

Lamboo Resources is an Australian exploration company focusing on substantial flake graphite assets located in the East Kimberley and South Korea



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DRILLING UPDATE – McINTOSH PROJECT

Initial diamond core assays have been received for Target 1 and in addition there have been encouraging assays from the initial RC drilling at Target 6.

Highlights

- **Initial diamond core assays have mirrored the RC flake graphite results at Target 1 with 8.2 vol% graphite (est) based on an average grade of 6.8 TGC% over 43 m from 54 m.**
- **Preliminary metallurgical results from Target 1 confirm good visual recoveries and the potential for a consistent flake graphite product.**
- **Encouraging RC drill hole results have been received from Target 6.**
- **Rock chip values up to 17.8 TGC% at Target 5**

Initial assays from diamond drill core at Target 1 have shown that the Total Graphitic Carbon (TGC) values are consistent (and slightly higher) than the RC drill hole results within the main flake graphite horizon returning 8.2 vol% graphite (est) or 6.8%TGC over a downhole interval of 43 m from 54 m in drill hole T1GRD 088 (Table 1). The diamond drill hole samples were analysed by Actlabs Laboratories in Canada after sample preparation in Perth.

The Company aims to complete an initial JORC resource for the project, (in relation to Target 1) by the end of the first quarter.

Metallurgy

A 2.13 m interval of HQ core taken from the metallurgical drill hole T1GRD 089 by SGS Lakefield in Perth has confirmed that good visual recoveries were achieved for the flake graphite schist ground to -80# (mesh) or <180 µm (Figure 2). It is important to note that the sample was taken from primary mineralisation and is likely to be consistent for this graphite horizon at depth. The nature of the flake graphite float concentrate will be confirmed by detailed assays complemented by petrographic and Scanning Electron Microscope studies expected by the end of the month.

Graphite Volume% Uplift Factor

Specific gravity (SG) data has now been received from diamond drill holes – T1 GRD 088, 089 and T2 GRD 003. Based on the sulphide (TotS%) assays, that can be directly related to the pyrrhotite (sulphide) content with a known high specific gravity of 4.65, and the expected low specific gravity of graphite of 1.8 (approx), an overall graphite volume% uplift factor can be computed for the sulphide – rich graphite samples.

The uplift factor ranges between 1.1x to 1.4x (av. 1.2x) to give the estimated graphite volume% in the sulphidic McIntosh graphite mineralisation occurring below a vertical depth of 50 m (refer to Table 1). The uplift factor is based on the proportion of the relatively light flake graphite (density or SG ranging between 1.8 and 2.2) compared with the heavier sulphide (wt% of sulphur calculated as pyrrhotite with an SG of 4.65) plus the silicate host rock components (with a typical SG of 2.6) in the sample that now has a measured SG value (see column in Table 1). The resulting difference represents the potential uplift value for graphite as a volume% in the sample and is listed in Table 1. If all the minerals had the same density or SG as the overall SG of the hostrock the uplift value would be equivalent to 1x (ie no affect).

This will also be reflected in the JORC resource where the increased SG of the McIntosh sulphidic graphite mineralisation will be represented by a relative increased volume percentage of graphite per tonne in the resource. The affect of the uplift factor on the increased vol% graphite in drill holes T1GRD 088, T6GRC 092 and T6GRC 093 is shown in Tables 2 and 3.

Table 1 Specific Gravity Measurements and Estimated Vol% Graphite Content

Drill hole	Sample No	From(m)	To(m)	TGC%	Tot C%	Tot S%	SG	Est Pyrrhotite (wt%)	Graphite vol uplift factor
T1GRD 089	LB557567	11	12	6.21	7.31	0.02	2.4	0.0548	1.06
	LB557569	13	14	5.74	7.21	0.03	2.41	0.0822	1.06
	LB557576	18	19	0.025	6.7	4.91	2.51	13.4534	0.91
	LB557581	23	24	7.28	7.32	5.74	2.45	15.7276	1.04
	LB557589	31	32	7.16	7.17	5.13	2.52	14.0562	1.08
	LB557595	36	37	7.37	7.37	5.58	2.54	15.2892	1.09
	LB557602	43	44	6.16	6.05	5.49	2.64	15.0426	1.10
T1GRD 088	LB557615	56	57	6.91	7.11	4.21	2.71	11.5354	1.17
	LB557625	65	66	5.82	5.94	3.82	2.71	10.4668	1.14
	LB557633	72	73	6.69	6.75	4.3	2.69	11.782	1.15
	LB557637	75	76	7.08	4.98	7.17	2.7	19.6458	1.13
	LB557646	84	85	10.4	10.6	5.21	2.73	14.2754	1.25
	LB557653	91	92	8	8.26	4.52	2.7	12.3848	1.18
	LB557657	95	96	4.46	4.48	3.28	2.76	8.9872	1.14
T2GRD 003	LB556078	105.61	105.78	1.51	1.52	3.83	2.86	10.4942	1.09
	LB556080	106.33	106.96	2.3	2.23	2.08	3.11	5.6992	1.23
	LB556081	106.96	107.78	6.54	6.59	5.48	3.26	15.0152	1.37

Table 2 Target 1 DDH Assays Results

Drill Hole	From	To	Interval	TGC wt%	TotC wt%	TotS wt%	Est. graphite content (vol %) using 1.2x factor
T1GRD 088	54m	97m	43m	6.8%	6.9%	4.0%	8.16%
Incl	77m	93m	16m	7.9%	8.1%	3.8%	9.48%

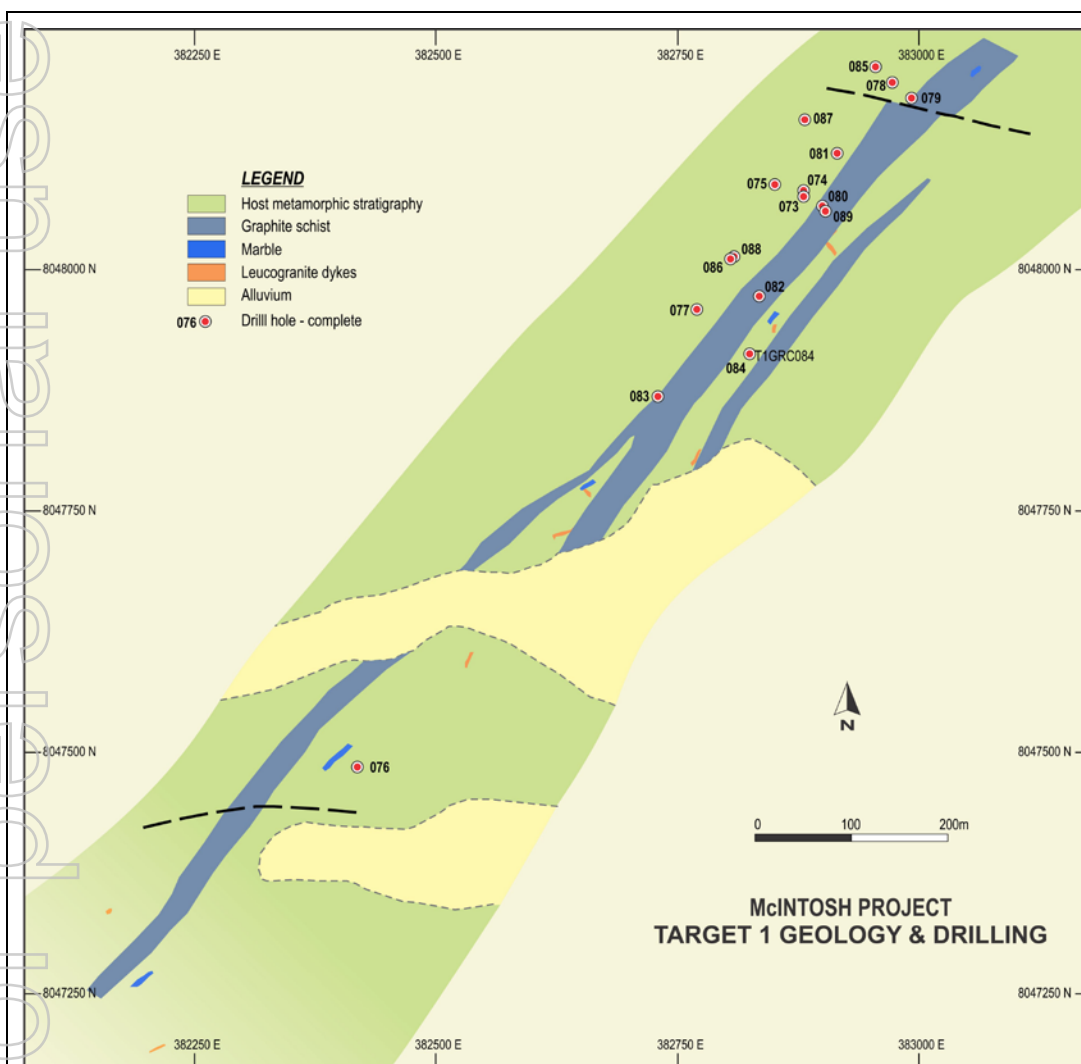


Figure 1: Target 1 showing the extent of the flake graphite horizons and location of diamond drill holes – T1GRD 089 and T1GRD 088.



Figure 2:

Successful flotation of graphite ground to -80# or <math><180\mu\text{m}</math>. The sheen on the large bubbles represent the flake graphite concentrate "floating" on the surface of the bubble. Flake graphite is separated by this process.

Target 6 Initial RC Drilling

Preliminary RC drill hole results have been received for a new target - Target 6 that forms part of the aggregate >10 km strike length of the interpreted graphite schist within the McIntosh Project. Accessible RC drilling targets from cleared tracks resulted in the intersection of multiple intervals of visual flake graphite over broad downhole widths in excess of 80 m in two drill holes - T6GRC 091 and 093, of the 4 RC holes drilled. The graphitic horizons intersected in T6GRC 091 and 093 correlate with anomalies achieved from ground geophysical IP traversing (refer Figure 4). Drill hole T6GRC92 was drilled to the west of the graphite schist horizon and intersected weak graphite above the target (ie 2.99 TGC% over 3 m from 60 m) and will be used as a pre-collar hole in a planned diamond drilling program. Assay results have been returned for drill hole T1GRC093, with results from T6GRC 091 pending.

The assays results have confirmed that grades in excess of 10 TGC% are achievable in drill holes in the McIntosh Project (refer Table 3) with higher grades supporting the economic potential of an area that has received only preliminary exploration to date.

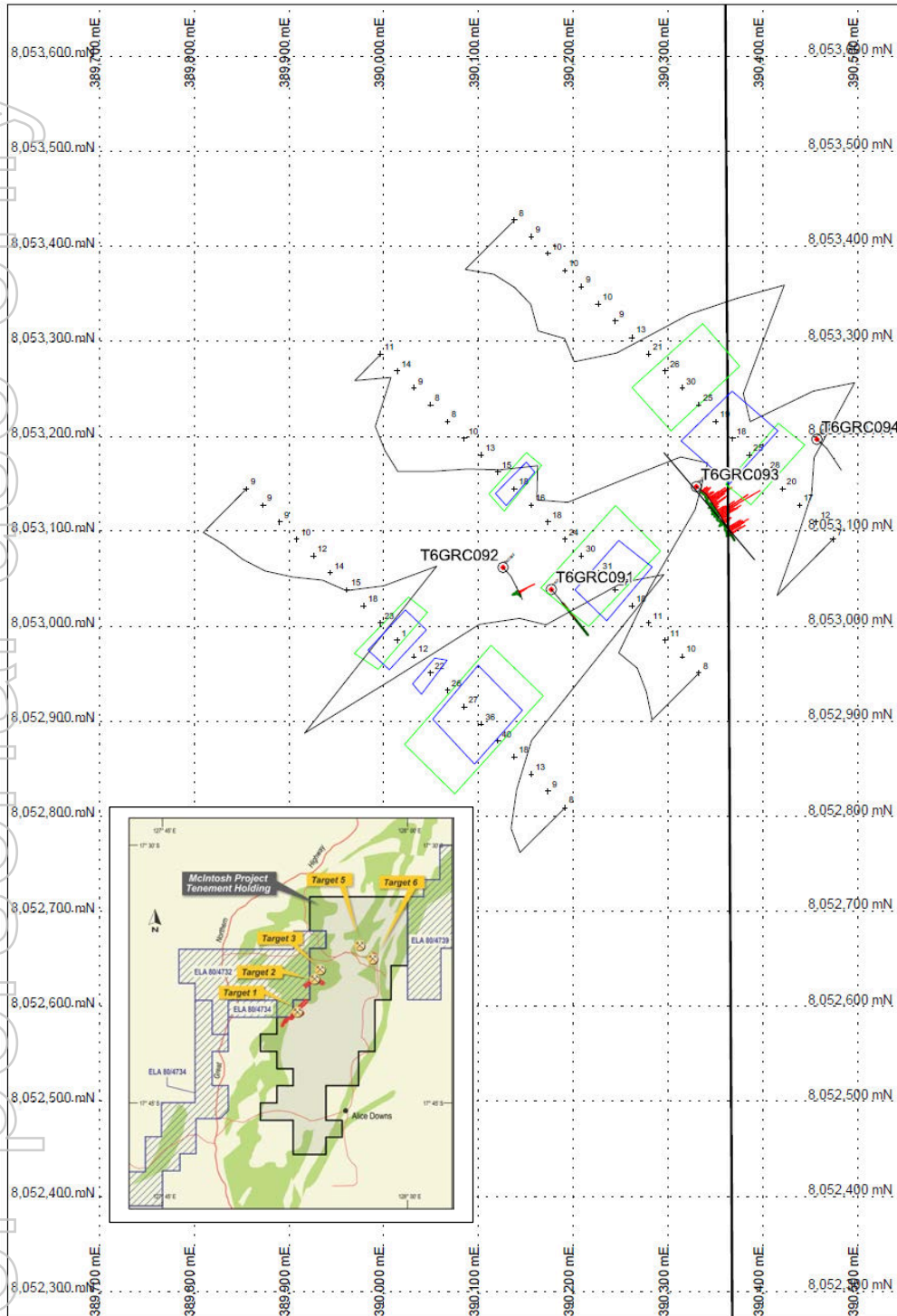


Figure 4: Ground IP profiles showing the interpreted location of the graphite horizons (as blue boxes) and location of preliminary RC drill holes at Target 6. Inset shows the location of Target 6 in the McIntosh Project.

Table 3: Targets 6 Preliminary Drill hole Intercepts

Drill Hole	From	To	Interval	TGC wt%	Tot C wt%	Tot S wt%	Est. graphite content (vol %) using 1.2x factor
T6GRC 093	17m	118m	101m	2.25%	2.31%	2.63%	2.7%
incl	73m	83m	10m	5.35%	5.36%	4.0%	6.42%
Incl	74m	76m	2m	10.78%	10.92%	4.7%	12.9%
T6GRC 092	60m	63m	3m	2.99%	2.99%	4.38%	3.6%

Target 5 and 6 Rock Chip Geochemistry

Surface rock chip samples from Targets 5 and 6 have confirmed the presence of strong flake graphite (refer Figures 3A and 3B). Again, the graphite typically occurs as clumps of coarser flake graphite that should be amenable to beneficiation. Rock chip results are highly encouraging and are consistent with the petrographic results with values ranging from 1.82 %TGC to 17.8 %TGC in the 15 samples collected (refer Table 4). Ground geophysical (induced polarisation or IP) surveying and airborne EM has shown that the graphitic schist horizons at Targets 5 and 6 extend over an aggregate strike length of 2 km (inset in Figure 4).

Photomicrographs of flake graphite from Target 6 under the polarising microscope

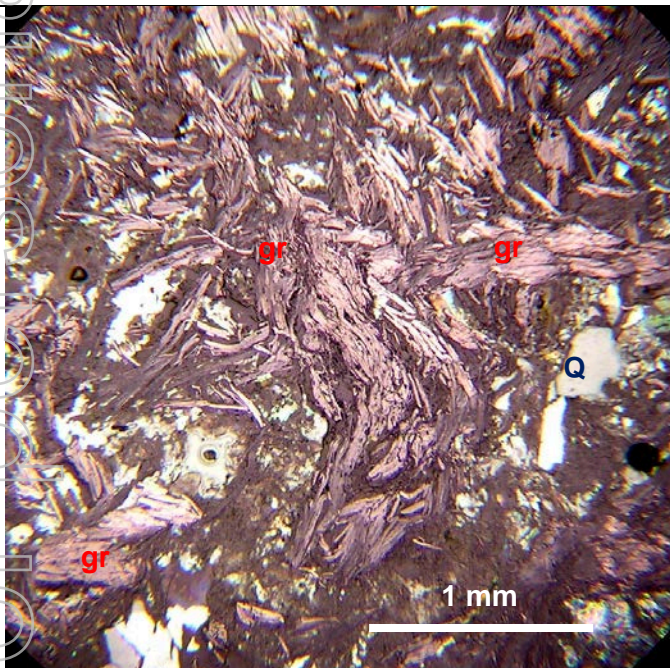


Figure 3A: Target 6 (Sample 508455 - strong flake graphite (gr) aggregates or “clumps” associated with minor quartz in the graphitic schist host. Plane polarised reflected light. Field of view – 3 mm.

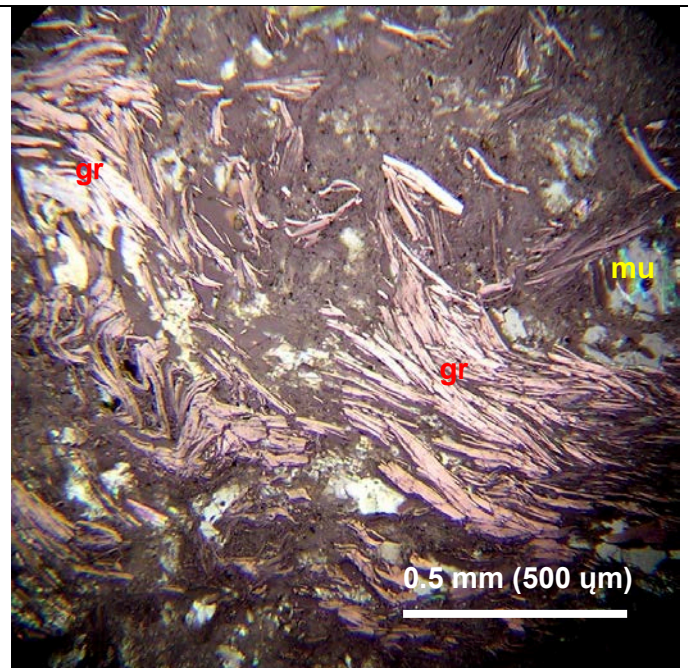


Figure 3B: Target 6 (Sample 508455) – detail of flake graphite aggregates associated with platy muscovite (mu) in the graphitic schist host. Note the flake size relative to the bar scale. Plane polarised reflected light. Field of view – 1.5 mm.

Table 4 – Targets 5 and 6 Rock Chip Graphite Geochemistry

Target	Sample	GDA East	GDA North	Total Graphitic Carbon - %TGC	Total carbon - %C	Total sulphur - %S
Target 5	508453	388764	8054063	5.93	6.44	0.03
	508458	388859	8054205	6.24	12.4	0.02
	508460	388776	8054207	1.82	9.7	0.02
	508463	388807	8054143	10.7	13.2	0.03
	508464	388872	8054225	9.61	0.03	15.1
	508469	388834	8054146	17.8	23.4	0.04
Target 6	508454	390343	8053142	3.95	3.99	0.43
	508455	390438	8053173	11.7	11.9	0.04
	508456	390453	8053182	3.43	3.45	0.07
	508461	390408	8053209	8.22	8.34	0.31
	508462	390431	8053184	4.28	8.71	0.02
	508465	390428	8053170	6.66	13.1	0.01
	508466	390060	8053007	5.48	5.63	0.76
	508467	390389	8053157	3.24	6.59	0.07
	508468	390443	8053174	5.75	6.11	0.1

Dr Craig Rugless
Technical Director

Competent Persons Statement

Information in this "ASX Announcement" relating to Exploration Results and geological data has been compiled by the Technical Director of Lamboo Resources Ltd, Dr Craig S. Rugless who is a Member of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute Geoscientists. He has sufficient experience that is relevant to the types of deposits being explored for and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2004 Edition). He consents to the inclusion of this information in the form and context in which it appears in this report.