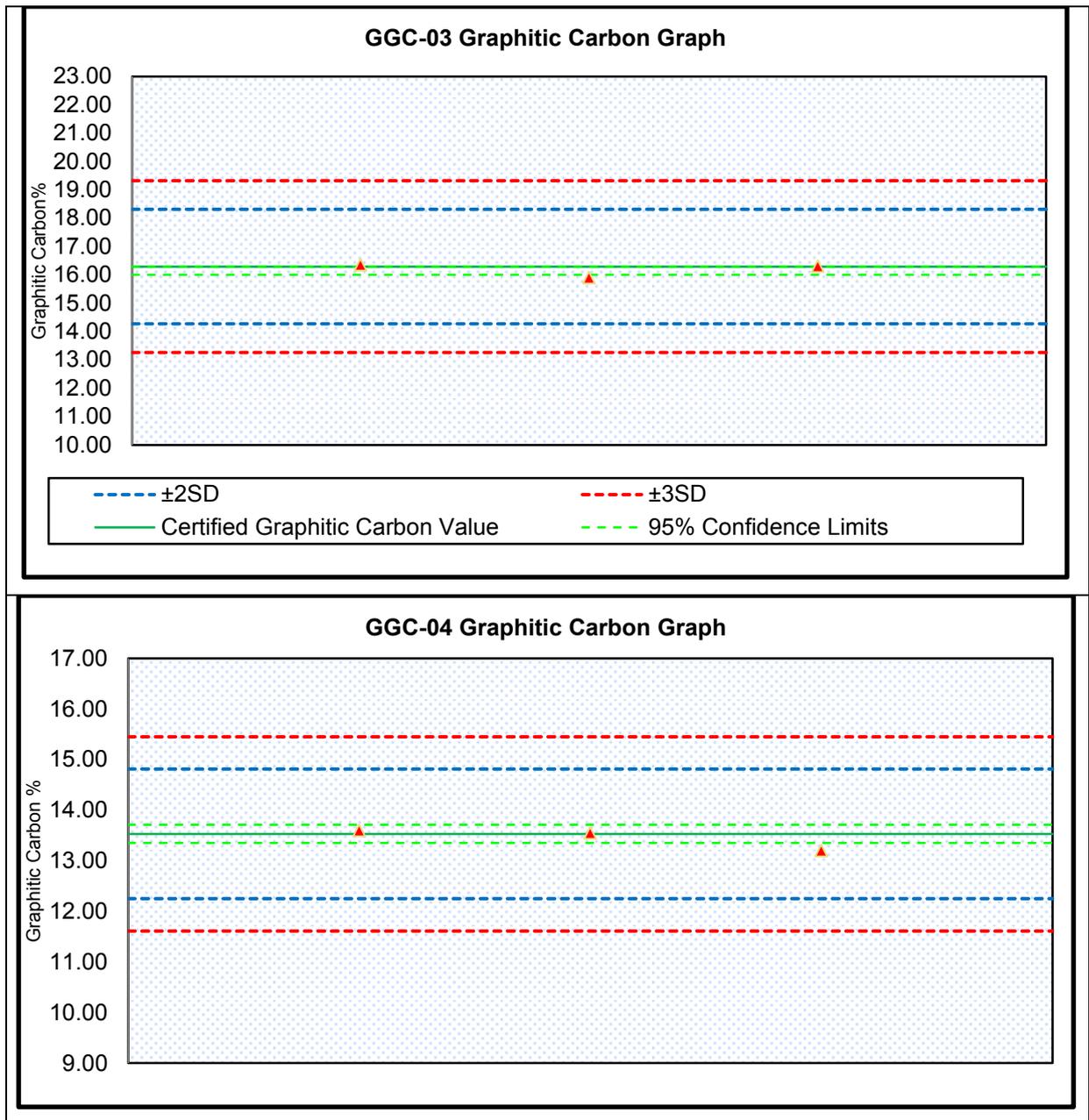
Table 5-8 Mt Dromedary Graphite Project: External Standard details

		Standards				
Element	Statistics	GGC-03	GGC-04	GGC-05	GGC-09	GGC-10
Graphitic Carbon	Certified value	16.29%	13.53%	8.60%	2.41%	4.79%
	Standard Deviation	1.01%	0.64%	0.55%	0.27%	0.29%
	Number of Analyses	3	3	3	3	3
Total Carbon	Certified value	17.61%	14.24%	9.20%	2.95%	5.22%
	Standard Deviation	0.37%	0.97%	0.43%	0.10%	0.18%
	Number of Analyses	3	3	3	3	3

The results of the external standards for Graphitic and Total Carbon for the RC samples are shown in plots in **Figure 5-5**. Analysis of these plots indicates that results are within the upper and lower warning limits ($\pm 2SD$). The results again indicate the acceptable performance of the ALS laboratory.

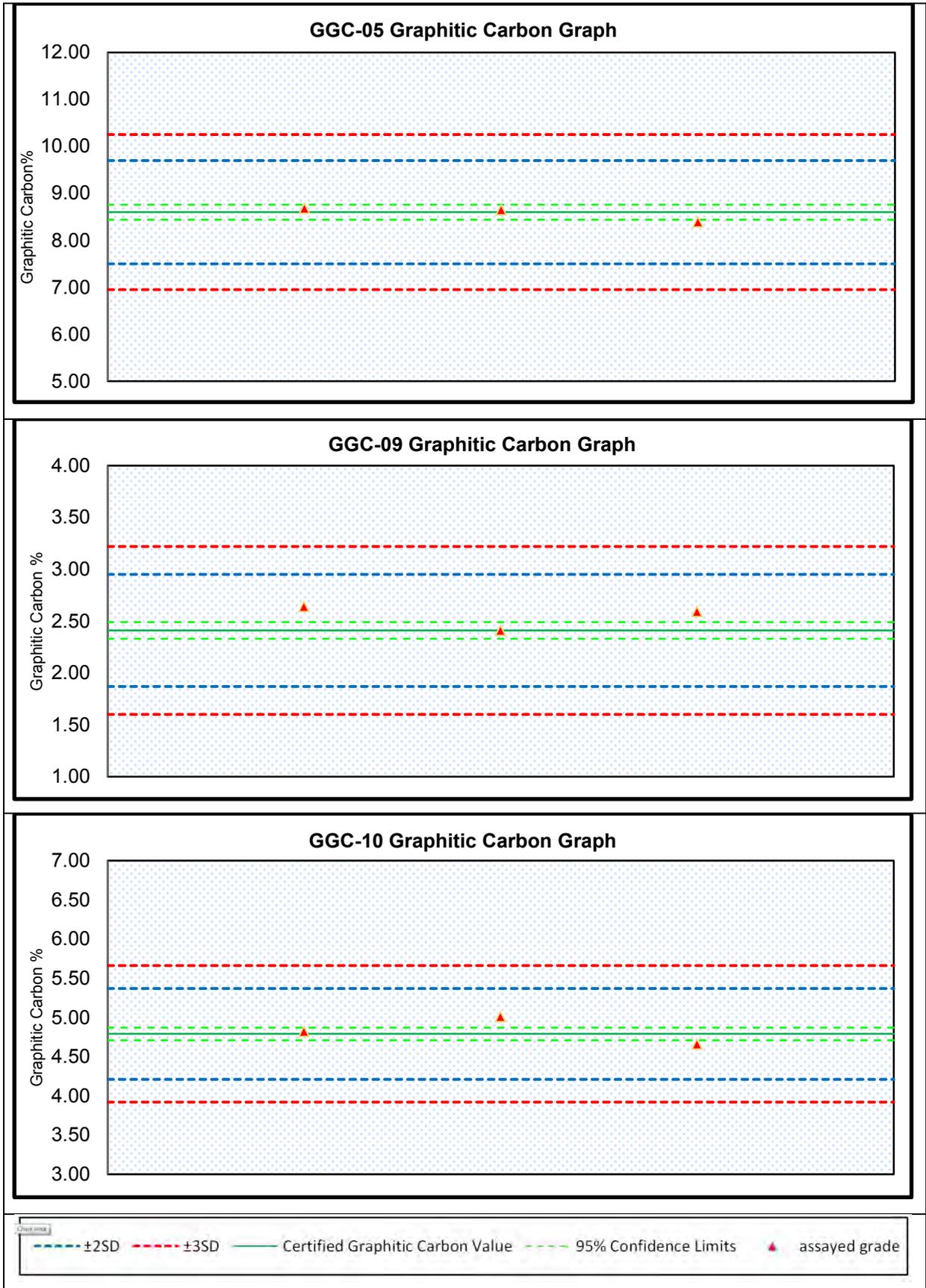
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Figure 5-5 External Standard results for Graphitic and Total Carbon



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Total of 7 blank samples were inserted at end of every batches and all analysed samples reported below 0.1% Graphitic Carbon with highest reported at 0.06%.

5.14.3 QA/QC Summary

RPM's analysis of the internal repeat results for Graphitic Carbon show an acceptable correlation mostly within 10% of the original sample results and no systematic assay bias can be interpreted in the data highlighting the suitable accuracy and precision of the sample preparation and analysis by the ALS Laboratory.

RPM's analysis of the external standards as well as blanks for the Graphitic Carbon also indicates the acceptable quality of the ALS assay procedures.

For any future drilling at the Mt Dromedary project, RPM recommends continuing with the current use of standards and blanks. RPM considers the final resulting database to be of a good standard and acceptable to be used in a JORC resource estimate.

5.15 Drill Sample Security

All drilling activities have been undertaken by contractors independent of Graphitecorp. Due to the style of drilling undertaken within the Project, Graphitecorp's personnel completed all sample handling on-site.

The 2m composited samples collected for laboratory analysis were placed into plastic bags and securely sealed with staples. Both the assay samples and the duplicate samples were stored temporarily on site inside the shipping container. The samples were then personally delivered direct to ALS Minerals Division preparation laboratory facility at Unit 4, 16 Enterprise Street, Mount Isa. RPM considers these procedures to be industry standard and considers that the sample security and the custody chain during this period adequate.

Subsequent to sampling, all sample preparation and assaying is undertaken by an internationally recognised independent laboratory. As such, RPM considers that the sample security during the drilling, sampling, sample preparation and assaying to be acceptable.

5.16 RPM Comment on Data Quality

The review of the drilling and sampling procedures concluded that international standard practices were utilised with no material issues being noted by RPM. The QAQC samples all showed suitable levels of precision and accuracy to ensure confidence in the sample preparation methods employed by the Client and the primary laboratory. RPM also notes that all the samples used for the Mineral Resource estimation are derived from 2015 RC drilling and RPM considers the data which supports the Mineral Resource estimation to have no material sample bias and is representative of the samples taken.

RPM considers that the onsite data management system is industry standard which minimises potential 'human' data-entry errors and no systematic fundamental data entry errors or data transfer errors were found. RPM considers the integrity of the digital database to be sound.

In addition, RPM considers that there is sufficient geological logging and sectional interpretation images to enable estimation of the geological and grade continuity of the deposit to accuracy suitable for the classification applied. Only 11 bulk density determination available from the RC drilling while 20 determinations are determined from the surface chip samples. RPM suggest the client does more bulk density measurements from future drill holes.

6. Mineral Resource Estimate

A Mineral Resource estimate has been independently completed by RPM according to guidelines in the Australian Code for Reporting of Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Information contained in this Report is based on information provided to RPM by the Company and verified by RPM. All statistical analysis and Mineral Resource estimations were carried out by RPM. RPM developed three dimensional digital resources for the concentration of Graphite and developed the resource estimates based on the statistical analysis of the data provided. RPM believes the Mineral Resource estimate meets general guidelines for JORC Resources for the Inferred confidence level.

6.1 Sample Data

All drill hole collar, survey, assay and geology records were supplied to RPM in *Excel* spreadsheet format by the Client. All Mineral Resource work conducted by RPM was based on data received as of September 22nd, 2015. An Access database was created and managed by RPM.

The database contains the records from 9 RC (Reverse Circulation) drill holes for a total of 400 m which were generally spaced on a 50 m by 30 m grid and drilled at the Central and South Graphite zones. All holes were used to define the mineralised wireframes. No data was excluded from the model. Below detection limit for all assays were set to a half detection limit.

6.2 Interpretation

A preliminary review of the mineralisation indicated that strong correlation could be interpreted between Graphitic carbon and Total carbon, as such RPM constructed single mineralised wireframes which are contained within graphitic schist and lithic arenite units. Geological interpretations of the lithological units, the geological structure and surface geological maps were used to guide and confirm the shape of the mineralised wireframes.

Based on a statistical review, the 2 sets of Graphite mineralisation were wireframed using a Graphitic Carbon 1% and 10% grade cut off respectively. The grade cut-offs were based on interrogation of log histograms and probability plots of the raw assay data for graphitic carbon grade. Statistical analysis of the assay values confirmed this value as a natural cut-off which shown on **Figure 6-1**. The raw assay statistics table is show in **Table 6-1**.

Figure 6-1 Log Histogram and Log Probability Plots for C_graphite in the Mt Dromedary database

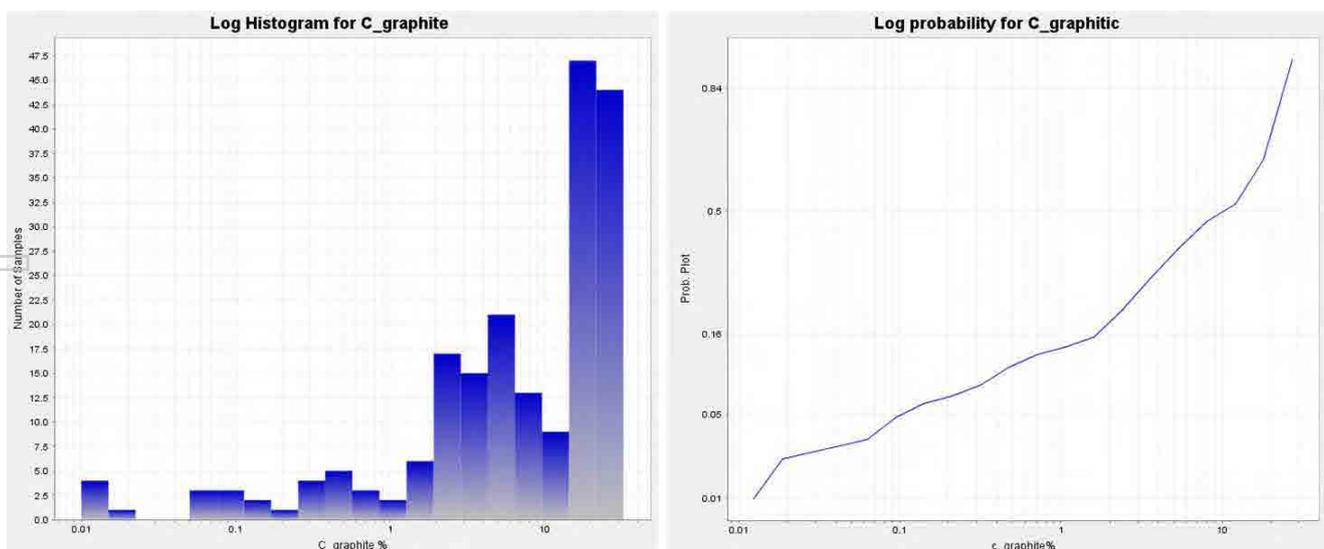


Table 6-1 Mt Dromedary Project: Summary of statistics for raw assays for Graphitic and Total Carbon

Descriptive Statistics	All assay	
	C_graphitic	Total carbon
Number	200	200
Minimum	0.01	0.03
Maximum	32.4	32.6
Mean	11.90	12.85
Std Dev	9.35	9.48
CV	0.79	0.74
Percentiles		
10%	0.46	1.23
20%	2.08	2.69
30%	3.49	4.73
40%	5.91	6.69
50%	9.66	13.20
60%	16.63	18.00
70%	18.88	20.25
80%	21.90	22.80
90%	24.50	24.90
95%	26.60	27.55
97.50%	27.55	29.00

The two wireframes were used as hard boundaries to constrain the grade interpolation within the deposit to minimise the mixing of high and low grade populations.

Resource outlines were generally extrapolated to a distance half-way between mineralised and un-mineralised holes/sections (with a maximum distance of 50 m where the drill spacing was greater than 50 m) or 50 m from the nearest hole on the edges of the mineralisation or where no un-mineralised drill holes were available to constrain the interpretation.

RPM was provided with data to determine the weathering profile for the drilled area and created a DTM surface to model the data.

6.3 Preparation of Wireframes

6.3.1 Mineralisation Wireframes

Wireframed solids were constructed based on sectional interpretations of drill hole geological and sample data using Surpac version 6.4.1 geological software. The interpreted sectional outlines were manually triangulated to form the wireframes. To form the ends of the wireframes, the end section strings were copied to a position mid-way to the next section or 50 m from the nearest drill hole and adjusted to match the overall interpretation and trend of the mineralisation. Down dip extension is constrained to the RL level of 60m. The wireframed objects were validated using Surpac software and set as solids. Total of 6 wireframes or objects were generated including high grade objects of 101, 102 and 103 inside the medium grade object 1, 2 and 3 respectively. A plan view of the wireframes is shown in **Figure 6-2** and **Figure 6-3**. Sections are in **Figure 6-4** and **Figure 6-5**.

6.3.2 Weathering Surface

One weathering surface was created for the top of fresh rock, and was interpreted on cross section. Down-hole densities as well as logged water table data were included in the database and these were used to guide the definition of the surface.

6.3.3 Topographic Surface

A topographic surface was provided by the Client.

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Figure 6-2 Plan View of Mt Dromedary Project and Mineralisation Wireframes

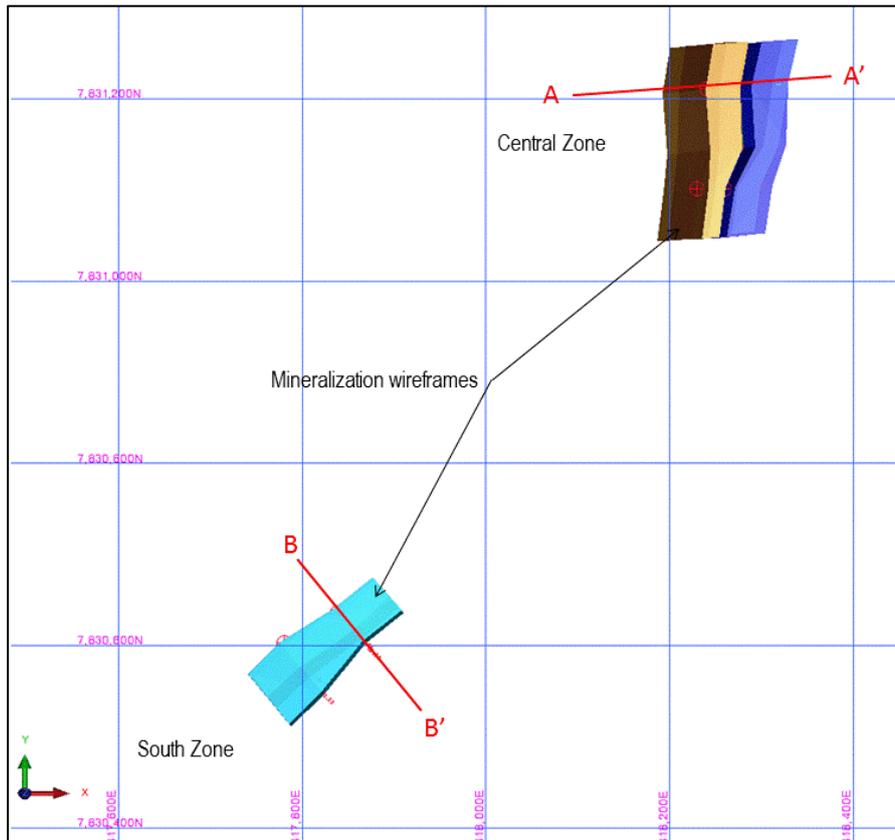
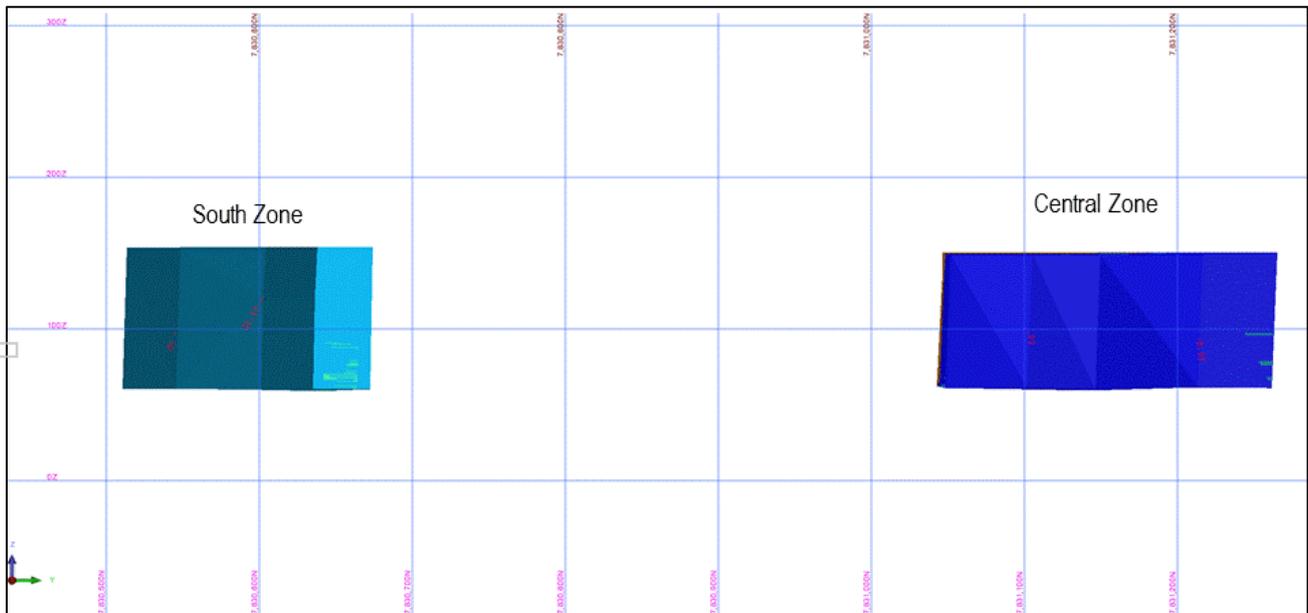


Figure 6-3 Long Section of Mt Dromedary Project and Mineralisation Wireframes



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Figure 6-4 Cross Section A-A' (20m Clipping Window to Include Drilling)

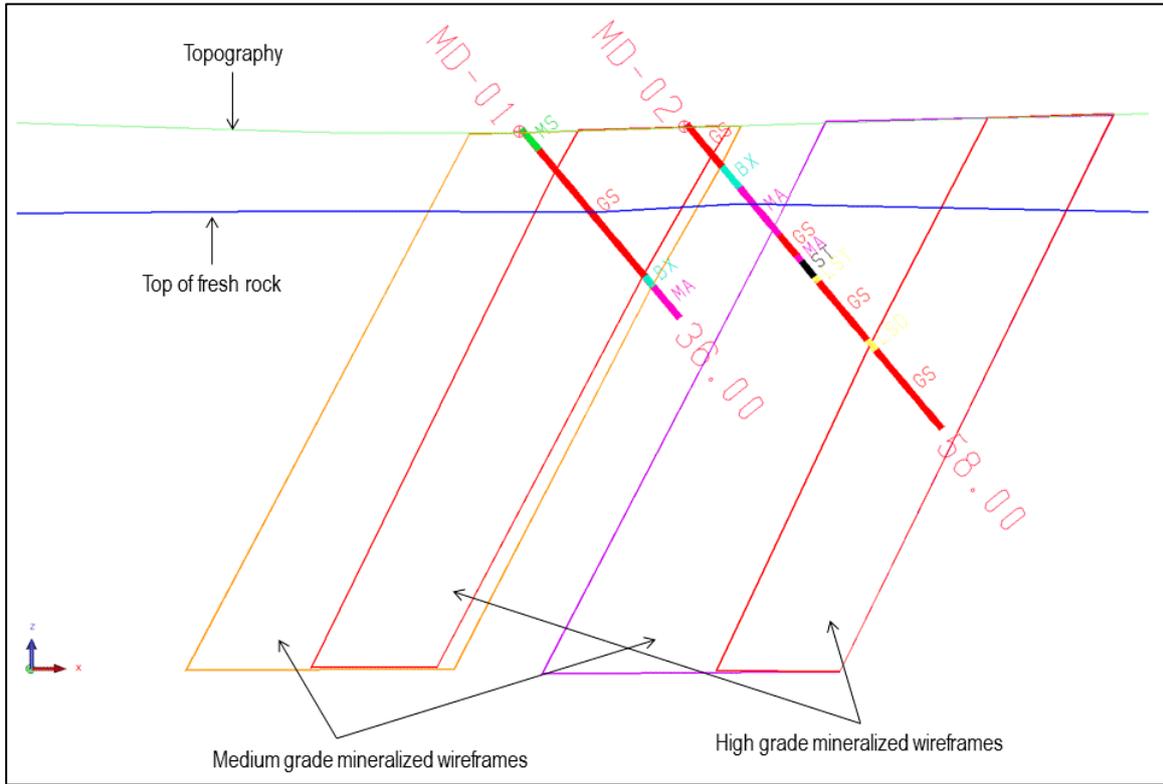
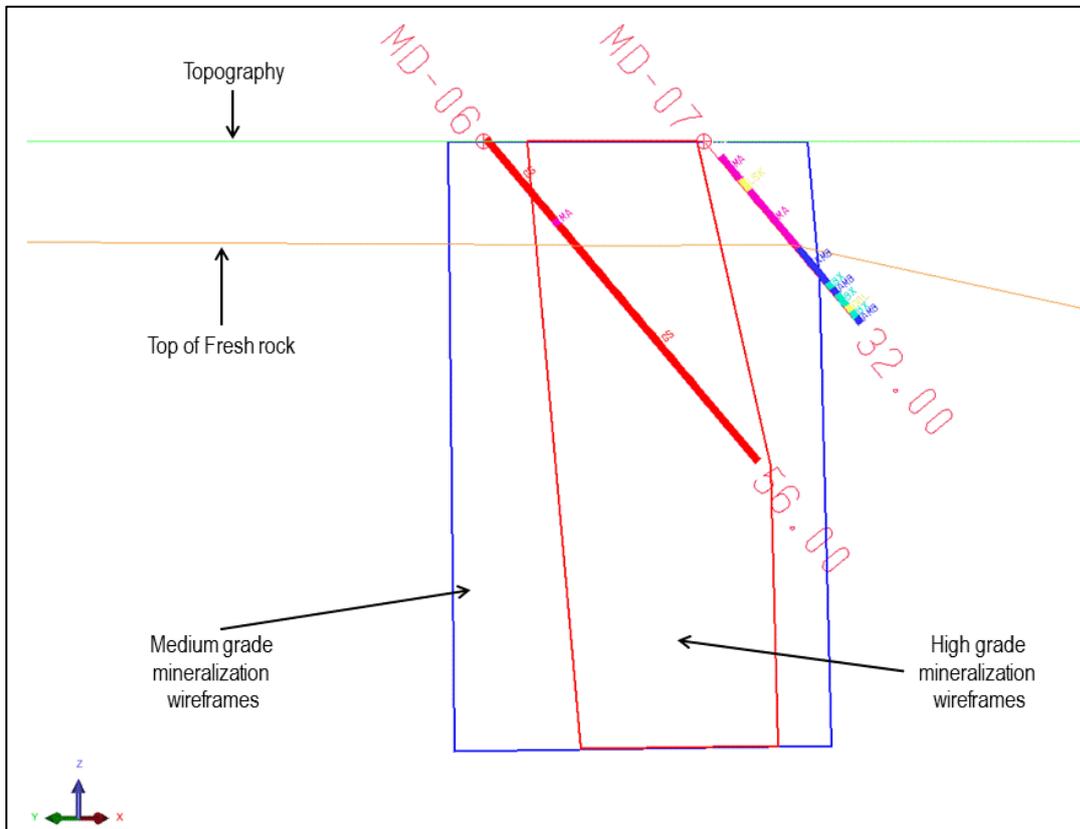


Figure 6-5 Cross Section B-B' (20m Clipping Window to Include Drilling)



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6.4 Compositing and Statistics

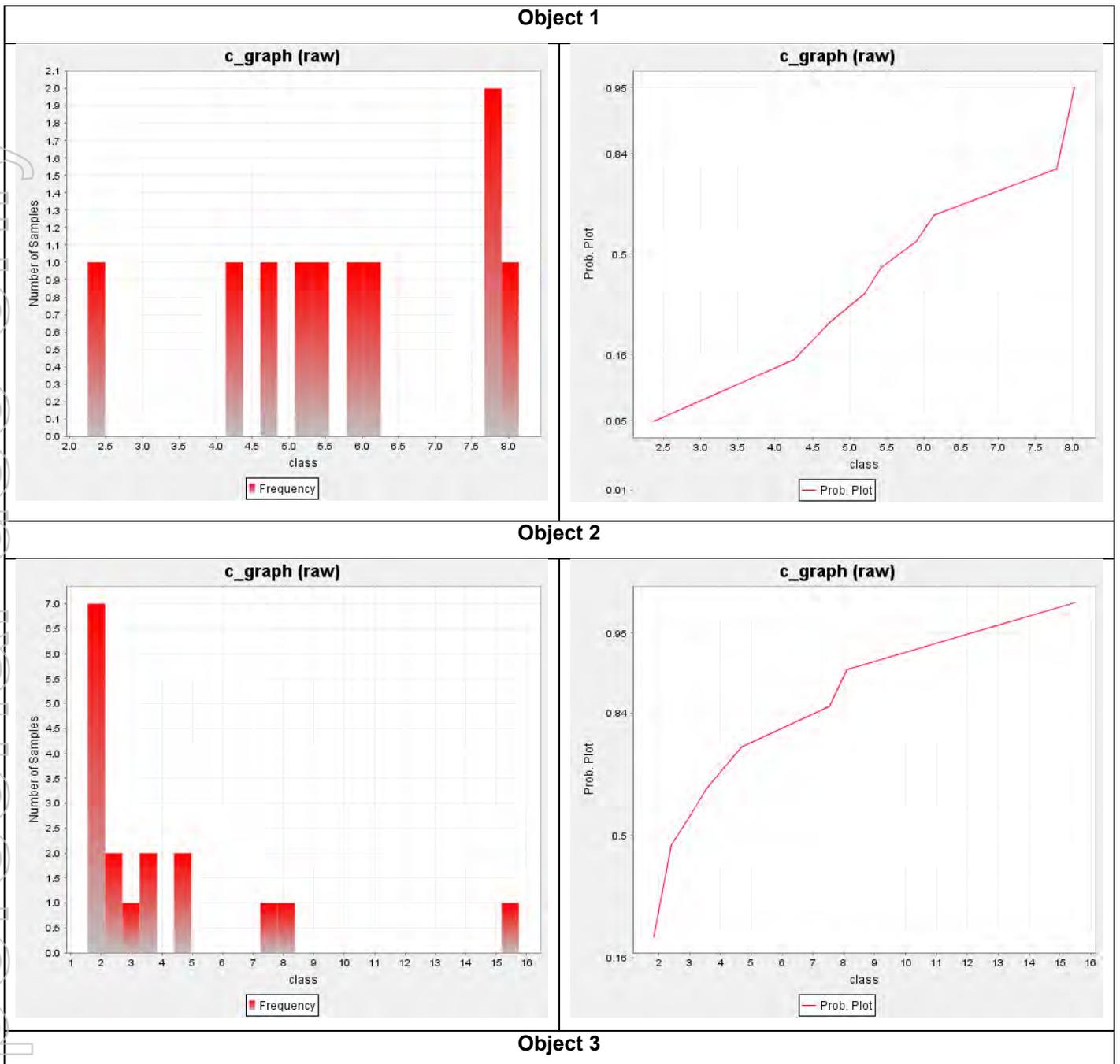
The Graphite mineralised wireframes (“domains”) were used to code the assay database to allow identification of the resource intersections. A review of the sample lengths was subsequently completed to determine the optimal composite length. The only sample lengths inside the mineralised wireframes were 2 m and as a result this was chosen as the composite length. Surpac software was used to extract the composites. Separate composite files were generated for each resource object and element. The composites were checked visually for spatial correlation with the wireframed mineralised objects.

The composites were then imported into Surpac Basic Stats Module 6.4.1 to analyse the statistics of the assays within the mineralised wireframes. The summary statistics for Graphitic and Total Carbon inside the mineralised wireframes are shown in **Table 6-2**. Histograms and probability plots for each object are shown in **Figure 6-6**. Composites for each object were then separated by weathering type to avoid mixing the grades for material type.

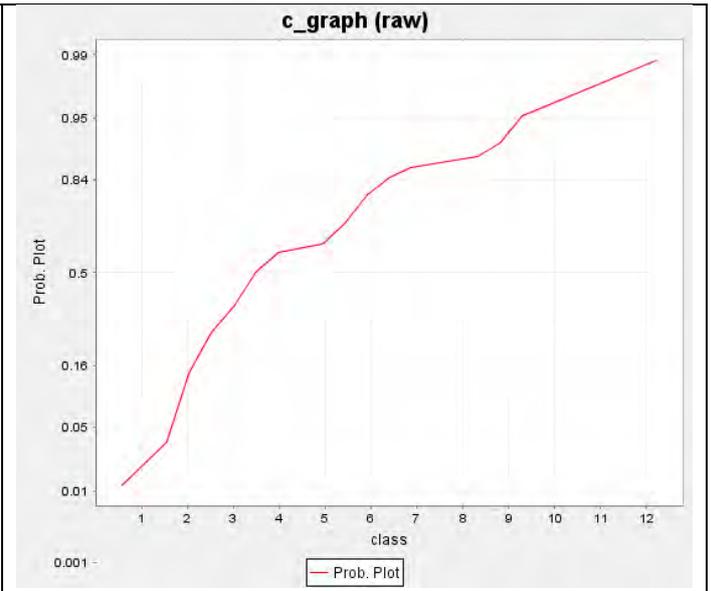
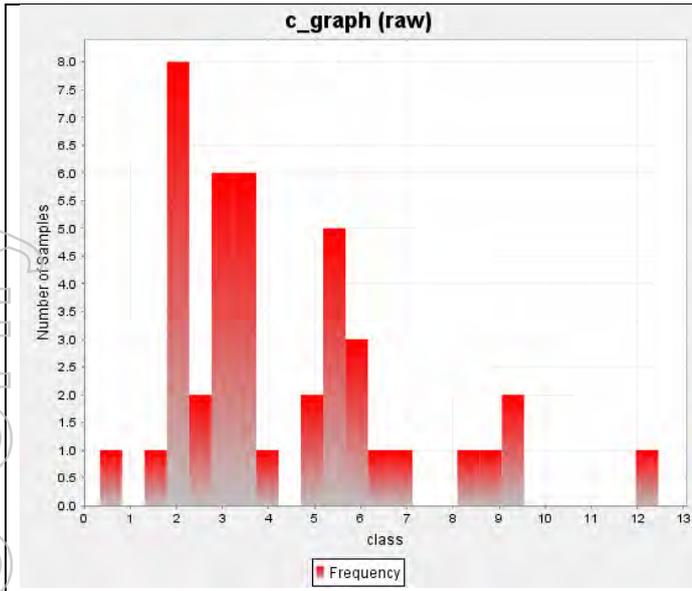
Table 6-2 Summary Statistics for 2m Composites

Descriptive Statistics	Object 1		Object 2		Object 3		Object 101		Object 102		Object 103	
	C_graph	C_total	C_graph	C_total	C_graph	C_total	C_graph	C_total	C_graph	C_total	C_graph	C_total
Number	10.00	10.00	17.00	17.00	42.00	42.00	29.00	29.00	21.00	21.00	54.00	54.00
Minimum	2.25	2.70	1.56	1.60	0.34	0.50	6.49	8.88	5.32	5.29	6.18	6.58
Maximum	8.14	10.45	15.75	15.80	12.45	18.30	25.70	25.40	23.50	23.80	32.40	32.60
Mean	5.77	6.56	3.99	4.18	4.37	5.66	19.00	19.92	16.79	17.23	21.45	22.77
Std Dev	1.72	1.98	3.50	3.48	2.51	3.74	4.52	3.86	3.97	4.13	5.67	5.33
CV	0.30	0.30	0.88	0.83	0.57	0.66	0.24	0.19	0.24	0.24	0.26	0.23
Percentiles												
10%	3.22	4.03	1.66	1.87	2.02	2.20	12.95	15.18	11.05	11.43	12.78	16.55
20%	4.51	5.38	1.78	1.98	2.18	2.86	15.78	17.58	14.90	15.35	18.10	19.93
30%	5.06	5.53	1.91	2.12	2.89	3.38	17.18	18.23	15.40	15.75	20.30	21.35
40%	5.33	5.74	2.08	2.22	3.20	3.62	18.23	19.18	16.55	16.38	21.70	22.70
50%	5.68	6.41	2.33	2.68	3.47	5.17	18.85	19.90	17.45	17.65	22.25	23.35
60%	6.07	7.08	3.21	3.40	4.54	5.85	19.68	20.35	18.20	18.80	23.35	24.25
70%	6.93	7.52	4.26	4.39	5.45	6.27	21.60	21.75	18.68	19.40	24.25	24.90
80%	7.73	8.05	6.18	6.51	6.03	7.39	23.70	24.05	19.30	20.58	26.25	26.95
90%	7.95	9.33	7.62	7.87	8.70	10.80	24.80	25.20	21.65	22.15	27.55	29.00
95%	8.14	10.45	11.79	11.84	9.26	15.03	25.40	25.40	22.90	23.30	27.85	29.70
97.50%	8.14	10.45	15.75	15.80	10.93	17.35	25.40	25.40	22.90	23.30	30.85	31.50

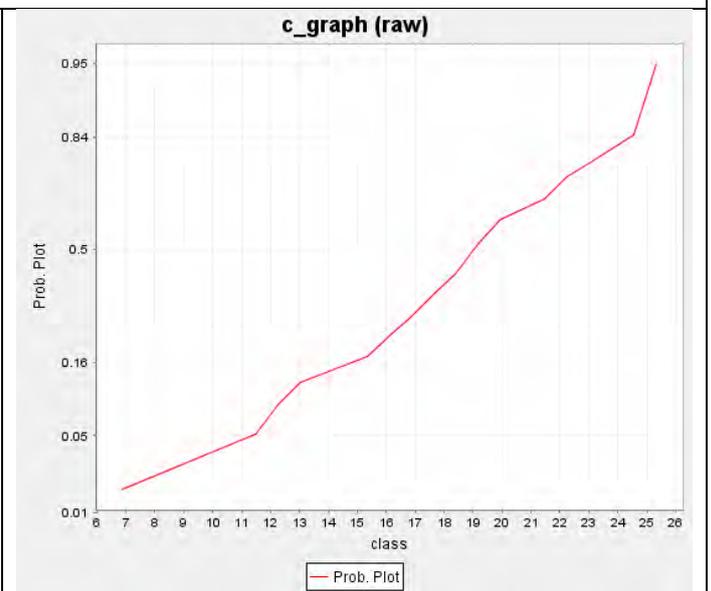
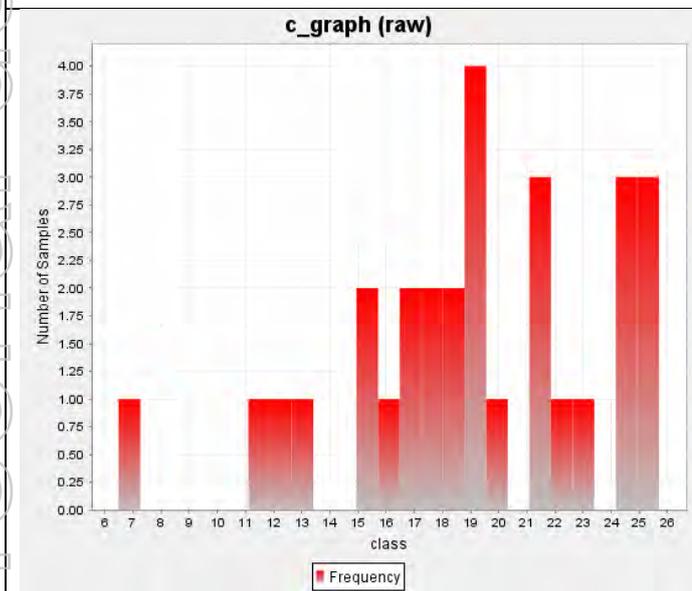
Figure 6-6 Log Histogram and Log Probability Plots for each Object



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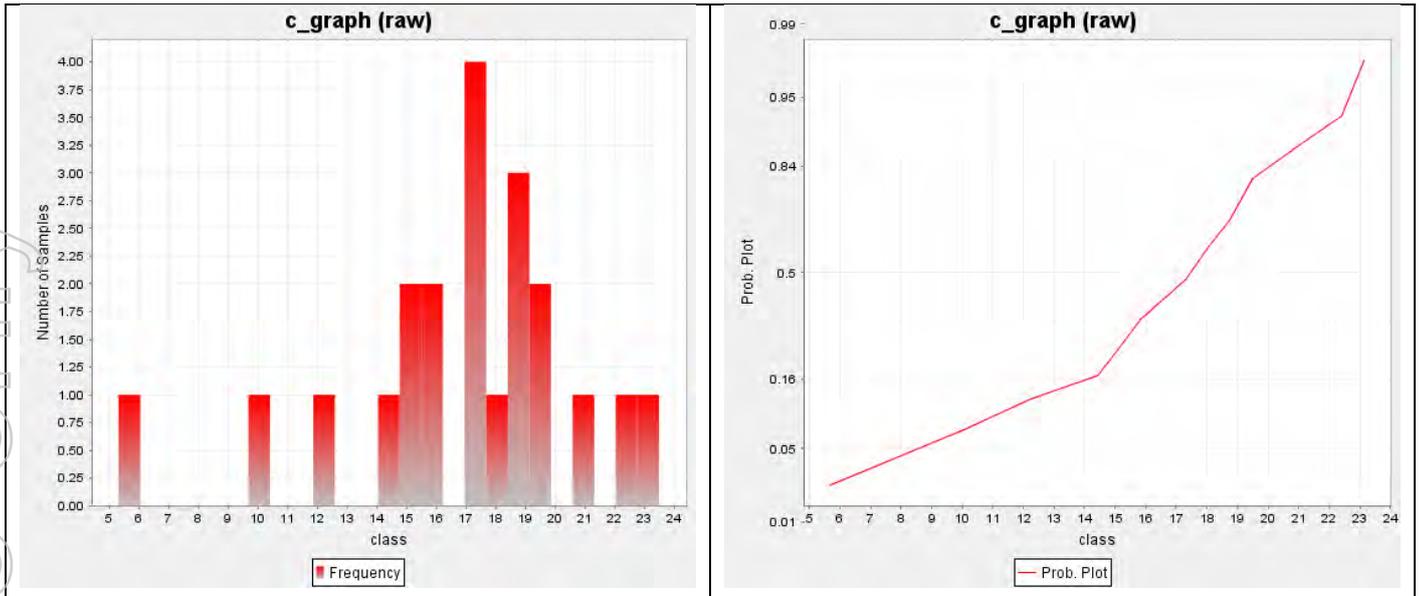


Object 101

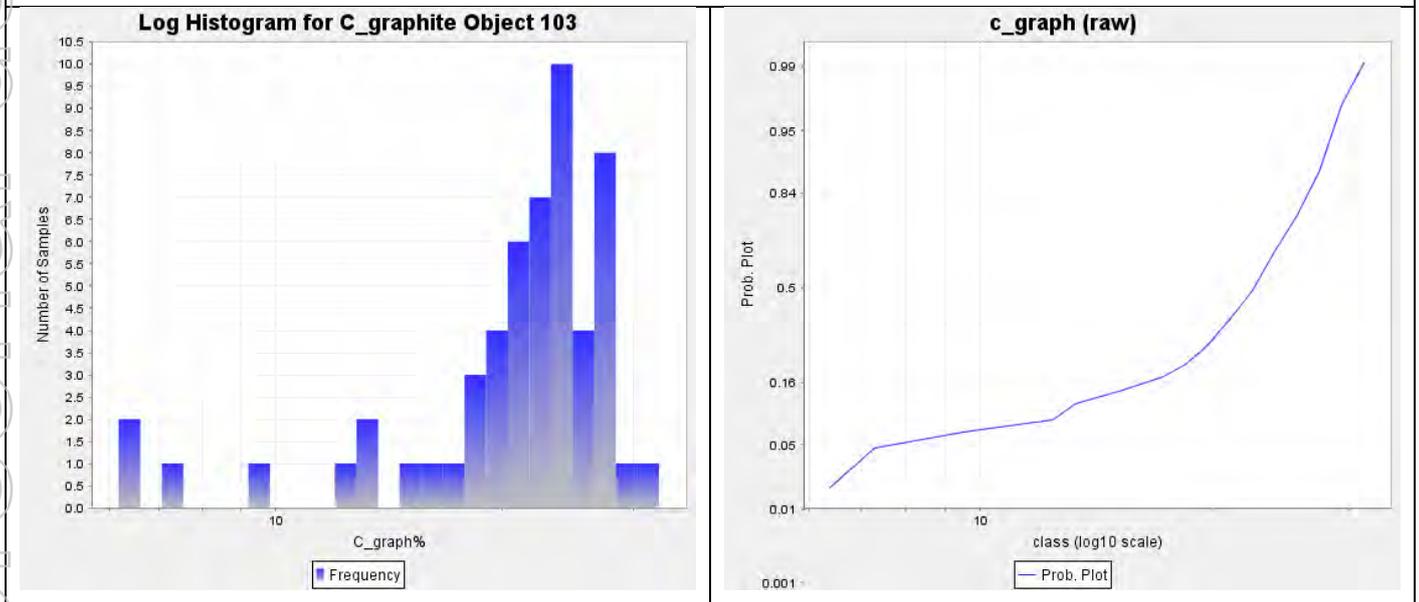


Object 102

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Object 103



6.5 Correlation Analysis

Correlation analysis was completed between the elements for the main mineralised unit; all domains combined. In general, there is a high positive correlation observed between C_graphite and C_total.

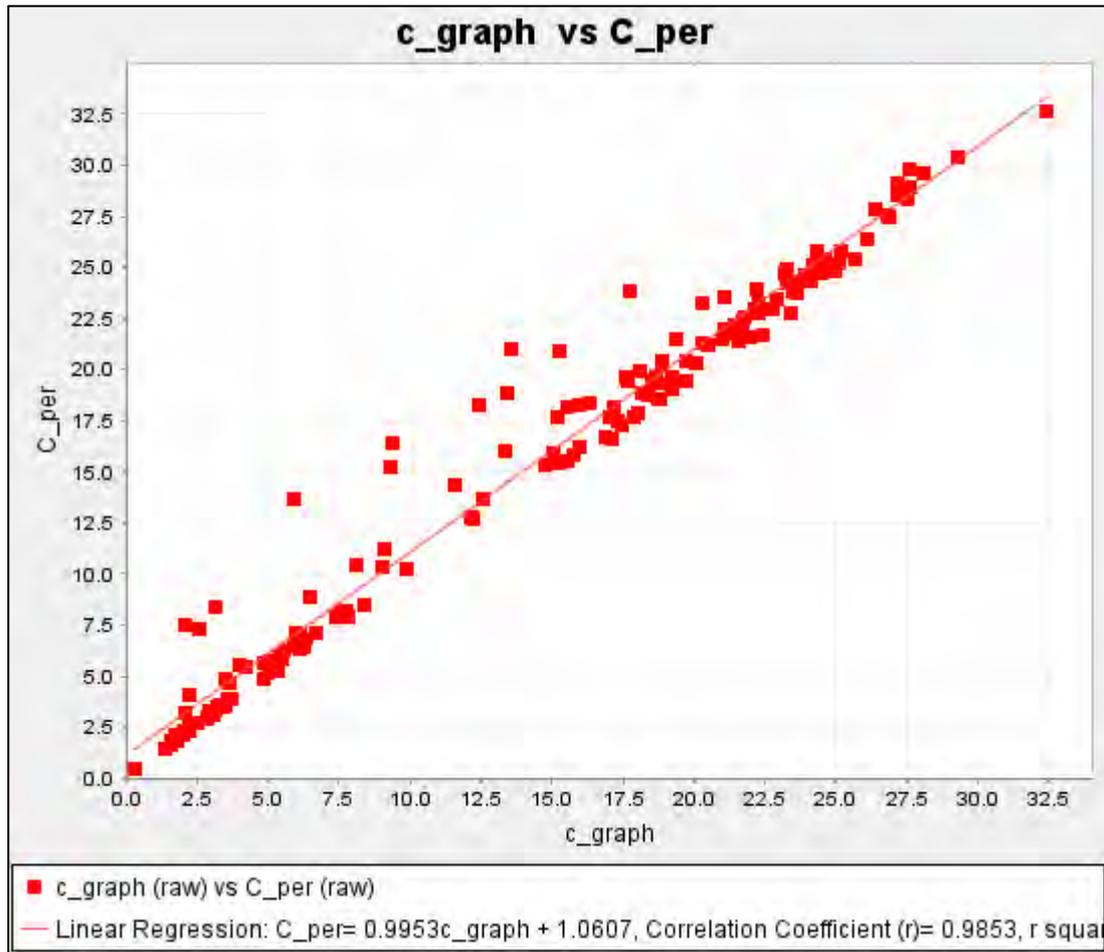
The correlation matrix for all objects is shown below in **Table 6-3**.

Table 6-3 Correlation Matrix – All domains

	C_graphitic	Total Carbon
C_graphitic	1	0.9853
Total Carbon	0.9853	1

Scatter plots were generated for All Domain and are shown below in **Figure 6-7**.

Figure 6-7 Scatter Plots for All domain



6.6 Resource Estimation for Mt Dromedary Graphite Project

6.6.1 Block Model

A Surpac block model was created to encompass the full extent of the deposit. Block model parameters are listed in **Table 6-4**.

The block model used a primary block size of 25m NS by 20m EW by 10m vertical with sub-cells of 3.125m by 2.5m by 1.25m. The parent NS block size was selected on the basis of 50% of the average drill hole spacing of the project, while dimensions in other directions were selected to provide sufficient resolution to the block model in the across-strike and down-dip direction.

Table 6-4 Block Model Parameters

Model Name	Mt_Dromedary_idw2_20151012.mdl		
	Northing	Easting	Elevation
Minimum Coordinates	7,830,400	417,600	0
Maximum Coordinates	7,831,400	418,500	200
Block Size (Sub-blocks)	25 (3.125)	20 (2.5)	10 (1.25)
Rotation	None		
Attributes:			
ave_dis_id	Distance to nearest sample		
Bd	Bulk density		
c_graphitic_id	Block C_graphite grade		
c_per_id	Block C_total grade		
Class	Inferred		
class_code	3=inf		
Domain	high and medium grades		
min_dis_id	minimum distance to samples		
Mined	yes or no		
num_sam_id	Number of samples used for block grade interpolation		
pass_id	1= interpolated in first pass, 2= interpolated in second pass 3=interpolated in third pass		
Pod	Wireframe number		
Type	air, ox, fr		
Zone	Prospect area (central or south)		

6.6.2 Grade Interpolation and Estimation Parameters

Each mineralised wireframed object was used as a hard boundary for the interpolation of each element. That is, only composites inside each object were used to interpolate the blocks inside the same object. The Inverse Distance Squared (“IDW2”) method was selected for grade interpolation of graphitic and total carbon as no robust variograms could be generated owing to the limited strike length drilled. RPM is of the opinion that this is reasonable because of the Inferred classification of the Resource.

An anisotropic search ellipsoid parameter was used both major and semi-major and minor directions based on the interpreted mineralisation continuity parameters for Graphitic and Total carbon and the relative orientations of the mineralisation.

Three passes were used for the estimation including a final pass with a large search ellipsoid and a minimum sample of 5 to ensure that all blocks were estimated within the mineralised wireframes.

Parameters used in the C_graphite estimate for each object are summarised in **Table 6-5** and **Table 6-6**.

Table 6-5 IDW2 Estimation Parameters

Parameter	Pass 1	Pass 2	Pass 3
Search Type	Anistropic		
Bearing	See Table 6-6		
Dip			
Plunge			
Major-Semi Major Ratio	2		
Major-Minor Ratio	4		
Search Radius	60m	120m	400m
Max Vertical Search	999	999	999
Minimum Samples	10	10	5
Maximum Samples	30	30	10
Power	2		
Block Discretisation	4 X by 4 Y by 3 Z		
Percentage Blocks Filled	15%	47%	39%

Table 6-6 Search Ellipse Orientations for Each Object

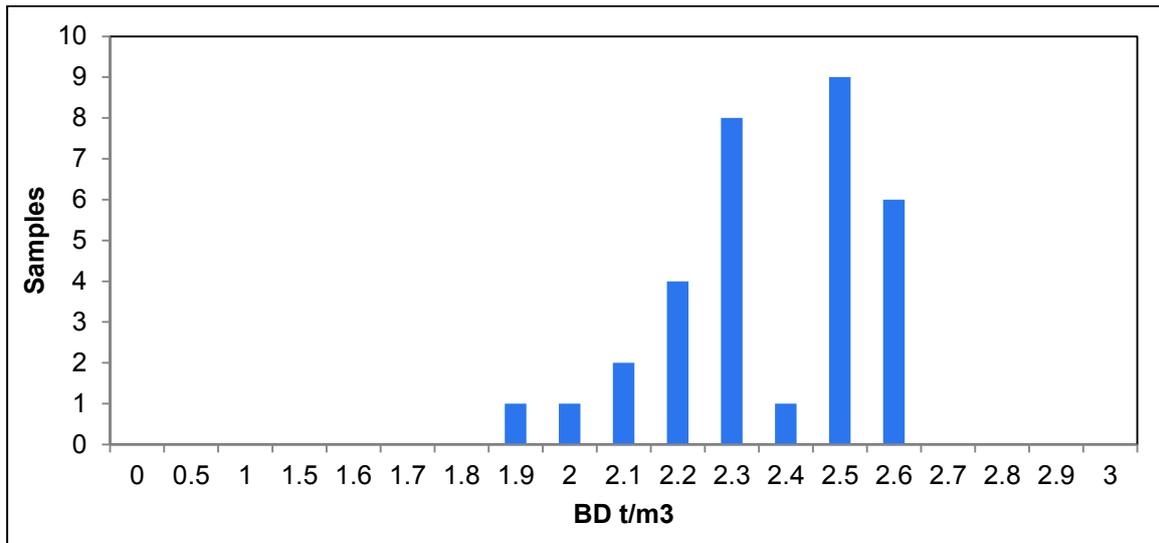
Domain	Object	Bearing	Plunge	Dip
Medium grade	1	4	0	60
Medium grade	2	7	0	61
Medium grade	3	49	0	-87
High grade	101	5	0	63
High grade	102	9	0	64
High grade	103	50	0	-82

6.6.3 Bulk Density and Material Type

A total of 31 bulk density results were provided to RPM, of which 20 were measured from rock chips from the surface sampling while remaining 11 determination were measured from the RC drill samples. Due to the small number of density results, RPM assigned an average bulk density value of 2.51 t/m³ for all fresh mineralisation based on the mean value of all results inside the mineralised domains within fresh material while an average bulk density value of 2.31 t/m³ is assigned to weathered material.

RPM considers that the bulk density as outlined in **Figure 6-8** is representative as it appropriate to the style of mineralisation found. As a result RPM utilised the average of the bulk density in the block model.

Figure 6-8 Histogram of all bulk density data

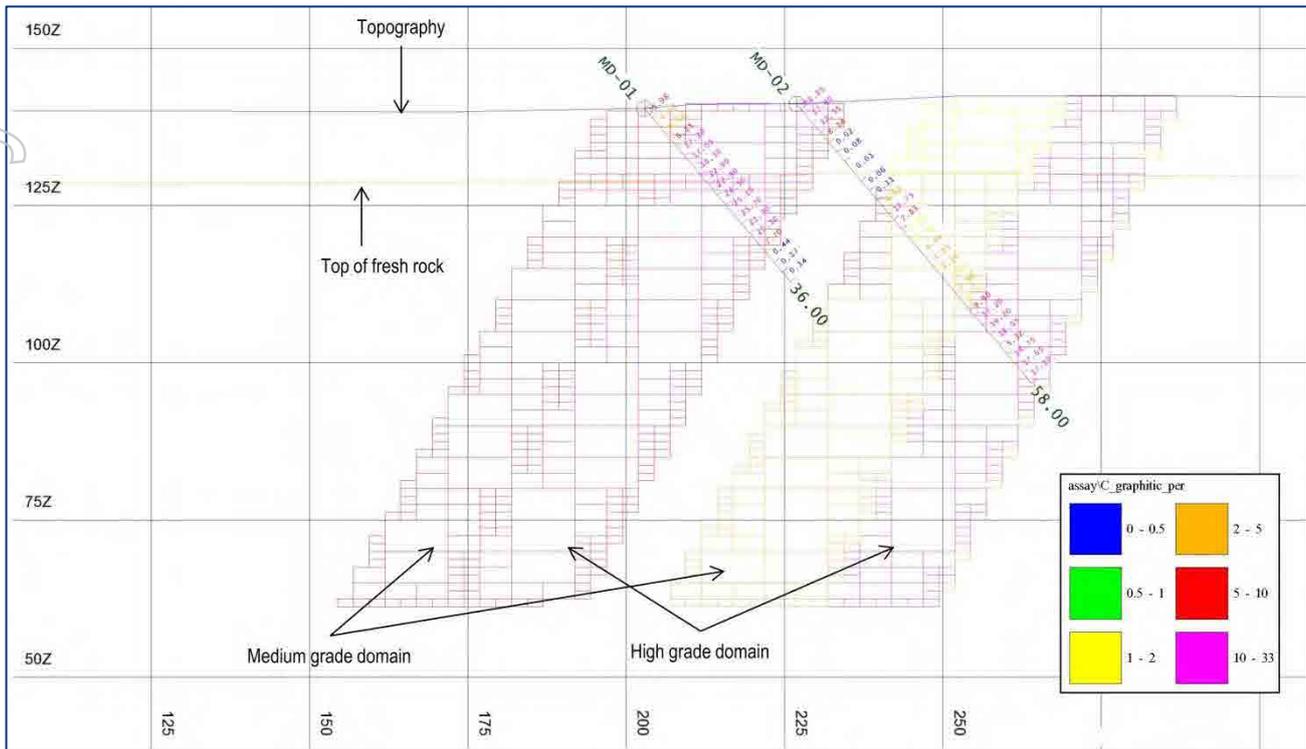


From the histogram it is obvious that 2 populations exist within bulk density data. The lower bulk density population is the weathered material while higher bulk density population is fresh material. RPM does however strongly recommend additional determinations be completed before estimating Resource at higher confidence classification or before conducting any detailed mining study, to ensure the local variation of the tonnages is representative.

6.7 Model Validation

A three-step process was used to validate the estimate at the Mt Dromedary project. Firstly a qualitative assessment was completed by slicing sections through the block model in positions coincident with drilling. Overall the assessment indicated that the trend of the modelled grade was consistent with the drill hole grades See **Figure 6-9**.

Figure 6-9 Visual validation of block model section



A quantitative assessment of the estimate was completed by comparing the average grades of the sample file input against the block model output for all the lodes. The comparative results are tabulated in **Table 6-7**.

Table 6-7 Average Sample Input v Block Model Output

Wireframe Domain	Wireframe Volume	Block Model				Composites				Comparison	
		Resource Volume*	C Graphitic %	Total Carbon %	BD t/m ³	Number of Comps	C Graphitic %	Total Carbon %	BD t/m ³	Lode V Res Volume	BM V Comp C Graphitic%
1	225,265	225,742	7.31	7.62	2.48	10	5.77	6.56	2.48	0%	0.21
2	359,386	358,584	3.40	3.63	2.47	17	3.99	4.18	2.47	0%	-0.17
3	394,232	399,805	4.58	5.21	2.46	42	4.37	5.66	2.46	-1%	0.05
101	307,214	307,754	22.27	22.55	2.47	29	19.00	19.92	2.47	0%	0.15
102	347,776	347,891	16.17	16.56	2.47	21	16.79	17.23	2.47	0%	-0.04
103	438,034	437,627	22.41	23.36	2.48	54	21.45	22.77	2.48	0%	0.04
Total	2,071,907	2,077,402	12.99	13.49	2.47	173	13.70	14.70	2.47	0%	-0.05

To check that the interpolation of the block model correctly honours the drilling data; validation was carried out by comparing the interpolated blocks to the sample composite data. Validation results for C_graphite for all combined high grade domains are summarised in **Figure 6-10**, **Figure 6-11** and **Figure 6-12**.

Figure 6-10 Validation by Easting (high grade domain) – C_graphite

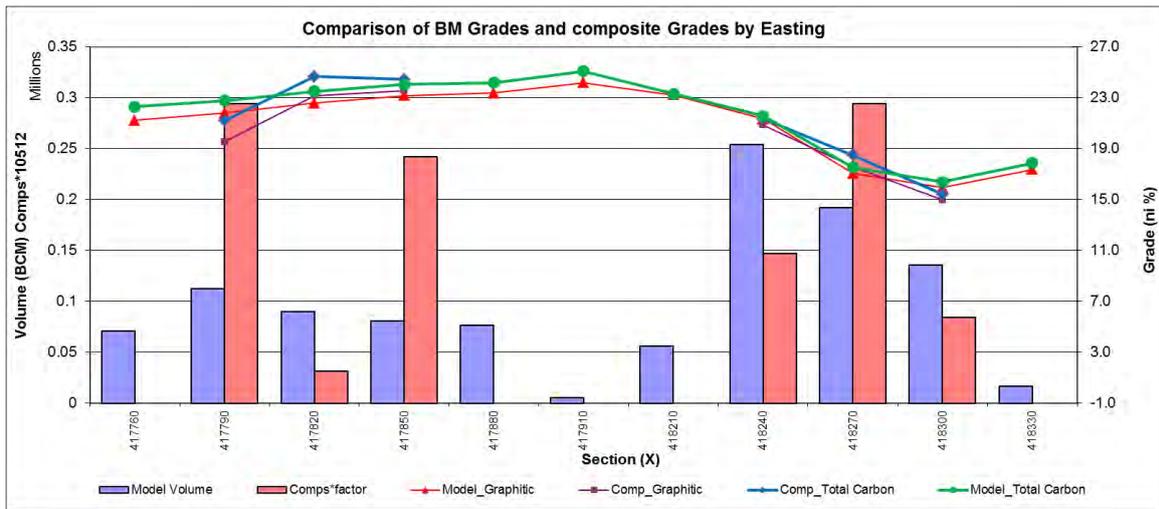


Figure 6-11 Validation by Northing (high grade domain) – C_graphite

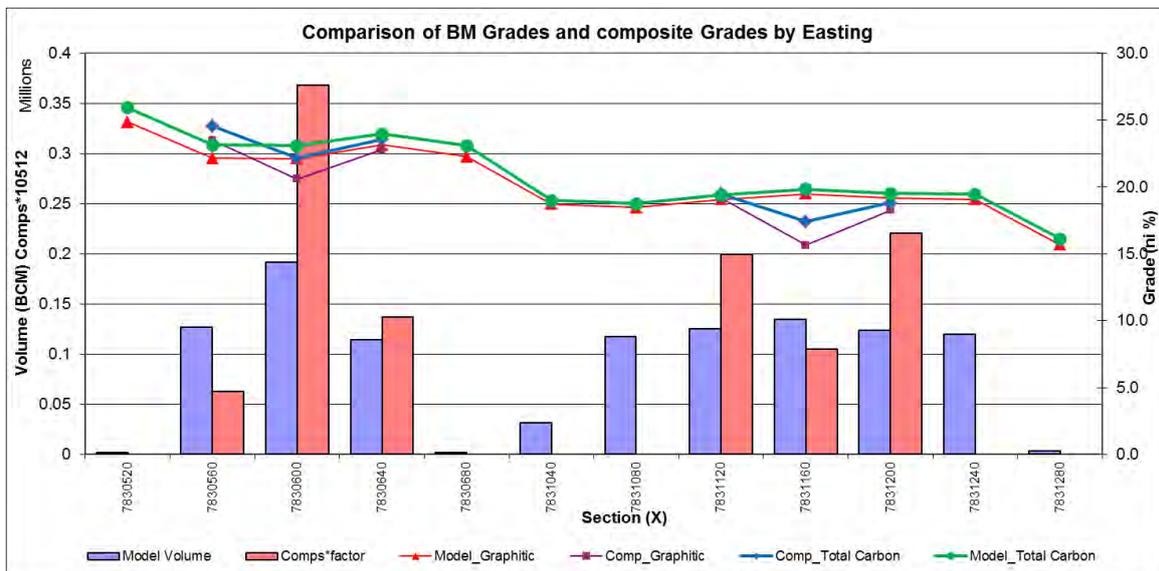
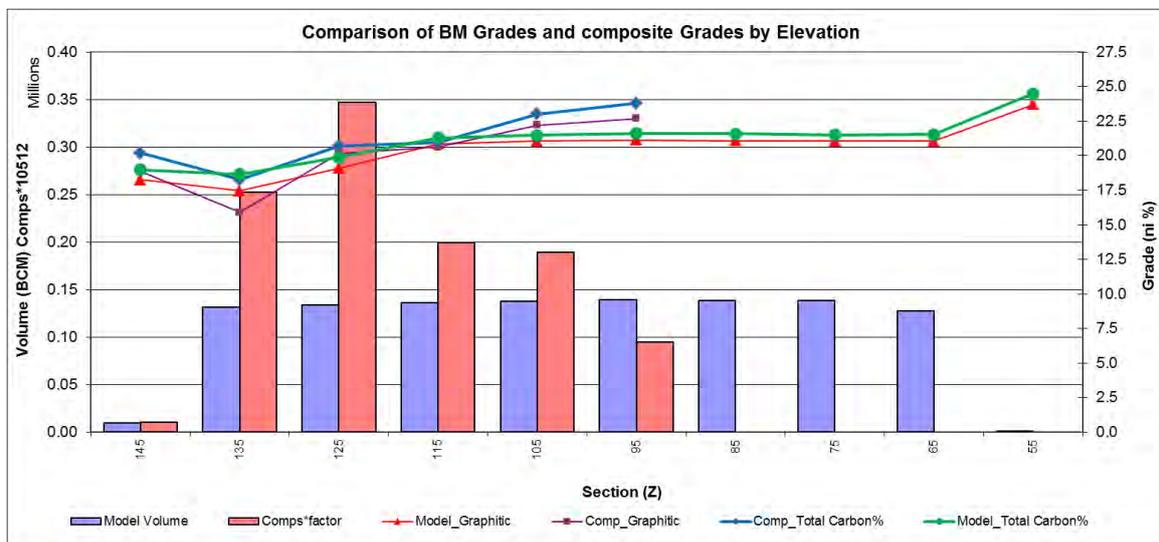


Figure 6-12 Validation by Elevation (high grade domain) – C_graphite



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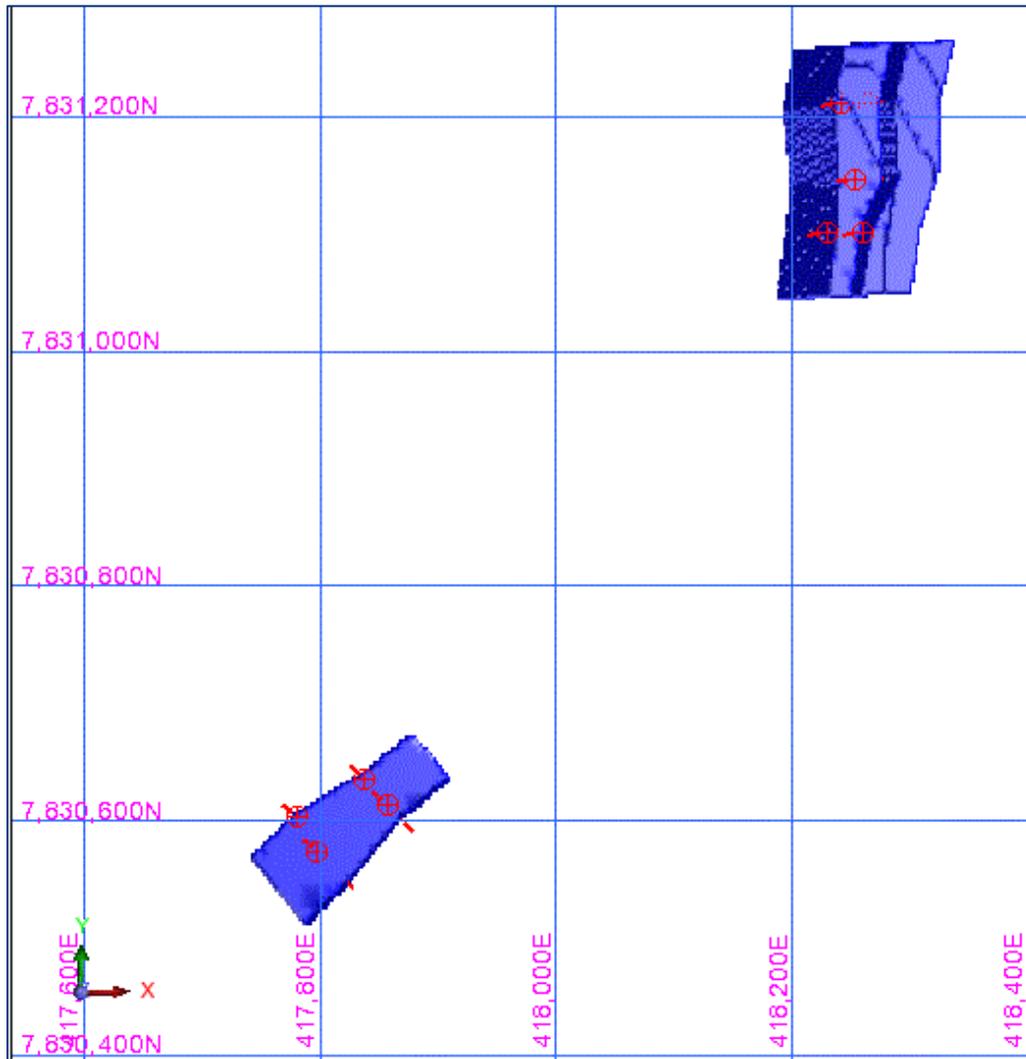
The validation plots show good correlation between the composite grades and the block model grades for the comparison by northing, easting and elevation. The trends shown by the raw data are honoured by the block model. The comparisons show the effect of the interpolation, which results in smoothing of the block grades, compared to the composite grades.

Of interest is the trend of increasing grade with depth for composites and block model. The plots also illustrate the higher grade of the Southern area compared to the Central area.

6.8 Mineral Resource Classification

The drill hole spacing for the areas defined within the current resource is approximately 50m by 30m in the area. The mineralisation trend shows good continuity of the main mineralised zone allowing the drill hole intersections to be modelled into coherent wireframes. However the resource was wholly classified as Inferred Mineral Resource as shown in **Figure 6-13**. This classification is due to the limited strike lengths drilled, which limits data availability for analysis of the spatial variance of sampling data as well as the limited bulk density. Adequate analysis of continuity will require more detailed information along strike and dip direction.

Figure 6-13 Mineral Resource Classification - Plan View (Blue-Inferred)



6.9 Prospects for Economic Extraction

The Mt Dromedary project is a medium tonnage, high grade flake graphite project with a high amount of contained graphite tonnes. In addition, the mineralised lodes are relatively thick and outcrop at surface. RPM notes that a high level conceptual study has been undertaken for mining and preliminary metallurgical testwork. These studies while at a high level support the prospects of economic extraction assumption at today's market conditions with the formation of a potentially marketable concentrate through conventional processing techniques as outlined in Section 8 and 9. Further work is required to confirm the economic viability of the Project.

For these reasons the Competent Person is of the opinion that the Mt Dromedary project is of sufficient grade and tonnage to have reasonable prospects for eventual economic extraction using open-pit surface mining techniques.

6.10 Results

A summary of the Mt Dromedary Graphite estimate is shown in Table 6-8. Table 6-8 Mt Dromedary 15th October 2015 Mineral Resource Estimate (4% C_{graphite} Cut-off)

Zone	Domain	Type	Inferred Mineral Resource			Contained Graphite K
			Quantity	C Graphitic	Total Carbon	

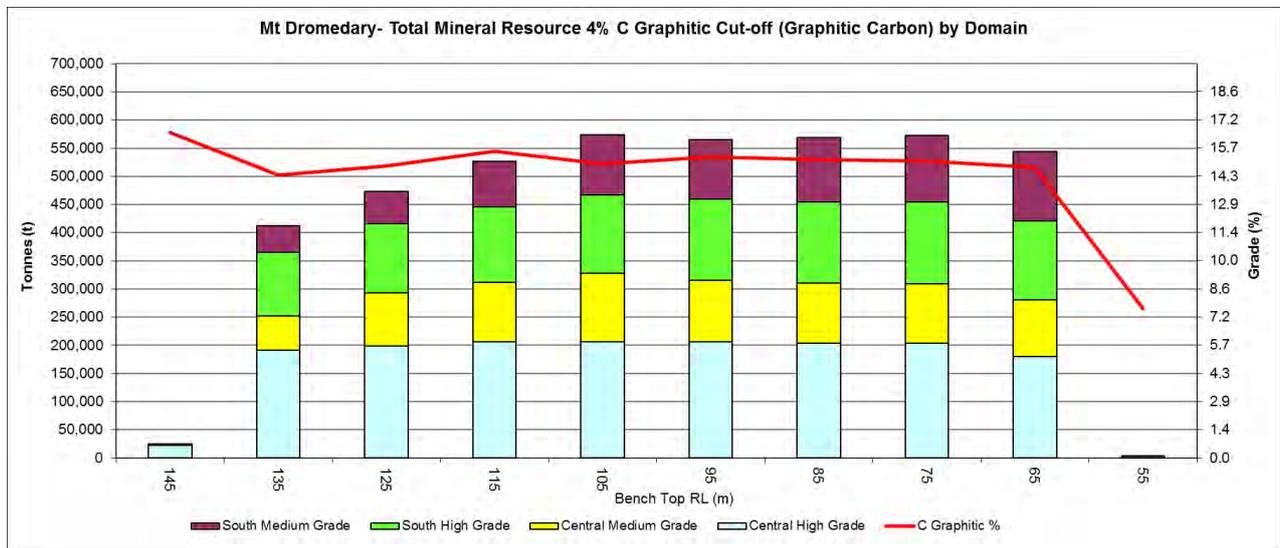
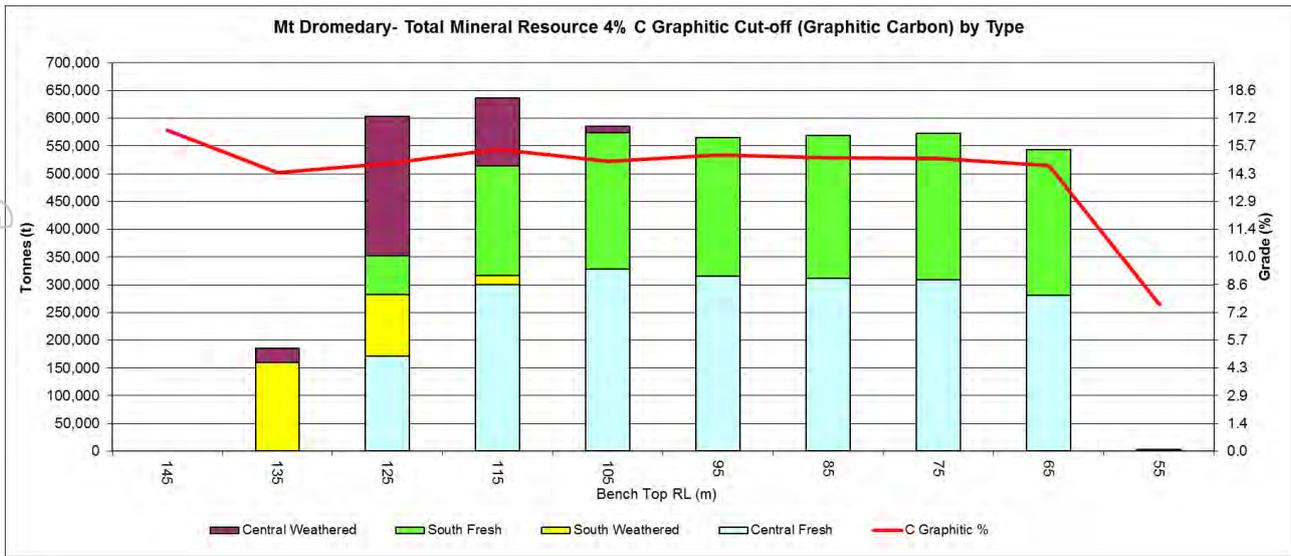
			K Tonnes	%	%	Tonnes
Central	High grade	Fresh	1,300	19.2	19.4	250
		Weathered	320	18.4	19.1	60
	Medium grade	Fresh	720	6.6	6.8	50
		weathered	90	5.4	6.2	5
Sub-Total (Central)			2,400	14.8	15.1	360
South	High grade	Fresh	900	23.7	24.5	210
		weathered	190	16.2	18.0	30
	Medium grade	Fresh	650	4.8	5.3	30
		weathered	100	5.4	7.2	10
Sub-Total South			1,800	15.2	16.0	280
Sub-Total High grade			2,700	20.4	23.2	550
Total Medium			1,600	5.7	6.9	90
Grand Total			4,300	15.0	15.5	640

Note:

1. Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.
2. Flake sizes for the Resource are tabulated in Figure 2, below.
3. The Statement of Estimates of Mineral Resources has been compiled under the supervision of Mr. Robert Dennis who is a full-time employee of RPM and a Member of the AusIMM and AIG. Mr. Dennis has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Qualified Person as defined in the JORC Code (2012).
4. All Mineral Resources figures reported in the table above represent estimates at 15th October, 2015. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
5. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition) and are reported exclusive of additional exploration targets.
6. High grade Resource is the Resource estimated within a wireframe defined at 10% C Graphitic and the medium grade is in the wireframe defined at 4% C Graphitic but excluding the enclosed 10% C Graphitic wireframe.

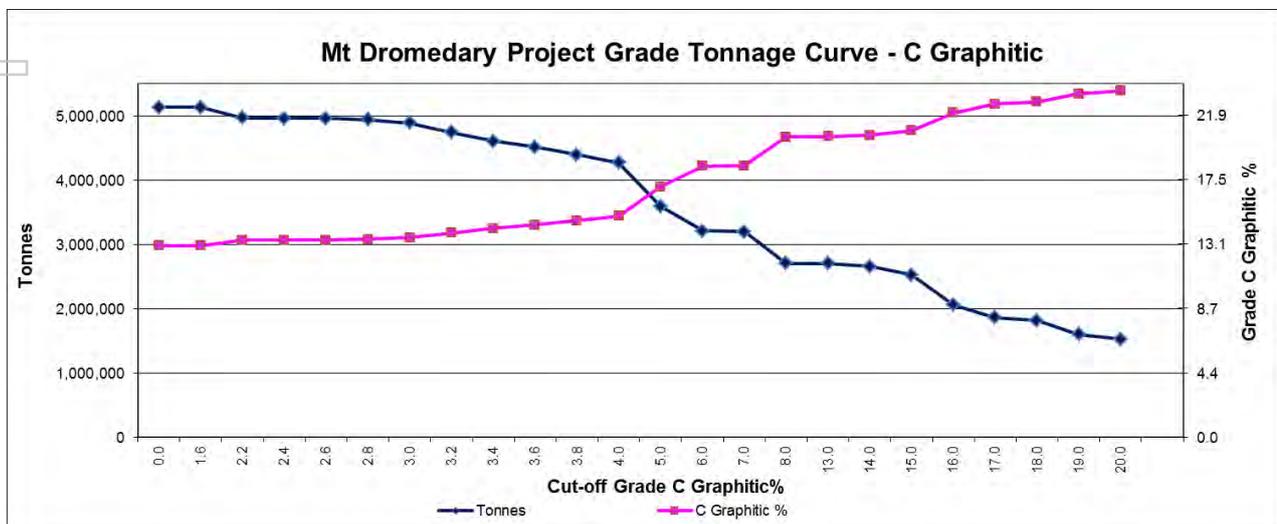
To show the tonnage and grade distribution throughout the entire deposit, a bench breakdown has been prepared using a 10m bench height which is shown graphically in **Figure 6-14**.

Figure 6-14 Mt Dromedary Project: Tonnage and Grade – 10m Bench Elevation (Material type and Grade domain)



The grade tonnage curves for the Mineral Resource are shown in Figure 6-15.

Figure 6-15 Mt Dromedary Project: Grade - Tonnage Curve



7. Exploration Potential

RPM have assessed the Project for exploration potential and estimated a ranges from 101 Mt to 156Mt @ 12% to 18% Cg for a potential contained graphite range of 12Mt to 28Mt with flake size estimated to be in the range of 10%-15% Jumbo, 8%-12% Coarse, 3%-5% Medium, 15%-22% Fine and 44%-66% Very fine. RPM's estimate excludes the volume of material for which an Inferred Resource estimate has been completed.

RPM have adopted a bulk density of 2.26 t/cu.m with and assumed a depth range of 80m to 120m at the selected a grade ranges.

7.1 Estimate Methodology

RPM independently assessed the inputs to the exploration potential estimate from review of project documentation and a field visit to the Project.

7.1.1 Area of Mineralisation

The mineralised areas are determined from geologic mapping. For the purpose of estimating the area the control from hand held GPS and satellite images is sufficient to estimate the areas with a high degree of confidence. The area of the Inferred Resource estimate has been excluded from the Exploration Target.

7.1.2 Depth of Mineralisation

The depth is based on interpretation of sub-surface geology from surface exposure. This sub-surface geometry is projected and therefore uncertain. RPM chose to apply a $\pm 20\%$ range to the extent of 100m vertical to cater for the possibility that surface geometry proves to be different than assumed.

7.1.3 Bulk Density

The bulk density is measured from a reasonable amount of surface samples by an appropriate method. RPM notes that the primary rock density is likely heavier than the bulk density of surface samples. However RPM opinion is that the density difference is likely to be less than 10% because of the nature of weathering in the region and the rock types being weathered and thus it is appropriate and conservative to use the measured average density of 2.26 t/cu.m.

7.1.4 Flake Graphite Grade

RPM is of the opinion that the flake graphite grade range of 10% to 15% adopted by Senlac is too conservative given that average flake graphite grade is 14.4% and the median is 15.5%. For a Resource estimate a cut-off would be applied but for the average figures quoted none has been applied. Applying a 6% cut-off to the raw numbers gives an average grade of 16.4%. This indicates that it is reasonable to expect a population of more samples might yield a slightly higher average grade of around 16%. However, given the normal lesser density of surface samples, because of weathering of gangue minerals, primary mineralisation is likely to be of slightly lesser average grade. 15% is a reasonable average grade to expect for the primary mineralisation based on RPM understanding of the nature of weathering in the region.

The standard deviation of the population is 6 but a resource block model would yield a narrower range. RPM is of the opinion that a range of $\pm 20\%$ relative is appropriate, yielding an exploration target grade range of 12% to 18% graphite. RPM notes that the average grade of the Inferred Resource is 15% (see **Table 6-8**) supporting the above analysis.

7.1.5 Flake Size

MLA analysis of 19 surface samples indicated a reasonably wide variation of flake size distributions. RPM is of the opinion that the deposit variation will be less than individual sample variation and has selected a relative range of approximately $\pm 20\%$ around the average measured flake sizes. Flake sizes typically vary little between weathered and primary material but in the case of Mt Dromedary RC drill hole data has shown an

improvement in flake size distribution at depth which requires an adjustment to expand the range of possible sizes for the primary exploration target.

7.1.6 Exploration Target

The exploration target is given in **Table 7-1**. The RPM target is 101 Mt to 156Mt @ 12% to 18% Cg for a potential contained graphite of 12Mt to 28Mt with flake size estimated to be in the range of 10%-30% Jumbo, 8%-20% Coarse, 3%-7% Medium, 15%-25% Fine and 25%-66% Very fine.

Table 7-1 Exploration Targets at Mt Dromedary

ZONE	Area (m ²)	Depth (m)	Volume Excluding Resource (million m ³)	Density (g/cc)	Tonnes (Mt)	Grade (%)	Contained Graphite (Mt)
Southern	142,740	80-120	10.5-16.2	2.26	23.8-36.7	12%-18%	2.9-6.6
Central	72,960	80-120	4.1-7.1	2.26	9.3-15.9	12%-18%	1.1-2.9
Northern	379,700	80-120	30.4-45.6	2.26	68.7-103.0	12%-18%	8.2-18.5
TOTALS	595,400	80-120	47.6-71.5	2.26	101-156	12%-18%	12.2-28.0

Note: Tonnages may vary because of rounding. RPM note the tonnages and grades present are conceptual in nature and located where there has been insufficient exploration works to estimate a Mineral Resource. It is also uncertain if further exploration will result in the estimation of a Mineral Resource. RPM recommends further extensive drilling and/or underground channel sampling to define any additional mineralisation

7.1.7 Exploration Program Recommendation

Senlac has developed and costed an additional stage of drilling to explore the exploration potential of the Project. Following the Stage 1 Program the program is focussed on delineating the Central area to a high level of confidence, with additional scout drilling in the Southern area and in the northern area (to further refine the exploration potential of these areas)

Stage 1

The program as described above and below consisted of geologic mapping, rock chip geochemistry, petrology, MLA analysis and RC drilling. The primary objective of the proposed drilling program was to confirm graphite mineralisation continues at depth; to obtain samples of primary graphite mineralisation and to estimate a small inferred JORC resource at the Central and Southern Zones of the prospect area.

The planned drilling was 9 holes for approximately 600m drilled. Owing to rig limitations the program of 9 holes was completed for 400m drilled.

Stage 2

The second phase exploration program for Mt Dromedary is designed to establish a combined indicated and inferred JORC resource estimate of about 10Mt @ greater than 10% Cg at the Central Zone prospect. The program includes a Resource re-estimate, open pit design and metallurgical investigation.

The drilling program will focus on the central zone with scout holes in the southern and northern zones. It consists of 800 metres of HQ triple tube core and 1,330 metres of reverse circulation drilling, see **Table 7-2**. Locations of the Central area holes are given in **Figure 7-1**. The proposed drilling program envisages a drill section spacing of 50m, with 3 to 5 drill holes on each section spaced at 35m to establish confidence in continuity of the graphitic schist beds which is considered likely to be sufficient to enable estimation of a measured or indicated resource estimate to JORC 2012 status depending on mineralisation continuity and the kriging neighbourhood.

Appropriate core logging and processing techniques are planned. Assaying will be for total Carbon, Graphitic Carbon, Non-Carbonate Carbon, Inorganic Carbon, Ash and LOI. Whole rock oxide/silicate analysis and multi-element geochemistry is also planned. QA/QC is planned to be via; certified reference standards, blanks, duplicates and referee laboratory analysis. Appropriate DGPS collar and downhole survey, including Geolog HRAT televiewer measurement for recovery of structural information is planned.

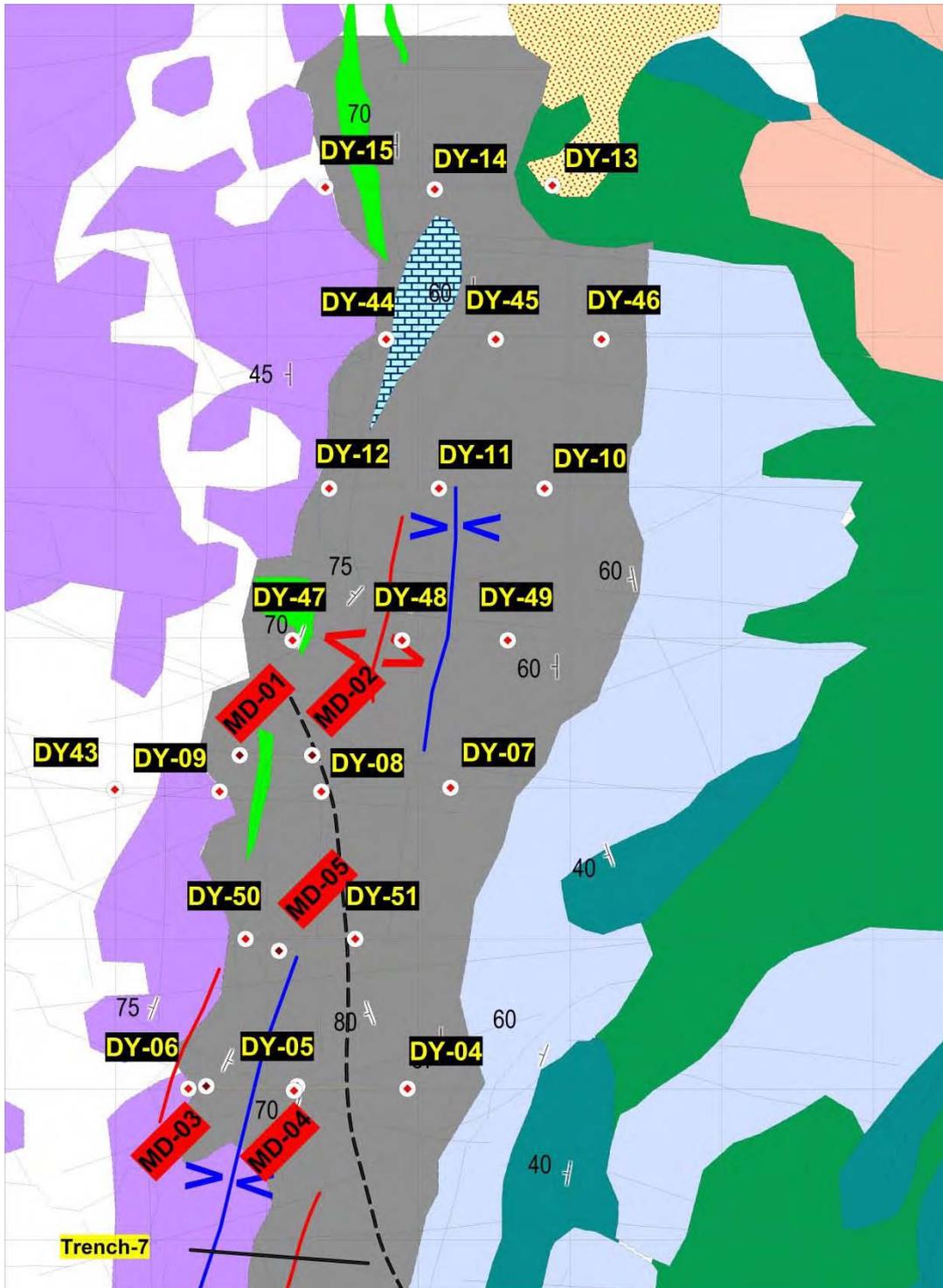
The budget of the exploration work is estimated by Graphitecorp to be approximately \$800,000.

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Table 7-2 Mt Dromedary Stage 2 Planned Drill Program

Area	RC Holes	RC Metres	Diamond Holes	Diamond Metres	Total
Northern	2	100			100
Central	16	1,130	8	800	1,930
Southern	2	100			100
Total	20	1,330	8	800	2,130

Figure 7-1 Mt Dromedary Central Area Existing and Planned Drilling



Further Work

Following the second phase exploration program Graphitecorp intends entering a development program to explore economics of the identified Resource prior to mining lease application, detailed studies and development.

Further drilling campaigns on remaining portions of the exploration target would be completed as expansions and extensions of the mine were made possible by the graphite market.

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8. Metallurgy and Ore Processing

8.1 Summary

A number of mineralogical studies and preliminary testwork programs have been conducted on weathered samples from various locations over the last twenty four years. There would appear to be a number of ore types based on degree of weathering and graphite content.

High graphite contents as well as coarse flakes were found for a number of samples with calcite, quartz and muscovite as the typically dominant gangue minerals. Preliminary testwork indicated that good grade concentrates (>93% C_g) could be made using flotation with concentrate re-grinding at relatively coarse grind sizes, however the testwork conditions and graphite recoveries were not reported.

Further testwork studies of a more systematic nature need to be conducted on samples that reflect probable mining scenarios. To assist in scoping this work, consideration needs to be given to the nature of the product market as well as the influence of site water on the process.

8.2 Literature Cited

- Characterisation of Mt. Dromedary Graphite Prospect, Project Report PR93/651A, CRA ATD, August 1993
- Graphite Schist Beneficiation Test Results, Technical Note 13/89, Peter H Stitt and Associates Pty. Ltd., February, 1991
- Short Report Mt Dromedary, Graphit Kropfmühl Group, February, 2015
- 11692 Analysen Mt Dromedary (spreadsheet)
- Graphite Flake - Cumulative Analysis Report (spreadsheet)
- Mineralogical Report No. 10427, Pontifex and Associates Pty. Ltd, September, 2014
- Report A14-10321, Activation Laboratories, February, 2015
- Mt Dromedary Graphite Project Report, Senlac Geological Services Pty. Ltd., March 2015
- ActLab e-mail, February, 2015

8.3 Ore Types

Two degrees of oxidation have been identified, namely weathered and primary. In addition there appears to be two ore types as defined by grade, namely high (~20% C_T) and a lower grade (~5% C_T).

Consequently, it would appear that there are at least four ore types, however this needs to be reviewed before studies are conducted.

Senlac Geological Services (SGS) noted that some variability occurred across the deposit, which may impact the metallurgical performance.

- The **Southern Zone** has the largest mean P₅₀ flake size and lowest muscovite content but has the highest calcite-dolomite content,
- The **Northern Zone** has the smallest mean P₅₀ flake graphite size and highest muscovite mica content,
- The **Central Zone** is probably the best area from metallurgical performance perspective, as it reports the highest percentages of “free flake graphite” observed, but has a slightly higher K-feldspar and quartz content, and
- There is a noticeable trend of increasing amorphous graphite content from the **Southern Zone** (0.14%) towards the **Northern Zone** (8.78%). This is consistent with the observation that the graphite grades laterally into black shale to the north. The higher degree of graphitization is also consistent with the

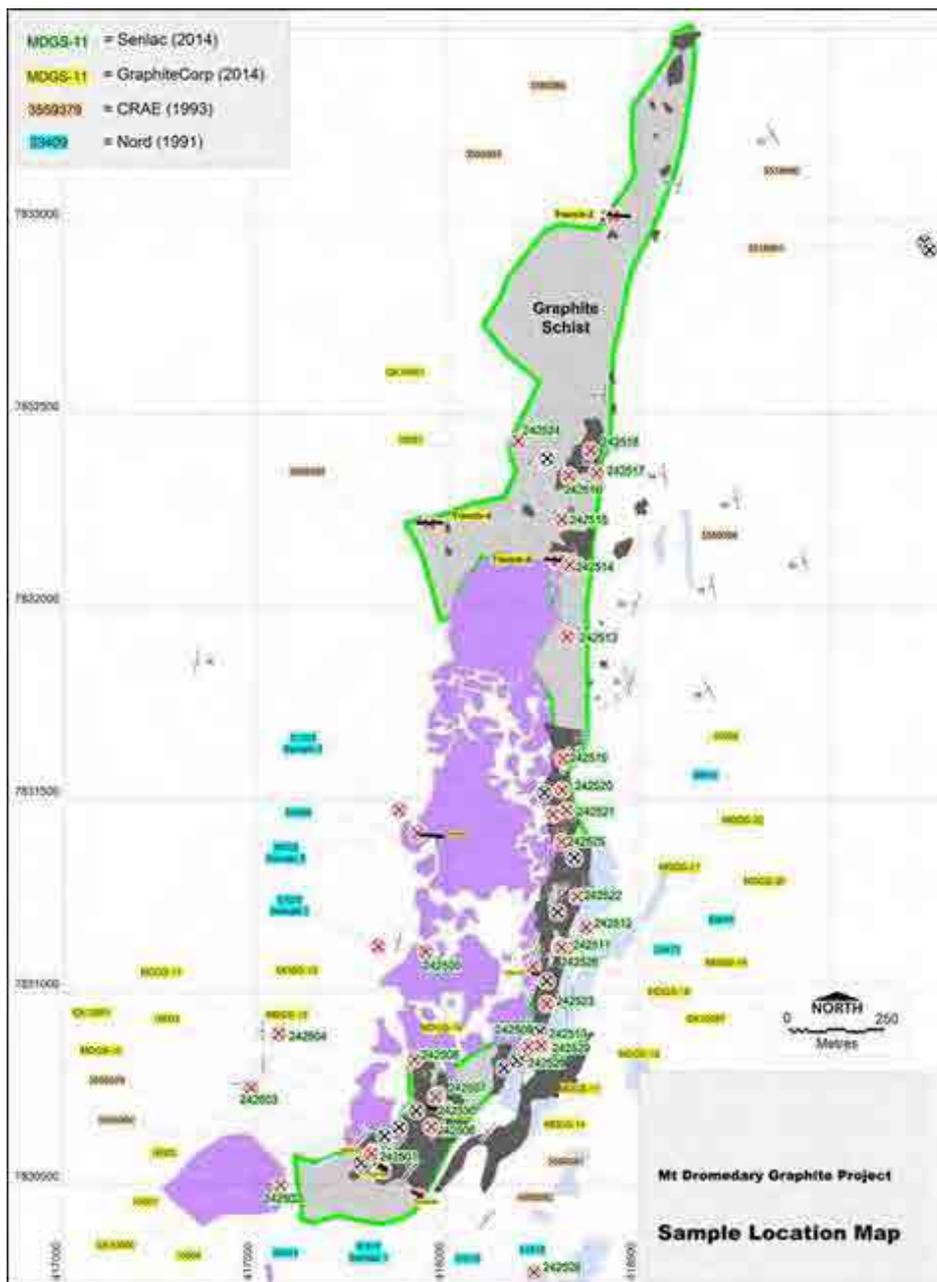
proximity to the dolerite sill intrusion and its' interpreted likely influence on metamorphic facies temperature effects.

Testwork and mineralogical studies have been based on weathered samples with varying head grades.

8.4 Samples

Figure 8-1 presents a summary of the locations of various samples taken for analyses and studies, which were all effectively surface (weathered) samples (after SGS). 'Nord' refers to the samples taken for metallurgical testing while 'CRAE' refers to the samples analysed by CRA ATD. The locations of samples for the reported mineralogical analyses (ActLabs) are represented by 'Senlac'. Additional samples were taken by Graphitecorp, however mineralogical data was not available for inclusion at the time of writing.

Figure 8-1 Historical and Current Sample Locations



8.4.1 Mineralogy

The samples used in the CRA ATD mineralogical studies in 1993 were taken from 5 costeans, with locations of 417667E-7830400N, 417870E-7830530N, 418308E-7832851N, 417829E-7832601N and 418166E-7831964. They are clearly surface samples and probably within 2m or so of the surface and as such are weathered.

The location of samples upon which the MLA and chemical analyses have been conducted ('Senlac') is shown in **Figure 8-1**.

8.4.2 Separation Studies

The location and nature of the samples used in the testwork undertaken for Nord Resources (Pacific) were not identified in the available documentation, however it was noted that they were from the weathered zone.

Table 8-1 summarises the location and nature of the samples used in the recent testwork program conducted by Graphit Kropfmühl Group (GKG). It is apparent that the samples are weathered.

Table 8-1 Recent Testwork Sample Locations

Sample No.	MGA94_Easting	MGA94_Northing	Location within Deposit
10001	417807	7830586	Southern area of deposit, near the old trench / ore pile from trenching
10004	417777	7830561	Central area of outcrop.
10051	418260	7832393	Near the contact between the marble and
10057	418246	7830868	From 'the contact' between the dolerite and

8.5 Separation Studies

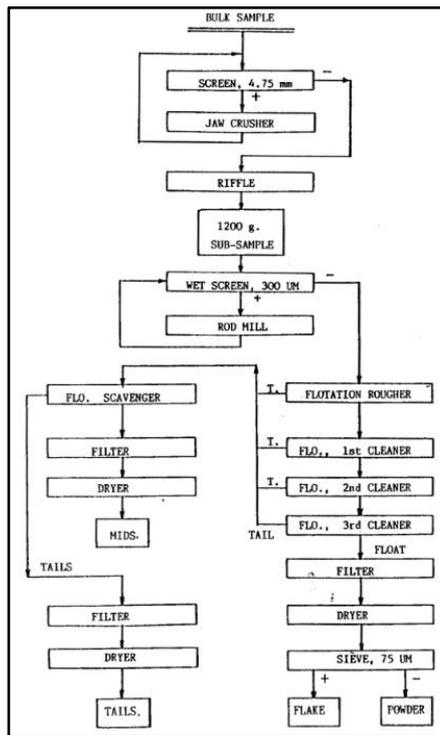
8.5.1 Previous Study

Nord Resources (Pacific) Pty. Ltd. engaged Peter H Stitt and Associates Pty. Ltd. to conduct testwork on samples from the Mt. Dromedary deposit during 1991. Four samples from the weathered zone were tested employing two flotation flowsheets, samples 1 and 2 with flowsheet 1 and samples 3 and 4 with flowsheet 2. Flowsheet 2 was considered the better flowsheet, employing a scavenger flotation stage to recover additional carbon from the rougher and cleaner tailings (refer to

Figure 8-2). Flotation was conducted at 20-30% solids while three stages of cleaning were employed and without the addition of reagents.

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Figure 8-2 Testwork Flowsheet 2



Kerosene and frother addition rates were tested although the grind size used was not reported. The best result was achieved with sample 4 (20.1% T_c feed grade) with 32.3% recovery to a final concentrate assaying 45.3% T_c with the minus 75 micron size fraction containing 64% T_c at 12.1% recovery. A similar amount (32.6%) was recovered as a middlings concentrate assaying 31.2% T_c.

It was noted that the samples all contained a significant amount of flake graphite greater than 75 microns in the final concentrate, varying between 75.9% for sample 3 and 73.4% for sample 4.

The testwork providers noted that smearing of graphite onto gangue limited the quality of the separation and felt that better metallurgy was possible using a combination of gravity and wet classification, either as an alternative to flotation, prior to flotation (pre-concentration) or post flotation, to further upgrade the concentrates.

In order to improve the flotation response, depression of muscovite is recommended as well as the use of silicate depressants and dispersants.

8.5.2 Recent Study

More recently, testwork was conducted by Graphit Kropfmühl Group (GKG) on weathered samples, namely sample 10051 and a mixture of 242525 and 242526. The nature and proportion of the samples used to prepare this mixture was not reported.

The flowsheet and testwork procedures were not provided and details of the reagent types, addition rates and addition points, percent solids and flotation times are not known. Nonetheless, the flowsheet appears to have used flotation with five stages of cleaning, with regrinding of the third and fourth flotation concentrates.

The primary grind size was 79.1% passing 200 microns, a coarse grind size. The third cleaner concentrate was reground to 80.4% passing 100 microns while the fourth cleaner concentrate was marginally finer (81.8% passing 100 microns).

The final concentrate for the 10051 sample assayed 93.3% C_{Fixed}, although the graphite grade was not reported. The flotation graphite recovery was not reported, although GKG reported that the carbon loss was 'fairly high'.

Partial flotation conducted on the sample mixture (242525 and 242526) produced a second cleaner concentrate grade of 39.7%; the graphite recovery was not reported.

8.5.3 ActLabs Commentary

ActLabs provided some comments about the potential processing options based on the samples that had been analysed by MLA at their facility.

ActLabs noted that the graphite was mainly associated with muscovite, as well as calcite to lesser extent, and would require grinding (specifically concentrate re-grinding) to facilitate liberation. Depressants are available to manage the flotation of these minerals.

The use of flash flotation in the milling circuit to recover coarser graphite as well as column flotation was recommended.

8.6 Recommendations

A more systematic approach is required for any further testwork studies. Prior to initiating this work, the nature and number of ore types needs to be resolved as well as the probable target market and thus preferred product.

The types of material that would be mined should be selected as samples for metallurgical testing. The processing flowsheet would be conventional and attempt to maximise flake size as well as recovery through sequential grinding of selected intermediate flotation concentrates. The potential impact of site water on the processing also needs to be understood.

9. Mining and Processing Concept

Senlac has considered possible mining and processing routes based on what is known about the mineralisation in the infrastructure environment. The 10Mt target for the stage 2 exploration is based on this analysis.

9.1.1 Mining

Mining of the deposit will be relatively simple with a shallow open pit, truck shovel operation able to provide ample plant feed with a small mining fleet and limited mining employees. Given the moderate feed quantities, very limited overburden and the inert nature of graphite it would be possible to campaign mine using contractors if this tactic delivers cost improvements.

RPM notes that the mapped area of graphite is in excess of 590,000m² and the expected density is 2.26t/m³. The deposit could yield approximately 2.2mt/vertical metre. At an envisaged production rate of approximately 1mt/yr ten years mining over the entire area would require removal of only 5 vertical metres of graphitic schist. This allows the possibility of designing a small mine extracting only weathered graphite which will be partly liberated and offer lower mining and milling costs because of the weaker strength of the rock.

9.1.2 Processing

It is likely that a conventional flowsheet employing flotation and regrinding would be adopted.

RPM note that because of the expected high grade of Mt Dromedary and the bi-modal graphite distribution, the recovery of larger flake sizes would be targeted during the early stages of project operation, with partially separated finer size material possibly stored in dams until demand for these smaller flake sizes increases.

It is noted that while large flake size is a desirable attribute because many of the high value end uses are for very small particle sizes of extremely high purity material. The higher price for large flake is because usually it is easier to achieve the high purity from large flake.

However, this is a very deposit dependent characteristic and the technology for achieving these purities cost-effectively is rapidly evolving. Consequently, it is likely that at some stage, the stored finer sized material would become a valuable resource for the Project.

9.1.3 Infrastructure

The Project is in an area with well-developed transport infrastructure. It is adjacent to the Burke Developmental Road which is a two-lane, sealed, all weather public highway, maintained by the State Government. Costs effective road freight rates to southern destinations are available because of the activities of major mines in the region. Rail loading and transport is possible from Cloncurry, 125 km south of the Project.

Suitable export ports are located at the Port of Townsville and the Port of Brisbane.

Local infrastructure will be required for water and power. It is expected that power will be by mine site diesel generation and water by a local borefield and / or pipeline from the Leichhardt River.

10. Mine Risks and Opportunity Assessment

10.1 Opportunity

RPM considers that there are opportunities within the Project to improve outcomes. These include:

Geology

- Only a small portion of the surface extent of the mapped deposit was tested in the current drilling program. With additional drilling, additional Resources will be defined to support Mining Studies and future production, assuming investment can be secured.
- The grade of the deposit increases with depth possibly compensating for increased mining costs with depth.
- Focus exploration on the higher grade, coarser flake size and oxidised (softer) portions of the deposit.

Mining

- Optimisation of the conceptual project studies on the higher grade, coarser flake size and oxidised (softer) portions of the deposit.

Processing

- Employing a systematic testwork program based on likely mined materials focussing on producing high grade coarse flakes
- The potential of pyrite, calcite and muscovite as by-products

10.2 Risks

Mining is a relatively high risk business when compared to other industrial and commercial operations. Each Project has unique characteristics and responses during mining and processing, which can never be wholly predicted. RPM's review of the Project indicates risk profiles typical of similar graphite Projects at equivalent levels of exploration in Australia. Until further studies provide greater certainty, RPM notes that it has identified risks for the Project as outlined below.

RPM notes that in most instances it is likely that through enacting controls identified through detailed review of the Project's existing documentation and additional technical studies, many of the normally encountered Project risks may be mitigated.

RPM considers that the risks and mitigation include:

Geology

- Additional flake size analysis is required to understand whether the coarser flake size measured in sub-surface samples is representative. Investigation of the three dimensional distribution of flake size will underpin more confident classification of the Resource.
- The subsurface geometry is not well controlled and might remove a significant amount of the Exploration Target. The geologic understanding renders this an unlikely possibility. Because of the large area of graphite mineralisation only minimal depth extents are needed to allow long mine life to be scheduled once a Resource is defined.

Mining

- Only conceptual mining studies have been completed.
- No geotechnical studies have been completed.

Processing

- Comments concerning specific risks cannot be made due to the relatively early stage of project development and the general lack of detail concerning previous testwork conditions, outcomes and the relevance / representivity of samples.
- Preliminary testwork and characterisation has been conducted on only weathered surface samples from a variety of locations and whether these initial findings would be applicable is not clear.
- The primary risk is not to conduct future processing testwork without applying a systematic approach that identifies ore types, material that would be likely mined and target markets.

Project

- No environmental studies have been completed.
- Water resources for the Project are currently undefined.

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Annexure A – Qualifications and Experience

Bob Dennis – Executive Consultant, Geology and Mining, BSc (Hons-First Class), MAIG, MAusIMM

Mr. Dennis has over 36 years of operational and advisory experience including senior leadership positions at operating mines and properties in Australia and Italy. Bob has a broad experience in the fields of mineral exploration, feasibility, due diligence, resource audits, geologic reviews, mine geology, mining and metallurgical management and general mine management. His graphite experience includes Resource Estimation and CP statements, Due Diligence on Mines and integrated graphite processing and Exploration advice. Graphite Advisory work has been completed in Korea, Australia, Africa and Mongolia. His Due Diligence experience covers most metals and Industrial metals. His exploration experience ranges from grass roots to brownfields and mine-based, both underground and surface, for gold, uranium, copper and lead-zinc. Mining experience includes operating experience in gold and base metal mines, with responsibility for the resource drilling, resource and reserve estimation, grade control, surveying, drafting, pit design, mine planning and ground conditions control. He was intimately involved in the feasibility study and initial mining of the Ravenswood Gold Mine in Queensland, Australia and managed geologic parts of the feasibility study that led to establishment of the High Sulphidation Epithermal gold mine at Furtei, Sardinia, Italy. In addition, he has detailed operational knowledge of all aspects of copper HL/SX/EW operations. He has been involved with numerous operation & construction audits, numerous investigations and implementations of internal growth projects and numerous acquisition evaluations of individual properties and of entire companies. He has a solid grasp of the technical, operational and financial aspects of mining for all sizes of projects.

Andrew Newell – Executive Consultant, Processing, ARC, RPM Global, B.E. (Met, 1st Class Honours), M.Eng.Sc., PhD, MAusIMM, CP(Met), MIEAust, CP(Chem), MAIME (SME), MCIM

Andrew has over 35 years of experience in the fields of minerals processing, hydrometallurgy and smelting encompassing metallurgical testwork and programme development, process engineering (including equipment selection and design), plant design, commissioning, operations and management. He has had considerable experience in feasibility studies, due diligences, process and processing plant evaluations and project management. Andrew is a Competent Person for metallurgical input into JORC Resource and Reserve statements and a Qualified Person for NI-43-101.

In operational, design and consulting roles, Andrew has worked on numerous copper milling and flotation operators, as well as several leaching, solvent extraction and electrowinning operations and projects. In addition Andrew has evaluated several high pressure acid leaching operations and projects, mainly in nickel including one copper project.

Company's Relevant Experience

RungePincockMinarco (RPM) is the market leader in the innovation of advisory and technology solutions that optimise the economic value of mining assets and operations. RPM has serviced the industry with a full suite of advisory services for over 45 years and is the largest publicly traded independent group of mining technical experts in the world.

RPM has completed over 11,000 studies across all major commodities and mining methods, having worked in over 118 countries globally.

RPM has operations in all of the world's key mining locations enabling them to provide experts who understand the local language, culture and terrain. RPM's global team of technical specialists are located in 18 offices around the world. Through their global network, RPM can provide you access to the right specialist technical skills for your project.

RPM's advisory division operates as Independent Expert consultants providing services across the entire mining life cycle including exploration and project feasibility, resource and reserve evaluation, mining engineering and mine valuation services to both the mining and financial services industries.

RPM's trusted advisors typically complete assignments across all commodities in the disciplines of:

- Geology;

- Mining Engineering;
- Minerals Processing;
- Coal Handling and Preparation;
- Infrastructure and Transportation;
- Environmental Management;
- Contracts Management;
- Mine Management;
- Finance and Project Funding;
- Commercial Negotiations.

RPM was founded in Australia and as a result, has a solid understanding of and is committed to compliance with the codes which regulate Australian corporations and consultants.

Over the past 45 years, RPM has grown into an international business which has continued to provide clients and those that rely on its work the confidence that can be associated by the use of the relevant global industry codes some of which include:

- The Australasian Institute of Mining and Metallurgy Code of Ethics;
- The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves;
- The Australian Institute of Geoscientists Code of Ethics and Practices;
- Society for Mining, Metallurgy and Exploration Code of Ethics; and
- The National Instrument 43-101 Standards of Disclosure for Mineral Projects.

RPM has conducted numerous independent mining technical due diligence studies and reporting for IPO's and capital raisings under the requirements of all key mining equity markets over the past six years, with involvement in capital raisings worth more than US\$44 billion. Some of this and other work is summarised in **Table A1**.

RPM leverages the power of its specialist knowledge to also provide cutting edge mining software that is sought after globally for mine scheduling, equipment simulation and financial analysis. RPM software is relied on by mining professionals to understand how to structure their long and short term operations efficiently using auditable best practice methodologies and solutions.

Table A1 - Mining Related IPO and M&A Technical Experience

Recent Major Mergers and Acquisitions

MMG Limited (30 June 2014)

Las Bambas Cu Mo Project, Peru, Competent Persons' Report

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0630/LTN20140630228.PDF>

China Molybdenum Company Limited (6 November 2013)

Northparkes Au Cu Project, Central West NSW, Competent Persons' Report

www.hkexnews.hk/listedco/listconews/SEHK/2013/1106/LTN20131106492.pdf

Aston Resources Merger with Whitehaven Coal Limited Merger (ASX Code: WHC) (19 April 2012)

Scheme of Arrangement, Independent Technical Specialist Report

www.whitehavencoal.com.au/investors/documents/AstonSchemeBooklet_000.pdf

China Daye Non-Ferrous Metals Mining Ltd. (HKEx Code: 661) (8 March 2012)

Hubei Polymetallic Mine HKEx, Competent Persons' Report

www.hkexnews.hk/listedco/listconews/sehk/2012/0109/LTN20120109098.PDF

Initial Public Offerings

Huili Resources (Group) Ltd. IPO (HKEx Code: 1303) (12 January 2012) Xinjiang and Shanxi Polymetallic Mine HKEx Competent Persons' Report

www.hkexnews.hk/listedco/listconews/sehk/2012/0112/LT2120112270.PDF

Glencore IPO LSE and HKEx (24 May 2011)

Mineral Experts Report – Colombian Coal Assets

www.hkexnews.hk/listedco/listconews/sehk/2011/0513/00805_1074520/EWPGLENCORE-20110511-41.pdf

China Polymetallic Mining Limited IPO (HKEx Code: 2133) (2 December 2011)

Yunnan Pb-Zn-Ag HKEx Competent Persons' Report

www.hkexnews.hk/listedco/listconews/sehk/2011/1214/LTN20111214250.PDF

FeOre Limited IPO (ASX: FEO) 1 November 2011

Independent Geologist's Report Ereeny Iron Project

www.hkexnews.hk/listedco/listconews/sehk/20110209/LTN20110209114.pdf

Aston Resources IPO (ASX: AZT) (6 August 2010)

Independent Technical Experts Report, Mules Creek Coal Project

www.whitehavencoal.com.au/investors/documents/astonasx/2010%20ASX%20ANOUNCE_PDF/August%202010/Replacement%20Prospectus.pdf

Perseus Mining Limited (TSX: (30th November, 2009)

Technical Report, Central Ashanti Gold project, Ghana (Technical report in support of IPO Prospectus)

http://sedar.com/GetFile.do?lang=EN&docClass=24&issuerNo=00029380&fileName=/csfsprod/data103/filings/01519387/00000002/c%3A%5CPerseus%5CPer_Tech_Rpt_C_Ashanti.pdf

Metallurgical Corporation of China Ltd. (HKEx Code: 1618) (11 September 2009)

Global Mining Assets Independent Technical Review

www.hkexnews.hk/listedco/listconews/SEHK/2009/0911/01618_632658/E133.pdf

Whitehaven Coal IPO (ASX: WHC) (June 2007)

Independent Technical Experts Report

www.whitehavencoal.com.au/investors/documents/Whitehaven_Coal_Limited_Prospectus_May2007.pdf

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Annexure B – Glossary of Terms

The key terms used in this report include:

- **A** refers to ampere
- **AA** or **AAS** stands for atomic adsorption, an analytical procedure
- **Ag** refers to silver
- **AGG** stands for airborne gravity gradiometer
- **Ai** refers to Abrasion Index
- **AIG** stands for Australian Institute of Geoscientists
- **ALS** refers to Australian Laboratory Services
- **ASCu** refers to acid soluble copper
- **ASIC** refers to Australian Securities and Investments Commission
- **ASS** refers to Atomic Absorption Spectrometry
- **ASX** stands for Australian Stock Exchange
- **ATV** refers to Acoustic Televiewer
- **Au** refers to Gold
- **AUD** refers to Australian Dollar currency
- **AUSIMM** stands for Australasian Institute of Mining and Metallurgy
- **BAC** refers to Base Acquisition Cost
- **CRA** refers to Conzinc Riotinto of Australia Ltd
- **CRAE** refers to CRA Exploration Pty Ltd
- **Bornite** refers to a brown metallic mineral containing Cu Sulphide
- **BRMWi** refers to Bond Ball Mill Work Index
- **BSc** refers to a Bachelor of Science
- **C** stands for Celsius degrees
- **Ca** refers to Calcium
- **CCD** refers to counter current decantation
- **C Graphite** or **C Graphitic** refers to Carbon in the form of graphite
- **C Total** refers to all graphitic, amorphous and inorganic carbon, such as carbon in calcite, in a sample
- **Cioc** refers to all inorganic carbon in a sample
- **chalcopyrite** refers to a brassy sulphide mineral containing copper and iron.
- **chalcocite** refers to a gray to black brittle copper sulphide mineral
- **covellite** refers to a purple mineral consisting of thin sheets of Cu sulphide
- **chalcosiderite** refers to recently identified Cu phosphate identified in the deposit
- **Client** means each of Blackthorn Resources Limited and Intrepid Mines Limited (each a 'Client' and collectively the 'Clients')
- **Co** refers to Cobalt
- **Concentrate** refers to the Cu concentrate bought by the Operation to raise iron levels in leaching solutions
- **Company** means Blackthorn Resources Limited.
- **COG** refers to Cut-Off Grade

Resource cog: is the lowest grade of mineralised material that qualifies as having reasonable economic potential for eventual extraction and supports a geologically justifiable and continuous mineralisation domain.

Economic/Reserve cog: is the lowest grade of mineralised material that qualifies as economically mineable and available in a given deposit after application of modifying factors and economic assessment

at given commodity prices. It may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification.

- **COV** refers to coefficient of variation
- **CRM** refers to certified reference material
- **CSI** refers to Corporate Social Investment
- **Cu** refers to Copper
- **CWi** refers to Bond Crushing Index
- **DCF** refers to Discounted Cash Flow
- **Deposits** refers to the cluster of mineralised bodies which are contained within the Project.
- **DFS** stands for Definitive Feasibility Study
- **DH** or **DDH** stands for diamond-drill hole
- **DO** refers to Dissolved Oxygen
- **EGL** stands for effective grinding length, used of grinding mills
- **EHS** means Environmental, Health and Safety
- **EIS** stands for environmental impact assessment
- **EM** Electromagnetic Surveys
- **EMP** stands for environmental management plan
- **EMS** stands for environmental management system
- **EPB** refers to Environmental Project Brief
- **EPM** refers to Exploration Permit License
- **EPCM** stands for engineering, procurement, and construction-management, a type of contract
- **ESIA** stands for environmental social impact assessment
- **EW** refers to electrowinning
- **EXS** stands for Exco Resource Limited
- **Fault** refers to a slip-surface between two portions of the earth's surface that have moved relative to each other. A fault is a failure surface and is evidence of severe earth stresses.
- **Fe** refers to Iron
- **FEL** refers to Front End Loader
- **FOS** refers to Factor of Safety
- **FQM** refers to First Quantum Minerals
- **FY** refers to Financial Year
- **g** stands for grams
- **Ga** refers to giga-annum: billion years ago
- **GDA94** refers to Geocentric Datum of Australia GDA94 in standard use in Australia
- **GKG** refers to Graphit Kropfmühl Group
- **GPS** refers to Global Positioning System
- **Graphitecorp** stands for Graphitecorp Limited
- **GW** stands for gigawatt
- **G&A** stands for General and Administrative, a category of operating costs
- **g/t** stands for grams per tonne
- **ha** stands for Hectares
- **hr** stands for hour
- **HRL** stands for HRL LIMITED, a public, unlisted Australian owned energy, technology, technical services and project development company
- **ICP-MS** refers to Inductively Coupled Plasma Mass Spectrometry
- **ICP-OES** refers to Inductively Coupled Plasma Optical (Atomic) Emission Spectrometry

- **IER** stands for Independent Expert Review
- **IFC** refers to International Finance Corporation
- **IK** refers to indicator kriging
- **IR** refers to infrared cells
- **IRR** refers to Internal Rate of Return
- **ITR** stands for Independent Technical Report
- **JORC** stands for Joint Ore Reserves Committee
- **JORC Code** refers to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition, which is used to determine resources and reserves, and is published by JORC of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia
- **JV** refers to a Joint Venture
- **K** refers to Potassium
- **kg** stands for kilogram
- **km** stands for kilometre
- **km²** stands for square kilometres
- **KNA** refers to Kriging Neighbourhood Analysis
- **kt** or **K Tonnes** stands for 000's of tonnes of kilo tonnes
- **ktpa** stands for 000's tonnes per annum or kilo tonnes per annum
- refers to kilovolt
- **kW** stands for kilowatt
- **KWh** refers to kilowatt hours
- **L** stands for litres
- **L/s** stands for litres per second
- **lbs** or **lb** stands for pounds (avoirdupois)
- **LME** stands for the London Metals Exchange
- **LOI** refers to weight loss on ignition
- **LOM** stands for Life of Mine
- **LOM plan** stands for Life of Mine Plan
- **m** stands for metre
- **M** stands for Million
- **m³** stands for cubic metres
- **m³ph** stands for cubic metres per hour
- **m³/s** stands for cubic metres per second
- **MDL** refers to Mineral Development License
- **MLA** refers to mineral liberation analysis
- **mm** refers to millimetre
- **Mm³** stands for one million cubic metres
- **MGA54** refers to the Map Projection used
- **Mn** refers to Manganese
- **mine production** is the total raw production from any particular mine
- **Mining rights** means the rights to mine mineral resources and obtain mineral products in areas where mining activities are licensed
- **Mo** refers to Molybdenum
- **Mt** stands for mega tonnes which is equal to one million tonnes
- **MtDGP** refers to the Mt Dromedary Graphite Project
- **Mtpa** stands for million tonnes per annum

- **mV** refers to millivolt
- **MVA** refers to megavolt ampere
- **MW** refers to megawatt
- **MWh** stands for Mega watt hour
- **N** refers to Nitrogen
- **Nb** refers to Niobium
- **NPV** refers to Net Present Value
- **OK** refers to Ordinary Kriging
- **P** refers to Phosphorus
- **P₈₀** refers to 80 weight % passing, used in association with particle size
- **PABX** refers to private automatic branch exchange
- **PAG** stands for potential acid generating
- **PAX** stands for Potassium Amyl Xanthate, a strong collector that is widely used in the flotation processes of nonferrous metallic minerals
- **Pb** refers to Lead
- **PEM** refers to Prospectivity Enhancement Multiplier
- **PFD** refers to process flow diagrams
- **PFS** stands for Prefeasibility Study
- **POX** refers to pressure oxidation
- **ppm** stands for parts per million
- **Project** refers to Mt Dromedary located in Queensland, Australia.
- **Pyrite** refers to a hard, heavy, shiny, yellow mineral, FeS₂ or iron disulfide, generally in cubic crystals.
- **P&ID** refers to Process and Instrumentation Diagrams
- **QA/QC** or **QAQC** stands for quality assurance and quality control
- **QMC** stands for Queensland Mining Corporation Limited
- **QXRD** refers to Quantitative XRD
- **RC** stands for reverse circulation, a drilling method
- **REE** refers to Rare Earth Element
- **Relevant Assets** means the JV area.
- **RFDS** refers to the Royal Flying Doctor Service
- **RL** refers to Reduced Level
- **RMC** refers to rock mass characterisation
- **ROM** stands for run-of-mine, being material as mined before beneficiation
- **RPM** refers to RungePincockMinarco Limited
- **RQD** refers to rock quality designation
- **S** refers to Sulphur
- **SABC** stands for SAG-Ball-Pebble Crushing
- **SAG** stands for semi-autogenous mill, a type of grinding mill
- **SLC** refers to Sub Level Cave
- **SLP** refers to Social Labour Plan
- **SLOS** refers to sub-level open stoping
- **SMC** refers to Semi-autogenous Mill Comminution
- **SPI** refers to Semi-autogenous Mill Power Index
- **SS** refers to Scoping Study
- **SX** refers to solvent extraction

- **t** stands for tonne
- **TC** refers to treatment charge
- **TGC** refers to total graphitic carbon
- **TOC** refers to volatile organic carbon species
- **TSF** stands for tailings storage facility
- **tonne** refers to metric tonne
- **tpd** stands for tonnes per day
- **tph** stands for tonnes per hour
- **t/m³** stands for tonnes per cubic metre
- **U** refers to Uranium
- **UCS** refers to Unconfined Compressive Strength
- **µm** stands for micron (1/1,000 of a metre)
- **UNDP** refers to the United Nations Development Program
- **USD** refers to United States dollar currency
- **UTM** refers to Universal Transverse Mercator coordinate system
- **VALMIN Code** refers to the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, 2005 Edition, prepared by the VALMIN committee
- **Wi** stands for work index, a measure of rock hardness
- **WGS84** refers to World Geodetic Datum 1984
- **WSF** refers to water storage facility
- **WUA** refers to Water Use Authorisation
- **Zn** refers to Zinc
- **%** refers to a Percentage.

Note: Where the terms Competent Person, Inferred Resources and Measured and Indicated Resources are used in this report, they have the same meaning as in the JORC Code.

A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

Mineralisation may be classified as a Measured Mineral Resource when the nature, quality, amount and distribution of data are such as to leave no reasonable doubt, in the opinion of the Competent Person determining the Mineral Resource, that the tonnage and grade of the mineralisation can be estimated to within close limits, and that any variation from the estimate would be unlikely to significantly affect potential economic viability.

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of

confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource, but has a higher level of confidence than that applying to an Inferred Mineral Resource. Mineralisation may be classified as an Indicated Mineral Resource when the nature, quality, amount and distribution of data are such as to allow confident interpretation of the geological framework and to assume continuity of mineralisation. Confidence in the estimate is sufficient to allow the application of technical and economic parameters, and to enable an evaluation of economic viability.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource. The Inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are insufficient to allow the geological and/or grade continuity to be confidently interpreted. Commonly, it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration. However, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur. Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning. For this reason, there is no direct link from an Inferred Resource to any category of Ore Reserves.

Annexure C – JORC 2012 Tables

The following tables address the issues of Sampling Techniques and Data, Reporting of Exploration Results and the Estimation and Reporting of Mineral Resources in this ITR.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>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.</i> 	<ul style="list-style-type: none"> Historic samples were not used for Exploration Target definition. Surface samples were rock chip channel composite samples and were considered for Exploration Target definition. Samples were measured for magnetic susceptibility and conductivity with a hand held device. Surface as rock chip channel were composite samples taken perpendicular to the foliation strike trend of the outcropping graphite bed. 9 RC drill holes used in the resource estimate totalling 400m. Holes were generally angled towards east in Central zone and south east in South zone to optimally intersect the mineralized zones. No surface samples were used for the Resource estimate. Drill hole collar locations surveys were carried out by contract surveyors. RC samples were collected by a cone splitter at the rig and split with a riffle splitter to obtain duplicate samples. Sampling and QAQC procedures were carried out to industry standards. 1 m cone split samples were collected and every drilled meter was sampled. 1 m samples then composited to 2m samples prior to the assaying. When received by the laboratory, RC samples were sorted and then dried. Each sample was completely crushed to a nominal -2mm. The crushed sample was then mechanically riffle split to obtain a representative sample. The split was then pulverized to at least -75µm. Pulp was retained and used for the analysis. Selective petrological sampling of some lithological units identified at surface was undertaken. These petrology samples are by necessity a small sample, but were selected as a grab sample on the basis of being "typical" of the lithological unit from which they were collected.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole 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).</i> 	<ul style="list-style-type: none"> RC drilling was undertaken using a 105mm diameter face sampling bit, samples collected in 1m runs and composited to 2m.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Recoveries from Mt Dromedary 2015 drilling were recorded in the database based on sample weight of a 4% sample with respect to theoretic weight of the split sample. Theoretic weights were calculated from hole diameter, bulk density and splitting regimes to calculate a % of theoretic perfect recovery. Drilling was supervised by experienced geologist and field technician who insisted that the drillers implement good drilling practice by blowing the rods clear between samples and before rod additions. No relationship exists between sample recovery and grade for 2015 drilling. However, analysis of Recovery suggests a variable Recovery. First 2 RC holes (MD-01 and MD-02) are more variable suggesting improved practice with time.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Chip samples were sieved and geologically logged for colour, oxidation, hardness, grain size, lithology and rock code, texture, alteration and the presence of sulphides, vein type and graphite. Percentages of graphite, sulphites and veins estimated. Magnetic susceptibility and conductivity were measured and recorded. All 1m intervals of all drill holes were logged in full. Chip trays were photographed every 1m.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable no diamond core was drilled.. All samples were riffle split. 1m samples were combined at equal weights to make 2m assay composites. No information available for sample condition (wet and dry) however site geologist recorded water table depth in logging sheet After drying the sample was subject to a primary crush, then pulverised so that 90% passed a 75um sieve Strict written field procedures were adopted to minimise possibilities of contamination and miss-labelling of samples. Weighing of split samples provided feedback on drilling and splitting performance. A sample size of approximately 1kg was collected to represent each 2m of mineralisation. A defined riffle splitting of whole 1m samples collected from the rig cyclone was followed. This was riffle split in a 1:5 splitter in two splits to make a 4% sample. Logging was completed and 500g weighed splits of each 1m were combined to make the 1kg 2m sample. No field

Criteria	JORC Code explanation	Commentary
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> • Whether sample sizes are appropriate to the grain size of the material being sampled. • 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. 	<p>duplicates were taken but sample has been retained.</p> <ul style="list-style-type: none"> • Sample size is considered appropriate for the mostly fine grained flake graphite. • All samples were analysed at ALS Brisbane. The following methods were used: Method C-IR18 Total Graphitic Carbon, Method C-IR07 Total Carbon, Method S-IR08 Total Sulphur, Method Ash-01 Ash Content, Method ME-GRA05g Loss on Ignition, Method ME-ICP06 Major Oxides, Method ME-MS81 Ultra Trace Level Method, Method ME-ACD81 Four Acid Digest Method. The methods are appropriate and total methods for understanding graphite deposits. • Resistivity and magnetic susceptibility readings were taken from chip samples with a Terraplus™ KT-10 S/C combined magnetic susceptibility and conductivity meter. • Certified reference 'standards (1 in 20)' and blanks (1 in every batch) and laboratory pulp re-assaying (random) were inserted for QA / QC purposes. 5 different grades ranging from low to high grade CRMs were inserted into the samples. CRMs were sourced and certified by Geostats Limited. RPM's analysis of the internal repeat results for Graphitic Carbon show an acceptable correlation; mostly within 10% of the original sample results and no assay bias can be observed in the data, highlighting the accuracy and precision of the sample preparation and analysis by the ALS Laboratory. RPM's analysis of the external standards as well as blanks for the Graphitic Carbon also indicates the acceptable quality of the ALS assay procedures.
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Washed samples of all intervals were preserved and photographed in chip trays. The CP checked the photographs against the geologic logging and assays and confirms all significant intercepts. • No twin holes were drilled due to the early stage of the project (only 9 shallow holes have been drilled so far). • Field data is collected on paper logging sheets. These are transferred to Excel spreadsheets. The data is validated by company personnel. The Excel files were amalgamated into an Access database by RPM. • No adjustments have been made to assay data.

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All drill hole collars were surveyed by the field using a GPS. The hole locations were also recorded by the CP using a Dual GPS antennae and Locus software. The locations were within expected error. The datum is GDA94 and the projection is MGA54. The topographic surface is defined by 10m contours which are sufficient for an Inferred Resource.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drill hole spacing is approximately 50m by 30m. Area seems to be structurally complex with anticlines and synclines mapped and orientation measured. Steeply dipping mineralisation can be interpreted however each object cannot be supported by at least 2 holes on section with continuity over 2 sections. This is the reason RPM used the Inferred classification applied under the 2012 JORC Code. The 1m samples were physically composited to 2m. No electronic compositing has been applied. Samples have been composited to 2m lengths using best fit techniques.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drill holes were designed to intersect graphite mineralisation at perpendicular to strike observed in outcrop. Extensive outcrop ensures this is well known from geologic mapping. No sampling bias is suspected to have been introduced. The thick, continuous nature of the mineralisation supports this view. Orientations were varied to be perpendicular to mineralisation. Drill holes were drilled towards east direction in Central zone and southwest direction in South zone which is approximately perpendicular to strike of the mapped graphite mineralisation
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> The 2m composited samples collected for laboratory analysis were placed into plastic bags and securely sealed with staples. Both the assay samples and the DUPLICATE samples were stored temporarily on site inside the shipping container. The samples were then personally delivered direct to ALS Minerals Division preparation laboratory facility at Unit 4, 16 Enterprise Street, Mount Isa. The sample security is considered adequate by the CP.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Robert Dennis of RPM reviewed site drilling and sampling procedures while the RC was in progress and found that all procedures and practices conform with industry standards.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Graphitecorp holds a "Farm-In" Agreements with ASX-listed companies; Exco Resources Limited ("EXS") and Queensland Mining Corporation Limited ("QMC") subsidiary Flamingo Copper Mines Pty Ltd to explore for and develop graphite over 4 contiguous Exploration Permit Minerals (EPM) in the Mt Dromedary area. EPM's are EPM 16983, EPM 17323, EPM 18128 and EPM 18995. The exploration permit JV area covers 5 minute sub-blocks (Normanton 3123 D, J, N, O and S) for a total area of 14.216 square km (1,421.6 hectares). Mineral Development Licences MDL 389 and MDL 401 are excised from the EPM. The tenements are in good standing and no known impediments exist.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The Mt Dromedary area has been explored by various individuals and companies for different commodities since modern exploration commenced in 1966. Graphite exploration was commenced by Nord Resources (Pacific) Pty Ltd ("Nord") exploration of EPM 6961 (1991-1999) who completed initial characterisation but formed an opinion all graphite was fine and metallurgical recoveries poor. Unrepresentative sampling was suspected. CRA Exploration Pty Ltd ("CRAE") entered into the JV with Nord during 1993-1994, CRAE completing mapping and rock chip sampling, 7 costeans and analysing 8 composite metallurgical samples. The study found high graphite contents mostly in fine size and the project was dropped because of low graphite prices.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Mt Dromedary graphite deposit is regarded as a high grade, bimodal flake size distributed, flake graphite deposit formed by hydrothermal processes during high-temperature, high-pressure facies metamorphism. The graphite schist is soft, friable, dark grey-jet black coloured and fine grained. The schist displays a strong foliation defined by flakes of graphite and fine white muscovite mica, along with grains of calcite, quartz and minor iron oxide staining, probably after minor sulphide. Coarse flake graphite occurs within en-echelon tension gash calcite-siderite veins and quartz-calcite-graphite stockwork veinlets.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> The Graphite Schist is part of the Corella Formation of the Mt Isa Eastern Succession. The Corella formation has carbonate-dominated sedimentation preceded by bimodal igneous activity. The Corella Formation is essentially a platform succession comprising thin-bedded calcareous sandstone, siltstone, impure limestone and dolomite, marble, carbonate breccias, minor quartzose sandstone, black shale, together with localized basalt pillow lavas and dolerite-amphibolite sills.
<p>Drill hole information</p>	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth 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. 	<ul style="list-style-type: none"> Exploration results are being reported. Tables of surface sample information (which are not used in the estimate) is given Sections 4, 4 and 5 of the report. Table 5-6 of this report lists drill hole collars. As a Resource is estimated individual intercepts are not listed. Drill hole locations and the resource wireframes are shown in Table 5-6 to Figure 6-5 of this report. All information has been included in the report. No drill hole information has been excluded.
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Surface samples are for an indication on the nature of mineralisation not used in a quantitative way. Consequentially no action has been taken to apply cuts of high grade or cut-off of low grade. Averaging is non-weighted. No aggregate drill hole intercepts are being reported. Metal equivalent values have not been used.
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole 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 	<ul style="list-style-type: none"> Foliation structural data from mapping indicates the graphite mineralisation was intersected orthogonally down-dip and is close to true width. The geometry of the graphite schist mineralisation is known from mapping because of sufficient outcrop. Direction of drilling was changed in the Southern area to maintain drill direction perpendicular to mineralisation. No individual drill hole intercepts have been reported.

Criteria	JORC Code explanation	Commentary
	<i>clear statement to this effect (e.g. 'down hole length, true width not known').</i>	
Diagrams	<ul style="list-style-type: none"> 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 locations and appropriate sectional views. 	<ul style="list-style-type: none"> Relevant diagrams have been included within the Independent Technical Report main body of text.
Balanced Reporting	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> All drill hole collars were surveyed by using a hand held Garmin GPS-60. The values were separately checked by RPM using a Dual GPS antennae and Locus software. Where surface sample results are discussed all values are included. All surface samples are considered spot samples even though collected over a width where practical.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No other substantive exploration data in addition to data reported in the body of the report was collected.
Further work	<ul style="list-style-type: none"> 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 information is not commercially sensitive. 	<ul style="list-style-type: none"> The Competent Person recommends that further exploration be conducted at Mt Dromedary to better define the current ore zones. A substantial program is reported in Section 7.1.7 and Table 7-2 of this report. Refer to diagrams in the body of text within the Independent Technical Resource report, namely Figure 3-5 to Figure 3-9, Figure 4-1 and Figure 6-2.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The drilling data has been systematically audited by a consultant geologist. Original drilling records were compared to the equivalent records in the data base. No errors were found. RPM performed initial data audits in Surpac. RPM checked collar coordinates, hole depths, hole dips, assay data overlaps and duplicate records. No errors were found.

Criteria	JORC Code explanation	Commentary
Site visits	<ul style="list-style-type: none"> • <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> • <i>If no site visits have been undertaken indicate why this is the case.</i> 	<ul style="list-style-type: none"> • A site visit was conducted by Robert Dennis of RPM during September 2015. Robert inspected the deposit area, RC drilling in progress, outcrop and the sampling procedure. During this time, notes and photos were taken. Discussions were held with site personnel regarding drilling and sampling procedures. No major issues were encountered. • Not applicable.
Geological interpretation	<ul style="list-style-type: none"> • <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i> • <i>Nature of the data used and of any assumptions made.</i> • <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> • <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> • <i>The factors affecting continuity both of grade and geology.</i> 	<ul style="list-style-type: none"> • The confidence in the geological interpretation is considered to be good and is based on visual confirmation in outcrop. Outcrop is extensive in the area. • Geological logging has been used to assist identification of lithology and mineralisation. Extensive assaying using appropriate methods define all forms of carbon in the data; graphite, amorphous and carbonate. Sulphur (mostly pyrite as well as lithophile, rare earths and metal elements were assayed) to allow full characterisation of the mineralisation. • Alternative interpretation may be possible but are considered unlikely. There is high chance to increase the resource in Central and South Zones along the strike direction. Mineralisation tends to be foliated and bedded. • Outcrops of mineralisation and host rocks confirm the geometry of the mineralisation. The deposit consists of sub-vertical to steeply dipping graphitic schist and lithic arenite units. Mineralisation is confined to the both units. • The presence of a dolerite dyke or faulted in basement in drill hole MD-05 was unsuspected from surface mapping. This surprise reduces certainty of the estimate and has contributed to the Inferred classification.
Dimensions	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • The Mt Dromedary Central and South Mineral Resource area extends over a strike length of 770m (from 7830500 to 7831270mN) has a maximum width of 70m (417770mSE – 417840mSE) and includes the 90m vertical interval from 60mRL to 150mRL.

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Criteria	JORC Code explanation	Commentary
<p>Estimation and modelling techniques</p>	<ul style="list-style-type: none"> <i>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.</i> <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> <i>The assumptions made regarding recovery of by-products.</i> <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i> <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> <i>Any assumptions behind modelling of selective mining units.</i> <i>Any assumptions about correlation between variables.</i> <i>Description of how the geological interpretation was used to control the resource estimates.</i> <i>Discussion of basis for using or not using</i> 	<ul style="list-style-type: none"> Inverse Distance Squared method was used to estimate average block grades in three passes using Surpac 6.4.1 software. Maximum extrapolation of wireframes from drilling was 50m along strike. This was half drill hole spacing in this region of the deposit. Maximum extrapolation was generally half drill hole spacing down-dip and equal to the drill hole spacing along strike. Wireframes were extended to 60mRL vertically in down dip direction. Reconciliation could not be conducted due to the absence of mining. No assumption of income from recovery of by-products is applied but recovery and sale of mica, calcite and pyrite may be possible. Graphitic and total carbon was interpolated into the block model. Flake size was not estimated into the block model but was averaged for characterisation of the Resource. The parent block dimensions were 25m NS by 20m EW by 10m vertical with sub-cells of 3.125m by 2.5m by 1.25m. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing in the deposit An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations. Three passes were used for each object. With the first pass 60 m, with a minimum of 10 samples. For the second pass 120m, with a minimum of 10 samples. For the third pass of 400m with a minimum of 5 samples. Some object has less than 5 samples and available sample amount is accepted into grade interpolation. A maximum of 30 samples was used for first 2 passes while maximum 10 samples was used for the third pass. No assumptions were made on selective mining units. It was verified that C_graphite and C_total have a strong positive correlation but these were estimated independently from raw data. The deposit mineralisation was constrained by wireframes constructed using a 1% C_graphite cut-off grade.

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Criteria	JORC Code explanation	Commentary
	<p><i>grade cutting or capping.</i></p> <ul style="list-style-type: none"> <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i> 	<ul style="list-style-type: none"> Statistical analysis was carried out on each object. After analysis, it was determined that no top-cuts were required. Validation of the model included detailed comparison of composite grades and block grades by northing and elevation. Validation plots showed good correlation between the composite grades and the block model grades.
Moisture	<ul style="list-style-type: none"> <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i> 	<ul style="list-style-type: none"> Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	<ul style="list-style-type: none"> <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i> 	<ul style="list-style-type: none"> The Mineral Resource has been reported at a 4% C_graphite cut-off. The cut-off was selected based on other known economically viable deposits in the world.
Mining factors or assumptions	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> RPM has assessed conceptual mining studies undertaken by Senlac and concluded that the deposit could potentially be mined using open cut mining techniques. No assumptions have been made for mining dilution or mining widths, however mineralisation is generally broad. It is assumed that mining dilution and ore loss will be incorporated into any Mineral Reserve estimated from a future Mineral Resource with higher levels of confidence.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> The project has had MLA analysis completed to determine flake size and liberation. It is concluded that despite the presence of high quantities of fine flake size material at surface because of the coarser flake size found at depth and very high grade nature of the mineralisation sufficient larger flake size material exists to create reasonable prospects for eventual economic extraction. Metallurgical testing has been initiated confirming reasonable concentrate grades are likely to be produced.
Environmental factors or assumptions	<ul style="list-style-type: none"> <i>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</i> 	<ul style="list-style-type: none"> Preliminary concepts for mining and extraction have been considered for fatal flaw analysis. This is an initial and Inferred Resource and environmental studies will be included in the ongoing study of the Mt Dromedary project.

Criteria	JORC Code explanation	Commentary
	<i>with an explanation of the environmental assumptions made.</i>	
Bulk density	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> <i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i> 	<ul style="list-style-type: none"> Various bulk densities have been assigned in the block model. These densities were determined after averaging the bulk density measurements obtained from surface and RC samples. Bulk density was measured by wax coating of dried rock and chip samples including RC chips for bulk density of primary graphite mineralisation. Moisture is accounted for in the measuring process. A total of 31 bulk density measurements were available including 20 from surface sampling and remaining 11 from the RC holes. It is assumed that the bulk density will have little variation within the separate material types across the breadth of the project area. A separate value was applied to the surface and unweathered material.
Classification	<ul style="list-style-type: none"> <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> <i>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).</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> 	<ul style="list-style-type: none"> The Mineral Resource estimate is reported here in compliance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' by the Joint Ore Reserves Committee (JORC). The Mineral Resource was classified as Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. Lesser supporting data in the along strike direction is present in the Southern area. The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. Validation of the block model shows good correlation of the input data to the estimated grades. The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of Mineral Resource estimates.</i> 	<ul style="list-style-type: none"> Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> <i>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</i> 	<ul style="list-style-type: none"> The lode geometry and continuity has been adequately interpreted to reflect the applied level of Inferred Mineral Resource. The data quality is good and the drill holes have detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses.

Criteria	JORC Code explanation	Commentary
	<p><i>approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></p> <ul style="list-style-type: none"> <i>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.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> The Mineral Resource statement relates to global estimates of tonnes and grade. There is no historical mining or production from the project; as a result reconciliation cannot be completed for the project.

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Annexure D – Mt Dromedary Exploration History

Tenement	Years	Company	Commodity	Program and Results
ATP 308M	1966-1967	Australian Selection Pty Ltd	Cu, Co and Zn	Stream sediment survey analysing for Cu, Co and Zn detected 18 significant Cu-Co-Zn geochemical anomalies. The Nobbys and Susie Wong anomalies were followed up with grid soil surveys and dipole-dipole induced polarization geophysical surveys. A single costean was excavated at each prospect. The costeaning indicated the copper mineralized zones were narrow and grades were low.
ATP 504M	1968-1970	Australian Aquitane Petroleum Pty Ltd	Oil shale, V	Aquitane drilled a series of shallow percussion holes through Cretaceous-Tertiary sediments searching for oil shale. The drill holes were geophysically logged by Schlumberger Seaco Inc. Oil shale was discovered north of Julia Creek, accompanied by vanadium. Aquitane subsequently flew a regional airborne magnetic survey in 1970.
Black Gap Mining Leases	1970-1971	Mr M.J. Pearce & Mr W.J. Chaplain, Fimiston Minerals NL, International Minerals and Chemical Development Corporation	Cu	In 1970, Mr M.J. Pearce identified native copper in drill cuttings when drilling the present water bore at Dalton's Bore for Mr W.J. Chaplain. Pearce and Chaplain subsequently pegged a series of 12 contiguous mining leases over the area known as the Black Gap Leases. In 1970, Fimiston Minerals NL took out an option over the Black Gap Leases and then in turn farmed them out to International Minerals and Chemical Development Corporation ("IMCC"). In 1971, IMCC conducted geological mapping, and soil geochemical survey, as well as ground-based

				geophysical surveys comprising ground EM, magnetometer survey, resistivity IP and hammer seismic refraction surveying (Pritchard, 1972). Although ground magnetics was considered useful, the other geophysical methods trialled were considered to be unsuccessful. IMCC then drilled 4 diamond core holes which located 'blind' copper mineralisation. A further 33 percussion drill holes were then completed. IMCC estimated a small supergene copper resource of 12Mt at 0.30% Cu .
ATP 1198M	1972-1973	Cyprus Mines Corporation / IMC Development Corporation JV	Cu	In 1973, Cyprus drilled 2 angled diamond core holes at the Black Gap Leases to check the resource estimate of Pritchard (1972). The results were disappointing and failed to confirm the original drilling results of IMCC. Cyprus concluded the deposit had no economic potential and withdrew from the area.
No License	Early 1970's	Mr Bill Bowes	Graphite	The Mt Dromedary Flake Graphite deposit was discovered in the early 1970's by Mr Bill Bowes, Manager of nearby Coolullah Station, together with a geologist partner. It is believed Mr Bowes excavated about five trenches using a backhoe to expose graphite schist bedrock.
ATP 4580M	1987-1988	CRA Exploration Pty Ltd	BIF Au	Exploration was directed towards the search for a large gold deposit, potentially associated with banded iron formations in the metasediments of the Soldiers Cap Group. Exploration activities conducted by CRA Exploration Pty Ltd included; helicopter-supported regional stream sediment

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				<p>sampling survey using - 2mm BCL and -80# conventional samples, soil grid sampling over the historical Eclipse Cu-Au workings and rock chip sampling. Anomalous gold in stream anomalies were detected draining the area of the historical Eclipse Cu-Au workings and was followed up by grid soil sampling. CRAE subsequently concluded the potential for finding a large gold deposit was limited and the ATP was relinquished.</p>
EPM 6961	1991-1999	Nord Resources (Pacific) Pty Ltd / later CRA Exploration Pty Ltd JV	Cu-Au	<p>Nord's initial exploration program consisted of stream sediment sampling survey using - 20# BCL samples and reconnaissance geological mapping and rock chip sampling traverses (Ford et al, 1992). Ground magnetometer surveys were completed over four (4) magnetic anomalies identified from the Australian Aquitane Petroleum Pty Ltd airborne magnetic survey data. This exploration identified the Brumby Run, Andrews Gossan, Discovery Outcrop and Limestone Bore prospects. These prospects strike north-south and consist of narrow zones of gossanous ironstone and quartz veining with low tenor of Cu-Au mineralisation. Also during the reconnaissance geological mapping identified a small synclinal basin surrounded by metamorphosed carbonaceous and calcareous rocks of the Corella Formation, situated east of Mt Dromedary and north of Black Mountain. The basin is fault-bounded</p>

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				and infilled by an extensive zone of graphitic schists and impure limestones. Under the CRA JV investigation of hte graphite mineralisation continued.
EPM 7052	1994-1996	MIM Exploration Pty Ltd		Exploration in the area south of Mt Dromedary was for Cu-Au mineralisation associated with magnetite-feldspar alteration, related to the Naraku and Williams Granite intrusions (ie Ernest Henry or Eloise mineralisation styles). MIM Exploration Pty Ltd conducted the following exploration; Geological mapping at 1:25,000 scale; Regional stream sediment sampling survey in 1991 and 1992;, -2mm BCL and -80# conventional samples were collected at each site; Airborne magnetic-radiometric survey; MIM flew an airborne QUESTEM EM survey over the area, which located a number of conductor anomalies; Detailed geological mapping and sampling of the Eclipse and Eclipse West prospects; Soil grid sampling over Eclipse, Eclipse-West, Carty's Bore, Jimmy's Creek and Poddy's prospects; Ground magnetics and EM geophysical surveys; Reverse circulation drilling programs in 1992 (21 holes for 2288m) and 1993 (4 holes for 775m). Ground follow-up of the airborne QUESTEM survey EM anomalies indicated they were associated with amphibolites, dolerite

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				<p>dykes and shear zones. Drill testing of soil and geological targets was undertaken in 2 campaigns. The best intersections recorded in drilling were 10m @ 8.02% Cu & 1.15g/t Au, 4m @ 3.4% Cu & 0.65g/t Au and 1.65% Cu & 0.72g/t Au . Mineralisation was hosted in magnetite-pyrite-feldspar veining in amphibolite. Newton et al (1996) reviewed the exploration results and concluded the potential for Ernest Henry and Eloise style mineralisation was low and EPM 7052 was allowed to expire.</p>
EPM 8838	1992-2000	BHP Minerals Limited	Pb-Zn and Cu-Au	<p>Exploration work completed by BHP Minerals included; An open range airborne magnetic and radiometric survey in 1991; An airborne 25Hz GEOTEM electro-magnetic survey in July 1994; Ground magnetic surveys over 5 grids, ground EM on 1 grid and gravity surveys on 2 grids; Soil geochemical surveys over 3 grids; Regional reconnaissance drilling through cover to sample Proterozoic basement, using 10 shallow reverse circulation drill holes and 4 percussion drill holes. Drilling obtained a best intersection of 18m @ 0.14% Cu, but no follow-up drilling was undertaken (White, 2000). BHP Minerals Limited concluded the exploration program failed to obtain significant results and the EPM was relinquished.</p>
EPM 14422	2007-2008	William Croydon Pty Ltd /later EXCO Resources Limited JV	Calcite, Base Metals	Limited work undertaken

Source: Report on Mt Dromedary Graphite Project, Cloncurry, Northwest Queensland (Christopher M. Sennitt, Senlac Geological Services Pty Ltd, 2015).

Annexure E – References

Data was made available by Graphitecorp and where this was found to be either insufficient information or an explanation or improved clarity was required, Graphitecorp was approached and additional data was supplied. RPM has supplied data references for Report tables.

The primary data sources were;

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END OF REPORT

Public Offer Application Form

This is an Application Form for Shares in Graphitecorp Limited under the Public Offer on the terms set out in the prospectus dated 10 November 2015. You may apply for a minimum of 10,000 Shares and multiples of 2,500 Shares thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (Brisbane time) on 20 November 2015**.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The prospectus contains information relevant to a decision to invest in Shares and you should read the entire prospectus carefully before applying for Shares.

Shares applied for

Price per Share

Application Monies

A

at

A\$0.20**B A\$**

(minimum 10,000 Shares, thereafter in multiples of 2,500 Shares)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)**+**

Applicant #1

Surname/Company Name

C

Title

First Name

Middle Name

Joint Applicant #2

Surname

Title

First Name

Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code

First Applicant

Joint Applicant #2

Joint Applicant #3

D

TFN/ABN type – if NOT an individual, please mark the appropriate box

 Company Partnership Trust Super Fund**PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c-)/Property name/Building name (if applicable)

E

Unit Number/Level

Street Number

Street Name

Suburb/City or Town

State

Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

F **+**

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

Telephone Number where you can be contacted during Business Hours

Contact Name (PRINT)

GCheques or bank drafts should be made payable to **"Graphitecorp Limited"** in Australian currency and crossed "Not Negotiable".

Cheque or Bank Draft Number

BSB

Account Number

HTotal Amount **A\$****LODGEMENT INSTRUCTIONS**

You must return your application so it is received before 5:00pm (Brisbane time) on 20 November 2015 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

GRA IPO001

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Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Graphitecorp Limited Shares. Further details about the shares are contained in the prospectus dated 10 November 2015 issued by Graphitecorp Limited. The prospectus will expire 13 months after the date of this prospectus. While the prospectus is current, Graphitecorp Limited will send paper copies of the prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investment Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant prospectus. This Application Form is included in the prospectus.

The prospectus contains important information about investing in the Shares. You should read the prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Graphitecorp Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Graphitecorp Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to Graphitecorp Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to "Graphitecorp Limited" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (Brisbane time) on 20 November 2015 at:

Mailing Address

Graphitecorp Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery

Graphitecorp Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Brisbane time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.