LANKA GRAPHITE LIMITED
THE NEW BLACK GOLD

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Additional Supporting Information for 16 December 2015 ASX Announcement.

On 16 December 2015, Lanka Graphite Limited (ASX: LGR) (the Company) announced that assays from vein graphite rock and powder samples taken from exploration licence 267 in South West Sri Lanka have returned exceptionally high grades of more than 99% TC (Total Carbon) which indicates the product is suitable as premium battery grade graphite.

In addition to the information disclosed to the ASX in the Company announcement dated 16 December 2015, the Company provides the following supporting information to the 16 December 2015 ASX announcement.

Competent Person's Statement to 16 December 2015 ASX Announcement

The information in this report that relates to Exploration Results is based on, and fairly reflects, information supplied by Lanka Graphite and compiled by Dr Andrew Scogings, RPGeo, who is a Member of the Australian Institute of Geoscientists (Member 3013).

Dr Scogings is employed by CSA Global Pty Ltd, independent mining industry consultants.

Dr Scogings has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Dr Scogings consents to the inclusion in the report of the matters based on the supplied information in the form and context in which it appears.

Justyn Stedwell
Company Secretary

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data – Lanka Graphite Reconnaissance Mapping

(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.	• The Company geologist reported that grab rock samples were collected in the Bopitiya area, described as being accessible at Yatadolawatta Ihala junction of Kalutara – Mathugama road. It is totally about 3 km journey from Yatadolawatta Ihala junction along Aluthgama road and it is completely located within an abandoned private land surrounded by a state rubber plantation named Yatadola Estate (Penigala division). It has been operated with a main shaft, an adit and two ventilation shafts and at present all of these mine pits are covered with thick vegetation. • The CP was not present at the sampling
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 was a rubble / spoil rock grab sampling exercise.
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. • 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.	• Not applicable, as this was a rubble / spoil rock grab sampling exercise.
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.	• No sample descriptions were collected; samples were photographed but not geolocated. • The CP was not present at the sampling
Sub-sampling techniques and	• If core, whether cut or sawn and whether quarter, half or all core taken.	• It is understood that no subsampling of the grab samples occurred prior to lab submission

Criteria	JORC Code explanation	Commentary
sample preparation	• 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.	• The CP was not present at the sampling
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 acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• The analytical methods used at the ALS laboratory are considered to be appropriate for high purity vein graphite as sampled. Two samples were submitted to ALS Metallurgy, Australia. These samples were described as 'rock 1' and 'powder 1'. • Method 1 Total Carbon: the sample was first dried at 105^{o}C, then by Loss on Ignition (LOI) at 1000^{o}C for 24 hours. • Method 2 Total Graphitic Carbon: the sample was first dried at 105^{o}C to remove moisture, then heated at 425^{o}C to account for organic carbon. This was followed by LOI at 1000^{o}C for 24 hours. • The two samples were crushed and tested by froth flotation. • The two samples returned head grade LOI values of 99.5% (rock 1) and 99.6% Total Carbon (powder 1). • After flotation the two samples returned grades of 99.9% and 99.97% carbon respectively. • Approximately 80% of 'rock 1' was finer than 200 mesh, after flotation. • Approximately 65% of 'powder 1' was finer than 200 mesh, after flotation. • No QA data was provided by the Company.
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.	• No verification of the sampling has been completed. • This was a grab sampling exercise of loose rubble / spoil around old workings, hence no intersection widths could be verified. • There were no twinned holes, as this was a rock grab sampling exercise. • The data has been stored internally by Lanka.
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 samples are described as being from these locations:

Criteria	JORC Code explanation	Commentary

Site	Easting	Northing	Grid No	Remarks	Approximate Dimensions
1	123977	145399	7	Ventilation Shaft	4' diameter,
1	123977	145403	7	Ventilation Shaft	3' diameter
1	123970	145403	7	Main Shaft	17'*20'
1	123964	145422	7	Adit	2.5' diameter

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.	• Point samples were collected from rubble / spoil material around old workings described as 'site 1'.
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 samples were collected from waste / spoil material around old workings and could not be directly related to any specific geological structures.
Sample security	• The measures taken to ensure sample security.	• The grab samples were submitted directly by Lanka to ALS.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• There were no audits or reviews, given that these were grab samples from around old workings.

Section 2 Reporting of Exploration Results – Lanka Graphite Reconnaissance Mapping

(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 samples were collected from EL267. • 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 spoil heaps are often small which suggests limited excavation.
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.

Criteria	JORC Code explanation	Commentary
		• 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. • 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.
		• Not applicable, as this was a rubble / spoil rock grab sampling exercise.

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.	• Not applicable, as this was a rubble / spoil rock grab sampling exercise.
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. • 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').	• Not applicable, as this was a rubble / spoil rock grab sampling exercise.
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.	• One map is included in 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.	• This was a grab sampling exercise, hence there can be no conclusions drawn about whether these samples are representative of in situ graphite veins, or of in situ graphite grades, graphite vein widths, or graphite purity.

Criteria	JORC Code explanation	Commentary
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 reconnaissance geological mapping and identified old workings on the tenements.
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 site visits to verify old workings on ELs. • FLEM 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.