

**LANKA GRAPHITE LIMITED**  
**NOTICE OF 2015 ANNUAL GENERAL MEETING**

Notice is hereby given that the 2015 Annual General Meeting of Lanka Graphite Limited ACN 074 976 828 will be held at Level 18, 101 Collins St, Melbourne, VIC, 3000 on Friday, 27 November 2015 at 11:00 a.m. AEDT.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

Capitalised terms used in this Explanatory Memorandum are defined in the Glossary.

**1. Agenda for the Meeting**

**Financial statements and reports**

The Meeting will consider the financial statements and reports of the Company including the income statement, balance sheet, statement of changes in equity, cash flow statement, the notes to the financial statements, the Directors' declaration and the reports of the Directors and Auditors for the financial year ended 30 June 2015.

While no resolution is required in relation to this item, Shareholders will be given the opportunity to ask questions and make comments on the Company's financial statements and reports.

The Company's auditor, BDO East Coast Partnership (BDO), will be present at the Meeting and Shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

The Lanka Graphite Limited 2015 Annual Report can be viewed online at the Company's website [www.lankagraphite.com](http://www.lankagraphite.com) on the "Annual Report" page under "Investors".

**Resolution 1 - Adoption of Remuneration Report**

To consider and if thought fit, pass the following resolution as a non-binding resolution:

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2015 included in the Directors' Report, which is attached to the Financial Statements as required under section 300A of the Corporations Act, be adopted by the Company."*

**Voting Exclusion Statement:** In accordance with the Corporations Act the Company will disregard any votes cast in relation to this resolution by or on behalf of the Key Management Personnel, which includes the Directors and executives in the consolidated group whose remuneration is included in the Remuneration Report and their closely related parties (Excluded Persons). However, the Company need not disregard a vote if:

- it is cast by an Excluded Person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## **Resolution 2 – Re-election of Dr. Alex Cowie as a Director**

To consider and if thought fit, pass the following resolution as an ordinary resolution:

*“That, Dr. Alex Cowie, being a Director of the Company, retires pursuant to the Company’s constitution, and having offered himself for re-election and being eligible, is re-elected as a Director of the Company.”*

## **Resolution 3 – Issue of up to 840,125 Shares to Emily Lee**

*“That for the purposes of ASX Listing Rule 10.11 and all other purposes, the issue of up to 840,125 Shares to Emily Lee or her nominee, as referred to in the Explanatory Statement, is approved.”*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by Emily Lee and any of her associates. However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **Resolution 4 – Approval of additional capacity to issue Shares under ASX Listing Rule 7.1A**

To consider and, if thought fit, pass the following resolution as a special resolution:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **2. Determination of voting entitlement**

For the purpose of determining a person’s entitlement to vote at the Meeting, a person will be recognised as a shareholder and the holder of Shares if that person is registered as a holder of those Shares at 7:00 p.m. AEDT on Wednesday, 25 November 2015.

## **3. Votes**

Unless a poll is demanded in advance of voting on a resolution, voting on each resolution will initially be by way of a show of hands. On a show of hands, each member present in person or by proxy or, in the case of a body corporate, by a representative, shall have one vote.

On a poll, every member present in person or by attorney or by proxy or, in the case of a body corporate, by a representative, shall have one vote for each share held by him, her or it.

## **4. Proxies**

A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder.

Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder.

To be effective, the instrument of appointment of a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority) must be received by the Company at Lanka Graphite Limited, Suite 32, Level 18, 101 Collins St Melbourne VIC or by facsimile on +61 (0) 3 8678 1747 by 11:00 a.m. AEDT on Wednesday, 25 November 2015.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolutions 1 and 3 by marking either "For", "Against" or "Abstain" on the form of proxy for that item of business.

Subject to the voting restrictions set out in the Voting Exclusion Statements, the Chairperson will vote undirected proxies on, and in favour of all Resolutions.

If the proxy is the Chairman, the Chairman can vote undirected proxies on the Resolutions 1 and 3 provided that proxy form expressly authorises the Chairman to vote undirected proxies even though these Resolutions are connected with the remuneration of key management personnel.

A form of proxy accompanies this Notice of Meeting.

#### **5. Questions and Comments by Shareholders at the Meeting**

A reasonable opportunity will be given to Shareholders to ask questions and/or make comments on the management of the Company at the Meeting.

A reasonable opportunity will be given for Shareholders to ask questions of the Company's external auditor, BDO. These questions should relevant to:

- a) the conduct of the audit;
- b) the preparation and contents of the audit report;
- c) the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to BDO if the question is relevant to the content of the audit report or the conduct of its audit of the Company's financial report for the year ended 30 June 2015. Relevant written questions for BDO must be received by the Company no later than 11:00 a.m. AEDT on 20 November 2015. A representative of BDO will provide answers to the questions at the Meeting.

Justyn Stedwell

**Company Secretary**

On behalf of the Board of Directors

Lanka Graphite Limited

## EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### **Resolution 1: Adoption of remuneration report**

In accordance with Section 300A(1) of the Corporations Act the Remuneration Report is included in the Directors Report for the financial year ended 30 June 2015.

The Remuneration Report sets out details of the remuneration received by the Directors and key Company executives, in addition to describing Board policy in respect of remuneration. Resolution 1 seeks Shareholder approval of the adoption of the Remuneration Report by the Company.

The outcome of this resolution is not binding on the Company or the Board. However, sections 250U to 250Y of Corporations Act require a 'two strikes and re-election' process in relation to the shareholder vote on the Remuneration Report and provide that:

- A 'first strike' will occur if this Remuneration Report resolution receives a 'no' vote of 25% or more. If this occurs, the Company's subsequent remuneration report will contain an explanation of the Board's proposed action in response to the 'no' vote or an explanation of why no action has been taken by the Board.
- A 'second strike' will occur if the resolution to adopt the Remuneration Report at the 2016 Company Annual General Meeting also receives a 'no' vote of 25% or more. If this occurs, shareholders will vote at that Annual General Meeting to determine whether the Directors will need to stand for re-election at a separate, subsequent meeting (the 'spill resolution'). If the spill resolution passes with 50% or more of eligible votes cast, the spill meeting must take place within 90 days.

The Company has not received a 'first strike'.

The Remuneration Report is set out in the Company's 2015 Annual Report. The Lanka Graphite Limited 2015 Annual Report can be viewed online at the Company's website, [www.lankagpahite.com](http://www.lankagpahite.com).

### **Resolution 2: Election of Dr. Alex Cowie as a Director**

In accordance with the Company's Constitution, Dr. Alex Cowie, a Director of the Company retires by rotation at this Annual General Meeting and offers himself for election as a Director.

Details of Dr. Cowie's qualifications, experience and special responsibilities are set out in the Company's 2015 Annual Report.

### **Resolution 3 – Approve the issue of up to 840,125 Shares to Emily Lee or her nominee**

Shareholders are being asked to approve issue of up to 840,125 Shares to Emily Lee or her nominee as part remuneration for her services as Managing Director of the Company.

In 2014, the Company entered into a services agreement on arms length terms with Emily in relation to the payment of her fees as Managing Director. Under the agreement, Emily receives an annual service fee of \$120,000. In order to conserve Company funds, Emily agreed to accept 50% of her net after tax fees payable from 15 November 2013 in Shares until the Company's Shares resumed trading on ASX (which occurred on 6 August 2015). Under the agreement, Shares issued as consideration for fees payable to Emily will be issued at a Share issue price of \$0.08 per Share.

In accordance with the agreement, \$67,210 is payable to Emily in Shares at a Share issue price of \$0.08 per Share totalling 840,125 Shares. In the event that Shareholders do not approve Resolution 3, the \$67,210 in net fees payable to Emily in Shares will become payable by the Company to Emily in cash. As the date of preparing this Notice, the 840,125 Shares have a market value of \$79,812 based on the most recent Company Share price, as traded on ASX, of \$0.095 as at 19 October 2015.

Emily is a related party of the Company by virtue of her position as a director of the Company. For the purposes of the ASX Listing Rule 10.11 and all other purposes, Resolution 3 is required to be passed before the Shares can be issued.

The Board has formed the view that the issue of Shares to Emily does not require shareholder approval under section 208 of the Corporations Act, as the issue of the Shares constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act.

#### **ASX Listing Rule 10.11 & 10.13**

ASX Listing Rule 10.11 states that an entity must not issue or agree to issue equity securities to a related party without the approval of holders of ordinary securities.

In accordance with ASX listing rule 7.2 (Exception 14) if approval is given under listing rule 10.11, approval is not required under listing rule 7.1. Accordingly, the issue of Shares to a Director will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

The following information is provided in accordance with ASX Listing Rule 10.13.

The Shares the subject of Resolution 3 will be issued as consideration for approximately 50% of net (after tax) fees payable to Emily for the period 15 November 2013 to 6 August 2015. The maximum number of Shares to be issued pursuant to Resolution 3 is 840,125 Shares. The Shares will be issued at an issue price of \$0.08 per Share and no funds will be raised from the issue of Shares. The Shares will be issued to Emily Lee or her nominee.

If Resolution 3 is approved, the Company will issue the Shares within one month of the date of the Meeting. The Shares to be issued will rank equally in all respects with the Company's existing Shares. Voting exclusion statements are included in the Notice of Meeting.

#### **Resolution 4 – Approval of additional capacity to issue shares under ASX Listing Rule 7.1A**

##### **ASX Listing Rule 7.1A**

In 2012, the ASX introduced ASX Listing Rule 7.1A which enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over a 12 month period commencing after the annual general meeting (Additional Placement Capacity). ASX Listing Rules require that Shareholders approve the Additional Placement Capacity by special resolution, at an annual general meeting before any equity securities are issued under the Additional Placement Capacity.

For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an 'eligible entity'. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. The Company has issued no equity securities in the previous 12 months under its 15% placement capacity under ASX Listing Rule 7.1, therefore, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% (10% pursuant to ASX Listing Rule 7.1A and 15% pursuant to ASX Listing Rule 7.1) of the Company's issued share capital. If the Additional Placement Capacity is not approved, the Directors will be allowed to issue equity securities of up to 15% of the Company's issued capital under ASX Listing Rule 7.1.

While the Company does not have current plans to undertake a capital raising or issue Shares for the acquisition of assets, the Company seeks shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity should the need arise.

#### **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated in accordance with the following formula:

#### **(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- b) plus the number of partly paid shares that became fully paid in the 12 months;
- c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- d) less the number of fully paid shares cancelled in the 12 months.
- e) Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

#### **ASX Listing Rule 7.3A**

In accordance with ASX Listing Rule 7.3A the Company provides the following information.

Any securities issued under the Additional Placement Capacity will be in the same class as existing quoted securities of the Company.

The issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades

in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.

The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in Table 1). There is also the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

Equity securities under the Additional Placement Capacity may be issued until the earlier of:

- 27 November 2016; and
- the date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

Any approval of the Additional Placement Capacity at this Meeting will cease to be valid in the event that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

The Company may issue equity securities under the Additional Placement Capacity for the following purposes:

- non-cash consideration: for the acquisition of new mining assets and/or investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rules); or
- cash consideration: to raise funds for general working capital or the acquisition of new mining assets.

The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue.

The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including rights issues or other issues in which existing shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from the Company's advisors.

As the Company has no current plans to undertake a new capital raising or acquire new assets, the allottees under the Additional Placement Capacity have not yet been determined but if such an exercise was undertaken, allottees may include existing substantial shareholders and or new shareholders who are not related parties or associates of a related party of the Company.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2).

The table also shows:

- I. two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- II. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

**Table 1**

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0475 50% decrease in Issue Price	\$0.095 Issue Price	\$0.19 100% increase in Issue Price
Variable A - 70,338,960 Shares	10% Voting Dilution	7,033,896 Shares	7,033,896 Shares	7,033,896 Shares
	Funds Raised	\$334,110	\$668,220	\$1,336,440
50% increase in Variable A - 105,508,440 Shares	10% Voting Dilution	10,550,844 Shares	10,550,844 Shares	10,550,844 Shares
	Funds Raised	\$501,165	\$1,002,330	\$2,004,660
100% increase in Variable A - 140,677,920 Shares	10% Voting Dilution	14,067,792 Shares	14,067,792 Shares	14,067,792 Shares
	Funds Raised	\$668,220	\$1,336,440	\$2,672,880

**Table 1 has been prepared based on the following assumptions:**

- Variable A is calculated as 7:00 pm AEDT on 19 October 2015. Note, additional Shares may be issued by the Company between 19 October 2015 and the date of the Meeting.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.



- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under ASX Listing Rule 7.1.
- The issue of equity securities under the additional placement capacity includes only Shares.
- The issue price of \$0.095 was the price of Shares as traded on ASX as the time of preparing this Notice (19 October 2013).

The Company has not previously obtained approval for the additional placement capacity pursuant to ASX Listing Rule 7.1A.

A voting exclusion statement has been included in this Notice. However, as at the date of this Notice, the Company has not approached any particular existing shareholder to participate in the issue of equity securities under the Additional Placement Capacity. No existing shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

#### **FURTHER INFORMATION**

**Justyn Stedwell**  
**Company Secretary**  
**Mobile: 0424 222 122**

**Lanka Graphite Limited**  
**Suite 32, Level 18, 101 Collins Street**  
**Melbourne VIC 3000**  
**[www.lankagraphite.com](http://www.lankagraphite.com)**

## **GLOSSARY**

In the Notice of Meeting and Explanatory Statement the following terms have the following meanings:

**AEDT** means Australian Eastern Daylight Savings Time.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the listing rules of ASX.

**Board** means the board of directors of the Company.

**Company** or **Lanka Graphite** means Lanka Graphite Limited (ACN 074 976 828).

**Corporations Act** means Corporations Act 2001 (Cth).

**Director** means a current director of the Company.

**Explanatory Statement** means the explanatory statement to this Notice of Meeting.

**Meeting** means the 2015 Annual General Meeting of the Shareholders of the Company to be held on 27 November 2015, to which the Notice of Meeting and Explanatory Statement relate.

**Notice of Meeting** means this notice of meeting of the Company dated 19 October 2015.

**Resolution** means a resolution referred to in the Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

Words importing the singular include the plural and vice versa. All references to currency are in Australian dollars.

# Proxy Form

Lanka Graphite Limited  
 ACN 074 976 828  
 Suite 32, Level 18, 101 Collins St  
 Melbourne VIC 3000

## STEP 1 - Appointment of Proxy

I/We

being a shareholder/s of Lanka Graphite Limited and entitled to attend and vote hereby appoint

the Chairman of the General Meeting (mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered security holder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the 2015 **Annual General Meeting of Lanka Graphite Limited to be held at 11:00 am AEDT on Friday, 27 November 2015 at Level 18, 101 Collins Street, Melbourne, Victoria** and at any adjournment of that Meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default, by signing and returning this form, you expressly authorise the Chairman of the Meeting to exercise your proxy in relation to Resolutions 1 and 3 even though Resolutions 1 and 3 are connected with the remuneration of the Company's key management personnel. Where permitted, the Chairman of the General Meeting intends to vote undirected proxies in favour of Resolutions 1 to 4. **If you do not wish to appoint the Chairman of the Meeting to vote on Resolutions 1 to 4 in this manner, it will be necessary for you to complete the vote directions in Step 2.**

## STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business	For	Against	Abstain
Resolution 1 - Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Re-election of Dr Alex Cowie as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Approve the issue of up to 840,125 Shares to Emily Lee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Approve additional placement capacity pursuant to ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## STEP 3 - PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name ..... Contact Daytime Telephone ..... Date / / 2015

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# Proxy Form

Lanka Graphite Limited  
ACN 074 976 828  
Suite 32, Level 18, 101 Collins St  
Melbourne VIC 3000

**YOUR VOTE IS IMPORTANT  
FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 11:00AM AEDT ON 25 NOVEMBER 2015**

## TO VOTE BY COMPLETING THE PROXY FORM

### STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company. Do not write the name of the issuer company or the registered member in the space.

### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the General Meeting must provide evidence of his or her appointment by providing an "Appointment of Corporate Representative" form prior to admission. An Appointment of Corporate Representative form can be obtained from the Company.

### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

### STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote. To direct your proxy how to vote, place a mark in one of the boxes opposite each Resolution. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution, your vote on that Resolution will be invalid.

If you intend to appoint a KMP (including the Chairman) as your proxy, you are encouraged to direct them how to vote on Resolutions 1 and 3 by marking either "For", "Against" or "Abstain" for the item of business in Step 2 of the Proxy Form. If you appoint the Chairman of the meeting as your proxy, you expressly authorise him to cast your votes on Resolutions 1 and 3 even though Resolutions 1 and 3 are connected with the remuneration of the KMP of the Company.

### STEP 3 Sign the Form

The form **must** be signed as follows:

**Individual:** this form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders must sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the Company. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a director jointly with either another director or a company secretary. Where the company has a sole director who is also the sole company secretary, this form must be signed by that person.

**Please indicate the office held by signing in the appropriate place.**

### STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 11:00 am on 25 November 2015. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

**Proxies may be lodged:**

**BY MAIL** - Lanka Graphite Ltd  
Suite 32, Level 18, 101 Collins St Melbourne VIC 3000

**BY FAX** - +61 (0) 3 8678 1747

**IN PERSON** - Lanka Graphite Ltd  
Suite 32, Level 18, 101 Collins St Melbourne VIC 3000

### Attending the Meeting

If you wish to attend the Meeting please bring this form with you to assist registration.

### Queries

If you have any queries in relation to the Notice of Meeting or this Proxy Form please contact the Company Secretary on +61(0) 424 222 122.

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