



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 9221 6394

F +61 3 9620 0777

www.lankagraphite.com.au

ASX Announcement

April 19, 2017

Lanka Graphite signs Heads of Agreement with world's leading producer of graphene-enhanced products to advance graphene production opportunities

Highlights

- **Lanka signs HOA with US-based Global Graphene Group to form joint venture**
- **Joint Venture entity will develop a range of commercial graphene projects**
- **Lanka Graphite to supply high grade vein graphite to Global Graphene Group**
- **Global Graphene Group is world's leading producer of graphene-enhanced products**
- **Heads of Agreement to advance toward Joint Venture entity within six months**

Lanka Graphite (ASX: LGR), (the Company) is pleased to announce that it has entered into a Heads of Agreement (HOA) with a global leader in production of graphene-enhanced products, Global Graphene Group (G³), for the purpose of advancing toward a formation of a joint venture entity for development, exploitation and commercial production of a range of graphene-enhanced products. The proposed joint venture would leverage high purity LGR-produced vein graphite.

The American-based Global Graphene Group (G³) is a global leader in graphene-enhanced applications, supporting a range of products to customers in 38 countries. G³ is rapidly scaling a broad range of commercial platforms of graphene applications in several next-generations, high-value verticals, e.g. energy storage, coatings, and thermal management. It holds over 280 patents across verticals aforementioned; many are "first" patents.

Lanka and G³ have determined that there exists an opportunity to collaborate strategically via a proposed joint venture (LGR 50%, G³ 50%) and agree to supply various IP and products into the joint venture. Lanka Graphite, operating across the largest vein graphite land holding in Sri Lanka, proposes to supply vein graphite product from future mining operations into the joint venture as well as assisting with sourcing investment, marketing and administration. G³ proposes to supply its

For personal use only

experience in developing IP and research grants, commercialisation planning and manufacturing infrastructure.

Lanka Graphite Managing Director, Emily Lee commented, "Both Lanka and G³ are very excited about what we might be able to achieve together via this joint venture. There is such a broad and accelerating requirement for graphene applications across all manner of industries such as energy, electronics, composite materials and medical.

Global Graphene Group is a world leader in graphene research, production and applications, and the board and management of Lanka Graphite are honoured to be able to work with the G³ team on what no doubt will be an exciting journey. This is another very positive step for Lanka Graphite and the graphite industry of Sri Lanka."

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

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% carbon. 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.

Sri Lanka Graphite Geological Model

Sri Lankan graphite generally occurs as high-purity veins (>95%), ranging in thickness from veinlets less than 1mm thick to massive veins more than 1m thick. The veins are usually located in the hinge zones of antiforms within highly metamorphosed, granulite facies, rocks of the Precambrian Basement terrain that underlies much of Sri Lanka.

Vein graphite mineralisation is commonly associated with pegmatites and vein quartz, both related to tensional zones of open space in fold hinges and cross cutting structures. The graphite veins follow linear, sub-vertical, zones aligned with the axes of antiforms and is considered to have been derived from CO₂ in late hydrothermal fluids, produced during metamorphism.

Graphite was also deposited in secondary fractures at right angles or at steep angles to the strike of the antiformal hinge zones, although not all such fractures are so infilled. These types of secondary fracture veins can form the bulk of the graphite resource in a deposit in Sri Lanka.

Given that Sri Lanka was previously a major world supplier of high-quality vein graphite, extensive mining and prospecting for graphite occurred in the country over the past two centuries. Old shafts, adits and prospecting pits are therefore a common starting point for present day exploration.

For personal use only

About Global Graphene Group

G³ is the first world discoverer of graphene in 2002 and a global leader in graphene-enhanced applications. It is also a significant owner of greater than 280 patents with many more in the pipeline. Through these scientific insights and proprietary knowledge, mass production of graphene came on stream in 2016. This affords deployment of graphene-enhanced applications in energy storage, industrial durables, consumer electronics, and consumer durable products. Specifically, it is focused on high volume production of graphene raw materials, enhanced thermal interface materials (films, pastes, inks), coatings, and nanocomposite products (both thermoplastics and thermosets). In the energy storage space, it is focused on commercializing next generation lithium ion battery electrodes, including silicon anode materials, batteries enhanced with graphene, and improved battery manufacturing processes. For further information on G³, please contact Dr. Edward Chan at edward.chan@angstrommaterials.com.