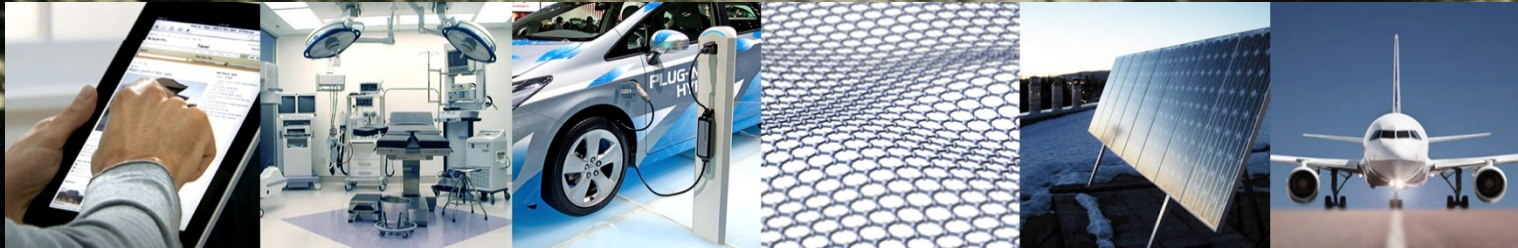




LANKA GRAPHITE LIMITED

THE NEW BLACK GOLD



Recent Progress in Graphene Research Conference

October 2015

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Corporate Overview

Capital Structure

| | | |
|-------------------------------|-----------|-------|
| Share Price [19 October 2015] | A\$ cents | 9.5 |
| Shares On Issue (LGR) | m | 70.2 |
| Options | m | 15.25 |
| Market Capitalisation | A\$m | 6.67 |

Directors & Major Shareholders

| | |
|-------------------|------------------------|
| Jitto Arulampalam | Executive Chairman |
| Emily Lee | Managing Director |
| Dr Alex Cowie | Non-Executive Director |
| Alison Coutts | Non-Executive Director |



Largest Shareholders

| Rank | Holder | Shares | Percentage |
|------|---------------------------------|-----------|------------|
| 1 | City Winner Holdings Ltd | 3,000,000 | 4.29% |
| 2 | Medigen Biotechnology Corp | 3,000,000 | 4.29% |
| 3 | Tzu Liang Huang | 1,650,000 | 2.36% |
| 4 | Rogue Investments Pty Ltd | 1,650,000 | 2.36% |
| 5 | Euro Petroleum Ltd ³ | 1,450,000 | 2.07% |

Board & Management



Jitto Arulampalam **Executive Chairman**

Experienced Chairman, currently Chair of Progen Ltd (ASX: PGL) formerly Chair of Fortis Mining and Great Western Exploration (ASX:GTE), Medicvision Ltd, Euro Petroleum

Emily Lee **Managing Director**

Managing Director of Mercer Capital, Raised \$5m for Australian biotech listing, Member of Australian Company Directors

Alison Coutts **Non-Executive Director**

Chairman of NuSep Ltd (ASX:NSP) and Director of DataDot Ltd (ASX:DDT) . International Engineering Project Manager – Bechtel, Boston Cons, Egon Zehnder, former Chair CSIRO Health Sector Advisory Council, Bachelor Chem Eng, MBA

Alex Cowie **Non-Executive Director**

Director Research Canaccord Genuity Aust, former Editor of Diggers and Drillers. Master of Applied Fin, Mining Valuation, Strategy and Marketing

Supun Wimalanath **GM Technical Services**

Former Senior Technical Officer (Geology) Sri Lankan Geological Survey and Mines Bureau (GSMB)

Lanka Graphite Corporate Vision

ASX listed Graphite Exploration Company focused on exploring high purity Graphite in Sri Lanka. To date Lanka Graphite holds more than 240km² of granted and pending exploration licenses.

OUR VISION AND GOALS

- EXPLORE AND DEFINE A LONG-LIFE, VERY HIGH GRADE GRAPHITE RESERVE
- BUILD AND OPERATE A HIGH MARGIN GRAPHITE MINE
- SUPPLY PREMIUM SPECIFICATION GRAPHITE PRODUCTS FOR HIGH VALUE END USERS
- WORK ALONGSIDE GLOBAL GRAPHENE RESEARCH CENTRES TO IDENTIFY COST EFFECTIVE METHODS TO PRODUCE GRAPHENE IN COMMERCIAL SCALE FROM SRI LANKAN ORE
- BECOME KEY GLOBAL SUPPLIER TO HIGH TECH INDUSTRY LEADERS

Criteria For Success

EXPERIENCED TEAM

Experienced & dedicated management and exploration team with proven track record of success

WORLD CLASS PROJECT

Historically mined high grade graphite deposit with a supportive local community and government

THE NEW BLACK GOLD

USA and EU have identified graphite as a “Supply-Critical Mineral” and “Strategic Mineral” due to its growing demand and usage in various industries & technology

TECHNOLOGY AND RESEARCH

Graphene Research Collaboration with NTUS
Commercial Agreement with Taiwan Tech Company

What exactly is Graphite?

Graphite is natural form of carbon. It is known for its **excellent electrical conductivity, lubrication and resistant to heat**. The material's combination of high thermal stability, along with its conductive properties, allows graphite to be used in many heat intensive applications. Graphite preserves its strength in temperatures exceeding 3,600 degree Celsius and has the highest natural strength of any known material.



Three discrete commercial types

- Vein/Lump Graphite (<1% of world's output)
- Flake Graphite (49% of world's output)
- Amorphous graphite (50% of world's output)

USA has identified graphite as a **“Supply-Critical Mineral”** and EU as **“Strategic Mineral”** due to its growing demand and usage in technology

Material Use of Graphite

Brake linings

- ❑ Amorphous and flake graphite are used for brake pads

Electrodes

- ❑ Primarily used in recycling steel

Batteries

- ❑ Lithium-ion batteries (uses flake and vein graphite)
- ❑ Batteries require 10 to 30x more graphite than lithium
- ❑ Estimated demand will increase by 30-40% annually (Hybrid and electric cars, electronics, etc)

Lubricants

- ❑ High purity and fine graphite used in lubricants to withstand extreme pressures and high temperatures. (used in high temperature gearing machinery)

Refractories

- ❑ Graphite crucible used to hold molten metal



Graphite
the strength of the ordinary



Emerging Uses of Graphite

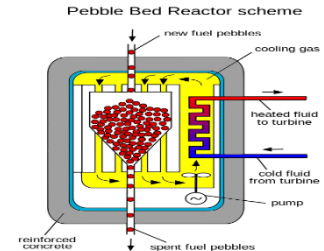
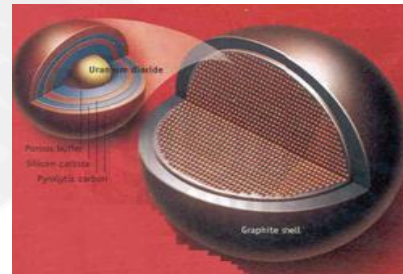
Fuel cells

- While batteries store energy for subsequent use, fuel cells are able to generate electricity through chemical reactions
- Produce little or no waste products
- No moving parts, long lasting, low maintenance and reliable
- Require around 40-50kg of Graphite per vehicle



Nuclear power

- Traditionally nuclear reactors used graphite as their main component as a moderator in nuclear control rods.
- Pebble Bed Reactor is a graphite-moderated, helium gas cooled Generation IV nuclear reactor
- Passively safer and reactor design to handle higher temperatures and survive accident scenario



Global Graphite Production

- Since the year 2000 to 2012, consumption of Graphite has doubled from 600,000 tons to 1.2 M tons
- USA imports 100% of its graphite with no domestic production
- China is the largest supplier accounting for 70% of the world's graphite production (mostly lower grade amorphous graphite)
- Speculation that China might limit exporting Graphite in future like rare Earth (Chinese government imposing 20% export duty tax + 17% VAT)
- Due to environmental issues the Chinese authorities are closing dozens of graphite mines

| Country | Mine Production Tons 2012 | Mine Production Tons 2013 |
|-----------------------|---------------------------|---------------------------|
| United States | ----- | ----- |
| Brazil | 110,000 | 105,000 |
| Canada | 25,000 | 25,000 |
| China | 800,000 | 810,000 |
| India | 160,000 | 160,000 |
| North Korea | 30,000 | 30,000 |
| Madagascar | 4,000 | 10,000 |
| Mexico | 8,000 | 8,000 |
| Norway | 2,000 | 2,000 |
| Russia | 14,000 | 14,000 |
| Sri Lanka | 4,000 | 5,000 |
| Turkey | 5,000 | 5,000 |
| Ukraine | 6,000 | 6,000 |
| Zimbabwe | 6,000 | 6,000 |
| Other | 2,000 | 2,000 |
| World Total (rounded) | 1,170,000 | 1,190,000 |

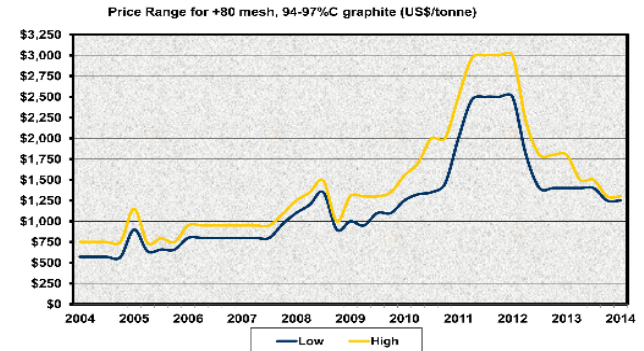
Source: USGS – U.S Geological Survey

Graphite Price

| 2012 Industrial Minerals Graphite Prices per Tonne | | | | |
|--|------------------------|----------|------------------------------|--------|
| FCL CIF main European port | | | | |
| Purity % and mesh size | Price range US\$/tonne | | Mesh Size equivalent microns | |
| 99% to 99.9% C, +50 mesh | \$4,500 | \$6,000 | +300 | Coarse |
| 94% to 97% C, +80 mesh CIF | \$2,500 | \$3,000 | +180 | |
| 90% C, +80 mesh | \$2,000 | \$2,500 | +180 | |
| 94% to 97% C, +100-80 mesh | \$2,200 | \$2,500 | +150-180 | Medium |
| 90% C, +100-80 mesh | \$1,500 | \$2,000 | +150-180 | |
| 85% to 87% C, +100-80 mesh | \$1,500 | \$1,900 | +150-180 | |
| 94% to 97% C, -100 mesh | \$2,000 | \$2,400 | -150 | Fine |
| 90% C, -100 mesh | \$1,400 | \$1,800 | -150 | |
| Amorphous powder 80% to 85C | \$600 | \$800 | -75 | |
| Synthetic 99.95% C2 | \$7,000 | \$20,000 | | |

source www.lndmin.com

Price range for +80 mesh, 94-97%C graphite (US\$/t)



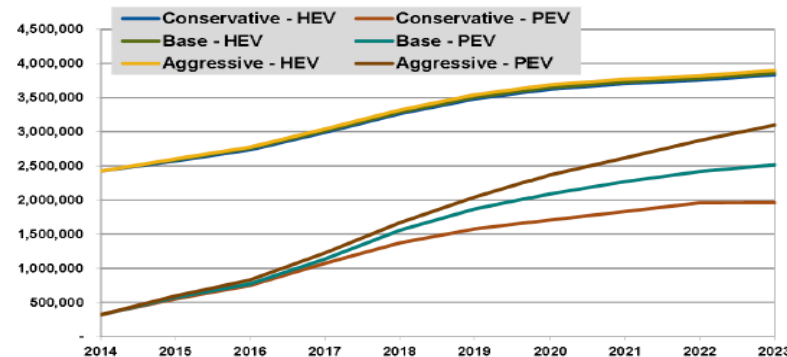
Graphite Sector Overview

Growing demand for Graphite

- Li-ion batteries (electric vehicle market)
- Fuel Cells
- Pebble bed nuclear reactors
- Lubricants
- Refractories
- Replacement of Petroleum Coke in Steel Industry
- Graphene

Current Production

- Current world production 1.2Mtpa
 - 45% flake
 - 54% amorphous
 - 1% lump/vein
- China produces 70-80% world graphite



Estimated Electric Vehicle Sales

Source: Navigant Resource

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------------------|------|------|------|------|------|------|
| Electric vehicles (millions) | 0.5 | 1 | 1.5 | 2.5 | 4 | 6 |
| Tonnes of graphite (thousands) | 133 | 265 | 397 | 662 | 1060 | 1589 |
| Tonnage annual increase (thousands) | | 132 | 132 | 265 | 397 | 530 |

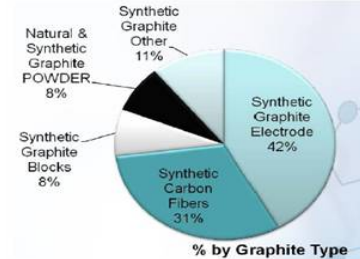
Estimate Graphite Demand from Electric Vehicle Market

Source: Investor Intel

Graphite Market Outlook

Current market for Graphite Industry is US\$13 Billion segmented into 3 major components:

World Graphite Market (Ashbury Carbons)



Source: www.ashbury.com

Natural Graphite:

Market Share of US\$1 Billion

Major Market Applications

- Refractories
- Lubricants
- Pencil
- Consumer electronics

High grade Natural Graphite from Sri Lanka has the potential to substitute Synthetic Graphite due to growing overlapping uses in future

Carbon Fibre:

Second largest market share estimated around US\$4 Billion

Major market applications

- Aircraft
- Automotive
- Off shore drilling
- Sporting goods
- Wind Energy

Synthetic Graphite:

Market share of US\$8 Billion

Major market applications

- Steel mills
- Iron foundries
- Solar
- Electronics
- battery

Sri Lanka as a nation

- Population 20.6M
- Sri Lanka politically stable after ending their conflict in 2009.
- GDP estimate \$64B in 2012, \$75B in 2014, while maintaining a strong GDP growth of 6.5%
- Tax incentives to attract foreign investments
- In 2013 , The Lonely Planet ranked Sri Lanka as the No. 1 destination to visit!

Sri Lankan Graphite

The existence of Graphite was first recorded in Sri Lanka in 1675. Mining activities of Graphite in Sri Lanka has a long history dating back into 1800's with peak production in the first two decades of twentieth century. During WW1, 35% of world's graphite consumption in 1916 was exported from Sri Lanka.

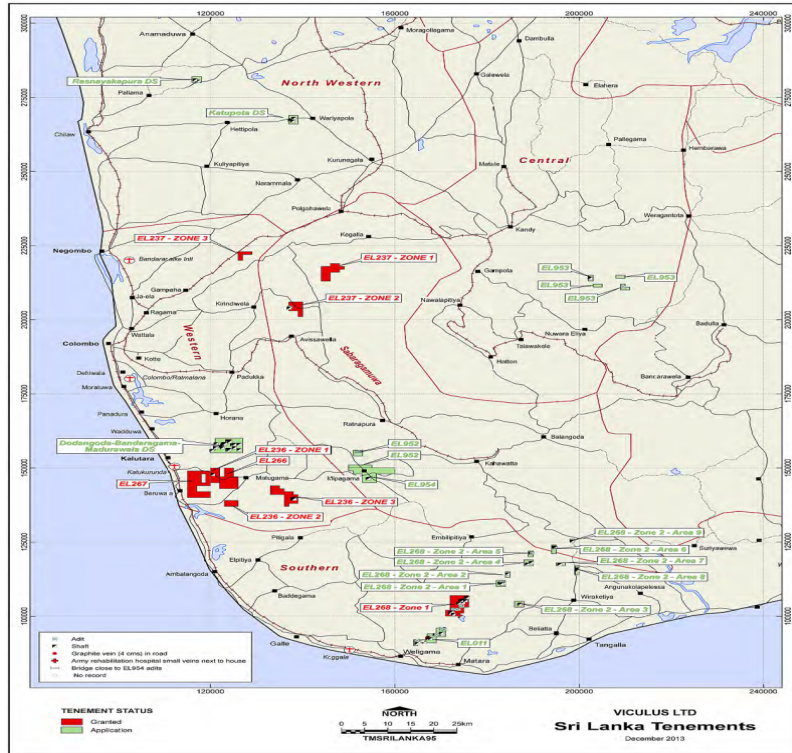
Potential of Graphite Mining in Sri Lanka

- High Grade Graphite with Purity >97% and size (lump to fines)
- Low mining and Operating costs
- Minimal further processing required
- Diverse applications for end users
- High level of demand
- Low Export Duty – 5%
- Relatively under exploited industry
 - *Large areas of deeper reserves in Sri Lanka have not been explored*

Lanka Graphite Project

- Has historically mined **high grade/lump vein graphite with purity over 97%C**
- Exploration Licences EL 236/237/266/267/268/952/954 and applications cover over 240km² of highly prospective ground including historic high grade graphite mines
- Commenced Geophysical Survey (EM) of prospective drill targets
- Core drilling program expected to commence in Q1 2016
- Strong local Community and Government support

Lanka Graphite Project Location



Ideal location for supply to Asian markets

Lanka Graphite tenements are located in Central and South Western Sri Lanka ~ 100km by road to Colombo Port, close proximity to nearby townships, labour, energy and roads.

Historic mining on location produced high grade graphite before being abandoned

Graphite was mined in shallow mines with further mineralisation at depth

Low Cost operation can commence near term

Lanka Graphite Project Infrastructure

- **Roads:** Exploration licenses are accessed by a combination of primary, secondary, and tertiary roads
- **Port:** within 100km of 3 ports including Colombo Port (Only deep sea port in South Asia)
- **Water and Power:** Readily available at the project site
- **Geographic:** Accessible terrain, simple clear and free digging



Lanka Graphite Project - Metallurgical Results

- Lab test results on our graphite samples found in our prospective ELs indicate purity levels over 99% TGC making it ideal for end user markets without further processing
- Further test work to follow after commencement of current sampling program
- EM survey across cluster of old mines and geographical structures has commenced
- Core drilling program to follow EM survey analysis



Geological Survey & Mines Bureau
No. 4, Galle Road, Dehiwala, Sri Lanka.

Telephone : 725746, 739307-8 Fax : 735752
E-mail : gsmb@sl.lk


RESULTS OF CHEMICAL ANALYSIS

Material : Graphite
Submitted by : Euro Petroleum Limited
Sample Collected by : GSMB Technical Service (Pvt) Ltd.
Sample Location : Kalutara District (Reserved GSMB Exploration Licence No.EL/236, Grid No.35, Abanded Graphite Mines & Pits at Rideewita)
Laboratory Reference No. : AL/13/46-1
No. of samples : 01

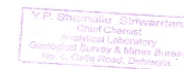
| Constituent determined | Content (%) |
|------------------------|-------------|
| Moisture | 0.03 |
| Volatiles | 0.17 |
| Carbon | 99.06 |
| Ash | 0.74 |

Note:

The results are valid only for the sample submitted for analysis.

for 
Chief Chemist
Y. P. S. Sirwardana

13-06-2013
Date



Supporting Graphene Research

GRAPHENE RESEARCH

- Lanka Graphite proactively supporting Graphene related research for different end user applications – already supplying graphite samples for research testing
- Provided samples to international research institutions in German Japanese research labs, Taiwan National Universities, and other industry end users
- National Taiwan University (NTUST) Professor Wei-Hung Chiang, Dept Chem Eng, successfully **produced high quality Graphene** with Lanka Graphite raw graphite
- Lanka Graphite will continue to develop relationships with research institutions**

Summary

- ✓ High Grade Graphite near surface resource with minimal processing requirement
- ✓ Commenced 2 Phase EM survey over Exploration Licences to define drill program
- ✓ Experienced former Sri Lankan government mines technical manager
- ✓ Low mining and operating cost, good local and state infrastructure
- ✓ High quality value added product will be exported to end user markets in near term
- ✓ Collaboration on Research & Development for producing commercial scale Graphene
- ✓ Strategic location of project with supportive government
- ✓ Sri Lanka geographically close to Asian market
- ✓ Growing industry demand

Contact Details

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