

ASX ANNOUNCEMENT

28 January 2016

QUARTERLY ACTIVITIES REPORT – DECEMBER 2015



HIGHLIGHTS

- POSITIVE INITIAL RESULTS FROM THE PHASE 2 DRILLING PROGRAM
- SUCCESSFUL IPO AND PRE-IPO CAPITAL RAISING
- POSITIVE RESULTS FROM THE PHASE 1 DRILLING PROGRAM
- INDEPENDENT MAIDEN INFERRED MINERAL RESOURCE ESTIMATE

Graphitecorp Limited (ASX: GRA) (“Graphitecorp” or “the Company”) is pleased to provide the following Quarterly Activities Report for the December 2015 Quarter.

POSITIVE INITIAL RESULTS FROM THE PHASE 2 DRILLING PROGRAM

Graphitecorp followed on from the encouraging results from the Company's Phase 1 Drilling Program in September 2015, by raising additional capital, including an Initial Public Offer (IPO) on the ASX, and executed a Phase 2 Drilling Program, designed to support a detailed feasibility study.



Image: Mount Dromedary Drilling - December 2015 – outcropping graphite (grey) along strike length

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The Phase 2 Drilling Program occurred on site between 3 November and 4 December 2015, well ahead of the original development schedule and ahead of the wet season in North Queensland.

Twenty-six (26) holes were drilled including nine (9) HQ size diamond core drill holes (807.83m of HQ size core) and seventeen (17) reverse circulation drill holes (1,143m RC chip). The drill sites were selected on the basis of 50m sections x 35m drill hole spacing. Holes were orientated east-west (084° magnetic azimuth bearing), with a dip angle of 50°. A 500m strike length of the Central Zone was selected with the aim of delivering an economically significant Indicated and Inferred, and potentially Measured, JORC compliant Mineral Resource estimate. HQ size diamond core was selected as the optimum sampling method for graphite at Mount Dromedary as it permits a large representative sample to be recovered, maximising the potential for geological information, geochemical sampling, geotechnical data collection and offers a large metallurgical sample size potential from each metre interval.

After completion of the Phase 1 and Phase 2 drilling programs a licenced surveyor was commissioned to accurately survey each drillhole collar, using a Differential Positioning System (DGPS) instrument, after establishing a series of fixed Base Stations on the site. The drillhole collar survey data is summarised in Appendix 1.

POSITIVE INITIAL RESULTS

The initial results available at the time of preparing this report are positive with all twenty-six (26) drill holes intersecting graphite mineralisation consistent with expectations and existing independent Target Resource Estimates.

At this time, we have received results from thirty-five (35) of forty-one (41) HQ core samples from the nine (9) HQ diamond core drill holes and are awaiting receipt of all results to finalise reporting Phase 2 exploration results.



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



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

THE FULL TESTWORK PROGRAM

A comprehensive assessment of the Central Zone of the Mount Dromedary Flake Graphite Deposit will only be obtained when we have received the bulk of the data from all the testing that is planned.

A detailed testwork program has been designed to provide chemical, petrological, mineralogical, structural and metallurgical information on the Central Zone of the Mount Dromedary Flake Graphite Deposit.

The testwork program has been designed under guidance from RungePincockMinarco (RPM) and Senlac Geological Services (SGS).

Five laboratories with well-established experience in testing relevant ore types were selected for the testwork program, as follows:

- Australian Laboratory Services (Australia)
- Activation Laboratories (Canada)
- SGS Minerals Metallurgy (Australia)
- JKTech (Australia)
- ANZAPLAN – Dorfner (Germany) *undertaking testing of Phase 1 Exploration samples



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

INDEPENDENT MAIDEN INFERRED MINERAL RESOURCE ESTIMATE

Conducted prior to the Company's IPO, the objective of the Phase 1 Exploration Program was to fulfil the Farm-in obligations for all tenements (comprising 400m of Reverse Circulation exploration drilling) and to gather more information at depth on the prospective graphite deposit. The drilling program was completed on site between 3 and 8 September 2015. Nine (9) Reverse Circulation holes were drilled (400m RC chip) with chemical assay and mineral liberalisation analysis performed on samples. The results confirmed the presence of a high grade flake graphite deposit at Mount Dromedary with all holes intersecting graphite and six (6) holes ending open in graphite at depth.

RungePincokMinarco (RPM) completed a detailed Independent Technical Report in October 2015 based on the Phase 1 drilling results (i.e. not including any results of Phase 2 drilling).

In this report, published in the Company's IPO Prospectus dated 10 November 2015, RPM estimated a maiden Inferred Mineral Resource of 4.3Mt @ 15.0% C Graphitic, which Mineral Resource has high and medium grade portions with the high grade portion amounting to 2.7 Mt @ 20.4% C Graphitic and the medium grade portion amounting to 1.6 Mt @ 5.7% C Graphitic.

In addition, RPM estimated an Exploration Target of 101-156Mt @ 12%-18% C Graphitic in its Independent Technical Report published in the Company's IPO Prospectus.

The Exploration Target is conceptual in nature, as there is insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will produce a Mineral Resource.

Note:

- A copy of the RungePincokMinarco Independent Technical Report is contained the company prospectus (replacement prospectus) dated 10 November 2015.
- Details of the Inferred Mineral Resource, including the relevant cut-off grades, flake size and important qualifications, are set out in, and should be read in conjunction with, Table 1 and Table 2 of the Independent Technical Report annexed to this prospectus (the summary of which is included as section 4).
- An Exploration Target is not a Mineral Resource. An explanation of the basis of the estimate, including relevant information on which it is based, is set out in, and should be read in conjunction with, Table 3 of the Independent Technical Report annexed to this prospectus (the summary of which is included as section 4).



Image: Truck mounted reverse circulation drill rig in operation at Mount Dromedary September 2015.

CORPORATE

PRE-MARKETING / EQUIPMENT SUPPLY VISIT TO ASIA

Graphitecorp executives Philip St Baker and Greg Baynton undertook a pre-marketing and preliminary equipment supply and benchmarking visit in Asia between 1 and 9 December. Visits were made to graphite mines, processors, agents, trade facilitators, end users and equipment suppliers.

Information gained on this visit will assist with the feasibility study, marketing and further refining the Company's commercial strategy.

On return to Australia, follow-up meetings and discussions commenced in late December.

SUCCESSFUL IPO AND PRE-IPO CAPITAL RAISING

The Board considered the results of the Phase 1 Drilling Program and flotation testing on surface samples combined with other favourable fundamentals, such as logistics, supported additional investment, to further understand the deposit and to complete a detailed feasibility assessment of establishing a business to mine, process and market high quality graphite products into Asian and other global markets.

To fund this work the company undertook a private placement and an IPO to raise \$3.05 million during the quarter.

The Initial Public Offer (IPO) on the Australian Stock Exchange (ASX) opened on 10 November 2015, closed on 13 November 2015 and the company commenced trading on the ASX 1 December 2015.

SIGNIFICANT ASX ANNOUNCEMENTS

The following significant announcement was lodged with ASX during the December Quarter:

- Graphitecorp Completes Phase 2 Drilling Program (17 December 2015)
- Supplementary Prospectus (1 December 2015)
- Replacement Prospectus (1 December 2015)

COMPETENT PERSON'S STATEMENT

Information in this report that relates to the Inferred Mineral Resource and Exploration Target for the Mount Dromedary Graphite Project was first published in the Independent Technical Report included in the Company's IPO Prospectus dated November 2015 and is based on information compiled by Mr Robert Dennis who is a full-time employee of RungePincockMinarco and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mr Dennis has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code. The Independent Technical Report by RungePincockMinarco sets out in section 1.6 of the Company's IPO Prospectus (dated November 2015) the specific areas of responsibility for the various authors of that report, including Mr Dennis. Please refer to the Independent Technical Report presented in the IPO Prospectus for further information.

TENEMENT LIST

Tenement	Permit Holder	Grant date	Graphitecorp Graphite Rights	Expiry date
EPM 16983	Exco Resources Limited	26/05/2010	80%	25/05/2018
EPM 18128	Exco Resources Limited	11/04/2011	80%	10/04/2016
EPM 18995	Exco Resources Limited	30/04/2012	80%	29/04/2017
EPM 17323	Flamingo Copper Mines Pty Ltd	20/10/2010	100%	19/10/2016

Graphitecorp increased its non-metals rights in tenement EPM 17323 from 80% to 100% and obtained title for the tenement during the quarter for a payment of \$60,000. The tenement will be transferred to Graphitecorp in due course but metals rights will remain with Flamingo Copper Mines Pty Ltd.

FOR FURTHER INFORMATION

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ABOUT GRAPHITECORP

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

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

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

The Mount Dromedary Graphite Deposit was explored and mapped previously in the 1970s and 1990s, and more recently by Graphitecorp since 2014. With average graphite grades exceeding 15%, mineral exploration has identified and confirmed flake graphite mineralization hosted in schist and slate, outcropping over a 3,000m strike-length, with thicknesses in excess of 30m and up-to 240m.

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



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

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APPENDIX 1

DRILLHOLE COLLAR SURVEYS

After completion of the Phase 1 and Phase 2 drilling programs a licenced surveyor was commissioned to accurately survey each drillhole collar, using a Differential Positioning System (DGPS) instrument, after establishing a series of fixed Base Stations on the site. The table below summarises the drillhole collar survey data.

Drill Hole ID	Easting	Northing	RL (MASL)	Bearing (°)	Dip (°)	EOH Depth (m)	Time Date Start	Time Date Finish
MD-01	418240.12	7831210.26	139.30	84	-50	36.00	0900 3/9/2015	1300 3/9/2015
MD-02	418266.90	7831209.66	138.61	84	-50	58.00	1400 3/9/2015	1010 4/9/2015
MD-03	418230.09	7831099.26	137.62	84	-50	32.00	0815 5/9/2015	1200 5/9/2015
MD-04	418260.72	7831099.39	138.95	84	-50	42.00	1230 5/9/2015	1630 5/9/2015
MD-05	418255.32	7831145.04	138.27	88	-50	32.00	0700 6/9/2015	1100 6/9/2015
MD-06	417836.78	7830634.98	135.06	135	-50	56.00	1200 6/9/2015	1700 7/9/2015
MD-07	417855.16	7830612.03	134.27	135	-50	32.00	0835 7/9/2015	1400 7/9/2015
MD-08	417778.37	7830602.33	134.84	135	-50	62.00	1500 7/9/2015	0930 3/9/2015
MD-09	417798.56	7830571.21	134.82	135	-50	50.00	0945 8/9/2015	1530 8/9/2015
MD-10	418233.04	7831097.59	137.71	84	-50	99.42	14/11/2015	19/11/2015
MD-11	418253.57	7831148.10	138.22	84	-50	99.70	15/11/2015	19/11/2015
MD-12	418237.10	7831205.44	139.78	84	-50	100.46	20/11/2015	23/11/2015
MD-13	418281.32	7831154.22	139.74	84	-50	70.00	0930 20/11/2015	1230 20/11/2015
MD-14	418296.44	7831102.78	140.61	84	-50	29.00	1500 20/11/2015	1730 20/11/2015
MD-15	418262.10	7831102.71	139.08	84	-50	70.00	0900 21/11/2015	1630 22/11/2015
MD-16	418273.77	7831002.23	138.22	84	-50	40.00	1200 22/11/2015	1630 22/11/2015
MD-17	418211.25	7831002.27	136.61	84	-50	94.00	0700 23/11/2015	1400 23/11/2015
MD-18	418310.08	7831201.58	140.05	84	-50	40.00	1545 23/11/2015	1800 23/11/2015
MD-19	418277.42	7831201.80	138.51	84	-50	70.00	2000 24/11/2015	1300 24/11/2015
MD-20	418328.86	7831253.38	140.12	84	-50	70.00	1545 24/11/2015	1140 25/11/2015
MD-21	418299.24	7831250.21	140.49	84	-50	70.00	2000 26/11/2015	1300 27/11/2015
MD-22	418341.73	7831303.93	143.16	84	-50	40.00	1600 27/11/2015	2330 27/11/2015
MD-23	418307.65	7831303.14	142.09	84	-50	70.00	2000 27/11/2015	0100 29/11/2015
MD-24	418326.04	7831342.55	141.82	84	-50	100.00	1500 29/11/2015	0100 30/11/2015
MD-25	418304.62	7831400.16	141.34	84	-50	70.00	1300 30/11/2015	2000 30/11/2015
MD-26	418246.66	7831004.55	137.31	84	-50	51.34	25/11/2015	27/11/2015
MD-27	418254.51	7831251.05	139.89	84	-50	93.04	23/11/2015	25/11/2015
MD-28	418278.98	7831304.58	139.99	84	-50	75.83	27/11/2015	30/11/2015
MD-29	418293.53	7831349.85	140.27	84	-50	77.65	23/11/2015	27/11/2015
MD-30	418259.69	7831405.67	144.23	84	-50	99.79	27/11/2015	30/11/2015
MD-31	418268.22	7831455.25	143.90	84	-50	110.60	30/11/2015	3/12/2015
MD-32	418201.44	7831203.48	142.24	84	-50	150.00	2200 30/11/2015	0600 1/12/2015
MD-33	418282.55	7831050.03	140.53	84	-50	30.00	1800 2/12/2015	2230 2/12/2015
MD-34	418254.54	7831048.18	139.99	84	-50	70.00	2400 2/12/2015	0600 3/12/2015
MD-35	417978.48	7830700.80	136.54	84	-50	60.00	2000 3/12/2015	2300 3/12/2015

