



Lanka Graphite Limited

Head Office: Level 18,101 Collins St, Melbourne, VIC 3000, **Australia**

Sri Lanka Office: No.35C, Old Kottawa Road, Nugegoda, **Sri Lanka**

ACN 074 976 828

T +61 3 9653 6394

F +61 3 9620 0777

www.lankagraphite.com.au

15 October 2015

Lanka Graphite Commences Geophysical Survey on Historic High Grade Graphite Deposits

Lanka Graphite Limited (ASX:LGR) (the **Company**) has commenced the first phase of a planned reconnaissance geophysical survey within its Exploration Licences (EL) EL266/267/268, which are located in the Western Province of Sri Lanka, approximately 50km South East of Colombo. Within these licences there are a number of historical graphite mines that were abandoned in the 1990's while still producing high grade graphite in large quantities.

The initial ground level, electromagnetic (EM) survey will be conducted using a Very Low Frequency (VLF) instrument that will identify the graphite mineralised areas located sub-surface and within clusters of previously mined sites and geologically mapped structures.

The first phase EM survey will be conducted along continuous 50m x 50m line intervals up to 500m in length and the results of this survey will then be used to further focus on the second phase EM survey which will be conducted along tighter 10m x 10m lines. It is anticipated that analysis from the results of these two surveys will identify selected targets for a core drilling program in the first quarter of 2016.

Ongoing exploration work at the exploration licences include geographical mapping, dewatering of old mine shafts and adits to allow for further sampling. EL's 266 and 267 occur along the major Kalutara-Matara Shear Zone, considered well positioned for prospective targets and EL 268 does contain old shafts and adits. Results from this EM survey will assist in learning the structural controls for potential graphite mineralisation deeper than the existing historic shallow workings.

Results from the Phase 1 EM survey are anticipated within the next two weeks.

Lanka Graphite's Managing Director, Emily Lee commented, "We are very pleased to have commenced our exploration program in Sri Lanka and with the benefit of historical mining data, previous exploration, and a series of abandoned high grade graphite mines within our exploration licences, Lanka Graphite can expedite the process of identification of high grade targets for a near term core drilling program."

For personal use only

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.

Justyn Stedwell
Company Secretary

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

Peter Taylor

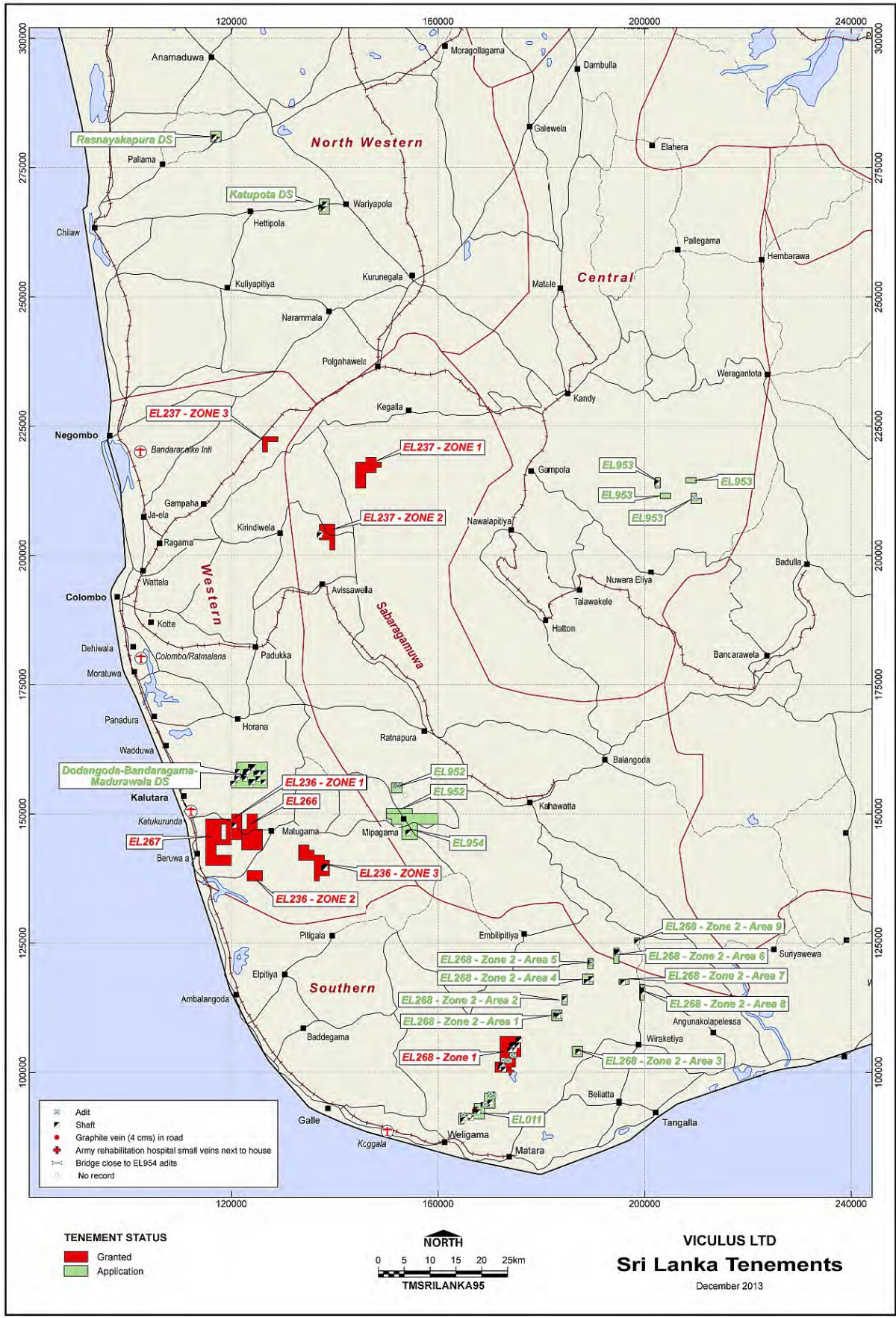
Investor Relations

Ph: 0412 036 231

Email: peter@nwrcommunications.com.au

For personal use only

Location of EL 266/267/268



For personal use only