

29 April 2016

ASX Announcement Quarterly Activities Report

Phase 1 Exploration Program Completed

Lanka Graphite Limited (“Company” or “Lanka”) completed Phase 1 of the exploration programme on granted Exploration Licences, including; dewatering, sampling, mapping, geophysical survey and core drilling to test mineralisation below old workings. Phase 2 will shortly follow and then a drilling programme will be designed for commencement in the fourth quarter this year. Concurrently to this activity on site, the Company has also begun to seek exclusive off-take agreements with local operational mines and progress engagement with end users to lock in future supply arrangements from our operations.

Sri Lankan Government MOU

Discussions continue with the Sri Lankan Government of mutually beneficial graphite projects and the Company is assessing the findings from a Feasibility Report on a potential government involved project. The Company looks forward to bringing news to shareholders as these studies progress toward commercial agreement.

Graphene Research

Research by on Sri Lankan graphite for the production of graphene under a “Material Collaboration Agreement” with National Taiwan University of Science and Technology (NTUST) continues. NTUST is focusing on best commercial uses for graphene for existing high-value end user markets and conduct ongoing research and development of the process of deriving graphene from Lanka Graphite supplied vein graphite. The Company is also continuing engagement with US based participants in the Graphene industry. The Company looks forward to reporting on the progress of these discussions in the coming quarter.

Lanka Graphite’s Executive Chairman, Mr Jitto Arulampalam said, “We are pleased with ongoing discussions we are having with both the end users of high grade graphite in Asia and the US and also with the Sri Lankan government with whom Lanka can potentially enter into a commercial arrangement contingent on the outcome of the feasibility study we are assessing. I am looking forward to bringing news to shareholders of our progress on a number of fronts as Lanka continues to evolve from explorer to an operational graphite company.”

Justyn Stedwell

Company Secretary

On behalf of the Board of Directors

Lanka Graphite Limited

For further information regarding this release or other company enquiries, please contact:

Peter Taylor

Investor Relations

Ph: 0412 036 231

Email: peter@nwrcommunications.com.au