

CEYLON GRAPHITE'S ASSAYS 98.89% CARBON CONTENT

December 4, 2017 – Ceylon Graphite Corp. (“Ceylon Graphite”) (TSX-V: CYL) (OTC: CYLYF) (FSE: CCY) announces it has received assay results of laboratory testing of graphite samples taken from the overburden of its exploration GRIDs in the Malsiripura and Katuwana areas in Sri Lanka. These results indicate carbon content ranging from 98.89% to 78.43% (w/w). The laboratory testing was done by Kahatagaha Graphite Lanka Ltd. (Government owned mining company) and SGS India Pvt Ltd.

These tests were conducted in the normal course of exploration work and the quality of results are significant as the samples were taken from the overburden – subsurface but not from the bedrock. Graphite from the bedrock is almost always of better quality as the mineral has less exposure to the weathering processes. The results are only valid for the samples tested.

As a consequence of these results, Ceylon Graphite intends to accelerate its exploration and rehabilitation work at these two sites with the intent to develop mine plans.

Bharat Parashar, Chief Executive Officer, said: “We are delighted with these results which indicate that Ceylon Graphite has some of the world’s purest graphite available in its GRIDs. We expect the unweathered mineral mined from the bedrock at these sites will yield an even higher grade graphite. We now intend to ramp up work on these two sites to quickly bring them to pre-commercial production stage.”

Qualified Person

Robert Marvin, P. Geo (ONT) is a Qualified Person under National Instrument 43-101, and has reviewed and approved the geological information provided in this news release.

About Ceylon Graphite Corp.

Ceylon Graphite is a public company listed on the TSX Venture Exchange that is in the business of exploring for and development of graphite in Sri Lanka. The Government of Sri Lanka has granted the company exploration rights in a land package of over 100km². These exploration grids (each a square kilometre in area) cover areas of historic graphite production from the early twentieth century, and represent a majority of the known graphite occurrences in Sri Lanka. Sri Lankan graphite is known to be some of the purest in the world, and currently accounts for less than 2% of the world graphite production.

"Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release."

FORWARD LOOKING STATEMENTS:*This news release contains forward-looking information as such term is defined in applicable securities laws, which relate to future events or future performance and reflect management's current expectations and assumptions. The forward-looking information includes statements about Ceylon Graphite's grids, Ceylon Graphite's plans to undertake additional drilling and to develop a mine plan, Ceylon Graphite's intention to apply for a Mining License and to commence establishing mining operations. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to Ceylon Graphite, including the assumption that, the drilling exercises will confirm the presence of high quality graphite, sufficient financial resources will be available, the records from the drilling exercises prove to be accurate, there will be no unanticipated delays or costs materially affecting Ceylon Graphite's exploration, development and production, there will be no material adverse change in metal prices, all necessary consents, licenses, permits and approvals will be obtained and the market. Investors are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected. Risk factors that could cause actual results to differ materially from the results expressed or implied by the forward-looking information include, among other things, an inability to reach a final acquisition agreement, inaccurate results from the drilling exercises, a failure to obtain or delays in obtaining the required regulatory licenses, permits, approvals and consents, an inability to access financing as needed, a general economic downturn, a volatile stock price, labour strikes, political unrest, changes in the mining regulatory regime governing Ceylon Graphite, a failure to comply with environmental regulations and a weakening of market and industry reliance on high quality graphite. Ceylon Graphite cautions the reader that the above list of risk factors is not exhaustive.*

These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, Ceylon Graphite does not assume any obligation to update or revise them to reflect new events or circumstances. All of the forward-looking statements made in this press release are qualified by these cautionary statements and by those made in our filings with SEDAR in Canada (available at www.sedar.com)

Further information regarding the Company is available at www.ceylongraphite.com

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