



**VALENCE
INDUSTRIES**

ASIA PACIFIC | EUROPE | NORTH AMERICA

ASX ANNOUNCEMENT

ASX: VXL & VXLO

Monday, 1 September 2014

IN-FILL DRILLING CAMPAIGN ASSAY UPDATE

- First assay results confirm understanding of Valence Industries' existing 6.4Mt Indicated & Inferred JORC 2012 Mineral Resource.
- Assay results confirm existence of additional high-grade flake graphite mineralisation, with hole MD600 returning 29.8% graphitic Carbon over 16m including 10m @ 38% graphitic Carbon, within the existing resource envelope.
- New graphite mineralisation discovered outside boundaries of previously established JORC 2012 Mineral Resource.

In-Fill Drilling Campaign

Valence Industries Limited (Valence Industries) (ASX:VXL&VXLO) is pleased to announce initial positive results from the in-fill drilling campaign completed at the company's flagship Uley Graphite operations.

The purpose of that in-fill drilling campaign was to:

- Further define the established Mineral Resource to the confidence level required for the Phase II Feasibility Study.
- Convert the established Mineral Resource to an Ore Reserve estimate to permit mining optimisation and further pit design for the proposed new Uley Pit 2.
- Obtain further geotechnical data to further develop the pit design for the proposed new Uley Pit 2.
- Collect additional representative samples across the Mineral Resource to permit further metallurgical test work to inform refinement to the Phase II plant design.

The assay results from the in-fill drilling campaign across the area of the established JORC (2012) Mineral Resource over the last two months will be received over the coming weeks and the first assays have returned positive results.

The in-fill drilling campaign was completed in challenging conditions including 70% of the annual rainfall received at site by mid-year which led to some delays in completing the drilling program. In addition results from the assay laboratories have been delayed due to work-loads and the additional QA/QC Valence Industries is undertaking.



Positive Data from Initial In-fill Drill Results

The initial assay results from the in-fill drilling campaign are considered to be encouraging. Key conclusions from the initial results include:

- Grade:** The existence of additional high-grade flake graphite mineralisation with initial assay grades ranging from 10.7% up to 47.1% graphitic Carbon. This includes 29.8% graphitic Carbon over 16m which incorporates 10m @ 38% graphitic Carbon in drill hole MD600.
- Host:** Confirmation that the unit hosting the previously identified forms of graphite mineralisation is deeply weathered and amenable to the company's planned free-dig open pit style mining operation.
- Depth:** Confirmation of the presence of the previously known graphite deposits at or near the surface and now to 121 metres downhole.

The conclusions reached in relation to the host material and the presence of graphite mineralisation from near surface to depth underpins Valence Industries' understanding of the existing Mineral Resource used in the current Phase II Feasibility Study.

Visual Inspection & Appearance of New Mineralised Zone

Visual inspection of the drill core from the further 36 drill-holes from which Valence Industries has not yet received test results appears to indicate the presence of previously unknown graphite mineralisation.

This appears to be an area of previously un-tested flake graphite mineralisation which is outside the existing resource envelope and not encountered in previous drilling. It also appears that it may have been masked from previous geophysical analysis.

In particular visual inspection appears to indicate:

- the potential existence of a unique flake graphite mineralisation of considerable grade (assays pending); and
- a potentially significant shift in Valence Industries' knowledge of this critical feed for its graphite processing and manufacturing programs.

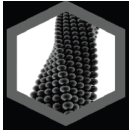


Figure 1 – Apparent New Graphitic Mineralisation
MD622 Drill Core (assays pending) – Uley Graphite

The observations made in relation to this new material (as shown in Figure 1) will be reviewed, and assays will undergo QA/QC checks before being reported as the Company completes the test work program from the in-fill drilling campaign.

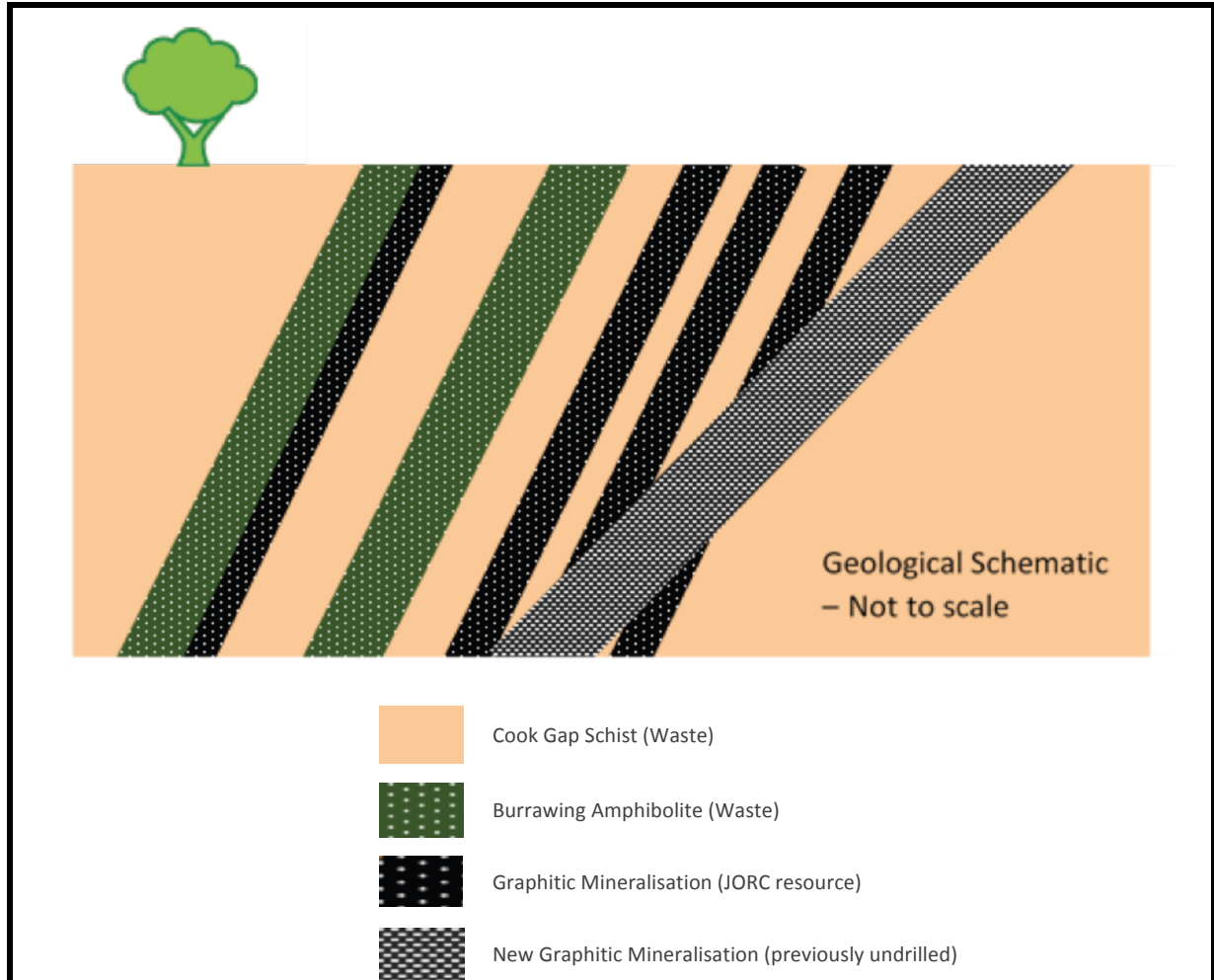
Preliminary Geological Remodelling

Geological remodelling of the relationship between the previously known area of mineralisation and the newly identified mineralised zone is in its early stages. Nonetheless, that early remodelling indicates that the new zone forms a continuous horizon hosted in an intrusive pegmatite.

This early remodelling is presented in the representational cross-section Figure 2 (*below*) (not to scale) and illustrates the relationship between the newly discovered graphitic mineralised pegmatite (grey) and the lithologies hosting the previously known graphitic mineralisation as included in the Company's JORC (2012) Mineral Resource (black).



***Figure 2 – Valence Industries – Indicative Geological Schematic
Uley Graphite – Uley Pit 2***

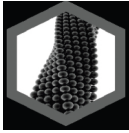


The drilling campaign performed over this body in 2011 identified those areas of graphitic mineralisation shown in black but did not discover the area now shown in grey. It is the area in grey which represents the area of apparent new graphitic mineralisation.

Ongoing Data & Results

As Valence Industries completes the in-fill drilling campaign further data and assay results will be reported. It is anticipated that the additional data will:

- Add further to the Company's understanding of the existing JORC (2012) Mineral Resource as initially proposed and anticipated when the in-fill drilling program was initiated; and
- Expand on the Company's knowledge and understanding of the new graphite mineralisation including the grades, the extent and continuity of mineralisation, and the technical marketing and investment opportunities arising from the discovery.

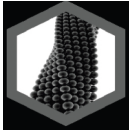


- Require consideration as to whether the new mineralisation may also affect geotechnical aspects of the pit design and processing and manufacturing plant operating parameters.

As results of the in-fill drilling campaign are received and, in particular, as results on the area of “New Mineralisation” are considered and interpreted Valence Industries also reasonably anticipates that grade and tonnage of a revised Mineral Resource estimate will change.

The current results received by Valence Industries are contained in Table 1 (below) and in Table 2 (below) a summary of the drill-holes has been provided.

Hole_ID	From (m)	To (m)	Width (m)	Graphitic Carbon (gC%)	Comments
MD600	6.7	13	6.3	10.7	Results received
MD600	83.5	99.5	16	29.3	Results received
<i>including</i>	83.5	93.8	10.3	38.1	Results received
MD601	71.4	75.9	4.5	34.4	Results received
<i>including</i>	71.4	73.9	2.5	46.0	Results received
MD601	79.8	84.1	4.3	32.2	Results received
MD602	65	71.3	6.3	25.8	Results received
MD602	75.1	77.7	2.6	24.1	Results received
MD602	92.5	97.5	5	38.5	Results received
MD602	106.3	107.8	1.5	19.3	Results received
MD602	115.8	136.8	21	13.6	Results received
MD603	61.4	67.4	6	25.6	Results received
MD603	81.7	87.7	6	38.7	Results received
MD603	95.4	97.4	2	18.4	Results received
MD603	104.3	109.3	5	13.0	Results received
MD603	110.6	121.8	11.2	12.1	Results received
MD604	21.7	25.7	4	19.5	Results received
MD604	68.7	79	10.3	32.0	Results received
MD604	97.1	98.6	1.5	47.1	Results received
MD604	112.8	119.3	6.5	14.6	Results received
<i>including</i>	112.8	116.1	3.3	19.3	Results received
MD605	62	73	11	30.8	Results received
MD605	86.9	90.8	3.9	36.7	Results received
MD605	108	113.3	5.3	20.6	Results received
<i>including</i>	108	110	2	31.3	Results received
MD606	48.9	53.9	5	15.6	Results received
MD606	73.5	77.5	4	21.1	Results received
MD607	TBA	TBA	TBA	TBA	Results Pending
MD608	TBA	TBA	TBA	TBA	Results Pending
MD609	TBA	TBA	TBA	TBA	Results Pending
MD610	TBA	TBA	TBA	TBA	Results Pending
MD611	TBA	TBA	TBA	TBA	Results Pending
MD612	TBA	TBA	TBA	TBA	Results Pending
MD614	TBA	TBA	TBA	TBA	Results Pending
MD615	TBA	TBA	TBA	TBA	Results Pending
MD616	TBA	TBA	TBA	TBA	Results Pending
MD617	TBA	TBA	TBA	TBA	Results Pending
MD618	TBA	TBA	TBA	TBA	Results Pending
MD619	TBA	TBA	TBA	TBA	Results Pending



**Table 1 – Valence Industries – In-fill Drilling Campaign 2014 – Uley Graphite
Assay Results Showing Significant Intersections of Graphitic Mineralisation****

Hole_ID	From (m)	To (m)	Width (m)	Graphitic Carbon (gC%)	Comments
MD620	TBA	TBA	TBA	TBA	Results Pending
MD621	TBA	TBA	TBA	TBA	Results Pending
MD622	TBA	TBA	TBA	TBA	Results Pending
MD623	TBA	TBA	TBA	TBA	Results Pending
MD624	TBA	TBA	TBA	TBA	Results Pending
MD625	TBA	TBA	TBA	TBA	Results Pending
MD626	TBA	TBA	TBA	TBA	Results Pending
MD627	TBA	TBA	TBA	TBA	Results Pending
MD628	TBA	TBA	TBA	TBA	Results Pending
MD629	TBA	TBA	TBA	TBA	Results Pending
MD630	TBA	TBA	TBA	TBA	Results Pending
MD631	TBA	TBA	TBA	TBA	Results Pending
MD632	TBA	TBA	TBA	TBA	Results Pending
MD633	TBA	TBA	TBA	TBA	Results Pending
MD634	TBA	TBA	TBA	TBA	Results Pending
MD635	TBA	TBA	TBA	TBA	Results Pending
MD636	TBA	TBA	TBA	TBA	Results Pending
MD637	TBA	TBA	TBA	TBA	Results Pending
MD638	TBA	TBA	TBA	TBA	Results Pending
MD639	TBA	TBA	TBA	TBA	Results Pending
MD640	TBA	TBA	TBA	TBA	Results Pending

**Table 2 – Valence Industries – In-fill Drilling Campaign 2014 – Uley Graphite
Significant Drill-Hole Specifications****

HOLE_ID	EASTING	NORTHING	DEPTH	DIP	AZIMUTH
MD600	10000	9525	100	-60	90
MD601	10000	9500	110	-60	90
MD602	9975	9525	130	-60	90
MD603	9975	9500	160	-60	90
MD604	9950	9525	150	-60	90
MD605	9950	9500	150	-60	90
MD606	10100	9500	80	-60	90
MD607	10125	9450	60	-60	90
MD608	10075	9500	100	-60	90
MD609	10100	9450	80	-60	90
MD610	10050	9500	100	-60	90
MD611	10075	9450	100	-60	90
MD612	10025	9500	100	-60	90
MD613	10050	9450	120	-60	90
MD614	10000	9400	100	-60	90
MD615	10025	9450	140	-60	90
MD616	9975	9400	120	-60	90
MD617	10000	9450	100	-60	90
MD617.2	9900	9375	120	-60	90
MD618	9950	9400	110	-60	90
MD619	9975	9450	120	-60	90
MD620	9925	9400	120	-60	90
MD621	10150	9500	50	-60	90
MD622	9925	9450	130	-60	90

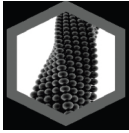
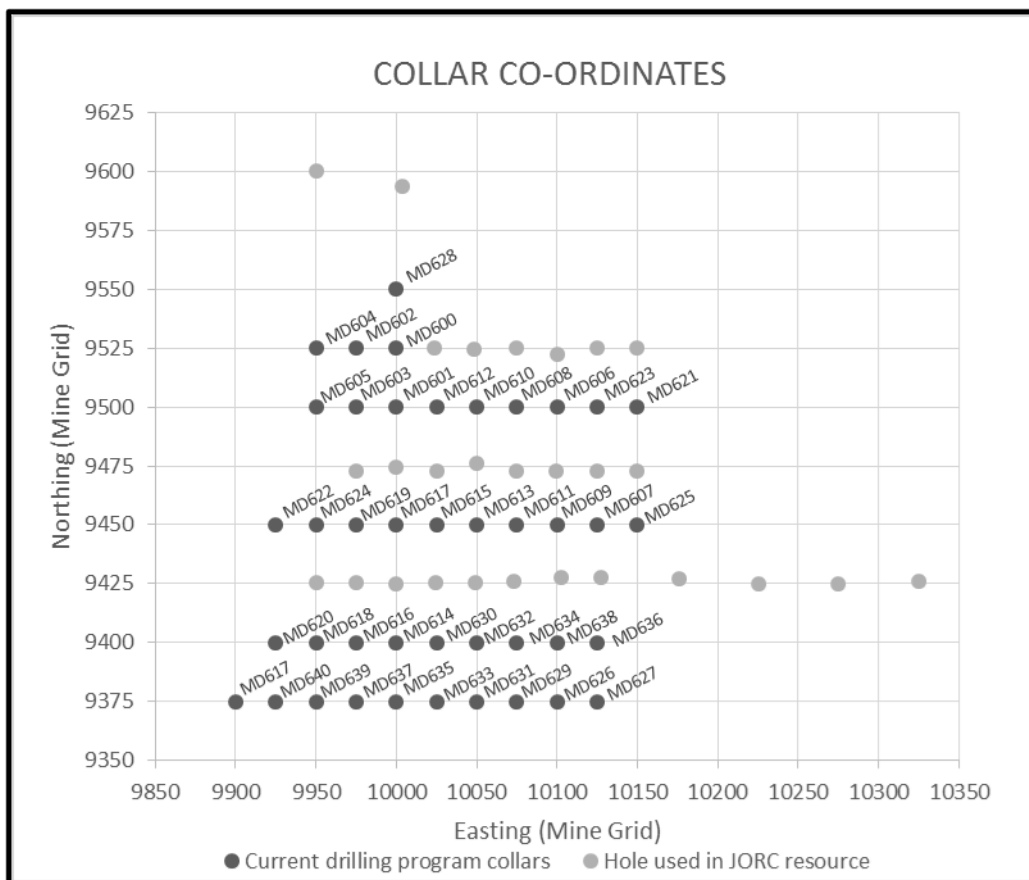
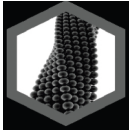


Table 2 – Valence Industries – In-fill Drilling Campaign 2014 – Uley Graphite
Significant Drill-Hole Specifications**

HOLE_ID	EASTING	NORTHING	DEPTH	DIP	AZIMUTH
MD623	10125	9500	60	-60	90
MD624	9950	9450	120	-60	90
MD625	10150	9450	40	-60	90
MD626	10100	9375	60	-60	90
MD627	10125	9375	40	-60	90
MD628	10000	9550	130	-60	90
MD629	10075	9375	60	-60	90
MD630	10025	9400	80	-60	90
MD631	10050	9375	80	-60	90
MD632	10050	9400	120	-60	90
MD633	10025	9375	70	-60	90
MD634	10075	9400	90	-60	90
MD635	10000	9375	80	-60	90
MD636	10125	9400	40	-60	90
MD637	9975	9375	80	-60	90
MD638	10100	9400	80	-60	90
MD639	9950	9375	100	-60	90
MD640	9925	9375	100	-60	90





The preliminary results of the in-fill drilling campaign are being assessed and considered in the context of the conclusions reached in the Phase II Feasibility Study. The Company will make an announcement in relation to the Phase II Feasibility Study either late this week or early next week as further assay results from the in-fill drilling campaign are received, in particular assays from the new area of mineralisation, and considered in the context of that study.

For further information, please contact:

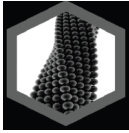
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The information in this announcement that relates to the in situ Mineral Resources is based on, and fairly represents, the Mineral Resources and information and supporting documentation extracted from the report, which was prepared by a competent person in accordance with the JORC Code (2012 edition) and released to ASX by the Company on 18 November 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. All material assumptions and technical parameters underpinning the Mineral Resource estimates in that previous release continue to apply and have not materially changed.

Competent Persons Statement – In-Fill Drilling Campaign**

The information in this announcement that relates to the Mineral Resources pertaining to the Company's in-fill drilling campaign results is based on information compiled by Ms Karen Lloyd, who has been engaged as General Manager – Technical Delivery by Valence Industries. Ms Lloyd is a Member of the Australian Institute of Mining and Metallurgy. Ms Lloyd has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Lloyd consents to the inclusion in this release of the matters based on their information in the form and context as it appears.

****See also Appendix 1 – JORC Code 2012**



VALENCE INDUSTRIES

About Valence Industries & Graphite Manufacturing

Valence Industries (ASX:VXL & VXLO) is the owner and operator of the only graphite mining and manufacturing facilities in Australia located at Uley in South Australia near the major regional centre of Port Lincoln. In April 2014 and just four months after listing on the ASX, Valence Industries achieved the first sales of graphite by an Australian company in more than 20 years and recently signed MoUs for the supply of 80,000 tonnes of graphite over a period of 2+ years.

The Company is bringing its existing plant and substantial infrastructure into production in Phase I with a focus on global markets across multiple graphite product ranges. Graphite production will commence in the September Quarter of 2014, with plans for expanded mining and graphite manufacturing in Phase II increasing through 2015.

Located only 23 kilometres from Port Lincoln, the regional centre for the Lower Eyre Peninsula in South Australia, Valence Industries' Uley Graphite project is recognised as a significant area of graphite mineralisation, and one of the largest coarse flake graphite deposits in the world. The deposit contains disseminated, high-grade flake graphite and the mineralisation is near surface, with the final manufactured graphite products recognised and purchased by many customers for its high quality.

The company holds two existing Mining Leases and two associated Retention Leases, along with an extensive Exploration Licence, for the conduct of its operations. The company anticipates regulatory works approval verification during the September Quarter of 2014.

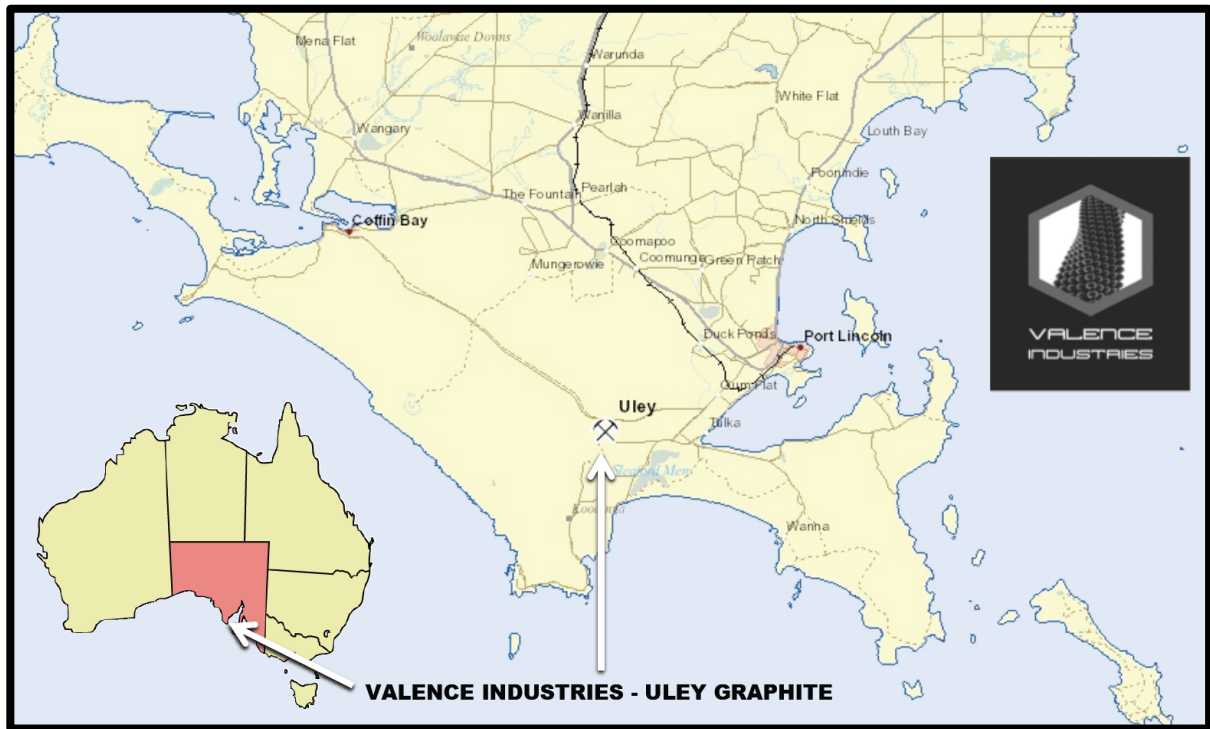
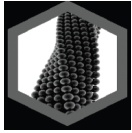
Valence Industries is in the fortunate position of owning the land on which its current and proposed expanded operations are conducted along with the extensive existing infrastructure.

Manufacturing A New Carbon Future & Advanced Graphene Program

The Company operates as an industrial manufacturer of high-grade flake graphite products for distribution and sale to global markets. Valence Industries owns established processing facilities and infrastructure to manufacture a wide range of graphite product lines for multiple applications and multiple industries.

The Company produces and sells its graphite products from its Uley Graphite facilities in regional South Australia for delivery to diversified markets for graphite in the Asia Pacific, Europe and North America. As a vertically integrated manufacturer of specialist graphite product ranges Valence Industries' branded products are designed to meet current and future customer demand.

The Company is also pursuing research into advanced fields and applications for graphite. That program includes the relationship with the University of Adelaide for the establishment of a dedicated Graphene Research Centre in Adelaide. Graphene is one of the most significant steps forward in the world of advanced materials with the potential for transformative and disruptive technologies and the leading research in this area from the University of Adelaide on natural flake graphite has originated from work on the Company's Uley Graphite. The Graphene Research Centre program will see the development and commercialisation of processes and products for the application of graphene.



**VALENCE INDUSTRIES
ULEY GRAPHITE MINING & MANUFACTURING SITE
SOUTH AUSTRALIA, AUSTRALIA**



APPENDIX 1

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	<ul style="list-style-type: none"> 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. 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 (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. 	Triple tube Diamond (HQ3) drilling was employed to generate core for logging and sampling. Mineralised samples were submitted for assay on typically one metre intervals. Duplicate and standard samples were inserted typically every 20th sample. Diamond core was cut in half using a diamond impregnated blade on a core saw and half-core samples were sent to ALS Global for assay.
Drilling techniques	<ul style="list-style-type: none"> 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.). 	Drilling was planned on a nominal 25m X 25m collar pattern, for a total of 3,953 diamond drilling metres. Drill holes were drilled at -60 degree dip on a 090 azimuth. Diamond drilling was undertaken using triple tube HQ3 (61mm diameter) core from collar to End of Hole.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	Core recovery was recorded at the drill site and during core logging and measured for every core run. Sample recovery is deemed to be adequate for resource estimation purposes.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	100% of the drill holes were geologically and geotechnically logged by qualified geologists, recording relevant data to a set database structure. All logging included lithological features, mineral assemblages, mineralisation percentage estimates and geotechnical information suitable for the development of geology models and pit slope design criteria.



Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	Sample preparation is consistent with industry best practice. Field QC procedures involved the use of certified reference material assay standards, blanks and duplicates for Company QC measures, and laboratory standards, replicate sampling and barren washes for laboratory QC measures. The insertion rate of each of these QAQC measures averaged 1:20. Half-diamond core samples averaged 1m in length, and are deemed appropriate for the material and analysis method.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	The samples were prepared at ALS Global (Adelaide), including crushing entire sample >70% -6mm, splitting and retention of 50% sample weight, and pulverising. The prepared samples were sent to ALS global (Brisbane) for analytical procedures C-IR18, C-CAL15, CIR17 and C-IR07 by LECO analyser to determine graphitic carbon, inorganic carbon by difference, organic carbon and total carbon. The detection limits and precision for graphitic carbon analysis are considered to be adequate for the purpose of future resource estimations. The laboratory procedures are considered to be appropriate for reporting purposes. Company QAQC samples inserted at 5% representivity demonstrate the accuracy and precision of the graphitic carbon to be satisfactory.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	Significant mineralisation intersections were verified by two company personnel. No adjustments to the assay data have been made. All data was collected, sampled and assayed according to Company procedures and validated using a Microsoft Access relational database.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	Topographical control is sufficient for this exploration drilling. Collar location were set out using an independent surveyor. All down-hole surveying was undertaken using a Reflex multi-shot survey tool at nominal 25m intervals down hole.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	Drill collar spacing is generally 25m X 25m or 25m X 50m where existing drill holes provide sufficient geological confidence.



Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	The orientation of the drilling is not expected to introduce sampling bias. Drilling has generally intersected mineralisation perpendicular to strike continuity.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	Samples were packaged and stored in secure storage from collection through the chain of custody to submission. Laboratory best practice methods were employed by the laboratory upon receipt.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	Company QAQC checks were undertaken during the drilling, logging and sampling program. No external audit of the data has been undertaken. No significant issues in drilling, sampling or analytic technique have been identified.

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	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	The Company owns 100% interest in the EL4778 tenement. The tenement is in good standing and there are no known significant impediments to exploration or mining in the area.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	No other parties were involved in this exploration program.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	The Uley graphite deposit is a high-grade coarse-flake mineralised envelope within the broader "Mikkira" graphite resource. Uley graphite mineralisation is hosted by the Cook Gap Schist, a partially migmatized medium grained biotite+/-garnet+/-muscovite+/-sillimanite-quartzofeldspathic schist/gneiss with leucocratic pegmatite veins.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	Refer to collar table within the text of this document.



Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	No top cuts have been applied to the results reported in this announcement. A nominal 10% graphitic carbon lower cut-off has been applied in the determination of significant intercepts. High grade intercepts within broader low grade intervals have been separated as "including" results. No metal equivalent values are used in this report.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	Drill holes intersected mineralisation at near perpendicular to the strike orientation of the host lithologies. All drill holes were orientated at -60 degrees on a bearing of 090.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	See figures in release
Balanced reporting	<ul style="list-style-type: none"> 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 significant intercepts has been effected within this report.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	The Company has previously reported a Mineral Resource in accordance with JORC (2012) guidelines at the Uley 2 deposit. Refer to the listing prospectus dated 15 November 2013.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	Further work programs are planned including metallurgical test work to ensure optimisation of the Uley processing facilities.