GRAPHITECORP

ASX ANNOUNCEMENT

14 March 2016

UPGRADED INDEPENDENT JORC MINERAL RESOURCE ESTIMATE

HIGHLIGHTS

- WORLD CLASS* HIGH GRADE FLAKE GRAPHITE DEPOSIT CONFIRMED
- 18.8% TGC AND 43% JUMBO TO LARGE FLAKE SIZE CLASSIFICATION WITHIN GRAPHITIC SCHIST MAIN UNIT OF ECONOMIC INTEREST
- MAIDEN MEASURED AND INDICATED RESOURCE ESTIMATES RECEIVED
- UPGRADED INFERRED RESOURCE ESTIMATE AND EXPLORATION TARGET
- FOUNDATION FOR CONTINUED FEASIBILITY ASSESSMENT

Graphitecorp Limited (ASX: GRA) ("Graphitecorp" or "the Company") is pleased to provide an upgraded independent Mineral Resource estimate for the Mount Dromedary natural graphite deposit undertaken by RungePincockMinarco Limited (RPM) following the results of the Company's Phase 2 Drilling program released to ASX on 18 February 2016.

Note: * The "World Class" description used in the highlights above is based on extensive benchmarking by Graphitecorp of competing natural graphite projects around the world. Based on its ongoing internal review of international deposits, this classification includes deposits with over 1 million tonnes of contained graphite independently measured to JORC or equivalent standards and associated with a Measured Resource with an estimated mine stripping ratio under 3:1, an independent estimate of average Total Graphitic Carbon Content (TGC%) above 10% and a flake size distribution showing >15% Jumbo (>300 microns) and >30% Jumbo and Large (>150 microns). Graphitecorp considers deposits with these attributes likely to fall in the top quartile ranking for natural flake graphite deposits. This description of the deposit does not consider other critical elements that also materially impact prospects of economic extraction of the deposit such as sovereign risk, political and social stability, infrastructure, logistics, etc. Having a World Class deposit is one of many essential requirements for a project's successful economic extraction and commercial longevity.

RPM SCOPE OF WORK AND REPORT

RPM was engaged to review all available data, procedures and results for the Mount Dromedary graphite deposit, including those from the recent Phase 2 Exploration Drilling and Testing program, and to prepare a JORC compliant Mineral Resource estimate. This estimate is an update to the maiden Mineral Resource estimate previously completed by RPM in October 2015 and reported in the Company's IPO Prospectus dated November 2015.

The RPM statement (a 155-page Report) reports the Mount Dromedary Project's Mineral Resources as at 29 February 2016 and has been undertaken in compliance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition) prepared by the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia ("The JORC Code").

RPM REPORT - MINERAL RESOURCE ESTIMATE

The following table summarises the Total Mineral Resource. This Mineral Resource estimate is based on exploration drilling and test results covering less than 25% of the total mapped prospect area.

By far the most prominent ore type and zone throughout the deposit is the Graphitic Schist referred to below as the "High Grade" mineralisation. This zone of the deposit represents 916kt (or 80%) of the measured Contained Graphite Mineral Resource of 1,147kt.

This Graphitic Schist ("High Grade") zone of the deposit is the highest grade with Total Graphitic Carbon content (TGC%) ranging between 15% and 35% and averaging 18.8%.

The Graphitic Schist ("High Grade") zone of the deposit is the highest quality in terms of particle size distribution with 24.5% Jumbo flakes (>300 microns) and 43.4% Jumbo or large flake (>150 microns).

Table: Mineral Resource Estimate (4% Total Graphitic Carbon Cut-off)

Domain	Type	Total Mineral Resource			
		Tonnage Mt	TGC %	TC %	Cont. Graphite kt
High Grade (>10% TGC)	Weathered	0.8	17.7	18.9	**148**
	Primary	4.0	19.0	19.9	**768**
	Sub-Total	**4.9**	**18.8**	**19.7**	**916**
Medium Grade (4 to 10% TGC)	Weathered	0.7	5.1	6.2	**35**
	Primary	3.6	5.5	6.4	**196**
	Sub-Total	**4.3**	**5.4**	**6.4**	**232**
	Total	**9.1**	**12.5**	**13.5**	**1,147**

Note:
1. *Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.*
2. *Flake sizes for the Mineral Resource is tabulated 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 Competent Person as defined in the JORC Code (2012).*
4. *All Mineral Resources figures reported in the table above represent estimates at 29th February, 2016. 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).*
6. *Reporting cut-off grade selected based on other known economically viable deposits around the world.*
7. *TGC = total graphitic carbon.*

Table: Graphitic Schist Flake Size Distribution (>10% Total Graphitic Carbon Cut-off)

Classification	Sieve Size (µm)	% in Interval	Cumulative %
Jumbo	>300	24.5	24.5
Large	180-300	18.9	43.4
Medium	150-180	6.8	50.2
Fine	75-150	23.9	74.1
Very Fine	<75	25.9	100.0

Competent Person's Statement

The information in this "ASX Announcement" that relates to Mineral Resources and Exploration Target Estimate is based on information compiled by Mr Robert Dennis who is a Member of Australian Institute of Geoscientists and a full time employee of RPM Limited. Mr Dennis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dennis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this "ASX Announcement" that relates to Exploration Results was previously reported on 18 February 2016 titled "Phase 2 Drilling Program Results" and was compiled by Consulting Geologist Mr Christopher Sennitt, who is the Managing Director of Senlac Geologic Services Pty Ltd. The company is not aware of any new information for data that materially affects the information presented in this previous announcement.

Exploration Target

In addition to the Mineral Resource, an Exploration Target was calculated based on the potential to expand the wireframes from the Mineral Resource.

For the Graphite Schist ("High Grade") zone of the deposit the Exploration Target calculated by RPM is 22mt to 40mt of ore with an average grade range between 16% and 20% TGC equating to 3.5mt to 8mt of Contained Graphite.

The potential quantity and grade of the Exploration Target is conceptual in nature and there is insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Graphite Schist at Mount Dromedary has a known strike length of at least 3 km with variable width from 35 m to 350 m. Drilling at the Project extends to a vertical depth of approximately 90 m and the mineralisation was modelled to a depth of approximately 100 m below surface.

RPM also noted that the best grades, thickest known intersections, and largest average flake sizes occur in the Graphitic Schist within the South Zone of the Project in Graphitecorp's 100%-owned EPM 17323, drilled during the Phase 1 drilling program during 2015. RPM recommends that additional exploration should be pursued in this South Zone down-dip and along strike within EPM 17323 as this area was not drilled during Phase 2.

RPM considers the Exploration Target valid because Graphitecorp, subject to market conditions, currently intends to undertake a targeted drilling program over the next two years to define the mineralisation extents on a drill spacing of 200m (along strike) by 50m (across strike) for approximately 2,100 m of drilling.For the above reasons the Graphitic Schist ("High Grade") zone of the deposit is the primary focus for the business and will be the focus of further exploration, testing, and feasibility assessment.

Image: HQ diamond core – Drillhole MD-12 - Central Zone of the Mount Dromedary December 2015.

RPM REPORT – RISKS AND OPPORUNITIES

The frequency of faulting and the fault geometry at Mount Dromedary is not well defined. This creates potential for tonnage and overall geometry variations in the model.

Each prospect is open along the strike and down-dip. Extensional drilling is likely to add tonnage to the Mineral Resource.

As mentioned above, RPM noted that the best grades and thickest known intersections occur at the South Zone in holes MD-06 and MD-08 (within EPM 17323). Additional exploration is required in this area down-dip and along strike. In addition, the largest flake size observed at the deposit has been obtained from the South Zone.

There is an opportunity to increase the level of confidence in the Mineral Resource through closer spaced infill drilling.

RPM REPORT – CONCLUSIONS AND RECOMMENDATIONS

RPM advises that the Mount Dromedary Mineral Resource represents two well-defined zones of high grade graphite mineralisation. Graphite mineralisation is confined to graphitic schists and graphitic sediments and the structural complexity of the two zones is low to moderate. The mineralised domains show variation in thickness and geometry; however, the drill density has allowed the delineation of coherent bodies of mineralisation.

The Mineral Resource estimate was classified as Measured, Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Measured Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 25m and where continuity of grade and mineralisation geometries was robust.

The Indicated Mineral Resource estimate was defined within areas of close spaced diamond and RC drilling of less than 70m by 50m, and where the continuity and predictability of the lode positions was good.

The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 70m by 50m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.

The extrapolation of the lodes along the strike has been limited to a distance of 50m and down-dip to 70m.

The bulk density values in the model were based on 795 measurements from Graphitecorp drilling. Bulk density values were consistent with expected values of the rock types. Ongoing collection of bulk density samples should be completed with all drill programs. RPM recommends Graphitecorp continue recording bulk density measurements, ensuring that the bulk density measurement intervals are contained within the sampling intervals.

The Mineral Resource model has not had mining modifying factors applied, so appropriate factors need to be incorporated in any mine planning evaluation of the deposit.

The Mineral Resource has been reported on a dry in-situ basis.

The reported Measured and Indicated Mineral Resource at the Mount Dromedary deposit is estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit at those locations. Approximately 49% of the prospect has been classified as Inferred Mineral Resource and is estimated with insufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the remainder of the deposit.

RPM recommends further drilling along strike and down-dip at each prospect. Although the Central Zone is better defined by drilling at this stage, the South Zone may have the thickest mineralised geometries and highest grades. If practicable, RPM recommends extensional drilling at the Southern Zone and also to the north of the Central Zone.

RPM recommends that field duplicates are obtained for any future RC drilling at the project.
To test the Exploration Target and to achieve further Measured Mineral Resources at the project, RPM recommends:

- Drill additional holes down-dip and along strike on from existing Mineral Resource, where graphitic schist is mapped;
- Drill additional holes to the west of existing drilling at 25m hole spacings to confirm depth and continuity for the meta-arentite/graphitic schist units
- Drill additional holes to the east of existing drilling at 25m hole spacings to confirm up-dip continuity for the siltstone/graphitic schist units
- Infill drilling at 50m by 25m hole spacings to confirm mineralisation and grade continuity in the South Zone
- Maintain the frequency of bulk density measurements in diamond drilling; and
- Obtain more flake size (MLA) samples for each material type (weathered and primary) for the South Zone.

RPM REPORT – PROSPECTS FOR ECONOMIC EXTRACTION

The high grade nature of the mineralisation, the size of the deposit and the high amount (>35%) of large and jumbo flakes observed during MLA testing, as well as the proximity of the mineralisation to the surface (outcropping); suggest that the project has reasonable potential for eventual economic extraction.

For these reasons the Competent Person is of the opinion that the Mount Dromedary deposit is of sufficient grade, tonnage and flake size to support the CP's opinion of reasonable prospects for eventual economic extraction using open pit mining techniques.

Image: Track mounted diamond drill rig in operation at Mount Dromedary December 2015.

DIRECTOR CONCLUSIONS

The board considers the collective results of the exploration, independent testing, technical study, reporting and Minerals Resource estimation and comparison benchmarking with competing projects around the world confirms this is a World Class* natural flake graphite deposit.

This World Class* deposit is favourably located with well-developed transport and mining supply infrastructure to support any mining activities and transport to market:

- Located in Australia with low levels of sovereign risk, ability to provide long term security of supply, alternate sourcing to China and Africa, and higher environmental and other sustainability related standards
- Located within one kilometre of a sealed all-weather bitumen highway maintained by the State Government and gazetted for use by road-trains
- Daily road-train transport to the Ports available from major freight haulage companies with large-scale back-haul capacity
- Highway networks connect the project with Queensland export ports including the Port of Brisbane which is regularly serviced by major shipping liners and has back-haul capacity to target markets; and
- Located in a well-established mining region with abundant skills, services and experience, playing a significant role in the Queensland economy and including major global mining companies.

The Board considers these factors combined 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.

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Sealed all weather highway passing Mount Dromedary – the graphite deposit lies in the 1 km wide valley between the range and the road and runs parallel for 3km

Port of Brisbane – Fishermans Island Container Handling Facility.

APPENDIX (I) RESOURCE TABLES

Mt Dromedary February 2016 Mineral Resource Estimate (4% Total Graphitic Carbon Cut-off)

Domain	Type	Measured Mineral Resource			
		Tonnage Mt	TGC %	TC %	Cont. Graphite kt
High Grade (>10% TGC)	Weathered	0.2	16.0	17.6	**33**
	Primary	0.5	16.7	18.0	**83**
	Sub-Total	**0.7**	**16.5**	**17.9**	**116**
Medium Grade (4 to 10% TGC)	Weathered	0.1	4.5	5.6	**5**
	Primary	0.2	4.5	5.0	**11**
	Sub-Total	**0.3**	**4.5**	**5.2**	**15**
	Total	**1.0**	**12.6**	**13.8**	**131**

Domain	Type	Indicated Mineral Resource			
		Tonnage Mt	TGC %	TC %	Cont. Graphite kt
High Grade (>10% TGC)	Weathered	0.4	18.0	19.1	**81**
	Primary	1.5	18.5	19.4	**275**
	Sub-Total	**1.9**	**18.4**	**19.3**	**355**
Medium Grade (4 to 10% TGC)	Weathered	0.4	5.1	6.1	**18**
	Primary	1.5	5.5	6.4	**82**
	Sub-Total	**1.8**	**5.4**	**6.3**	**100**
	Total	**3.8**	**12.1**	**13.0**	**455**

Domain	Type	Inferred Mineral Resource			
		Tonnage Mt	TGC %	TC %	Cont. Graphite kt
High Grade (>10% TGC)	Weathered	0.2	18.9	19.8	**34**
	Primary	2.1	19.8	20.7	**410**
	Sub-Total	**2.2**	**19.8**	**20.6**	**444**
Medium Grade (4 to 10% TGC)	Weathered	0.2	5.5	6.6	**12**
	Primary	1.9	5.6	6.6	**104**
	Sub-Total	**2.1**	**5.6**	**6.6**	**117**
	Total	**4.3**	**12.9**	**13.9**	**561**

Domain	Type	Total Mineral Resource			
		Tonnage Mt	TGC %	TC %	Cont. Graphite kt
High Grade (>10% TGC)	Weathered	0.8	17.7	18.9	**148**
	Primary	4.0	19.0	19.9	**768**
	Sub-Total	**4.9**	**18.8**	**19.7**	**916**
Medium Grade (4 to 10% TGC)	Weathered	0.7	5.1	6.2	**35**
	Primary	3.6	5.5	6.4	**196**
	Sub-Total	**4.3**	**5.4**	**6.4**	**232**
	Total	**9.1**	**12.5**	**13.5**	**1,147**

Note:
1. Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.

2. *Flake sizes for the Mineral Resource is tabulated 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 Competent Person as defined in the JORC Code (2012).*
4. *All Mineral Resources figures reported in the table above represent estimates at 29th February, 2016. 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).*
6. *Reporting cut-off grade selected based on other known economically viable deposits around the world.*
7. *TGC = total graphitic carbon.*

High Grade (>10% TGC) Flake Size Classification

Classification	Sieve Size (µm)	% in Interval	Cumulative %
Jumbo	>300	24.5	24.5
Large	180-300	18.9	43.4
Medium	150-180	6.8	50.2
Fine	75-150	23.9	74.1
Very Fine	<75	25.9	100.0

Medium Grade (4 to 10% TGC) Flake Size Classification

Classification	Sieve Size (µm)	% in Interval	Cumulative %
Jumbo	>300	9.5	9.5
Large	180-300	14.9	24.4
Medium	150-180	6.1	30.5
Fine	75-150	28.4	58.9
Very Fine	<75	41.1	100.0

Mt Dromedary Project Flake Size Classification

Classification	Sieve Size (µm)	% in Interval	Cumulative %
Jumbo	>300	18.8	18.8
Large	180-300	17.0	35.8
Medium	150-180	6.2	42.0
Fine	75-150	25.2	67.2
Very Fine	<75	32.8	100.0

Mt Dromedary February 2016 Mineral Resource Estimate (4% Total Graphitic Carbon Cut-off) – by Prospect

Deposit	Lithology	Type	Measured Mineral Resource			
			Tonnage Mt	TGC %	TC %	Cont. Graphite kt
Central	Graphitic Schist	Weathered	0.2	16.0	17.6	**33**
		Primary	0.5	16.7	18.0	**83**
	Siltstone	Weathered	0.1	4.5	5.6	**5**
		Primary	0.2	4.5	5.0	**11**
		Total	**1.0**	**12.6**	**13.8**	**131**

Deposit	Lithology	Type	Indicated Mineral Resource			
			Tonnage Mt	TGC %	TC %	Cont. Graphite kt
Central	Graphitic Schist	Weathered	0.3	17.1	18.3	**60**
		Primary	1.1	17.3	18.1	**192**
	Meta-arenite	Weathered	0.2	5.4	6.7	**10**
		Primary	0.5	5.7	6.7	**27**
	Siltstone	Weathered	0.1	4.5	4.7	**5**
		Primary	0.8	5.3	5.6	**40**
		Sub Total	**3.0**	**11.1**	**11.9**	**334**
South	Graphitic Schist	Weathered	0.1	20.9	22.0	**21**
		Primary	0.4	22.3	23.2	**83**
	Meta-arenite	Weathered	0.1	5.3	7.3	**3**
		Primary	0.2	5.9	8.1	**15**
		Sub Total	**0.8**	**15.7**	**17.1**	**121**
		Total	**3.8**	**12.1**	**13.0**	**455**

Deposit	Lithology	Type	Inferred Mineral Resource			
			Tonnage Mt	TGC %	TC %	Cont. Graphite kt
Central	Graphitic Schist	Weathered	0.1	16.5	17.3	**12**
		Primary	1.2	17.8	18.5	**207**
	Meta-arenite	Weathered	0.1	5.0	6.0	**3**
		Primary	0.6	5.6	6.6	**34**
	Siltstone	Weathered	0.1	4.8	5.0	**3**
		Primary	0.6	5.4	5.7	**31**
		Sub Total	**2.5**	**11.4**	**12.1**	**290**
South	Graphitic Schist	Weathered	0.1	20.7	21.7	**22**
		Primary	0.9	22.6	23.6	**203**
	Meta-arenite	Weathered	0.1	6.1	7.8	**6**
		Primary	0.7	5.8	7.4	**40**
		Sub Total	**1.8**	**15.1**	**16.4**	**270**
		Total	**4.3**	**12.9**	**13.9**	**561**

Deposit	Lithology	Type	Total Mineral Resource			
			Tonnage	TGC	TC	Cont. Graphite
			Mt	%	%	kt
Central	Graphitic Schist	Weathered	0.6	16.7	17.9	**105**
		Primary	2.8	17.4	18.2	**482**
	Meta-arenite	Weathered	0.2	5.4	6.5	**13**
		Primary	1.1	5.6	6.6	**61**
	Siltstone	Weathered	0.3	4.5	5.1	**13**
		Primary	1.6	5.2	5.5	**82**
		Sub Total	**6.6**	**11.5**	**12.3**	**756**
South	Graphitic Schist	Weathered	0.2	20.8	21.9	**43**
		Primary	1.3	22.5	23.5	**285**
	Meta-arenite	Weathered	0.2	5.8	7.7	**9**
		Primary	0.9	5.8	7.6	**54**
		Sub Total	**2.6**	**15.2**	**16.6**	**391**
		Total	**9.1**	**12.5**	**13.5**	**1,147**

Note:

1. *Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.*
2. *Flake size for the Mineral Resource is tabulated in above.*
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 Competent Person as defined in the JORC Code (2012).*
4. *All Mineral Resources figures reported in the table above represent estimates at 29th February, 2016. 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).*
6. *Reporting cut-off grade selected based on other known economically viable deposits in the region.*
7. *TGC = total graphitic carbon.*

APPENDIX (II) JORC CODE (2012) TABLE 1 SECTIONS 1 AND 2

Exploration results at Mt Dromedary were reported by Graphitecorp and released to the ASX during 2015 and 2016. Mr Chris Sennitt, Consultant Geologist of Graphitecorp compiled the information in Section 1 and Section 2 of JORC Table 1 in this Mineral Resource report and is the Competent Person for those sections.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 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.*	**Sampling Methodology – RC** Sampling for the Phase 2 Drilling Program was relatively straightforward, as the *UDR650* drill rig was fitted with a combined Cyclone-Splitter unit, unlike the Phase 1 Drill Program which required a dedicated separate Splitter unit. Both small geochemical assay and large bulk samples were collected from each 1-metre drilled from the side-mounted cyclone. A sample number tag was placed in the small geochemical assay sample bag and the contents weighed on digital scales. The weights were used to provide a rough bulk density for each 1m interval. Geophysical parameters were measured routinely from each 1m interval by probing the small geochemical assay sample bag with various instrumentation, including magnetic susceptibility (SI units), electrical conductivity (ohms) and gamma radiation (counts per second). A separate 2m "Composited Sample" was collected by extracting sub samples from 2 contiguous large bulk sample bags and placed into a numbered sample bag together with a tag number. **Sampling Methodology – Diamond Core** Detailed geochemical sampling was routinely conducted on a 1-metre interval basis of Quarter-Split HQTT drill core, collected from the Mt Dromedary Phase 2 Drilling Program. This comprehensive sampling is regarded as more representative statistically. The HQTT Drill Core was initially split 50% using a diamond core saw cutting machine. Half-split core is being retained initially as a visual reference or for use as a bulk metallurgical sample. The remaining Half-Core was then split 50% into Quarter-Core, again using a manual core saw. The Quarter-Split Core was routinely submitted for geochemical analysis. The remaining Quarter-Split Core was used as a metallurgical sample. Selective Petrological sampling of some lithological units identified in drill core was undertaken. These petrology samples are by necessity a small sample, but were selected on the basis of being "typical" of the lithological unit from which they were

Criteria	JORC Code explanation	Commentary
		collected.
Drilling techniques	• *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).*	**Diamond Core** HQ Triple Tube diamond core was technically selected as the optimum sampling method for drilling the graphite mineralized zones at Mt Dromedary, on the basis of maximizing recovery of graphite, as the method minimizes disturbance to core, limiting potential losses in drilling water. The ground conditions at Mt Dromedary were expected to be initially poor down to 20m depth, due to surface weathering overprinting effects of the Tertiary regolith. The soft, lubricating nature of graphite and its property as a natural "floater", together with the regolith clay weathering profile indicate triple tube core barrels should be employed. The HQ diameter core also permits a large representative sample to be recovered, maximizing the potential for geological information, geochemical sampling, geotechnical data collection and offers a large metallurgical sample size potential from each metre interval. *DEPCO Drilling Pty Ltd* of Rockhampton was contracted by *GraphiteCorp Pty Ltd* to undertake the diamond drilling program in November 2015. *DEPCO Drilling* supplied a *UDR650* multi-purpose drill rig. Subsequently, *Calibre Drilling Pty Ltd* of Cloncurry was contracted by *GraphiteCorp Pty Ltd* to assist with diamond core drilling due to delays experienced with *DEPCO Drilling*. *Calibre Drilling* supplied a small track-mounted *Cortech YDX-3L* diamond drill rig. The rig used a standard HQ diamond drill bit and was not fitted for triple tube core barrels. **RC** *DEPCO Drilling Pty Ltd* of Rockhampton was contracted by *GraphiteCorp Pty Ltd* to undertake the reverse circulation drilling program in November 2015. *DEPCO Drilling* supplied a *UDR650* multi-purpose drill rig. The reverse circulation hammer bit had a measured diameter of 123mm. A larger diameter RC hammer was used to drill an initial pre-collar of 4m in the soil-colluvium profile, which was then cased off using PVC pipe to avoid unconsolidated material falling behind the drill rods. A combined Cyclone and Sample Splitter unit was fitted to the side of the UDR650 drill rig. The Cyclone collected a 75% bulk sample in a big plastic bag and a 25% sample in a small plastic bag.
Drill sample	• *Method of recording and assessing*	Diamond Drill Core recovery was routinely recorded every metre. Initial

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Criteria	JORC Code explanation	Commentary
recovery	*core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	core recoveries were typically 70-95% in the initial 20m, but as each drill hole progressed beyond 20m depth, core recovery typically increased to 100%. Core recoveries recorded within graphite mineralized zones were typically >85%.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	**Logging - Drill Core** Once the drilling was completed, all the drill core was removed from site to *Chinalco Yunnan Copper Resources Limited* Mt Isa core processing facility, hired by *GraphiteCorp Limited*. A standardized sequential logging, processing and sampling procedure was employed for the HQ drill core on a 1-metre basis. The data was computer-coded for digital plotting purposes. Core was initially cleaned to remove drill mud and greases. The core was then orientated using "Top of Core" marks from the Reflex orientation tool, marked into 1m intervals and the core recovery recorded. The core was then photographed using high-resolution digital camera and then geologically logged. Geological logging of Drill Core was routinely undertaken on a systematic one-metre interval basis, recording the following geological data: ▪ Core Recovery. ▪ Rock Code. ▪ Colour. ▪ Minerals. ▪ Texture. ▪ Hardness. ▪ Oxidation %. ▪ Alteration. Mineralogy & %. ▪ Sulphide. Mineralogy & %. ▪ Veining. Mineralogy & %. ▪ Graphite Content. Geotechnical data was collected, including Rock Quality Designation (RQD), Fracture Density and orientations of structures such as faults, fractures, joints, foliation, bedding, veins recorded. Geophysical properties of the core were collected, with magnetic susceptibility, electrical conductivity and Gamma radiation counts per second recorded. The Specific Gravity for each interval was collected using an *Archimedes Principle* water displacement device. Metallurgical samples were determined by Ore Type and selected on the basis of lithology and weathering/primary characteristics. Abrasion/UCS Engineering, Comminution and MLA samples were then sampled from the core.

Criteria	JORC Code explanation	Commentary
		The core was then split into one half and then into 2x quarters using a manual core saw. One ¼ split core was used for geochemical analysis and the other ¼ split core used for bulk Variability metallurgical testing. The Core Trays (with balance of remaining half-split core) are currently stored on pallets in *Chinalco's* Core Shed facility. The remaining core can be resampled and/or used in future metallurgical testwork if required. **Logging – RC Drilling** Geological logging of reverse circulation drill chips was routinely undertaken for each 1-metre interval using similar procedures to core logging (described above). Visual record samples were collected from the large bulk sample and contents placed into a 20-compartment plastic tray. Each chip tray was photographed using a high-resolution digital camera.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	One-metre intervals of Quarter-Split Drill Core and RC Drill Chips were submitted into *ALS Minerals* sample preparation laboratory in Mount Isa. Geochemical analysis was subsequently performed at *ALS Minerals* laboratory in Brisbane. Geochemical analysis was by analytical *Method C-IR 18 Total Graphitic Carbon, Method C-IR07 Total Carbon, Method S-IR08 Total Sulphur, Method Ash-01 Ash Content* and *Method ME-GRA05g Loss on Ignition*. Multi-element geochemical analyses were performed on 2-metre composites of RC Drill Chips and selected intervals of the graphite mineralized zones. The Multi-element analyses included whole rock oxides by *Method ME-ICP06 Major Oxides*, trace elements by *Method ME-MS81 Ultra Trace Level*, base metals by *Method ME-ACD81 Four Acid Digest* and *Method ME-MS41 Ultra Trace Level Method*. Representative grab samples (approximately 200g weight) of the various Ore Types were collected from drill core on the basis of 1 sample per 10m and forwarded to *ACTLABS* (Ancaster, Canada) for Mineral Liberation Analysis (MLA).
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation,*	**Geochemical Analysis** One-metre intervals of Quarter-Split Drill Core and RC Drill Chips were submitted into *ALS Minerals* sample preparation laboratory in Mount Isa. Geochemical analysis was subsequently performed at *ALS Minerals* laboratory in Brisbane. Geochemical analysis was by analytical *Method C-IR 18 Total Graphitic Carbon, Method C-IR07 Total Carbon, Method S-IR08 Total Sulphur, Method Ash-01 Ash Content* and *Method ME-GRA05g Loss on*

Criteria	JORC Code explanation	Commentary
	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.*	*Ignition*. Accuracy levels are reported to 0.01%. Multi-element geochemical analyses were performed on 2-metre composites of RC Drill Chips and selected intervals of the graphite mineralized zones. The Multi-element analyses included whole rock oxides by *Method ME-ICP06 Major Oxides*, trace elements by *Method ME-MS81 Ultra Trace Level*, base metals by *Method ME-ACD81 Four Acid Digest* and *Method ME-MS41 Ultra Trace Level Method*. The QA/QC results confirm the suitability of the drilling data for use in resource estimation. **Mineral Liberation Analyser** Representative samples of the various Ore Types were analysed by *ACTLABS* (Ancaster, Canada) for Mineral Liberation Analysis (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 -850/+106 µm. 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. 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. 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.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic)*	The QA/QC protocols adopted for the Mt Dromedary Phase 2 drilling program involved routinely inserting a Certified Graphite Reference Standard (5 different Standards used) or Blank sample into the tag book number sequence every 10 samples. A total of 278 Certified Reference Materials and 45 Blank

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Criteria	JORC Code explanation	Commentary
	protocols. • *Discuss any adjustment to assay data.*	samples were used. The QA/QC sample density is considered to be more than adequate and is very robust. Additional QA/QC controls were also provided by internal laboratory repeats and standards. Laboratory performance and all reported analytical results was statistically evaluated using QA/QC monitoring software. All Certified Reference Materials reported within 1 Standard Deviation of the Certified value. Two (2) of the Blank samples indicated very low order graphite contamination (<0.05% Cg).
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	*M.H. Lodewyk Pty Ltd* licensed surveyors of Mount Isa were contracted to establish a series of fixed Base Stations on site and then accurately survey each drill hole collar to sub-metre accuracy, using a Differential Positioning System (DGPS) instrument. The drill hole collar survey data is summarised in Table 2 below. The map projection used was MGA 94 Zone 54. Down hole surveys were routinely collected every 30m, using a *Reflex EZ Shot* after completion of End of Hole Depth on the way out of the hole, and sequentially as the drill rod string was recovered. Down hole survey data was also collected continuously and automatically by the *High Resolution Acoustic Televiewer* down hole instrument supplied by *Geology Pty Ltd* of Hervey Bay. Down hole survey data was collected with an accuracy of ±0.01 degrees and ±0.01m.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	Data was routinely collected on a continuous 1m interval basis. Samples were collected at 1m intervals down each hole.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	**Drill Hole Orientation** Drill holes were designed to intersect graphite mineralization at perpendicular to strike observed in outcrop. Geotechnical data, automatically collected by the *High Resolution Acoustic Televiewer* and classified by software confirms the foliation structures and indicate data collected from drill core is generally conformable with the schistose fabric foliation of the graphite mineralization. **Core Orientation** Core orientation was routinely undertaken during drilling using a *Reflex ACT II* tool. The

Criteria	JORC Code explanation	Commentary
		unit is attached to the top of the core inner tube barrel and initialized. The unit is removed and the orientation marked on the Top of Core using a coloured paint marker or chinagraph pencil.
Sample security	• *The measures taken to ensure sample security.*	All the samples collected were placed into plastic bags and securely sealed with staples. The sample bags were then placed in a large plastic bag labelled accordingly with Hole Number and Sample Type and sealed with plastic ties. The various samples were placed separately into 1-tonne capacity Bulka Bags and stored temporarily on site before being transported by 8-tonne capacity Flat Bed Truck direct into *ALS Minerals Division* preparation laboratory facility in Mount Isa. A follow up visit to the *ALS Minerals Division* preparation laboratory facility in Mount Isa indicated no tampering with the staple-sealed sample bags had occurred.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Bob Dennis of RPM reviewed drilling and sampling procedures during the 2015 site visit and found that all procedures and practices conform to industry standards.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	**Mineral Tenements** Graphitecorp holds a "Farm-In" Agreement with ASX-listed company; Exco Resources Limited ("EXS") to explore for and develop graphite over the relevant sub-blocks within Exploration Permit for Minerals (EPM) EPM 26025, in the Mt Dromedary area. EPM 26025 encompasses the historical EPM's; EPM 16983, 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, MDL390 and MDL 401 are excised from the EPM. In addition, Graphitecorp is 100%-owner of EPM 17323 which is contiguous with the portion of the Mount Dromedary graphite deposit within EPM 26025 and contains the south west extension of graphite mineralisation which was drilled and confirmed during the Phase 1 drilling program during 2015. **Pastoral Holdings** The Mt Dromedary graphite project is situated primarily on Gleeson Station (Lands Lease 2965 PH 1525), privately-owned and operated by the pastoral company *Tom Keats & Co Pty Ltd*. **Native Title** Native Title Access Agreements have been signed by *Exco Resources* and *Queensland Mining Corporation* with the Kalkadoon People, registered native title holders in the region. The *Kalkadoon Native Title Aboriginal Corporation* administers land on behalf of the Kalkadoon People. The Kalkadoon People's native title rights have been recognised over approximately 38,719 square kilometres of land and waters in the Mt Isa region, including areas of reserves, unallocated State land, pastoral leases and other leases. The Mount Dromedary Graphite Project lies within an Indigenous Land Use Agreement ("ILUA") held by the Kalkadoon People. **Native Title Site Clearances** Native Title clearances for the drill sites were obtained following site visits by a 3-member team of representatives from the Kalkadoon People, accompanied by a company representative. **Bullen Bullen Nature Refuge** The *Bullen Bullen Nature Refuge* lies to the north and east of Mt Dromedary graphite project area and was declared in 2008. The Nature Refuge is actively

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Criteria	JORC Code explanation	Commentary
		managed by the *The Northern Australian Pastoral Company.*
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	The Mount Dromedary Graphite Deposit was explored and mapped previously in the 1970s and 1990s, and more recently by Graphitecorp since 2014. The following sections describe sequentially the results of mineral exploration conducted on the various tenements that covered the area during the period 1968-2008. 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 (5) trenches using a backhoe to expose graphite schist bedrock. The Mt Dromedary area was held under EPM 6961 by *Nord Resources (Pacific) Pty Ltd* during 1991-1999 (Ford et al, 1992 and Fogarty, 1999). *Nord* collected rock chip samples from weathered graphite mineralized outcrops and submitted them for petrological examination and for preliminary flotation metallurgical appraisal at *Peter Stitt and Associates* Sydney Laboratory (Ford et al, 1992). Preliminary "sighter" flotation metallurgical studies were very encouraging and indicated the samples contained 60-70% flake graphite (>75µm 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%. CRA Exploration entered into a Joint Venture with Nord and collected further rock chip sampling of the graphite schist (Newberry, 1994). CRAE's The report of ADT indicated the graphitic schists have a high carbon content, but was predominantly <75µm in size and was classified (incorrectly) by Advanced Technical Development division as "amorphous" graphite. Exploration activities for graphite ceased when ATD made this conclusion. This decision also coincided with a global drop in graphite prices.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Mt Dromedary project 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. The project is hosted within the Corella Formation, a carbonate platform succession unit of the Proterozoic Mary Kathleen Group. The rocks mapped in the area sequentially from the base include dacite lava, banded iron formation, marble, slate, black shale,

Criteria	JORC Code explanation	Commentary
		siltstone, limestone, graphitic schist, and muscovite-biotite schist. The Black Mountain gabbro, dolerite sills and dykes intruded the Corella Formation about 1685-1640 Ma. It is believed these mafic intrusions may have been syn-depositional or early diagenesis, but were probably emplaced before lithification of the host sediments occurred. The rocks of the Mt Dromedary area have subsequently been metamorphosed to medium-high pressure and medium-high temperature amphibolite grade facies during the *Isan Orogeny* between 1600–1580 Ma.
Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:* • *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.*	The Phase 2 drill program drill sites were selected on the basis of 50m section x 35m drill hole spacing over a 500m strike length, with a 50m section spacing designed to provide an indicated and inferred resource estimate. Holes were orientated east-west (084° magnetic azimuth bearing), with a dip angle of 50°, designed to perpendicular intersect graphite beds. Downhole surveys were routinely collected every 30m, using a *Reflex EZ Shot* after completion of End of Hole Depth on the way out of the hole, and sequentially as the drill rod string was recovered. **Diamond Drill Core** Diamond core drilling was undertaken and HQTT core recovered in 3m core barrels. Core orientation was routinely undertaken during drilling using a *Reflex ACT II* tool. Geotechnical data (foliation, bedding, fault, joint and fracture orientations) was collected continuously and automatically by the *High Resolution Acoustic Televiewer* downhole instrument supplied by Geology Pty Ltd of Hervey Bay. **Reverse Circulation** The reverse circulation hammer bit had a measured diameter of 123mm. A larger diameter RC hammer was used to drill an initial pre-collar of 4m in the soil-colluvium profile, which was then cased off using PVC pipe to avoid unconsolidated material falling behind the drill rods.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts*	Exploration results are not being reported. Not applicable as a Mineral Resource is being reported. Metal equivalent values have not been

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Criteria	JORC Code explanation	Commentary
	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.*	used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the 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 clear statement to this effect (e.g. 'down hole length, true width not known').*	Foliation structural data from the borehole televiewer indicates the graphite mineralization was intersected orthogonally down-dip and is close to true width. The graphite schist is interpreted as thin-bedded, medium-grained carbonaceous, feldspathic, quartz sandstone and the foliation represents original bedding.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Relevant diagrams have been included within the Mineral Resource report main body of text.
Balanced Reporting	• *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.*	The report is believed to include all representative and relevant information and is believed to be comprehensive. Exploration results are not being reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Metallurgical samples were also collected from HQ core. Graphite mineralization was visually classified into several Ore Types, defined on the basis of estimated graphitic carbon grade, host lithology, gangue mineralogy, weathered or primary and average graphite flake size. HQ drill core samples were then collected from each ore type for (a) Abrasion/UCS, (b) Comminution, and (c) Variability testwork. The Abrasion/UCS and Variability samples were submitted to *SGS Laboratories* in Perth. The Comminution samples were submitted to *JK Tech* Laboratory in Brisbane. This testwork is in still in progress and results have yet to be received. No other substantive exploration data was collected.

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Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Detailed metallurgical studies have commenced under the supervision of an independent consulting metallurgist and are designed to support a scoping study.

APPENDIX (III) JORC CODE (2012) TABLE 1 SECTION 3

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	Geological and field data is collected using customised Excel logging sheets on tablet computers. The data is verified by company geologists before the data is imported into an Access database RPM performed initial data audits in Surpac. RPM checked collar coordinates, hole depths, hole dips, assay data overlaps and duplicate records. Minor errors were found, documented and amended.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	A site visit was conducted by Bob Dennis of RPM during September 2015. Bob inspected the deposit area, drill core, outcrop and the core logging and sampling facility. During this time, notes and photos were taken. Discussions were held with site personnel regarding drilling and sampling procedures. No major issues were encountered.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	The confidence in the geological interpretation is considered to be good and is based on visual confirmation in outcrop. Geochemistry and geological logging has been used to assist identification of lithology and mineralisation. The deposit consists of west dipping units. Infill drilling has supported and refined the model and the current interpretation is considered robust. Outcrops of mineralisation and host rocks confirm the geometry of the mineralisation. Infill drilling has confirmed geological and grade continuity.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The Mt Dromedary Central Zone Mineral Resource area extends over a north-south strike length of 560m (from 7,830,950mN – 7,831,510mN), has a maximum width of 130m (418,220mE – 418,350mE) and includes the 100m vertical interval from 140mRL to 40mRL. The South Zone Mineral Resource area extends over a southwest-northeast strike length of 350m (from 417,750mE – 418,050mE), has a maximum width of 75m (7,830,550mN – 7,830,605mE) and includes the 85m vertical interval from 135mRL to 50mRL.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of*	Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade estimation was deemed suitable for the Mt Dromedary Mineral

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Criteria	JORC Code explanation	Commentary
	extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from drilling was 50m along strike and 70m down-dip. This was half drill hole spacing in this region of the Project. Maximum extrapolation was generally half drill hole spacing. Reconciliation could not be conducted due to the absence of mining. No recovery of by-products is anticipated. In addition to graphitic carbon (TGC), Total Carbon (TC), S, LOI and Ash content were interpolated into the block model. Flake size was not estimated into the block model but was averaged for characterisation of the Mineral Resource. The parent block dimensions used were 25m NS by 12.5m EW by 5m vertical with sub-cells of 6.25m by 3.125m by 1.25m. The parent block size dimension was selected on the results obtained from Kriging Neighbourhood Analysis that suggested this was the optimal block size for the dataset. An orientated 'ellipsoid' search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography derived from Objects 2 and 101. Three passes were used for each domain. The first pass had a range of 80, with a minimum of 10 samples. For the second pass, the range was extended to 150m, with a minimum of 6 samples. For the final pass, the range was extended to 250m, with a minimum of 2 samples. A maximum of 30 samples was used for all three passes. No assumptions were made on selective mining units. TGC had a strong positive correlation with TC and LOI. TC and LOI also had a strong positive correlation. Remaining pairs had no correlations or weak negative correlations. The deposit mineralisation was constrained by wireframes constructed using a nominal 1% TGC cut-off grade. For high grade mineralisation, a 10% TGC cut-off was used to construct the wireframes. The wireframes were applied as hard boundaries in the

Criteria	JORC Code explanation	Commentary
		estimate. Statistical analysis was carried out on data from seven domains. 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	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The Mineral Resource has been reported at a 4% TGC cut-off selected based on other known economically viable deposits in the world. Grade tonnage information is included to demonstrate quantities and quality at variable cut-off grades.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	RPM has assumed 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 Ore Reserve estimated from a future Mineral Resource with higher levels of confidence.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	The Project has had MLA analysis completed to determine flake size and liberation. More than a third of the project is composed of large and jumbo flake size which indicates reasonable prospects for eventual economic extraction. Metallurgical testing has been initiated to confirm reasonable concentrate grades are likely to be produced.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of*	No assumptions have been made regarding environmental factors. Graphitecorp will work to mitigate environmental impacts as a result of

Criteria	JORC Code explanation	Commentary
	determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	any future mining or mineral processing.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Various bulk densities have been assigned in the block model based on weathering and mineralisation. These densities were determined after averaging the density measurements obtained from diamond core. Bulk density was measured using the water immersion technique. Moisture is accounted for in the measuring process. A total of 795 bulk density measurements were obtained from core drilled at the Project. It is assumed that the bulk density will have little variation within the separate material types across the breadth of the project area.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	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 Measured, Indicated and Inferred Mineral Resource based on data quality, sample spacing, and lode continuity. The Measured Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 50m by 25m and where continuity of grade and mineralisation geometries was robust. The Indicated Mineral Resource was defined within areas of close spaced diamond and RC drilling of less than 70m by 50m, and where the continuity and predictability of the lode positions was good. The Inferred Mineral Resource was assigned to areas where drill hole spacing was greater than 70m by 50m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. The input data is comprehensive in its

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		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	• *The results of any audits or reviews of Mineral Resource estimates.*	Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	The lode geometry and continuity has been adequately interpreted to reflect the applied level of Measured, Indicated and 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. The Mineral Resource statement relates to global estimates of tonnes and grade. Reconciliation could not be conducted as no mining has occurred at the deposit.

FOR FURTHER INFORMATION

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ABOUT GRAPHITECORP

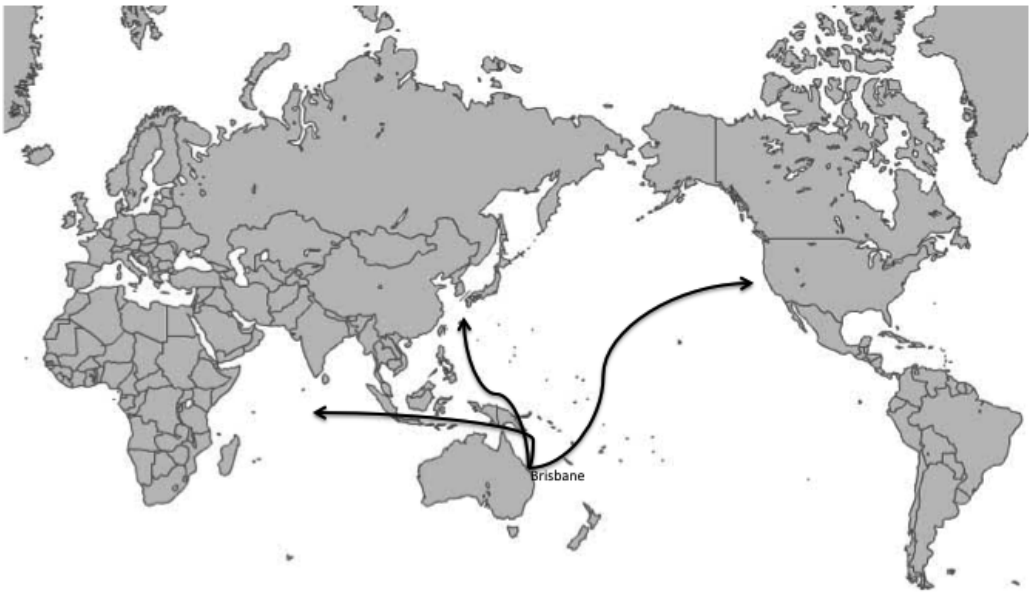
Graphitecorp Limited is a developer of a high grade flake graphite deposit located in Queensland and referred to as the Mount Dromedary Flake Graphite Project.

The Mount Dromedary Flake Graphite Project is well located 125 km north of Cloncurry in northwest Queensland, Australia, in an established mining province, and adjacent to a sealed highway that runs south to the mining town of Cloncurry and north to the port town of Karumba.

Graphitecorp has an 80% interest in the northern section of the Mount Dromedary graphite deposit representing approximately 90% of the mapped surface area of the deposit and has a 100% interest in the southern section of the deposit which has approximately 10% of the mapped surface area of the deposit. Graphitecorp has an effective 82% interest in the whole Mount Dromedary flake graphite deposit based on mapped surface area.

The Mount Dromedary Graphite Deposit was explored and mapped previously in the 1970s and 1990s, and more recently by Graphitecorp since 2014. With average graphite grades exceeding 15%, mineral exploration has identified and confirmed flake graphite mineralization hosted in schist and slate, outcropping over a strike-length of at least 3km with a variable width between 35m and 350m.

For more information on Graphitecorp please visit our website at www.graphitecorp.com.au



Containerised Ocean Transport Possibilities:
Port of Brisbane to Potential Asian, West Coast USA & European Graphite Users