

30 October 2015

## **ASX Announcement Quarterly Activities Report**

### **Corporate**

Lanka Graphite Limited (Company) shares re-commenced trading on ASX on 7 August 2015, following the Company's name change from Viculus Limited, the takeover of Euro Petroleum Limited and the completion of a successful capital raising. The Company raised \$3,848,000 from the issue of 19,240,000 shares at \$0.20 per share pursuant to the capital raising.

Lanka Graphite now holds seven exploration licences and two exploration licence applications covering approximately 242km<sup>2</sup> and located in highly prospective areas in central and southwest Sri Lanka where historic production occurred in the late 1800's and early 1900's.

Sri Lankan graphite is well known for its high purity lump style which requires minimal processing once mined. The lump style graphite is direct-shipped to potential Asian customers who require high purity (>99.5%C) product for modern high-tech batteries, electronic componentry and for application to new graphene technology. Sri Lanka is well located for shipping to potential customers, has excellent infrastructure to assist in mining and transport and has a supportive government which encourages mining and economic development.

There are currently 70,448,960 Lanka Graphite shares on issue, of which 16,420,000 are held in escrow.

### **Operations**

Since relisting on the ASX in August 2015, the Board of Directors has commenced employing the appropriate resources and establishing the appropriate structures to support successful exploration projects in 2016 and beyond.

The Company has engaged Mr Supun Wimalanath as General Manager, Technical Services. Prior to joining the Company, Supun was the Senior Technical Officer (Geology) with the Sri Lankan Geological Survey and Mines Bureau (GSMB). The GSMB is the Sri Lankan lead agency in mineral development and its responsibilities underpin the Sri Lanka Government's commitment to promoting mineral-based industries.

Company exploration permits and applications include ELs236/237, ELs266/267/268, COM011, and ELs 952/953/954 and cover a number of historic mining operations where visible lump style graphite can be observed. EL236, and sections of ELs266 and

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267 were known to be prime producing areas in the past. Mining operations are described by CSA Global mining consultants as ranging from medium sized underground mines to small artisanal pits and mining depths mainly less than 100m.

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.

In addition, in September 2015, the Company announced the signing of a Material Collaboration Agreement with the National Taiwan University of Science and Technology (NTUST) and a Commercialisation Agreement with a Taiwan based high-tech investment company specialising in IP transfer and commercialisation.

As part of the agreement with NTUST, the Company will supply high grade vein graphite from its graphite project in Central and South Western Sri Lanka to Professor Wei-Hung Chiang of the NTUST Department of Chemical Engineering who is leading the research project.

The NTUST research will focus on best commercial uses for graphene for existing high-value end user markets and NTUST will conduct ongoing research and development of the process of deriving graphene from the high grade vein graphite supplied by Lanka Graphite.

The Company has also secured the future rights to commercialise the research intellectual property following completion of the research project.

### **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.

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Company Secretary

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