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ASX ANNOUNCEMENT

20 October 2016

UPGRADED INDEPENDENT JORC MINERAL RESOURCE ESTIMATE

HIGHLIGHTS

- Updated Independent Mineral Resource Estimate completed following the phase 3 drilling program at the Mount Dromedary Graphite Project in Queensland
- Mineralisation contains a large high-grade zone averaging 18.4% TGC
- 66% increase in the total JORC Mineral Resource Estimate to 1.908 Million tonnes of contained graphite
- 125% increase in the combined Measured and Indicated Resource containing 1.316 Million tonnes of graphite
- Sufficient high-grade resources to support production scenarios being modelled, while allowing for significant further scalability
- Updated Mineral Resource Estimate is derived from drilling and test results covering less than 50% of Graphitecorp's total mapped prospect outcrop area

Graphitecorp Limited (ASX: GRA) ("Graphitecorp" or "the Company") is pleased to provide an upgraded independent Mineral Resource estimate for the Mount Dromedary flake graphite deposit undertaken by RungePincockMinarco Limited (**RPM**) following the results of the Company's Phase 3 Drilling program completed in August 2016.

RPM SCOPE OF WORK AND REPORT

The Mineral Resource update was commissioned as a result of an additional seven reverse circulation (RC) holes, for a total of 655m drilled by Graphitecorp since the last Mount Dromedary Mineral Resource estimate reported in March 2016. The drilling was conducted to improve confidence in the Mount Dromedary Mineral Resource and facilitate completion of a Pre-Feasibility Study.

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The 152-page RPM Mineral Resource update report provides estimates based on exploration work undertaken as at 17 October 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 for the project to date. It is important to note that this Mineral Resource estimate is based on exploration drilling and test results covering less than 50% of Graphitecorp's total mapped prospect outcrop area. Drilling is limited to the south and central zones.

Table: 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	16.1	17.7	**33**
	Primary	0.5	16.9	18.0	**84**
	Sub-Total	**0.7**	**16.6**	**17.9**	**117**
Medium Grade (4 to 10% TGC)	Weathered	0.1	4.5	5.8	**4**
	Primary	0.2	4.5	5.0	**11**
	Sub-Total	**0.3**	**4.5**	**5.2**	**14**
	Total	**1.0**	**12.9**	**14.0**	**131**

Domain	Type	Indicated Mineral Resource			
		Tonnage Mt	TGC %	TC %	Cont. Graphite kt
High Grade (>10% TGC)	Weathered	0.9	18.2	19.4	**170**
	Primary	4.5	18.7	19.6	**837**
	Sub-Total	**5.4**	**18.6**	**19.6**	**1,007**
Medium Grade (4 to 10% TGC)	Weathered	0.6	5.6	6.6	**35**
	Primary	2.5	5.7	6.4	**143**
	Sub-Total	**3.1**	**5.7**	**6.4**	**178**
	Total	**8.5**	**13.9**	**14.7**	**1,185**

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Domain	Type	Inferred Mineral Resource			
		Tonnage Mt	TGC %	TC %	Cont. Graphite kt
High Grade (>10% TGC)	Weathered	0.2	15.3	16.8	**25**
	Primary	2.2	18.8	19.7	**414**
	Sub-Total	**2.4**	**18.5**	**19.5**	**439**
Medium Grade (4 to 10% TGC)	Weathered	0.2	6.5	7.3	**12**
	Primary	2.2	6.4	6.9	**142**
	Sub-Total	**2.4**	**6.4**	**7.0**	**154**
	Total	**4.8**	**12.4**	**13.2**	**593**

Domain	Type	Total Mineral Resource			
		Tonnage Mt	TGC %	TC %	Cont. Graphite kt
High Grade (>10% TGC)	Weathered	1.3	17.5	18.8	**227**
	Primary	7.2	18.6	19.5	**1,335**
	Sub-Total	**8.5**	**18.4**	**19.4**	**1,562**
Medium Grade (4 to 10% TGC)	Weathered	0.9	5.7	6.7	**51**
	Primary	5.0	6.0	6.6	**295**
	Sub-Total	**5.8**	**5.9**	**6.6**	**346**
	Total	**14.3**	**13.3**	**14.2**	**1,908**

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 21st October, 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. *Subsequently Graphitecorp has progressed detailed metallurgical testwork including production of a large sample of product for customer testing. Talks with potential customers have commenced. The Competent Person is of the opinion that because of these activities which are in progress, but are confidential in detail and product specification, there is a reasonable expectation a saleable product and customer will be secured.*
7. *Reporting cut-off grade selected based on the results of the Mount Dromedary Graphite Project Scoping Study conducted by RPM during August 2016. The Scoping Study indicated that a break-even cut-off grade for the Mount Dromedary Mineral Resource is 4% TGC, assuming a product (very fine) price of $US800/t, a 95% TGC average concentrate grade and an open pit mining method.*
8. *TGC = total graphitic carbon.*

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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

Graphitic Schist Flake Size Distribution (4 to 10% Total Graphitic Carbon)

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

Table: Graphitic Schist Flake Size Distribution (All Total Graphitic Carbon)

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

By far the most prominent mineralisation type throughout the deposit is the Graphitic Schist; referred to above as the “High Grade” mineralisation. This zone of the deposit represents 1,562kt (or 80%) of the total Contained Graphite Mineral Resource of 1,908kt.

This Graphitic Schist is the highest grade mineralisation with Total Graphitic Carbon content (TGC%) typically ranging between 15% and 35% and averaging 18.4%.

The Graphitic Schist zone 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).

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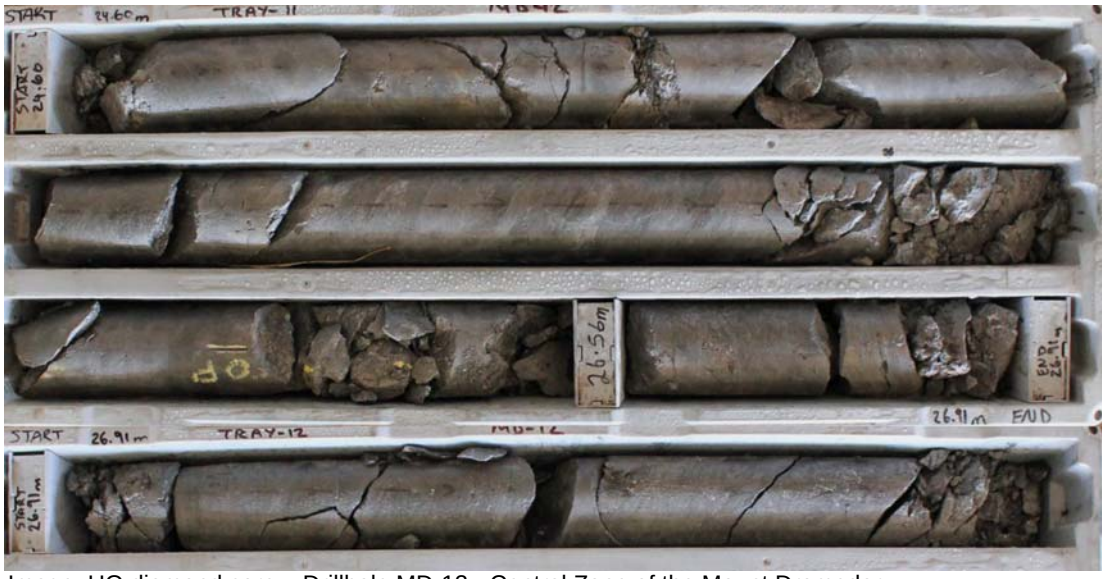

Image: HQ diamond core – Drillhole MD-12 - Central Zone of the Mount Dromedary.

Geology and Geological Interpretation

Graphite mineralisation is hosted within a graphitic schist unit, part of the Corella Formation package and a unit of the Proterozoic Mary Kathleen Group. The Mary Kathleen Group lies within the Boomarra Horst, in the northern sector of the Quamby-Malbon Belt of the Eastern Succession terrane, Mount Isa Inlier in northwest Queensland. 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.

Graphite schist at Mount Dromedary has a known strike length of at least 3km with variable width from 35m to 350m. 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 insitu flake graphite occurs within en-echelon tension gash calcite-siderite veins and quartz-calcite-graphite stockwork veinlets. The graphitic schist contains generally between 10 and 35% 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%).

Sampling and Sub-sampling Techniques

RC drilling was the predominant drill method at Mount Dromedary. A face sampling hammer was used with sampling conducted on 1m and 2m intervals. For the Phase One RC program, the 1m samples were split with a 50/50 riffle splitter and composited to 2m. For the Phase Two and Phase Three RC programs, the 1m samples were split with a 75/25 rig mounted splitter and composited to 2m. A 500g sub-sample was collected from the composite bag and sent to ALS Laboratory in Mount Isa, Queensland for sample preparation.

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For diamond core, HQ core size diameter with standard triple tube was used. Core recoveries of 91% were achieved at the project. The core was sampled as quarter core at 1m intervals using a standard electric core saw. Core was always sampled from one side of the core for consistency. One quarter was used for geochemical analysis, one quarter for metallurgical testing and Mineral Liberation Analysis ("MLA") samples were taken from the remaining half core where required.
Samples were submitted to ALS Minerals Laboratory in Mount Isa, Australia for sample preparation. Samples were weighed, assigned a unique bar code and logged into the ALS system. The entire sample was oven dried at 105˚ and crushed to -2 mm. A 300g sub-sample of the crushed material was then pulverised to better than 85% passing -75µm using a LM5 pulveriser. The pulverised sample was split with multiple feed in a Jones riffle splitter until a 100-200g sub-sample was obtained. The sub-sample was dispatched to the ALS Minerals Laboratory in Brisbane, Australia for analysis.

Mineral Resource Classification Criteria

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 200m 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 200m by 50m, where small isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones.

Sample Analysis Method

Samples were analysed at ALS Minerals Laboratory in Brisbane, Australia. Analysis of the samples was conducted using the following methods: 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, and Method ME-ACD81 Four Acid Digest. The methods are appropriate for understanding graphite deposits and are total methods.

A total of 50 representative samples were collected from core from the various material type domains that occur at the Project. The samples were sent to Activation Laboratories Limited (Actlabs) in Ancaster, Ontario, Canada for MLA to characterise flake size distribution. The results of the MLA indicate that the project is characterised by relatively coarse flakes, as shown by approximately 36% of the project having large (180-300µm) or jumbo (>300µm) flakes.

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Estimation Methodology

Samples were composited to 2m based on an analysis of sample lengths inside the wireframes. After review of the project statistics, it was determined that high grade cuts were not necessary.

The block dimensions used in the model were 25m NS by 12.5m EW by 5m vertical with sub-cells of 6.25m by 3.125m by 1.25m. This was selected as the optimal block size as a result of kriging neighbourhood analysis (KNA).

Ordinary kriging (OK) grade interpolation was used for the estimate, constrained by Mineral Resource outlines based on mineralisation envelopes prepared using a nominal 1% TGC cut-off grade with a minimum down-hole length of 2m. For internal high grade zones (graphitic schist), a nominal 10% TGC cut-off grade was used.
A total of 795 bulk density measurements were taken on core samples collected from diamond holes drilled at the Project using the water immersion technique. Bulk densities ranging between 2.12t/m3 and 2.81t/m3 were assigned in the block model dependent on mineralisation and weathering.

Cut-off Grades

The Mineral Resource is reported at a cut-off of 4% TGC. Reporting cut-off parameters were selected based on results of the Mount Dromedary Graphite Project Scoping Study conducted by RPM during August 2016. The Scoping Study indicated that a break-even cut-off grade for the Mount Dromedary Mineral Resource is 4% TGC, assuming a product (very fine) price of $US800/t, a 95% TGC average concentrate grade and an open pit mining method.

Mining and Metallurgical Methods and Parameters

Samples from the Central Zone were sent for Locked Cycle Testwork at JKTech in Brisbane to determine processing recoveries and concentrate grades for weathered and primary material. Results indicate that an approximate 93% processing recovery is achievable for primary material and an approximate 85% processing recovery is achievable for weathered material, producing a 95% graphitic very fine carbon concentrate.

A Scoping Study was conducted by Graphitecorp in August 2016 for the Mount Dromedary Graphite Project. The Study assessed the economics of producing a 100% concentrate from the Project with an average concentrate grade of 95% TGC, mined with open pit techniques. The target product quantity is 50,000tpa, requiring an input feed rate of 325,000tpa. Concentrate would be trucked to the port of Brisbane and then exported to the USA or Asia. Concentrate production costs of $US22.61/t ore for weathered and $US25.15/t ore for primary material were assumed, with a total transport cost (trucking and shipping) of $US113/t of product assumed.

Metallurgical testing is ongoing, processing options are being evaluated and market discussions are ongoing and are confidential at this stage.

Competent Person's Statement

The information in this "ASX Announcement" that relates to Mineral Resources 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.

FOR FURTHER INFORMATION

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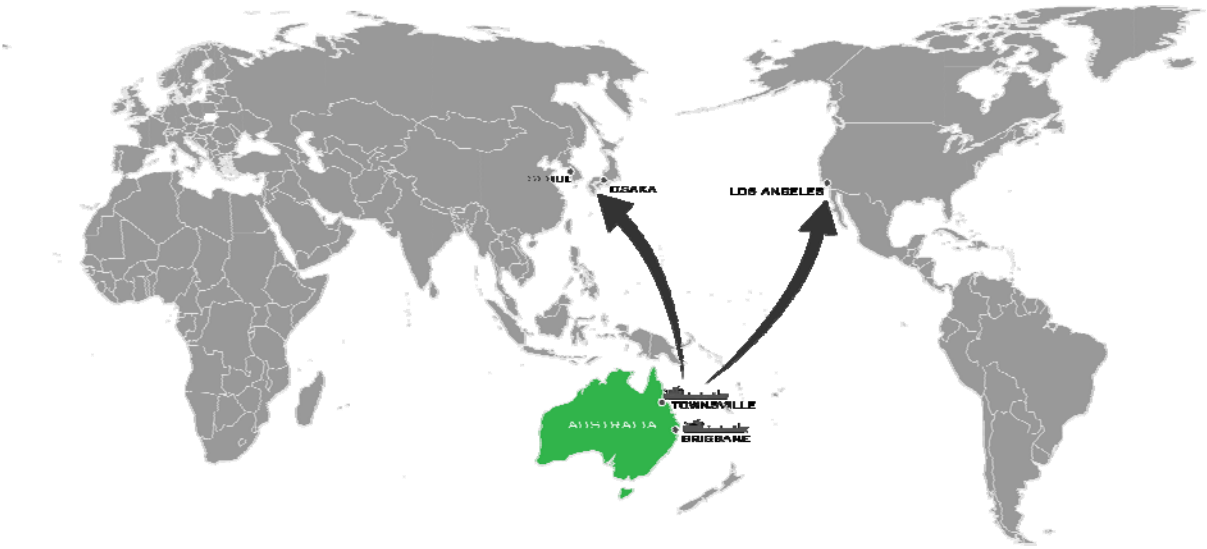
ABOUT GRAPHITECORP

Graphitecorp (ASX: GRA) is a developer of one of the highest-grade flake graphite deposits in the world, located in Australia, and referred to as the Mount Dromedary Project.

Given strong project fundamentals and positive demand outlook for specialised graphite products, Graphitecorp is progressing a feasibility study with its joint venture partner Washington H. Soul Pattinson and Company Limited (ASX: SOL) subsidiary Exco Resources Limited, to assess the economic opportunity of establishing a business to mine, process, manufacture and market high quality graphite products into Asian and other global markets.

Graphitecorp aims to become a leading alternate, competitive, secure and sustainable graphite supplier in the Asia-Pacific region.

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



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

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APPENDIX (I) RESOURCE TABLES

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

Domain	Type	Measured Mineral Resource			
		Tonnage	TGC	TC	Cont. Graphite
		Mt	%	%	kt
High Grade (>10% TGC)	Weathered	0.2	16.1	17.7	33
	Primary	0.5	16.9	18.0	84
	Sub-Total	**0.7**	**16.6**	**17.9**	**117**
Medium Grade (4 to 10% TGC)	Weathered	0.1	4.5	5.8	4
	Primary	0.2	4.5	5.0	11
	Sub-Total	**0.3**	**4.5**	**5.2**	**14**
	Total	**1.0**	**12.9**	**14.0**	**131**

Domain	Type	Indicated Mineral Resource			
		Tonnage	TGC	TC	Cont. Graphite
		Mt	%	%	kt
High Grade (>10% TGC)	Weathered	0.9	18.2	19.4	170
	Primary	4.5	18.7	19.6	837
	Sub-Total	**5.4**	**18.6**	**19.6**	**1,007**
Medium Grade (4 to 10% TGC)	Weathered	0.6	5.6	6.6	35
	Primary	2.5	5.7	6.4	143
	Sub-Total	**3.1**	**5.7**	**6.4**	**178**
	Total	**8.5**	**13.9**	**14.7**	**1,185**

Domain	Type	Inferred Mineral Resource			
		Tonnage	TGC	TC	Cont. Graphite
		Mt	%	%	kt
High Grade (>10% TGC)	Weathered	0.2	15.3	16.8	25
	Primary	2.2	18.8	19.7	414
	Sub-Total	**2.4**	**18.5**	**19.5**	**439**
Medium Grade (4 to 10% TGC)	Weathered	0.2	6.5	7.3	12
	Primary	2.2	6.4	6.9	142
	Sub-Total	**2.4**	**6.4**	**7.0**	**154**
	Total	**4.8**	**12.4**	**13.2**	**593**

Domain	Type	Total Mineral Resource			
		Tonnage	TGC	TC	Cont. Graphite
		Mt	%	%	kt
High Grade (>10% TGC)	Weathered	1.3	17.5	18.8	227
	Primary	7.2	18.6	19.5	1,335
	Sub-Total	**8.5**	**18.4**	**19.4**	**1,562**
Medium Grade (4 to 10% TGC)	Weathered	0.9	5.7	6.7	51
	Primary	5.0	6.0	6.6	295
	Sub-Total	**5.8**	**5.9**	**6.6**	**346**
	Total	**14.3**	**13.3**	**14.2**	**1,908**

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 in the following tables.*
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*

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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 17th October, 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 the results of the Mt Dromedary Graphite Project Scoping Study conducted by RPM during August 2016. The Scoping Study indicated that a break-even cut-off grade for the Mt Dromedary Mineral Resource is 4% TGC, assuming a product (very fine) price of $US800/t, a 95% TGC average concentrate grade and an open pit mining method.*
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

Deposit	Lithology	Type	Total Mineral Resource			
			Tonnage Mt	TGC %	TC %	Cont. Graphite kt
Central	Graphitic Schist	Weathered	0.7	16.9	18.0	**110**
		Primary	3.6	17.6	18.4	**635**
	Meta-arenite	Weathered	0.3	5.4	6.6	**15**
		Primary	1.6	5.8	6.4	**94**
	Siltstone	Weathered	0.2	4.6	5.1	**11**
		Primary	1.6	5.5	5.9	**86**
		Sub Total	**8.0**	**11.9**	**12.7**	**952**
South	Graphitic Schist	Weathered	0.6	18.1	19.6	**117**
		Primary	3.6	19.5	20.6	**699**
	Meta-arenite	Weathered	0.4	6.8	7.8	**25**
		Primary	1.8	6.6	7.3	**116**
		Sub Total	**6.4**	**15.1**	**16.1**	**957**
		Total	**14.3**	**13.3**	**14.2**	**1,908**

Table notes as above.

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

Deposit	Lithology	Type	Measured Mineral Resource			
			Tonnage	TGC	TC	Cont. Graphite
			Mt	%	%	kt
Central	Graphitic Schist	Weathered	0.2	16.1	17.7	33
		Primary	0.5	16.9	18.0	84
	Siltstone	Weathered	0.1	4.5	5.8	4
		Primary	0.2	4.5	5.0	11
		Total	**1.0**	**12.9**	**14.0**	131

Deposit	Lithology	Type	Indicated Mineral Resource			
			Tonnage	TGC	TC	Cont. Graphite
			Mt	%	%	kt
Central	Graphitic Schist	Weathered	0.4	17.3	18.2	66
		Primary	1.9	17.9	18.7	345
	Meta-arenite	Weathered	0.2	5.5	6.6	13
		Primary	1.0	5.8	6.6	60
	Siltstone	Weathered	0.1	4.6	4.8	5
		Primary	0.8	5.5	5.8	42
		Sub Total	**4.5**	**11.9**	**12.7**	531
South	Graphitic Schist	Weathered	0.6	18.7	20.1	104
		Primary	2.6	19.2	20.2	492
	Meta-arenite	Weathered	0.3	6.1	7.2	17
		Primary	0.7	5.7	6.7	40
		Sub Total	**4.1**	**16.0**	**17.0**	653
		Total	**8.5**	**13.9**	**14.7**	1,185

Deposit	Lithology	Type	Inferred Mineral Resource			
			Tonnage	TGC	TC	Cont. Graphite
			Mt	%	%	kt
Central	Graphitic Schist	Weathered	0.1	17.0	17.8	11
		Primary	1.2	17.5	18.2	206
	Meta-arenite	Weathered	0.04	5.0	6.3	2
		Primary	0.6	5.7	6.1	35
	Siltstone	Weathered	0.1	4.6	4.8	3
		Primary	0.5	6.0	6.3	33
		Sub Total	**2.5**	**11.6**	**12.1**	289
South	Graphitic Schist	Weathered	0.1	14.0	16.1	13
		Primary	1.0	20.3	21.4	207
	Meta-arenite	Weathered	0.1	8.6	9.5	8
		Primary	1.1	7.1	7.8	76
		Sub Total	**2.3**	**13.4**	**14.3**	303
		Total	**4.8**	**12.4**	**13.2**	593

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

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 Mount 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 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*	**Diamond Core** HQ Triple Tube diamond core was technically selected as the optimum sampling method for drilling the graphite mineralized zones at Mount Dromedary, on the basis of maximizing recovery of graphite, as the method minimizes disturbance to core, limiting potential losses in

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Criteria	JORC Code explanation	Commentary
	what method, etc).	drilling water. The ground conditions at Mount 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 recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Diamond Drill Core recovery was routinely recorded every metre. Initial 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		**Logging - Drill Core** Once the drilling was completed, all the drill core was removed from site to *Chinalco Yunnan Copper Resources Limited* Mt Isa

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		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. 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

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Criteria	JORC Code explanation	Commentary
		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, 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.*	**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 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

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		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) protocols.* • *Discuss any adjustment to assay data.*	The QA/QC protocols adopted for the Mount 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 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

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Criteria	JORC Code explanation	Commentary
		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 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.

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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 Mount 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 Mount 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 Mount Dromedary graphite project area and was declared in 2008. The Nature Refuge is actively managed by the *The Northern Australian Pastoral Company.*
Exploration done by other	• *Acknowledgment and appraisal of*	The Mount Dromedary Graphite Deposit was explored and mapped previously in the 1970s

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parties	*exploration by other parties.*	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 Mount 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 Mount 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 Mount 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, 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.

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Criteria	JORC Code explanation	Commentary
		The rocks of the Mount 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 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.*	Exploration results are not being reported. Not applicable as a Mineral Resource is being reported. Metal equivalent values have not been used.
Relationship between mineralisation widths and intercept	• *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*	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-

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Criteria	JORC Code explanation	Commentary
lengths	*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').*	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.
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.

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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 Mount 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 extrapolation from data points. If a computer assisted estimation method was chosen include a description 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 Mount Dromedary Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from

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Criteria	JORC Code explanation	Commentary
	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.*	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 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

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Criteria	JORC Code explanation	Commentary
		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 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*	No assumptions have been made regarding environmental factors. Graphitecorp will work to mitigate environmental impacts as a result of any future mining or mineral processing.

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	with an explanation of the environmental assumptions made.	
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 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

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		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.

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