LANKA GRAPHITE LIMITED
THE NEW BLACK GOLD

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Additional supporting information for 23 November 2015 ASX announcement

On 23 November 2015, Lanka Graphite Limited announced results from an ongoing VLF geophysical survey and geological mapping exercise being undertaken over its Exploration Licences in southwestern Sri Lanka.

The following additional supporting information is provided to the ASX in relation to the results announced on 23 November 2015.

About Lanka Graphite

Lanka Graphite Limited (ASX:LGR) is an ASX listed graphite exploration company that is focused on exploration of a number of historic and new mining tenements in Central and South Western Sri Lanka. Historic mining at a number of the granted tenements produced very high grade 'lump' or vein style graphite with grades >95%C. High purity vein graphite was historically produced from Lanka's tenements at a grade that is also well suited to graphene derivation. Lanka Graphite will commence exploration of its granted tenements with the intention to develop high grade graphite production that can supply to nearby Asian high value end user companies particularly focused on new application users in high value industry sectors.

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

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data – Lanka Graphite VLF Survey

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• 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.	• Not applicable, as this is a geophysical survey.
Drilling techniques	• 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.).	• Not applicable, as this is a geophysical survey.
Drill sample recovery	• 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.	• Not applicable, as this is a geophysical survey.

Criteria	JORC Code explanation	Commentary
	• 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.	
Logging	• 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.	• Not applicable, as this is a geophysical survey.
Sub-sampling techniques and sample preparation	• 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.	• No mineralised samples were collected, as this is a geophysical survey.
Quality of assay data and laboratory tests	• 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	• A Geonics EM-16 VLF survey unit was used for acquiring tilt angle and quadrature data. The VLF transmitter used was the NW Cape NWC 22.3, Australia (standard plug in crystal).

Criteria	JORC Code explanation	Commentary
	acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	
Verification of sampling and assaying	• 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.	• The GPS survey data and geophysical readings were received from the client as pdf files, which were converted to Excel format for purposes of geophysical modelling. • There were no twinned holes, intersections or assay data as this was a geophysical study.
Location of data points	• 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.	• The co-ordinate survey system in Sri Lanka is based on the Transverse Mercator Projection with the origin of the projection being 200,000m south and 200,000m west of Pidurutalagala or 7° 00' 01.729" N and 80° 46' 18.160" E. • The EL and grid descriptions are: EL 266 (grids 17 and 34); EL 267 (grids 7 and 14); EL 268 (grids 21, 29, 44, 45 51).
Data spacing and distribution	• 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.	• VLF survey data were acquired along N-S oriented survey lines spaced either 50m or 100m apart, using 50m stations spacing. This data density is sufficient for the current stage of the exploration program.
Orientation of data in relation to geological structure	• 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 VLF survey produces unbiased sampling for NW-SE orientated stratigraphy. However, NE-SW oriented conductors are poorly resolved.
Sample security	• The measures taken to ensure sample security.	• No samples were collected, as this is a geophysical survey.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• The geophysical techniques were not audited. This study has been based on hard copies of GPS survey data and geophysical

Criteria	JORC Code explanation	Commentary
		readings received from the client. The hard copy data were converted to Excel format for purposes of geophysical modelling.

Section 2 Reporting of Exploration Results – Lanka Graphite VLF Survey

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• 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 targets surveyed are within granted tenements EL266, EL267 and EL268. These are referenced on a map in the accompanying text. • The prospects are located in southwestern Sri Lanka. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• There is evidence of old workings assumed to be for graphite, however no recorded assay results or vein widths. • The Sri Lankan geological Survey has mapped the target areas at 1:100,000 scale.
Geology	• Deposit type, geological setting and style of mineralisation.	• Exploration is targeting vein graphite. • Sri Lankan graphite generally occurs in the form of veins, ranging in thickness from veinlets less than 1mm thick to massive veins over 1m thick. The veins are usually located in the hinge zones of antiforms within granulite facies zones of the Precambrian Basement terrain that underlies much of Sri Lanka. Secondary fractures associated with structural hinge zones can also act as tensional areas suitable for graphite deposition. • Vein graphite deposition is commonly associated with syngenetic formation of pegmatites and vein quartz. When associated with vein graphite formation the pegmatites and quartz veins can contain graphite within the rocks.

Criteria	JORC Code explanation	Commentary
		• Target zones for vein graphite in Sri Lanka are focussed on tightly folded anticlines and synclines with the former being the prime target zones. • Old shafts, adits and prospect pits are used to identify target areas for present day prospecting.

Drill hole Information	• 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:
	  ○ 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.
		• No drill data, as this is a geophysical survey.

Data aggregation methods	• 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 assay data, as this is a geophysical survey.
Relationship between mineralisation widths and intercept lengths	• 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.	• No assay data or mineralisation widths, as this is a geophysical survey. Based on other locations in Sri Lanka, it is likely that graphite veins are narrow (up to 1m in width) and steep dipping.

Criteria	JORC Code explanation	Commentary
	• 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').	
Diagrams	• 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.	• These are included in the body of the text
Balanced reporting	• 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.	• Apart from the geophysical data, there are no assay values of graphite grades. All VLF geophysical data has been included in the modelling process.
Other substantive exploration data	• 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.	• Lanka has completed geological mapping and identified old workings on the tenements. These old workings are plotted on maps in the accompanying text.
Further work	• 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.	• Additional time-domain EM surveys are recommended for the area to better define existing conductors, model the conductors to assist in drill planning, and to identify new conductors for follow-up work.