

1 November 2017

## **ASX Announcement September 2017 Quarterly Activities Report**

Lanka Graphite Limited (ASX: LGR, "Lanka", "the Company") is pleased to report on activities for the period to 30 September 2017.

### **Highlights**

- **LGR signs graphene distribution agreement with world's largest Graphene supplier**
- **Global Graphene Group is a leading producer of graphene-enhanced products**
- **LGR granted its first Artisanal Mining License in Sri Lanka**
- **Initial production expected to commence after 6 months**
- **LGR progressing discussions with the multinational graphene company G<sup>3</sup> as a potential off take partner in accordance with HOA announced in April 2017**
- **Graphene production patent awarded to LGR business partner, National Taiwan University of Science and Technology**

### **Distribution Agreement with Global Graphene Group**

During the quarter, LGR announced the signing of a distribution agreement (DA) with Global Graphene Group (G3) for G3's high quality graphene products to Australia and New Zealand.

G<sup>3</sup> is the parent company of Angstrom Materials, Honeycomb Battery and Nanotek Instruments and is based in the United States and is a global leader in graphene-enhanced applications, supporting a range of products to customers in 38 countries. G<sup>3</sup> is scaling a broad range of commercial platforms of graphene applications in several next-generation, high-value verticals including energy storage, coatings, and thermal management. It holds more than 280 patents across aforementioned verticals, and many are "first" patents.

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.

### **LGR to Commence Small Scale Mining**

During the quarter, LGR announced that it had been granted its first Artisanal Mining License in Sri Lanka to commence small scale production at EL307.

The Company is now engaging local miners to start clearance and preparation of the site. Lanka will engage third party local technical consultants to commence installation of wall support at the identified historic mines.

Additional outcropping high-grade vein graphite mineralization has been identified near the existing mines. Granting of the application will allow Lanka to commence its first graphite production from EL307.

Lanka is in discussions with G<sup>3</sup> to formalize an off-take agreement to supply high grade vein graphite as a key product to the manufacture of commercial scale single and multi-layer graphene used in value-added graphene enhanced applications. Lanka aims to apply for further Artisanal Mining Licenses at its various Exploration Licenses to increase production.

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## Graphene Production Patent Awarded in the United States

Post quarter-end, LGR announced the grant of a graphene production patent to LGR business partner, National Taiwan University of Science and Technology. The granted patent relates to a method of producing graphene via Liquid Phase Exfoliation (LPE) method in particular, via the use of intercalating molecules to produce a modified graphene. This patent was previously lodged and granted in Taiwan as announced by Lanka in November 2016. Results from trials and research conducted by researchers at NTUST have shown that the graphene produced via this patented technology reduces the required amount of concentrated sulphuric acid by 90% as compared to conventional methods, and provides a manufacturing yield of up to 100%.

The modified graphene is suitable for applications in thermal management, electrical devices, energy storage and conversion and for battery anodes.

### 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.

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