ASX Announcement

24 July 2017

Lanka Graphite signs graphene distribution agreement with world's largest graphene manufacturer Global Graphene Group (G^3)

Highlights

- **Lanka Graphite Secures right to distribute multiple graphene products in Australia and New Zealand**
- **Lanka Graphite will market G^3's graphene products to customers ranging from commercial to research institutions and laboratories. Including manufacturers and product developers in paint coatings, inks, sealants, rubber, composites**
- **The Distribution Agreement was signed in accordance with a previously announced Heads of Agreement signed by parties in April 2017**

Lanka Graphite Limited (ASX: LGR, "Lanka", "the Company") is pleased to announce the signing of a distribution agreement (DA) with Global Graphene Group (G3) for G3's high quality graphene products to Australia and New Zealand.

Lanka will focus on marketing and distributing G3's product range of graphene powders, graphene dispersions, graphene pastes and graphene inks to commercial organisations for use in a variety of applications in paints, anti-corrosion coatings, inks, sealants, rubber, composites, plastics and related industries. Lanka further aims to distribute to various key Australian research universities to explore further potential for commercial applications.

"It is with great pleasure that Global Graphene Group (G3) joins forces with Lanka Graphite to serve the Australia and New Zealand markets, we anticipate that these markets will align well with those of the broader region. We look forward to future mutual success with Lanka." commented Edward Chan, Executive Vice President of Global Graphene Group, Inc.

Commenting on the agreement, Lanka Graphite's Managing Director Emily Lee stated, "We are extremely pleased to have signed this distribution agreement with G3, a global leader in graphene applications development and world's largest graphene manufacturer. The collaboration with G3 allows Lanka to avoid extensive spending on Research & Development to manufacture commercial scale graphene which graphite industry peers currently provide. This agreement compliments Lanka's strategy to add value to its Sri Lankan vein graphite interests which we aim to develop in order to supply to the developing graphene market. Lanka aims to expand its collaboration with G3 to develop new graphene applications and products to tap into the global graphite and graphene supply chain for commercial applications"

ASX: LGR

Shares on Issue
81,740,085

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FEATURES AND BENEFITS OF GRAPHENE

THERMAL CONDUCTIVITY

Graphene's very high thermal conductivity promotes efficient and rapid heat transfer away from a heat source.

ELECTRICAL CONDUCTIVITY

Graphene is known for its exceptional electrical conductivity.

BARRIER ENHANCEMENT

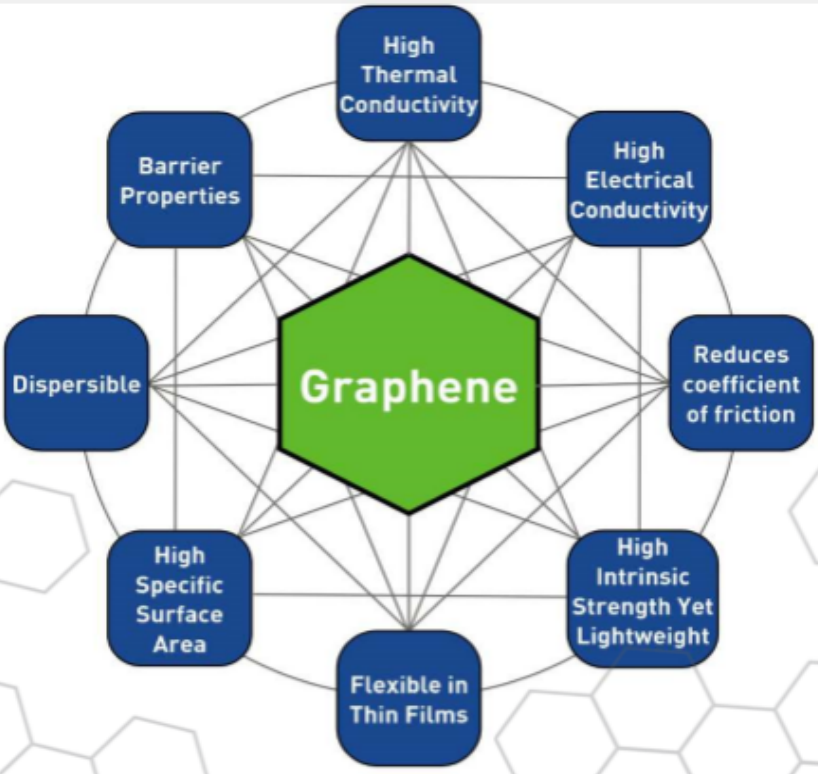
Graphene stops moisture and gases from penetrating polymeric materials.

MECHANICAL ENHANCEMENT

Graphene has the highest intrinsic strength of all materials (up to ~130 GPa).

THROUGHPUT ENHANCEMENT

A reduction in material processing times and an accompanying production cost savings can be realized due to a combination of graphene's properties



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RAW MATERIALS

GRAPHENE OXIDE

Angstron Materials produces graphene that incorporates oxygen-containing chemical groups. This functionalized material, known as graphene oxide, is dispersible in water and available in two standard concentrations.

GRAPHENE OXIDE AQUEOUS DISPERSIONS

Product	Lateral dimensions (um)	Thickness (nm)	O2 Content (%)	Average Aspect Ratio (lateral: thickness)	Solution Concentration (wt%)
N002-PS-0.5	0.5	1	⩽ 46	500:1	0.5
N002-PS-1.0	0.5	1	⩽ 46	500:1	1

FEATURES OF GRAPHENE OXIDE

Graphene Oxide (GO) :

- Has oxygen-containing functional groups
- Possesses polar functional groups
- Is electrically and thermally insulating
- Is water dispersible

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Justyn Stedwell
Company Secretary

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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 nearby Asian end user companies particularly focused on new technology graphene applications. The collaboration with G3 advances Lanka's corporate strategy to be a key distributor of high quality Graphene products in Australia and New Zealand. Lanka Graphite maintains the largest portfolio of identified high-grade vein graphite Exploration Licenses in Sri Lanka. At many of the EL's vein graphite outcrops at surface or has been historically mined at shallow depths.

About Global Graphene Group

G^3 (Global Graphene Group), a holding company for subsidiaries Angstron Materials, Angstron Energy, Honeycomb Battery and Nanotek Instruments is the first world discoverer of graphene in 2002 and a global leader in graphene-enhanced applications. It is also a significant owner of greater than 280 patents with many more in the pipeline. Through these scientific insights and proprietary knowledge, mass production of graphene came on stream in 2016. This affords deployment of graphene-enhanced applications in energy storage, industrial durables, consumer electronics, and consumer durable products. Specifically, it is focused on high volume production of graphene raw materials, enhanced thermal interface materials (films, pastes, inks), coatings, and nanocomposite products (both thermoplastics and thermosets). In the energy storage space, it is focused on commercializing next generation lithium ion battery electrodes, including silicon anode materials, batteries enhanced with graphene, and improved battery manufacturing processes. For further information on G^3, please contact Dr. Edward Chan at edward.chan@angstronmaterials.com.