ASX RELEASE

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SOVEREIGN METALS LIMITED

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DISCOVERY OF SIGNIFICANT NEW ZONE OF SAPROLITE-HOSTED GRAPHITE ALONG STRIKE FROM MALINGUNDE

Sovereign Metals Limited ("**the Company**" or "**Sovereign**") is pleased to report the third batch of assay results from the 2017 aircore drilling program completed on its 100%-owned saprolite-hosted flake graphite projects in Malawi. The results represent drilling on a new zone of saprolite-hosted graphite mineralisation at Msinja, 1.5km to the south-east of the southern-most part of the main Malingunde deposit.

Aircore drilling at Malingunde, and other regional targets was conducted in late 2017, with 210 holes for 6,212 metres completed. The drilling program was designed to further define and upgrade the JORC resource classification levels for inclusion in the Malingunde Pre-feasibility Study, as well as to test graphite mineralisation at Msinja and other targets at Lifidzi, some 35km to the south-east.

The drilling at Msinja has defined a new and significant zone of high-grade saprolite-hosted graphite mineralisation over approximately 1km of strike. The mineralisation at Msinja will potentially add significantly to the overall resource base. The Company is targeting an updated JORC resource estimate to be delivered in Q2 2018.

HIGHLIGHTS:

- Assays for the third batch of 2017 aircore samples (34 of 210 holes, with 104 previously reported) have been received, with the majority of results reported from the Msinja target.
- The drilling at Msinja has defined high-grade zones of saprolite-hosted flake graphite mineralisation over about 1km of strike, which remains open to the south-east. Results include:
  - ***MGAC0349: 18m @ 9.1% TGC inc. 5m @ 12.0% TGC***
  - ***MGAC0352: 15m @ 15.1% TGC inc. 5m @ 21.3% TGC***
  - ***MGAC0366: 10m @ 16.7% TGC inc. 5m @ 20.2% TGC***
- Results for the final 72 remaining aircore holes, from the central and northern parts of Malingunde Main Zone, are expected to be delivered over the coming weeks, and will be provided to the market when received.
- An additional, large Exclusive Prospecting Licence (EPL0492) of 1,896km^2, located to the north of Malingunde and covering ground highly prospective for saprolite-hosted graphite deposits, has been granted to Sovereign by the Malawi Government. Sovereign continues to expand on its first mover advantage in the region, with the Company currently holding 3,993km^2 in central Malawi.

Sovereign's Managing Director Dr Julian Stephens commented, "The new graphite zone at Msinja is a fantastic discovery for Sovereign as it demonstrates high-grade, saprolite hosted graphite mineralisation is developed over a strike length in excess of 7km. This gives us further confidence that we will grow the global resource by discovery of additional new deposits to support a multi-generational graphite mining centre, with one of the lowest cost production profiles globally."

ENQUIRIES	***Julian Stephens***	***Managing Director***
+618 9322 6322	***Dominic Allen***	***Business Development Manager***

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Msinja aircore drilling results

The 2017 drilling program at Malingunde and other regional targets comprised a total of 210 aircore holes for 6,212 metres of drilling. Results for the first 104 aircore holes which focused on infill of the Malingunde Main Deposit were reported on 17th January and 20th February. Results for a total 34 holes (28 from Msinja and 6 from regional targets at Lifidzi) are covered in this report. Results for a further 72 holes from the Malingunde Main Deposit are pending and will be reported once received. The Company expects an updated JORC resource estimate incorporating the new drilling results will be delivered in Q2 2018.

The results from the 28 holes drilled at Msinja show wide (up to 100m cumulative surface widths) and high-grade zones of saprolite-hosted flake graphite mineralisation over about 1km of strike which is open to the south-east. Additionally, the drilling at Msinja has highlighted a number of very high-grade zones of circa 12% to 20% TGC.

This new discovery is significant, as given Msinja's very close proximity to Malingunde (1.5km to the south east), additional tonnages of high-grade saprolite mineralisation have the potential to increase overall mine life and/or provide additional optionality for the mining schedule.

Selected results from the 28 aircore holes from Msinja reported are listed below, with full results listed in Table A.

- ***MGAC0342 : 25m @ 7.3% TGC***
- ***MGAC0349*: 18m @ 9.1% TGC inc. 5m @ 12.0% TGC***
- ***MGAC0352*: 15m @ 15.1% TGC inc. 5m @ 21.3% TGC***
- ***MGAC0353 : 15m @ 7.9% TGC inc. 6m @ 10.4% TGC***
- ***MGAC0366*: 10m @ 16.7% TGC inc. 5m @ 20.2% TGC***

**denotes results that are also reported in highlights on front page*

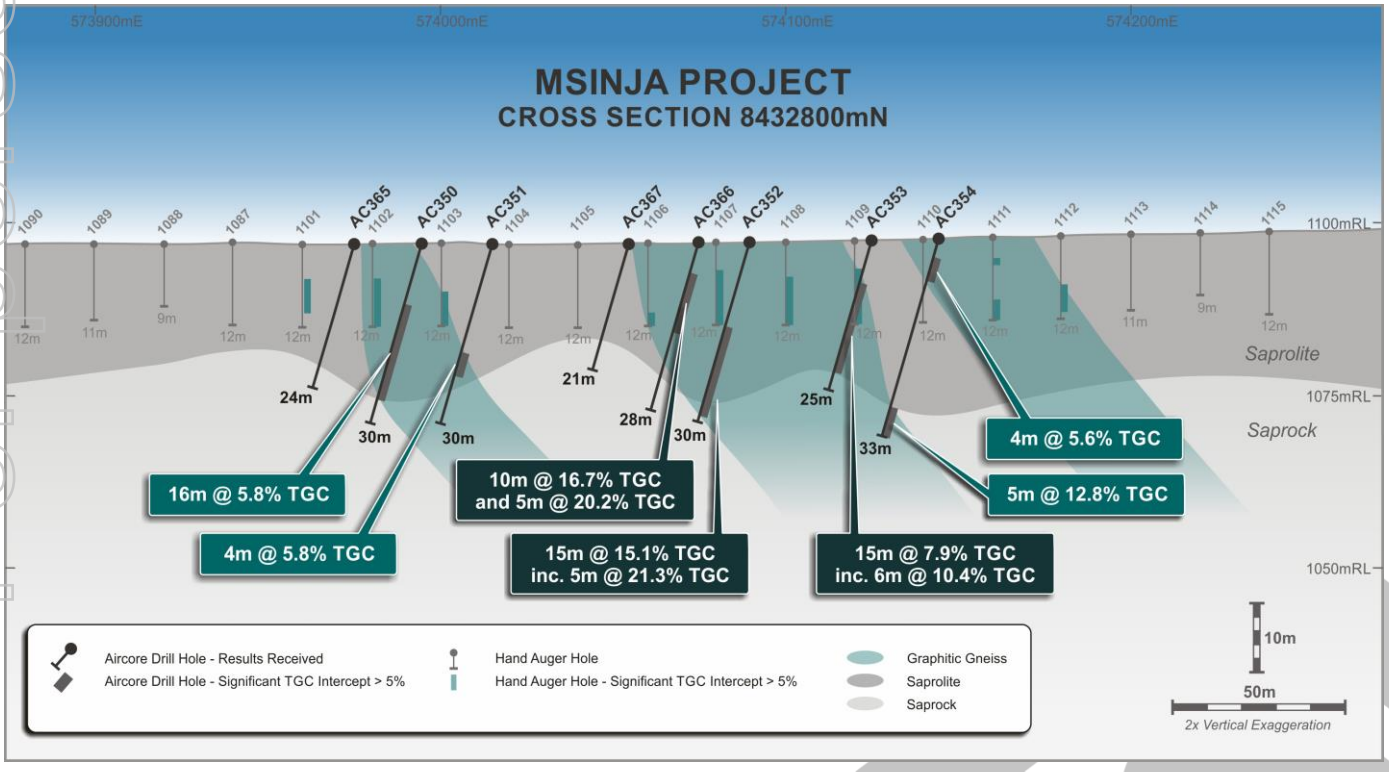

Figure 1. Cross-section at Msinja showing high-grade, saprolite-hosted graphite mineralisation

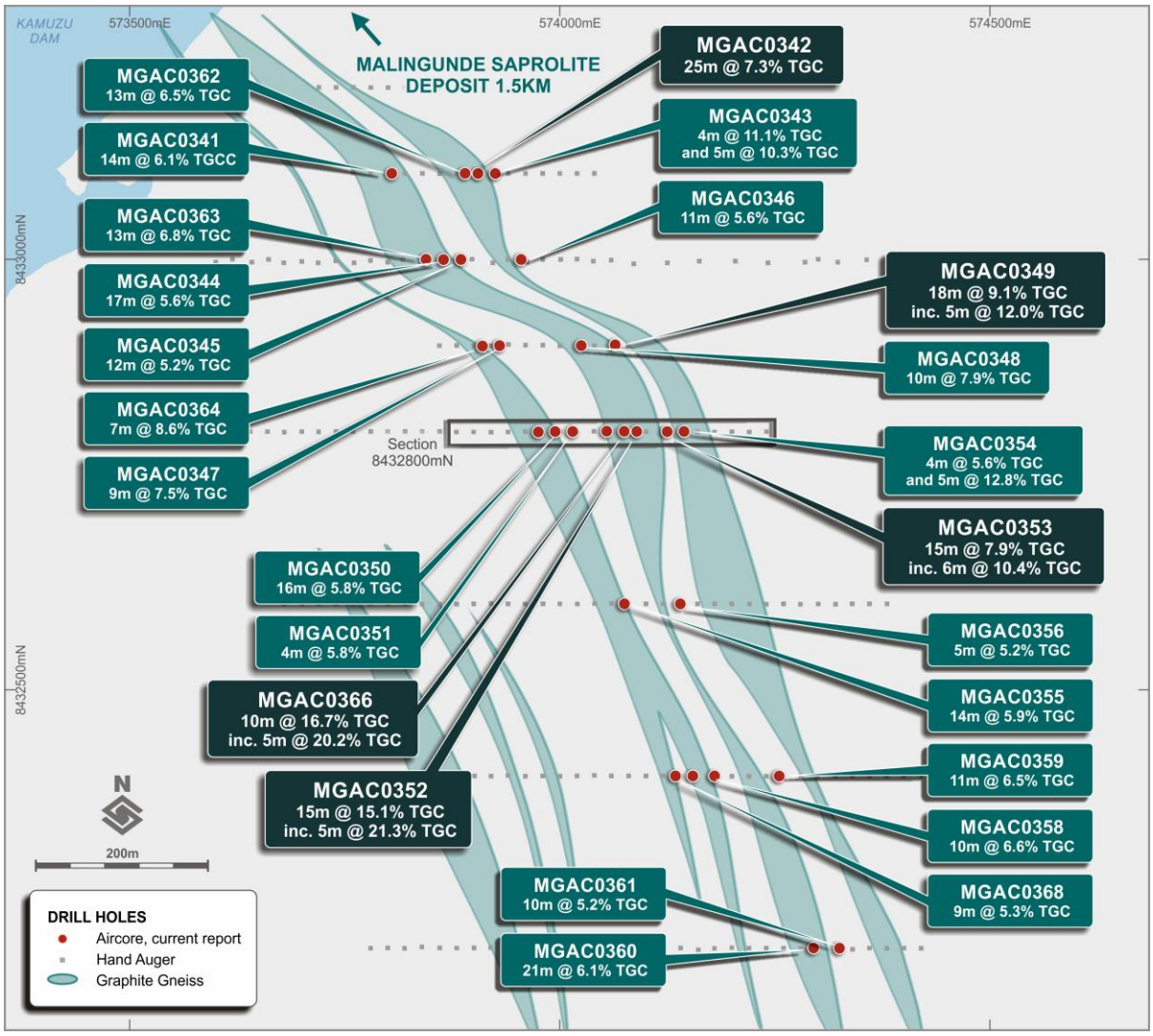

Figure 2. Map showing recently received aircore drilling results and mineralisation at the new Msinja discovery.

Lifidzi aircore drilling results

A total of 21 aircore holes were planned to test regional targets previously identified by hand-auger drilling at Lifidzi, some 35km south east of Malingunde. The onset of the wet season in mid December 2017 forced the early curtailment of this program, with only 6 holes having been completed on two targets, Chiziro and Thete. The Company plans to complete this regional program in Q3 2018.

Whilst only 6 holes were completed, they highlight that high-grade, saprolite hosted graphite mineralisation occurs at both prospects and warrants further drilling.

Best results from the limited program are listed below, with full results shown in Table A.

- ***LFAC0002 : 23m @ 6.7% TGC inc. 6m @ 9.1% (Chiziro prospect)***
- ***LFAC0006 : 12m @ 8.0% TGC (Thete prospect)***

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Signficant additions to Malawi land-holding

An additional, large Exclusive Prospecting Licence EPL0492 of 1,895km^2, located to the north of Malingunde and covering ground highly prospective for saprolite-hosted graphite deposits, has been granted to Sovereign by the Malawi Government. With other statutory relinquishments, this brings the Company's total land holding in central Malawi up to 3,993km^2.

The Company intends to re-commence regional exploration for further high-grade, saprolite-hosted graphite mineralisation on EPL0492 and its other existing EPLs in Q2 2018.

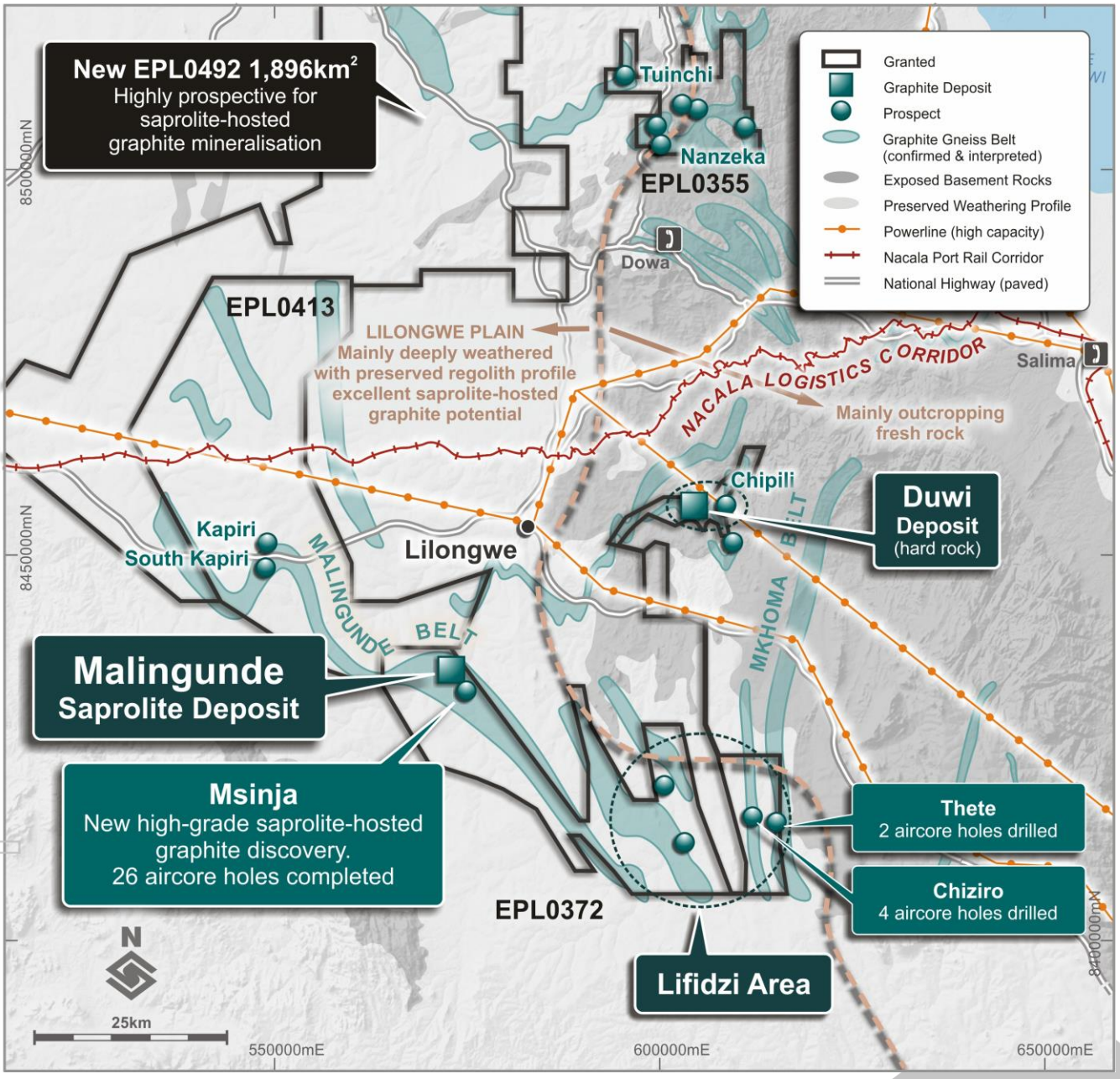

Figure 3. Regional map showing Sovereign's large ground holding in central Malawi, location of the new Msinja discovery and the new EPL0492.

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Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Julian Stephens, a Competent Person who is a member of the Australian Institute of Geoscientists (AIG). Dr Stephens is the Managing Director of Sovereign Metals Limited and a holder of shares, options and performance rights in Sovereign Metals Limited. Dr Stephens has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Stephens consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statement

This release may include forward-looking statements, which may be identified by words such as "expects", "anticipates", "believes", "projects", "plans", and similar expressions. These forward-looking statements are based on Sovereign's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Sovereign, which could cause actual results to differ materially from such statements. There can be no assurance that forward-looking statements will prove to be correct. Sovereign makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

Appendix 1

Table A. Aircore drilling significant intercepts from Lifidzi and Msinja (>=5.0% TGC)

Hole ID	From (m)	To (m)	Width (m)	Grade (%)	Base of Saprolite (m down-hole)
LFAC0001	13	19	6	6.8	*
LFAC0002	4	27	23	6.7	21
inc.	23	27	4	10.7	21
LFAC0003	NSI				
LFAC0004	NSI				
LFAC0005	7	10	3	5.5	*
LFAC0006	2	14	12	8.0	*
MGAC0341	10	24	14	6.1	20
MGAC0342	5	30	25	7.3	27
MGAC0343	7	11	4	11.1	*
and	25	30	5	10.3	28
MGAC0344	4	21	17	5.6	*
MGAC0345	14	26	12	5.2	22
MGAC0346	10	21	11	5.6	15
MGAC0347	11	20	9	7.5	*
MGAC0348	6	16	10	7.9	*
MGAC0349	5	23	18	9.1	*
inc.	8	13	5	12.0	*
MGAC0350	10	26	16	5.8	*
MGAC0351	18	22	4	5.8	*
MGAC0352	14	29	15	15.1	27
inc.	24	29	5	21.3	27
MGAC0353	7	22	15	7.9	*
inc.	7	13	6	10.4	*
MGAC0354	3	7	4	5.6	*
and	28	33	5	12.8	28
MGAC0355	10	24	14	5.9	*
MGAC0356	25	30	5	5.2	25
MGAC0357	NSI				
MGAC0358	4	14	10	6.6	*
MGAC0359	14	25	11	6.5	*
MGAC0360	9	30	21	6.1	28
MGAC0361	20	30	10	5.2	25
MGAC0362	8	21	13	6.5	*
MGAC0363	5	18	13	6.8	*
MGAC0364	4	11	7	8.6	*
MGAC0365	NSI				
MGAC0366	5	15	10	16.7	*
inc	10	145	5	20.2	*
MGAC0367	NSI				
MGAC0368	7	16	9	5.3	*

** intercept terminates above base of saprolite*

Table B. Aircore drill-hole details from Lifidzi and Msinja

Hole ID	Easting UTM	Northing UTM	RL (m)	Total depth (m)	Dip	Azimuth (UTM)	Hole Type
LFAC0001	600615	8417500	1195	25	-60	270	Aircore
LFAC0002	600635	8417500	1195	27	-60	270	Aircore
LFAC0003	600714	8417500	1196	24	-60	270	Aircore
LFAC0004	600870	8417500	1197	24	-60	270	Aircore
LFAC0005	609944	8418950	1222	22	-60	270	Aircore
LFAC0006	609924	8418954	1222	20	-60	270	Aircore
MGAC0341	573805	8433100	1090	24	-60	270	Aircore
MGAC0342	573905	8433100	1089	30	-60	270	Aircore
MGAC0343	573925	8433100	1089	30	-60	270	Aircore
MGAC0344	573865	8433000	1093	30	-60	270	Aircore
MGAC0345	573885	8433000	1092	28	-60	270	Aircore
MGAC0346	573955	8433000	1092	21	-60	270	Aircore
MGAC0347	573930	8432900	1095	30	-60	270	Aircore
MGAC0348	574025	8432900	1095	30	-60	270	Aircore
MGAC0349	574064	8432901	1095	30	-60	270	Aircore
MGAC0350	573995	8432800	1098	30	-60	270	Aircore
MGAC0351	574015	8432800	1098	30	-60	270	Aircore
MGAC0352	574090	8432800	1099	30	-60	270	Aircore
MGAC0353	574125	8432800	1099	25	-60	270	Aircore
MGAC0354	574144	8432800	1099	33	-60	270	Aircore
MGAC0355	574075	8432600	1104	30	-60	270	Aircore
MGAC0356	574140	8432600	1104	30	-60	270	Aircore
MGAC0357	574155	8432400	1108	27	-60	270	Aircore
MGAC0358	574180	8432400	1108	28	-60	270	Aircore
MGAC0359	574255	8432400	1108	29	-60	270	Aircore
MGAC0360	574295	8432200	1111	32	-60	270	Aircore
MGAC0361	574325	8432200	1111	30	-60	270	Aircore
MGAC0362	573890	8433100	1089	30	-60	270	Aircore
MGAC0363	573845	8433000	1093	20	-60	270	Aircore
MGAC0364	573910	8432899	1095	30	-60	270	Aircore
MGAC0365	573975	8432800	1098	24	-60	270	Aircore
MGAC0366	574075	8432800	1099	28	-60	270	Aircore
MGAC0367	574055	8432801	1098	21	-60	270	Aircore
MGAC0368	574134	8432400	1108	24	-60	270	Aircore

Appendix 2: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling Techniques	*Nature and quality of sampling (e.g. 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.*	The aircore drilling method was employed to obtain bulk drill cuttings at nominal 1-metre (downhole) intervals from surface. All 1-metre samples were collected in plastic bags directly beneath the drilling rig cyclone underflow. The entire 1-metre sample was manually split using either a 3-tier (87.5:12.5 split) or single tier (50:50 split) riffle splitter or a combination thereof to facilitate the mass reduction of a laboratory assay split. Compositing of the laboratory sample split was performed on a geological basis. Mineralised (>=3% v/v visual) laboratory splits of 1-metre intervals from surface to the top of the saprolite zone were not composited whereas mineralised splits of the underlying saprolite and saprock intervals were composited nominally at 2-metres. Unmineralised (=<3% v/v visual), laboratory splits of 4-metre intervals from top of hole to bottom of hole were composited. Laboratory splits were submitted Intertek Perth for assay sample preparation. Total Graphitic Carbon (TGC) analysis of all assay pulps samples was undertaken by Intertek Perth.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Drilling and sampling activities were supervised by a suitably qualified Company geologist who was present at the drill rig at all times. All bulk 1-metre drill samples were geologically logged by the geologist at the drill site. All 1-metre downhole drill samples collected in plastic bags from directly beneath the cyclone underflow were individually weighed and moisture content was qualitatively logged prior to further splitting and sampling. All mass reduction (field and laboratory splitting) of samples were performed within Gy's Sampling Nomogram limits relevant to this style of mineralisation. Field duplicate splits were undertaken nominally every 20th sample to quantify sampling and analytical error. A program of field replicate splitting of selected (~5%) mineralised intervals was completed at the conclusion of the drill program.
	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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.	Flake graphite content is visually estimated as volume % (% v/v) of each 1-metre bulk drill samples during geological logging by Company geologist. A nominal lower cut-off of 5% TGC assay has been applied to define zones of 'mineralisation'.
Drilling Techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Conventional blade bit aircore drilling was employed to obtain all drill cuttings from surface utilising two rigs during this drill program. Drilling with these rigs was completed using standard 4-inch diameter/3m length drill rods equipped with inner tubes. Drilling was performed with standard face discharge aircore blade bits. The nominal drill hole diameter is 107mm.
Drill Sample Recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	All 1-metre downhole drill samples collected in plastic bags from directly beneath the cyclone underflow were individually weighed and moisture content (dry/damp/moist/wet/saturated) recorded prior to further splitting and sampling. The outside diameter of the drill bit cutting face was measured and recorded by the driller prior to the commencement of each drill hole. Each 1-metre sample interval was separately geologically logged using standard Company project specific logging codes. Logging of weathering and lithology along with drill hole diameter, recovered sample weight, moisture content and dry bulk density measurements of PQ diamond core allow the theoretical sample recovery to be calculated. Analysis of actual sample recoveries indicate an average recovery of greater than 75% for mineralised intervals.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Drill bits (face discharge) used were appropriate for the type of formation to maximise amount of drill cutting recovered. Drill bits were replaced where excessive wearing of the tungsten cutting teeth had occurred. A number of the 2016 PQ diamond core holes were twinned by aircore holes to assess the representivity of drill 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.	Twin hole comparison of aircore vs hand auger and diamond core drill hole visually estimated grades indicates that no sample bias exists. There does not appear to be any relationship between aircore sample recovery and TGC % v/v grade.
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.*	All drill holes were geologically logged by a suitably trained Company geologist using standard Company code system. Relevant data for each individual 1-metre sample for aircore or for each geological interval for diamond was initially recorded using a standard A4 paper template and later digitally entered into customised Company MS Excel spreadsheets designed with fully functional validation. Excel files are checked and loaded to MS Access by the Database Administrator. Upon loading into the Access database further validation is performed. In addition, all core is photographed wet and dry for future reference. This information is of a sufficient level of detail to support appropriate Mineral Resource estimation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Logging is both qualitative and quantitative. Geological logging includes but is not limited to lithological features, volumetric visual estimates of graphite content and flake characteristics.
	The total length and percentage of the relevant intersection logged	100% of drill hole sample intervals have been geologically logged.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	No core was drilled during this program
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	The entire 1-metre sample was manually split using either a 3-tier (87.5:12.5 split) or single tier (50:50 split) riffle splitter or a combination thereof to facilitate the mass reduction of a laboratory assay split. Compositing of the laboratory sample split was performed on a geological basis. Mineralised (>=3% v/v visual) laboratory splits of 1-metre intervals from surface to the top of the saprolite zone were not composited whereas mineralised splits of the underlying saprolite and saprock intervals were composited nominally at 2-metres. Unmineralised (=<3% v/v visual), laboratory splits of 4-metre intervals from top of hole to bottom of hole were composited. All wet samples were removed from the drill site without splitting and relocated to the Company's premises in Lilongwe. The wet samples were transferred into large metal trays and sun dried. Samples were subsequently hand pulverised and thoroughly homogenised prior to splitting 50:50 with a single tier riffle splitter. One of the off-splits was submitted to the laboratory for assay. All rejects splits (i.e. the material not sent for assaying) of each individual 1-metre interval were returned to original sample bag, cable tied and placed in storage for future reference.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation is conducted at either Intertek in Perth or Johannesburg. The entire submitted sample (=< ~3kg) is pulverised to 85% -75µm in a LM5. Approximately 100g pulp is collected and sent to Intertek-Genalysis Perth for chemical analysis.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	All sampling was carefully supervised. Ticket books were used with pre-numbered tickets placed in the laboratory sample bag and double checked against the sample register. Subsequent to splitting an aluminium tag inscribed with hole id/sample interval was placed inside the bulk 1-metre sample bag. Field QC procedures involve the use of certified reference material assay standards, blanks, duplicates, replicates for company QC measures, and laboratory standards, replicate assaying and barren washes for laboratory QC measures. The insertion rate of each of these averaged better than 1 in 20.
	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.	A program of field replicate splitting of selected (5%) mineralised intervals was completed at the conclusion of the drill program. In addition, a number of air core holes have been drilled to "twin" diamond holes, to assess the representivity of the air drilling. The results of these programs will be assessed when results are received.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	All mass reduction of aircore drill samples undertaken during field sampling and laboratory sample preparation were guided by standard sampling nomograms and fall within Gy's safety limits for the type of mineralisation sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The assaying and laboratory procedures are considered to be appropriate for reporting graphite mineralisation, according to industry best practice. Each entire sample was pulverised to 85% -75µm. Approximately 100g pulp is collected for analysis at Intertek-Genalysis Perth. A sample of 0.2g is removed from the 100-gram pulp, first digested in HCl to remove carbon attributed to carbonate, and is then heated to 450°C to remove any organic carbon. An Eltra CS-2000 induction furnace infra-red CS analyser is then used to determine the remaining carbon which is reported as Total Graphitic Carbon (TGC) as a percentage.
	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.	No non-laboratory devices were used for chemical analysis.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicate, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Field QC procedures involve the use of certified reference material assay standards, blanks, duplicates and replicates for company QC measures, and laboratory standards, replicate assaying and barren washes for laboratory QC measures. The insertion rate of each of these averaged better than 1 in 20.
Verification of sampling & assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Significant mineralisation intersections were verified by alternative company personnel. An independent resource consultant conducted a site visit during December 2016 during the aircore drilling program. All drilling and sampling procedures were observed by the consultant during the site visit. These procedures remained in use for this drilling program.
	The use of twinned holes.	Several of the 2016 PQ diamond core holes were twinned by aircore holes to assess sampling representivity.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All data is initially collected on paper logging sheets and codified to the Company's templates. This data was hand entered to spreadsheets and validated by Company geologists. This data was then imported to a Microsoft Access Database then validated automatically and manually. Assay data is provided as .csv files from the laboratory and loaded into the project specific drill hole database. Spot checks are made against the laboratory certificates.
	Discuss any adjustment to assay data.	No adjustments have been made to assay data.
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.*	Collar points were set out using the Company's R2 Rover DGPS (accuracy 0.04m x/y), and upon completion of drilling all collars were picked-up again using the same survey tool. The accuracy of R2 Rover unit is quoted to be 0.04m x/y and 0.09m z. Down-hole surveying was undertaken on selected holes to determine drill hole deviation. Surveys were carried out using a Reflex Ez-Trak multi-shot survey tool at nominal 30m intervals down hole on selected holes was used to show that significant deviation does not occur over the relatively short length of the aircore holes. As such drill hole deviation is not considered material throughout the program.
	Specification of the grid system used.	WGS84 (GRS80) UTM Zone 36 South
	Quality and adequacy of topographic control.	The Company's DGPS survey tool has sub 0.1m accuracy in the X, Y and Z planes. This is considered sufficiently accurate for the purposes of topographic control. In addition, the Company has installed several independently surveyed control pegs and undertakes QC surveys on these points before every survey program. Given the low topographic relief of the area it is believed that this represents high quality control. Previous checking of Hand Auger holes with the Shuttle Radar Topographic Mission (SRTM) 1-arc second digital elevation data has shown that the Leica GPS System produces consistently accurate results.

Criteria	JORC Code explanation	Commentary
Data spacing & distribution	*Data spacing for reporting of Exploration Results.*	Aircore and diamond core drill holes occur along east-west sections spaced at between 100-400m north-south between 8,434,400mN to 8,437,800mN. Spacing along drill lines generally ranges between 15m and 40m.
	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.	The Company's independent resource consultants completed a Mineral Resource Estimate (MRE) for Malingunde in 2017 following the completion of the 2016 drilling program. The Company expects to update the MRE for Malingunde once all results from the 2017 program have been received. Such an update may include upgrading of the JORC resource category in a number of areas of the deposit.
	Whether sample compositing has been applied.	No sample compositing has occurred.
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*	No bias attributable to orientation of sampling upgrading of results has been identified.
	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.	No bias attributable to orientation of sampling upgrading of results has been identified. Flake graphite mineralisation is conformable with the main primary layering of the gneissic and schistose host lithologies. Drill hole inclination of -60 degrees are generally near orthogonal to the interpreted regional dip of the host units and dominant foliation.
Sample security	*The measures taken to ensure sample security*	Samples are securely stored at the Company's compound in Lilongwe. Chain of custody is maintained from time of sampling in the field until sample is dispatched to the laboratory.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data*	It is considered by the Company that industry best practice methods have been employed at all stages of the exploration.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement & 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 environment settings.*	The Company owns 100% of 4 Exclusive Prospecting Licences (EPLs) in Malawi. EPL0355 renewed in 2017 for 2 years, EPL0372 renewed in 2018 for 2 years and EPL0413 renewed in 2017 for 2 years. EPL0492 was granted in 2018 for an initial period of three years (renewable).
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing and no known impediments to exploration or mining exist.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	No other parties were involved in exploration.
Geology	*Deposit type, geological setting and style of mineralisation*	The graphite mineralisation occurs as multiple bands of graphite gneisses, hosted within a broader Proterozoic paragneiss package. In the Malingunde and Lifidzi areas specifically, a deep tropical weathering profile is preserved, resulting in significant vertical thicknesses from near surface of saprolite-hosted graphite mineralisation.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northings 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; and hole length*	Refer to Tables A and B in Appendix.
	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	Not applicable, no information has been excluded.
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.*	All sample assays contribute to significant intercepts, while adhering to a minimum total significant intercept grade of >=5%. For simplification of reporting following positive metallurgical results in the treatment of pedolith material, all material above the saprolite-saprock boundary is considered as saprolite during generation of significant intercepts.
	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.	Significant intercepts were calculated using an outer (edge) sample lower cut-off grade of >=5% TGC, minimum intercept width of 3m, and a maximum of 6m internal dilution where the final intercept averages >=5% TGC. Substantial higher grade zones are reported as separate "including" intercepts within Table B.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used in this report.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths & intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Preliminary interpretation of mineralised zones in aircore holes supported by DD (2016) orientated core measurements suggests that mineralised zones are shallow-moderate east dipping.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Flake graphite mineralisation is conformable with the main primary layering of the gneissic and schistose host lithologies. Drill hole inclination of -60 degrees are generally near orthogonal to the regional dip of the host units and dominant foliation and hence specific drill hole intercepts for -60 degree holes may only approximate true width. The averaged strike of mineralised zones is approximately 160° grid whereas all -60 inclined aircore holes were orientated at grid east.
	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'.	Not Applicable, refer to explanation directly above.
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 the drill collar locations and appropriate sectional views.*	See Figures 1 and 2 within the main text of this report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high-grades and/or widths should be practiced to avoid misleading reporting of exploration results.*	Representative reporting of low and high-grades has been effected within this report.
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.*	No additional meaningful and material exploration data has been excluded from this report that has not previously been reported to the ASX.
Further work	*The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large-scale step-out drilling).*	The next phase of exploration is to complete aircore drilling on regional saprolite targets identified through hand auger 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.	See Figure 2 within the main text of this report.