ASX ANNOUNCEMENT

26 May 2022

Drilling and Metallurgical Testwork planned at Oakdale Graphite Project

HIGHLIGHTS

- **Extensive 5,500m aircore drilling program planned to expand and upgrade the existing JORC Resource at the Oakdale Graphite Project on the Eyre Peninsula, in South Australia.**
- **Program for Environment Protection and Rehabilitation (PEPR) for drilling lodged with South Australian Department for Energy and Mining.**
- **Existing Inferred JORC Resource remains open along strike and at depth, the drilling program is designed to expand the current resource and upgrade portions of the resource to the Indicated category.**
- **New metallurgical testwork program to be undertaken to assess if Oakdale graphite may be amenable to producing a battery-grade spherical graphite for use in the production of lithium-ion batteries.**
- **Core from previous diamond drilling to be used in testwork – removes need for new diamond drilling and will reduce time and cost to obtain new metallurgical samples for a planned updated Scoping Study.**
- **The Oakdale Graphite Project is located in the Central Eyre Peninsula in South Australia, which also hosts Renascor Resources' (ASX: RNU) emerging, Siviour Graphite Project.**

Oar Resources Limited ("OAR" or "the Company", ASX: OAR) is pleased to provide the following update on exploration plans for its wholly owned Oakdale Graphite Project (**"the Project")** located on the Eyre Peninsula in South Australia (*Figure 1*).

The Oakdale Graphite Project is listed as a 'critical minerals project' by the Federal Government[1] and has been subject to extensive previous exploration by OAR, culminating in the definition of an initial Combined Indicated and Inferred JORC Resource of 13.47Mt @ 3.3% Total Graphitic Carbon (TGC) including 6.31Mt @ 4.7% TGC (*Appendix 1*), and a Scoping Study[2].

Given the highly favourable market conditions and a positive long-term outlook for battery-grade graphite, OAR has undertaken a detailed assessment of the Oakdale Project. This included a review of the previous Scoping Study and JORC Resource, plus assessment of the drill core from previous drilling conducted by OAR[3].

The positive outcomes of this review have led the Company to make plans to recommence exploration and other project-advancing works at Oakdale, with a view to updating and expanding the previous Scoping Study.

OAR aims to adopt a staged approach to assessing the potential to produce purified spherical graphite for the future supply of spherical graphite, critical to the production of the anode utilised in lithium-ion batteries.

[1] Refer to "Critical Mineral Projects in Australia 2020" report prepared by Commonwealth of Australia represented by the Australian Trade and Investment Commission (Austrade), Geoscience Australia and the Department of Industry, Science, Energy and Resources
[2] Refer to ASX announcements dated 27 October 2015 and 2 December 2015 for full details and associated JORC tables
[3] Refer to ASX announcements dated 27 October 2015 for details and associated JORC tables

OAR Exploration Manager, Ross Cameron said:

"The Company has undertaken a detailed review of its Oakdale Graphite Project with a view to assessing the Project's development options. It is focused on a staged approach to expand on the previous work at the Project, which includes metallurgical testwork to determine if the Oakdale graphitic material may produce a finer grade spherical graphite concentrate. This will be followed by an extensive drilling program to upgrade the existing Inferred JORC Resource.

"This staged approach will ensure the Company is well positioned to capitalise on the prevailing strength in the graphite market which has changed substantially for the better since the initial Scoping Study was undertaken in 2015, due to the demand for ethically sourced battery-grade graphite and the rapid uptake of electric vehicles."

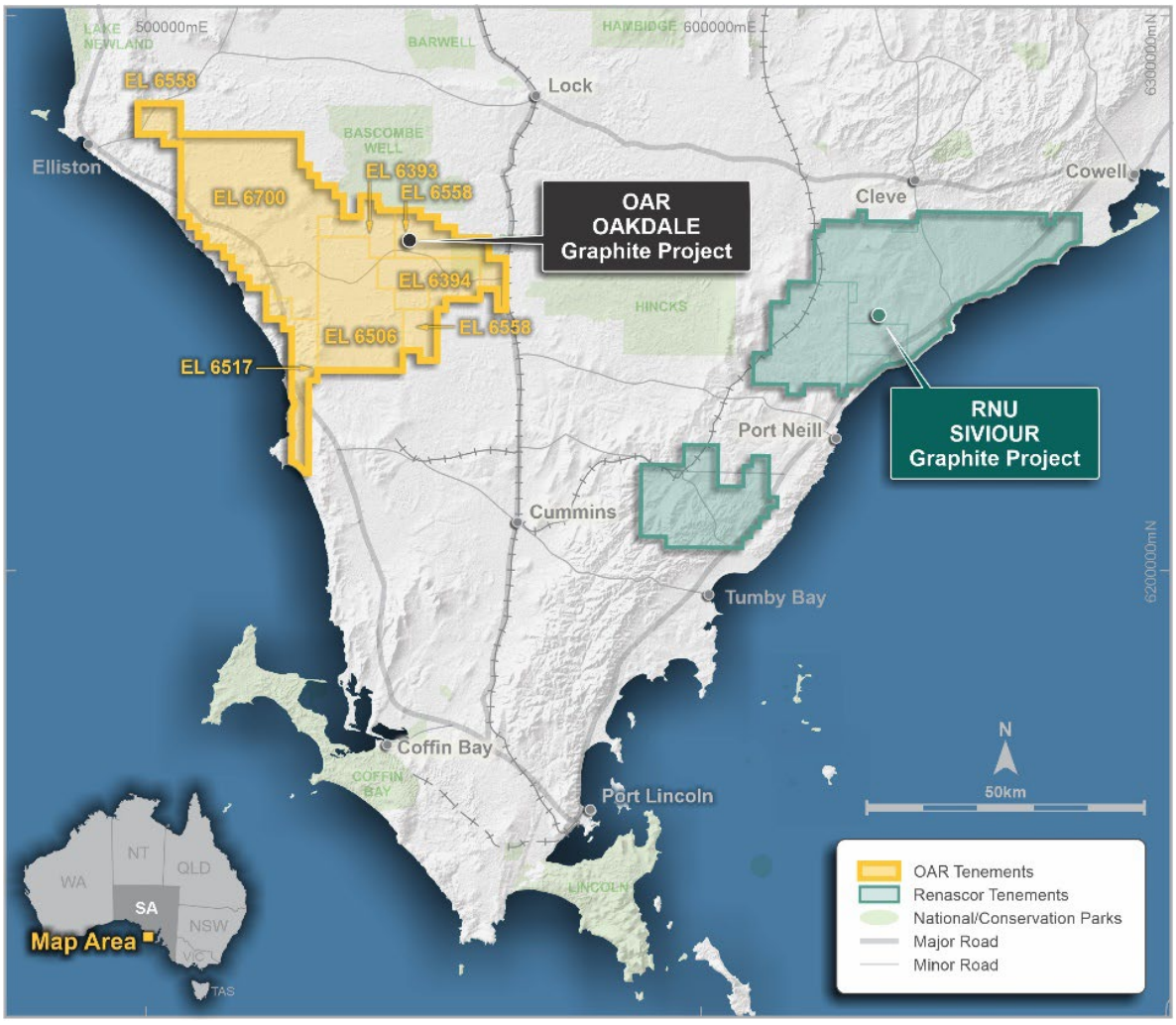

Figure 1: Oakdale Graphite Project location map

Drill Planning

The Company has lodged the Program for Environment Protection and Rehabilitation (PEPR) with the Department of Energy and Mining of South Australia and has engaged the landholders in the Project area, in preparation for a planned extensive 5,500m aircore drilling program at Oakdale.

OAR's previous drilling at the Project totalled 330 air core and 11 diamond drill holes over a combined 19,124 metres[1].

The previous drilling delivered excellent results and resulted in the definition of an initial Combined Indicated and Inferred JORC Resource of 13.47Mt @ 3.3% Total Graphitic Carbon (TGC) including 6.31Mt @ 4.7% TGC (*Appendix 1*), which formed the basis of the previous Oakdale Scoping Study.

The existing resource remains open along strike and at depth, which offers great potential for the expansion of the scale of the project.

The planned aircore drilling program will target areas of the current resource that remain open and will also aim to upgrade portions of the resource to the Indicated JORC Resource category.

Metallurgical Testwork

The Company has also engaged an independent consultant to conduct further processing and metallurgical test work. This work is initially designed to produce a graphite concentrate of >95% TGC, as a first step in assessing the potential to produce a higher margin Purified Spherical Graphite (PSG).

The graphite rich diamond core, used in the original Scoping Study, has been resampled at the Company's storage facility in preparation for the metallurgical testwork.

The engagement is based on the detailed assessment undertaken on the Oakdale Graphite Project, which included a review of the previous Scoping Study, together with the Inferred JORC Resource completed at the Project[4] and assessment of drill core from previous drilling conducted by OAR.

The original Scoping Study showed an estimated flotation concentrate grade of >90% TGC[5], and amongst other outcomes, 'highlights the robust economic nature of the Project'.

OAR notes that demand for battery-grade graphite was substantially lower at the time of the original Scoping Study than it is currently, as was the graphite price. Other inputs to the original study have also changed significantly.

The graphite price is now at historic highs and demand is set to continue to remain strong, with electric vehicles and other high growth sectors relying heavily upon graphite in the production of lithium-ion batteries. Graphite is the dominant anode material utilised in batteries, regardless of the battery chemistry.

Previous Metallurgical Diamond Drilling

Five diamond holes (*OAD001-004a*) were drilled previously by The Company to provide samples for the initial metallurgical testwork used in the 2015 Scoping Study[6].

The ability to now resample the historic drilling will allow the new metallurgical testwork to commence without the immediate need to complete more diamond drilling. This will help reduce both time and costs associated with obtaining new metallurgical samples for an updated scoping study. This will also allow the Company to prioritise the aircore drilling designed to upgrade and infill the current Oakdale Resource Estimate.

[4] Refer to ASX announcement date 2 December 2015
[5] Previous test work conducted by ALS and Bureau Veritas
[6] Refer to ASX announcement dated 17 July 2015

Table 1: Metallurgical diamond holes with significant graphitic intersections[7]

Hole ID	From (m)	To (m)	Interval (m)	Assay TGC %
OAD001	28.20 Incl. 31.80	40.10 32.20	11.9 0.4	5.56 25.1
OAD002	32.30 Incl. 32.3 60.80	70.3 42.8 70.30	38 10.5 9.5	5.03 8.28 9.47
OAD003	29.80	45.80	16	6.27
OAD004	43.80	61.80	18	5.37
OAD004a	22.50	25.2	2.7	2.60

The diamond drilling twinned previously drilled aircore holes, which intersected similarly wide intersections of soft and easily mined, graphitic material as outlined below:

Table 2: Aircore graphite intersections when compared to diamond intersections[8]

Diamond Drillhole	Aircore Drillhole	From (m)	To (m)	Interval (m)	Assay TGC %
OAD001	OAC050	28.00 Incl. 40.00	48.00 48.00	20 8	5.12 7.11
OAD002	OAC097	33.00 Incl. 61.00	70.00 70.00	37 9.0	3.97 6.07
OAD003	OAC022	31.00	59.00	28	6.87
OAD004	OAC019	25.00	69.00	44	3.10

[7] Refer to ASX announcement dated 17 July 2015
[8] Refer to ASX announcement dated 17 July 2015

Figure 2: High-grade diamond drill core fragments from OAD001 - resampled for revised testwork[9]

Figure 3: Remaining core from OAD002, (containing 1.7m @ 16.65% TGC from 39.60m), prior to resampling for the revised testwork to feed into the updated scoping study[10]

[9] Refer to Appendix 2 for full assay results of the metallurgical diamond drilling
[10] Refer to Appendix 2 for full assay results of the metallurgical diamond drilling

Graphite Market Drivers

Currently, anode production made from graphite is entirely processed through China, and governments around the world are seeking to broaden graphite supply chains and secure ethically sourced graphite. This provides a significant potential opportunity for companies like OAR to develop new sources of supply[11], and such efforts are being supported by the Australian government through initiatives such as the $2 billion Critical Minerals Facility.

Given these highly favourable market conditions and a positive long-term outlook for battery-grade graphite, OAR has taken the decision to extend the previous Scoping Study with a focus on a staged approach to potentially produce purified spherical graphite, for the future supply to the battery-grade graphite market, where spherical graphite is critical to the production of the anode utilised in lithium-ion batteries.

About the Oakdale Graphite Project

The Oakdale Graphite Project is situated on the western flank of the Eyre Peninsula, and forms part of OAR's extensive ground holding in the region which comprises six contiguous exploration licences covering approximately 1,520km^2 of the Gawler Craton. The Eyre Peninsula is an active and highly prospective minerals precinct, which also hosts Renascor Resources' (ASX: RNU) world-class Siviour Graphite Project.

OAR's Oakdale Project has been subject to extensive previous drilling by OAR, which included drilling and logging of 330 air core and 11 diamond drill holes for a total of 19,124 metres. This resulted in the definition of an initial combined Indicated and Inferred JORC Resource[12] later defined to include 6.31Mt @ 4.7% Total Graphitic Carbon (TGC) (*Appendix 1*) and the completion of a Scoping Study for the Project[13]. OAR is currently assessing options to enhance and expand the Project, with a view to providing a potential new source of graphite supply.

The Company notes that details of neighbouring projects to the Company's projects are set out for information purposes only and is not an indication of the prospectivity of the geology of the Company's projects.

"This Announcement has been authorised for release to ASX by the Board of Oar Resources Limited"

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[11] For example, Renascor Resources recently announced a capital raising initiative on the back of a $185m government loan to finance construction of the Siviour graphite mine and purified spherical graphite processing facility on the South Australian Eyre Peninsula
[12] Refer to ASX announcement dated 27 October 2015 for associated JORC table
[13] Refer to ASX Announcement dated 2 December 2015 for associated JORC table

About Oar Resources Limited

*Oar Resources Limited is an ASX listed precious metals explorer and aspiring producer. Oar has acquired 100% of Australian Precious Minerals Pty Ltd, holder of the Crown Project in Western Australia. Crown is situated near Chalice Mining's world-class Julimar polymetallic discovery. Oar has also acquired 100% of Alpine Resources' gold exploration projects in the highly prospective gold province of Nevada, United States - ranked the third best mining jurisdiction in the world. These projects are in an area that hosts several multi-million-ounce deposits. Oar, through its wholly owned subsidiary Lymex Tenements Pty Ltd holds a number of tenements on the South Australian Eyre Peninsula which are considered highly prospective for kaolinite and halloysite mineralisation, **graphite**, iron ore and other commodities. In addition, Oar's Peruvian subsidiary, Ozinca Peru SAC, owns a CIP Gold lixiviation plant, strategically located proximal to thousands of small gold miners in Southern Peru.*

Forward Looking Statement

This ASX announcement may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Oar Resources Ltd.'s current expectations, estimates and assumptions about the industry in which Oar Resources Ltd operates, and beliefs and assumptions regarding Oar Resources Ltd.'s future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and are not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Oar Resources Ltd. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Actual values, results or events may be materially different to those expressed or implied in this ASX announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Oar Resources Ltd does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions, or circumstances on which any such forward looking statement is based.

Competent Person's Statement

The information in this ASX Announcement for Oar Resources Limited was compiled by Mr. Ross Cameron, a Competent Person, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Cameron is an employee of Oar Resources Limited. Mr Cameron has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity to 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 Cameron consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. All references to original source information are included as footnote and endnote references as indicated throughout the presentation where required.

APPENDIX 1

Table 3: Indicated and inferred mineral resource table[14]

	Category	TGC %	Mt (Dry)	TGC Cutoff %
Oakdale	Indicated Inferred	3.6 3.1	4.67 7.18	0 0
Oakdale East	Inferred	3.2	1.63	0
Total		**3.3**	**13.47**	**0**
Of which, high grade Areas:				
Oakdale	Indicated Inferred	4.7 4.6	2.69 2.96	3 3
Oakdale East	Inferred	5.1	0.67	3
Total		**4.7**	**6.31**	**3**

Table 4: Collar details of metallurgical diamond drilling

HOLE ID	EastGDA94	NorthGDA94	COLLAR RL (m)	TOTAL DEPTH	AZI	DIP
OAD001	547601	6259715	36	64.8	45	-60
OAD002	547774	6259600	39	77.3	45	-60
OAD003	548140	6259134	41	59.8	45	-60
OAD004	547894	6259161	40	68.4	45	-60
OAD004A	547893	6259160	40	25.2	90	0

APPENDIX 2

Table 5: Assay results from previous diamond drill holes for metallurgical test work

HOLE ID	From (m)	To (m)	Interval (m)	TGC%
OAD001	26.60	27.30	0.70	14.30
OAD001	27.30	28.20	0.90	6.30
OAD001	28.20	28.80	0.60	0.10
OAD001	28.80	29.80	1.00	0.05
OAD001	29.80	30.80	1.00	0.05
OAD001	30.80	31.80	1.00	14.10
OAD001	31.80	32.20	0.40	25.10
OAD001	32.20	33.20	1.00	13.00
OAD001	33.20	33.80	0.60	13.20
OAD001	33.80	34.80	1.00	1.05
OAD001	34.80	36.00	1.20	0.30
OAD001	36.00	36.50	0.50	1.10
OAD001	36.50	37.80	1.30	0.90
OAD001	37.80	38.80	1.00	11.30
OAD001	38.80	40.10	1.30	5.05
OAD001	42.80	43.80	1.00	1.70

[14] Refer ASX announcement dated 2nd December 2015

HOLE ID	From (m)	To (m)	Interval (m)	TGC%
OAD001	43.80	44.80	1.00	1.70
OAD001	44.80	45.30	0.50	1.30
OAD001	45.30	46.80	1.50	1.25
OAD001	46.80	48.10	1.30	1.20
OAD001	48.10	49.70	1.60	1.20
OAD001	49.70	51.20	1.50	0.65
OAD001	51.20	52.00	0.80	0.95
OAD001	52.00	52.80	0.80	1.05
OAD001	52.80	54.30	1.50	0.30
OAD001	54.30	55.70	1.40	0.30
OAD001	55.70	56.60	0.90	0.65
OAD001	56.60	57.90	1.30	0.95
OAD001	57.90	58.60	0.70	0.90
OAD001	58.60	60.20	1.60	0.65
OAD001	60.20	61.00	0.80	0.30
OAD001	61.00	61.80	0.80	0.30
OAD001	61.80	62.80	1.00	0.25
OAD001	62.80	63.80	1.00	0.25
OAD001	63.80	64.80	1.00	0.40
OAD002	31.80	32.30	0.50	0.35
OAD002	32.30	33.00	0.70	6.50
OAD002	33.00	33.90	0.90	8.40
OAD002	33.90	34.80	0.90	13.10
OAD002	34.80	36.10	1.30	13.50
OAD002	36.10	36.80	0.70	10.40
OAD002	36.80	37.80	1.00	1.25
OAD002	37.80	39.00	1.20	2.75
OAD002	39.00	39.60	0.60	0.35
OAD002	39.60	40.80	1.20	15.70
OAD002	40.80	41.30	0.50	17.60
OAD002	41.30	42.00	0.70	0.95
OAD002	42.00	42.80	0.80	6.45
OAD002	42.80	43.80	1.00	0.80
OAD002	43.80	44.80	1.00	0.15
OAD002	44.80	45.80	1.00	0.25
OAD002	45.80	46.60	0.80	0.20
OAD002	46.60	47.90	1.30	0.45
OAD002	47.90	48.90	1.00	0.20
OAD002	48.90	49.80	0.90	0.40
OAD002	49.80	50.50	0.70	0.20
OAD002	50.50	51.60	1.10	0.25
OAD002	51.60	52.80	1.20	1.65
OAD002	52.80	53.60	0.80	5.15
OAD002	53.60	55.30	1.70	1.95
OAD002	57.50	58.70	1.20	1.05
OAD002	58.70	59.80	1.10	0.40
OAD002	59.80	60.80	1.00	0.15
OAD002	60.80	61.80	1.00	10.70

HOLE ID	From (m)	To (m)	Interval (m)	TGC%
OAD002	61.80	63.00	1.20	9.70
OAD002	63.00	63.70	0.70	7.10
OAD002	63.70	64.50	0.80	7.00
OAD002	64.50	65.80	1.30	14.40
OAD002	65.80	67.30	1.50	7.65
OAD002	67.30	68.40	1.10	10.20
OAD002	68.40	69.40	1.00	8.95
OAD002	69.40	70.30	0.90	7.45
OAD003	29.80	30.30	0.50	9.55
OAD003	30.80	32.30	1.50	0.65
OAD003	32.30	33.80	1.50	0.25
OAD003	33.80	34.80	1.00	0.35
OAD003	34.80	36.30	1.50	6.20
OAD003	36.30	37.80	1.50	22.40
OAD003	37.80	38.80	1.00	9.90
OAD003	38.80	39.70	0.90	0.10
OAD003	39.70	40.80	1.10	15.90
OAD003	40.80	42.30	1.50	10.40
OAD003	42.30	43.80	1.50	1.20
OAD003	43.80	44.80	1.00	4.50
OAD003	44.80	45.80	1.00	1.55
OAD003	45.80	46.80	1.00	0.95
OAD003	46.80	47.30	0.50	0.55
OAD003	47.30	48.30	1.00	<0.05
OAD003	48.30	49.80	1.50	<0.05
OAD004	26.40	27.30	0.90	1.65
OAD004	27.30	28.80	1.50	1.20
OAD004	28.80	29.80	1.00	1.75
OAD004	29.80	31.30	1.50	0.75
OAD004	31.30	31.80	0.50	1.50
OAD004	31.80	33.30	1.50	1.80
OAD004	33.30	34.30	1.00	1.20
OAD004	34.30	35.80	1.50	0.95
OAD004	35.80	36.80	1.00	0.55
OAD004	36.80	37.80	1.00	1.15
OAD004	37.80	38.80	1.00	2.80
OAD004	38.80	39.80	1.00	0.60
OAD004	39.80	40.80	1.00	0.25
OAD004	40.80	41.80	1.00	1.05
OAD004	41.80	42.80	1.00	0.55
OAD004	42.80	43.80	1.00	1.00
OAD004	43.80	44.80	1.00	5.55
OAD004	44.80	45.80	1.00	5.25
OAD004	45.80	46.80	1.00	2.55
OAD004	46.80	47.80	1.00	1.05
OAD004	47.80	48.80	1.00	1.15
OAD004	48.80	49.80	1.00	1.75
OAD004	49.80	50.80	1.00	1.60

HOLE ID	From (m)	To (m)	Interval (m)	TGC%
OAD004	50.80	51.80	1.00	4.70
OAD004	51.80	52.80	1.00	4.60
OAD004	52.80	53.80	1.00	10.90
OAD004	53.80	54.80	1.00	13.80
OAD004	54.80	55.80	1.00	14.80
OAD004	55.80	56.80	1.00	5.75
OAD004	56.80	57.80	1.00	5.40
OAD004	57.80	58.80	1.00	3.75
OAD004	58.80	59.30	0.50	0.05
OAD004	59.30	60.80	1.50	3.15
OAD004	60.80	61.80	1.00	9.30
OAD004A	22.50	23.00	0.50	2.65
OAD004A	23.00	24.20	1.20	2.75
OAD004A	24.20	25.20	1.00	2.40

APPENDIX 3

JORC CODE, 2012 EDITION

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

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.*	Diamond drill core samples taken for metallurgical testing and sampled based on geology and sample recovery and assayed as per the air core drilling. Samples were analysed for graphite only. Half core samples were dried in an oven at 105^0C, totally pulverised using a robotics prep cell by Bureau Veritas at Whyalla and a 100 - 250g split for analysis is forwarded to Adelaide in small packets, which were packed in coffin boxes. When the samples arrive in Adelaide a portion of the sample is dissolved in weak acid to liberate any carbonate carbon. The residue is then dried at 420^0C driving off any organic carbon and then analysed by a Sulphur/Carbon analyser (Leco) to give the total graphitic carbon (method code GRAV4D).
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	HQ triple tube diamond drilling used to collect samples for metallurgical testing.
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.*	Geological logging to note any core loss and use of HQ triple tube to optimise recovery. Sample recovery is good with no obvious bias due to any sample losses.

Criteria	JORC Code explanation	Commentary
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	The diamond drill holes were geologically logged in their entirety by an experienced geologist. Geological core logging is qualitative. All holes were fully logged and photographed.
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.*	Diamond drill holes are sampled for assay at approximately quarter core with a paint scraper. Metallurgical sampling uses half core. All samples were submitted for assay. Sample preparation at Bureau Veritas is described in Sampling Techniques above. The four diamond drill holes are duplicating the location of previously drilled air core holes. A 0.1 gram sample is leached with dilute hydrochloric acid to remove inorganic carbon. Air filtering, washing and drying, the remaining sample residue is roasted at 420^0C to remove organic carbon. The roasted residue is analysed for Carbon (graphitic – Cg%) in a high temperature LECO furnace. The sample sizes are considered to be appropriate to correctly represent the style of mineralisation.
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.*	Laboratory standards and blanks are inserted at approximately a rate of 1 in 14. Field duplicates were not collected as these holes were providing metallurgical testwork material. QAQC data analysis has been completed to industry standards.
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.*	Significant intersections are readily identified in both cored drilling and air core sampling due to the easy recognition of high-grade graphite. High grade analytical results are compared with visual estimates made during geological logging. Eight twinned holes have been used to compare graphite samples taken from diamond and air core drilling. Two holes were also drilled opposite to all others to test down dip continuity of mineralisation. All areas of close spaced drilling show intercepts of similar tenor and thickness. Primary data is captured on paper in the field and then re-entered into a spreadsheet

Criteria	JORC Code explanation	Commentary
		format by the supervising geologist, to be loaded into the Company's database. No adjustments are made to any 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.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	Hole Collars are initially surveyed with a hand held GPS with an accuracy of ±5m. Final drill collar locations are surveyed for location and topographic control by kinematic DGPS by a qualified Surveyor hired from Port Lincoln. The original grid system used was AGD84. These coordinates have been converted to GDA94 using industry standard GIS software.
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.*	The Diamond core holes were twins of 8 aircore holes and therefore were drilled at various spacings between holes.
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.*	All drill lines have been orientated towards an azimuth interpreted to be perpendicular to the strike of the graphitic horizons so as to intercept them in a perpendicular manner. No orientation bias to sampling has been identified at this stage of project evaluation.
Sample security	*The measures taken to ensure sample security.*	All samples were under Company supervision from the drill rig until delivered to Bear Express for delivery to Bureau Veritas' laboratory at Whyalla. All residual samples are stored securely in sealed bags.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The Competent Person has reviewed the sampling practices for this project and found them consistent with industry standards. The same geological team have been responsible for all sample collection used in the resource estimate generated for this project.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Tenement status confirmed on SARIG. Results reported are from EL 6558. All tenements are in good standing with no known impediments.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The tenements have had historic exploration conducted by CRA Exploration, Werrie Gold, Lynch Mining, BHP, Anglo American and Lymex. The tenements have been explored historically for coal, diamonds, base metals, gold and iron ore.
Geology	*Deposit type, geological setting and style of mineralisation.*	Graphite occurs within the Archean rocks at Oakdale comprising interbedded basic volcanics and graphite bearing, feldspar-sillimanite- quartz- pyrrhotite gneisses and marbles. Komatiites flank the graphitic horizons. The rocks have been metamorphosed to high grade granulite facies which has produced the coarse flake graphite. The purpose of diamond drilling was to provide sample for met testwork. Flake graphite intersected in drilling is believed to be a result of the high-grade metamorphic event. Metallurgical test work by ALS/AMMTEC on diamond drill core has confirmed the presence of coarse flake graphite. Additional metallurgical test work has been undertaken by Bureau Veritas in Adelaide and reported to the ASX on 28th August 2015.
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 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.*	The assay results from the met testwork drilling previously completed have not been previously announced.

Criteria	JORC Code explanation	Commentary
	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.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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.*	No high-grade cuts were necessary. Aggregation was made for intercepts that reported over 1% TGC (total graphitic carbon). The reason for this is to report intervals that may be significant in future economic calculations of tonnes and grade. No metal equivalents were used.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	All assay results at this stage are downhole lengths as true width is not known, however all holes are drilled perpendicular to the interpreted strike and dip to intersect the graphite mineralisation perpendicularly.
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.*	
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The reporting is considered to be balanced.
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.*	

Criteria	JORC Code explanation	Commentary
Further work	*The nature and scale of planned further work (eg 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.*	The current evaluation programme at Oakdale is ongoing. A PEPR designed to test the extents of the currently defined resource is currently being assessed by DEM.