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Our ref: PJG:YM:136579

22 July 2015

Attn: James Gerraty  
ASX Listings Advisor  
Level 4, North Tower, Rialto  
525 Collins Street  
Melbourne VIC 3000

**By Email**

Dear James,

**Re: Lanka Graphite Ltd ('Company') – Extension of Exploration Licences**

We refer to your letter of 21 July 2015 regarding the Company's application for reinstatement of its securities to official quotation following completion of its change of activities (**Letter**).

At section 12.5 of the Letter, you have requested that the Company provide a statement confirming the status and expiry dates of the tenements EL236 and EL237 as referred to in section 10 of the Prospectus.

We now **enclose** Exploration Licences EL/237/R1 and EL/236/R/1 issued to Lanka Graphite Pvt Ltd on 6 July 2015 by the Geological Survey and Mines Bureau of Sri Lanka (**Exploration Licences**).

The key terms of the Exploration Licences are as follows:

- (a) The Exploration Licences shall be valid from a period of 24 months, beginning from 6 July 2015 (**Term**);
- (b) the Exploration Licences grant Lanka Graphite Pvt Ltd the exclusive right to explore for graphite in designated areas during the Term;
- (c) Lanka Graphite Ltd shall not suspend the activities authorised by the licence for a period exceeding 6 months without written authorisation; and
- (d) Lanka Graphite Ltd shall comply with the *Mines & Minerals Act No. 33 of 1992* (Sri Lanka), and all regulations made thereunder.

If you would like to discuss this matter or require any further information, please contact Phillip Grundy or Yasmin Mitchell on (03) 9614 7707.

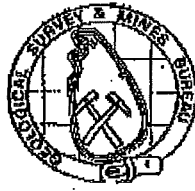
Yours faithfully

**Pointon Partners Lawyers**

A handwritten signature in black ink, appearing to read "Phillip Grundy". The signature is written in a cursive style with a large initial 'P'.

Encl.

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**GEOLOGICAL SURVEY AND  
MINES BUREAU  
(SRI LANKA)**

No:EL/237/R/1

**EXPLORATION LICENCE**

This Exploration Licence is hereby issued to **Lanka Graphite Pvt Ltd** of No.200, Colombo Road, Wanduragala in the North Western Province of Sri Lanka to exercise the exclusive right to explore for **Graphite** within that area falling within the Western Province of Sri Lanka, comprising of Thirty Three (33) square kilometer grid units designated by the following metric grid co-ordinates as identified by the holder in accordance with regulation 4 (4) of Mining (Licensing) Regulations, No.1 of 1993.

**METRIC GRID UNIT NUMBER :**

146218	147218	144217	145217	146217	148217
144216	145216	146216	147216	144215	145215
144214	145214	144213	145213	137205	138205
139205	137204	138204	139204	137203	138203
139203	139202	139201	126222	127222	128222
126221	126220	147217			

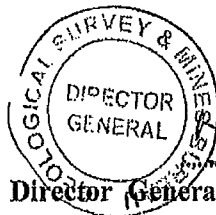
falling within the Official Licensing Control System Map No.60

This Exploration Licence is issued subject to the rights of the owner or occupant of the land covered by this licence and to the provisions of the Mines and Minerals Act, No.33 of 1992 and Regulations made thereunder and of any Act or Regulations in amendment thereof, and such other terms and conditions set out in Annex 1 & 2 marked hereto and over leaf.

This licence shall be valid for a period of 24 months beginning from 2015.07.06 until 2017.07.05

This licence is duly executed in the name of the Director General of Geological Survey and Mines Bureau on this 6<sup>th</sup> July 2015 at No.569, Epitamulla Road, Pitakotte.

Witness



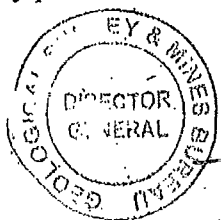
**Director General of Geological Survey and Mines Bureau**

Director General  
Geological Survey and Mines Bureau  
No. 569  
Epitamulla Road,  
Pitakotte.

Attachment 01

35 (4) Every licence issued under this Act shall in addition to the conditions referred to in subsection (2) of section 30 have attached thereto, inter alia, the following conditions :-

- (a) that the exploration , mining, processing, trading in and export of minerals authorized by the licence shall not be conducted in a fraudulent, reckless, grossly negligent or willfully improper manner ;
- (b) that the licensee shall notify the Bureau, of the discovery of minerals discovered by him in the exercise of his rights under the licence ;
- (c) that the licensee shall in the exercise of his rights under the licence, comply with all writing laws relating to the protection of the environment, health and safety standards and the protection of natural resources ;
- (d) that the licensee shall on the completion of the exploration or mining authorized by the licence, rehabilitate the land to which such licence relates, to such condition as may be specified ;
- (e) that the licensee shall not suspend, curtail or cease the activities authorized by the licence for a period exceeding six months, except with the prior permission of the Bureau;
- (f) that the licensee shall comply with the provisions of this Act and any regulation made thereunder ;
- (g) that the licensee shall maintain such books, records, other documents and materials as are required by the Bureau, to be maintained by him and shall enter the required particulars therein ;
- (h) that the licensee shall pay to the Bureau, the fees in respect of such licence and any other payments he is required to pay by virtue of or under such licence, within such period as may be required by this Act or any regulation made thereunder ;
- (i) that the licensee shall afford any authorized officer of the Bureau, access to any premises in which any activity authorized by the licence is carried on and to make available to such officer, all books, records and other documents maintained by the licensee as required by the licence; and to comply with any lawful direction or order given by such officer ;
- (j) that the licensee shall submit to the Bureau such reports, and give to the Bureau such notices, within such period, as he is required to submit or give , by any provision of this Act or any regulation made thereunder.



*[Handwritten signature]*

Director General  
Geological Survey and Mines  
Ottawa  
Canada

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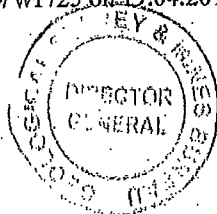
## Attachment 2

### CONDITIONS APPLIED TO ALL LICENCE HOLDERS UNDER SECTION 30, MINES & MINERALS ACT NO. 33 OF 1992

1. It is the sole responsibility of the licence holder to become familiar and comply with all provisions of the above named Act and its Regulations.
2. The holder of a licence issued under this Act shall not enter into or work within the area of land specified in the licence, except with the consent of the owner of the surface of such land (Section 51)
3. The holder of a licence under this Act shall not have the right for or mine any mineral used the purpose of building, without the additional specific agreement of the land owner. The owner or occupant of the surface of any land may mine and transport such materials for his personal use without requiring a licence under this Act. (Section 28 (4)).
4. The holder of a licence issued under this Act shall not explore for any mineral near the following locations, without first obtaining the permission of the appropriate ministries responsible for the protection of such locations.
  - i. burial grounds, cemeteries, ancient monuments, archeological reserves.
  - ii. Railway tracks, aerodromes, roads, thoroughfares, power lines, public works, public buildings.
  - iii. Lakes, streams, tanks, bunds.
  - iv. catchment areas, paddy fields, irrigations channels.
  - v. any land covered within the definition of coastal zone.
  - vi. any land covered within special areas defined by the Mahaweli Authority.
  - vii. any land covered within the jurisdiction of the Urban Development Authority.
  - viii. Wild life reservations, nature reserves, forests or parks.
5. The holder of a licence issued under this Act shall not be permitted to explore for any mineral in areas specifically designated as ancient or protected monuments, archeological reserves, national heritage wilderness areas, strict natural reserves, national parks, nature reserves, jungle corridors or botanical gardens. (Section 31)
6. The holder of an Exploration Licence issued under this Act shall not conduct any significant ground disturbance within the licence area without submitting a prescribed Restoration Plan for the approval of the Director General , Geological Survey & Mines Bureau prior to the commencement of any such activities (Regulation 12)
7. This licence may, with notice from the Director General , Geological Survey & Mines , be amended by the deletion of any of the conditions set out or addition of new conditions.
8. The licensee, on satisfactory completion of exploration has the exclusive right to apply for an Artisanal or Industrial Mining Licence as the case may be within the area specified therein for all or part of the area held under this exploration licence.
9. The licence undertakes to comply with the Laws of Sri Lanka.
10. In addition to the above conditions the holder of this licence should carry out exploration activities subject to the conditions, stipulated by the following Ministries/Departments/Authorities from which concurrence has been obtained under section 30 (1) of the Act.

#### Urban Development Authority

- (a) The licence holder should be followed the conditions laid down in the letter No.05/02/GEO/WP/25 on 19.04.2013 issued by the Director, Urban Development Authority.



*[Handwritten signature]*



**GEOLOGICAL SURVEY AND  
MINES BUREAU  
(SRI LANKA)**

No:EL/236/R/1

**EXPLORATION LICENCE**

This Exploration Licence is hereby issued to Lanka Graphite Pvt Ltd of No.200, Colombo Road, Wanduragala in the North Western Province of Sri Lanka to exercise the exclusive right to explore for Graphite within that area falling within the Western Province of Sri Lanka, comprising of Thirty Six (36) square kilometer grid units designated by the following metric grid co-ordinates as identified by the holder in accordance with regulation 4 (4) of Mining (Licensing) Regulations, No.1 of 1993.

**METRIC GRID UNIT NUMBER :**

135142	135141	136141	137141	136140	137140
138140	136139	137139	138139	136138	137138
138138	136137	133143	134143	133142	134142
133141	134141	123138	124138	125138	123137
124137	125137	120149	121149	120148	121148
120147	121147	120146	121146	120145	121145

falling within the Official Licensing Control System Map No.80

This Exploration Licence is issued subject to the rights of the owner or occupant of the land covered by this licence and to the provisions of the Mines and Minerals Act, No.33 of 1992 and Regulations made thereunder and of any Act or Regulations in amendment thereof, and such other terms and conditions set out in Annex 1 & 2 marked hereto and over leaf.

This licence shall be valid for a period of 24 months beginning from 2015.07.06 until 2017.07.05

This licence is duly executed in the name of the Director General of Geological Survey and Mines Bureau on this 6<sup>th</sup> July 2015 at No.569, Epitamulla Road, Pitakotte.

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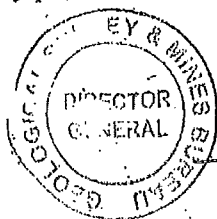


Director General of Geological Survey and Mines Bureau

Director General  
Geological Survey and Mines Bureau  
No. 569  
Epitamulla Road,  
Pitakotte.

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- (c) that the licensee shall in the exercise of his rights under the licence, comply with all writing laws relating to the protection of the environment, health and safety standards and the protection of natural resources ;
- (d) that the licensee shall on the completion of the exploration or mining authorized by the licence, rehabilitate the land to which such licence relates, to such condition as may be specified ;
- (e) that the licensee shall not suspend, curtail or cease the activities authorized by the licence for a period exceeding six months, except with the prior permission of the Bureau;
- (f) that the licensee shall comply with the provisions of this Act and any regulation made thereunder ;
- (g) that the licensee shall maintain such books, records, other documents and materials as are required by the Bureau, to be maintained by him and shall enter the required particulars therein ;
- (h) that the licensee shall pay to the Bureau, the fees in respect of such licence and any other payments he is required to pay by virtue of or under such licence, within such period as may be required by this Act or any regulation made thereunder ;
- (i) that the licensee shall afford any authorized officer of the Bureau, access to any premises in which any activity authorized by the licence is carried on and to make available to such officer, all books, records and other documents maintained by the licensee as required by the licence; and to comply with any lawful direction or order given by such officer ;
- (j) that the licensee shall submit to the Bureau such reports, and give to the Bureau such notices, within such period, as he is required to submit or give , by any provision of this Act or any regulation made thereunder.



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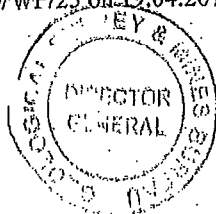
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