

CEYLON GRAPHITE PURCHASES SECOND DRILL RIG

November 9th, 2017 – Ceylon Graphite Corp. (“Ceylon Graphite”) (TSX-V: CYL) (OTC: CYLYF) (FSE: CCY) announces that Sarcon Development (Pvt) Ltd., a wholly owned subsidiary of Ceylon Graphite, has purchased a 2017 HY-2T type Core Drilling Rig from H.H. Drill-Tech Drilling Machinery Co. Ltd., a arm’s length party, based in Lianyungang, Jiangsu Province, China. Thirty (30%) percent of the purchase price of the rig was payable on signing of the definitive purchase agreement, and the balance will be paid on delivery. Upon completion of the acquisition, Ceylon Graphite will own two drilling rigs in Sri Lanka.

Ceylon Graphite is expected to take delivery of the rig in late November 2017, with the view of having it operational by early December 2017. The rig will be used to conduct drilling programs at grids held by Ceylon Graphite to confirm the quality and quantity of the graphite mineralization. It is expected that the rig will drill a minimum of 10 to 12 meters a day. With two operating drilling rigs, Ceylon Graphite anticipates being able to drill an additional 3 to 5 grids by the end of the first quarter, 2018.

Upon completion of the drilling program, and provided the results of the program are favourable, Ceylon Graphite intends to apply for a Class B mining licence, with the ultimate goal of establishing mining operations.

Bharat Parashar, Chief Executive Officer, said, “We are fortunate to be able to take delivery of the rig as the dry season approaches. This will allow us to make up for time lost during the very heavy monsoons this year. Sri Lanka has had more than its average rainfall this year and this has slowed drilling, however, we hope to reverse this trend in the coming months. We expect the drilling program will confirm the attractiveness of our grids both in terms of quality and quantity of graphite mineralization.”

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 1% 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 Class B 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, including a Class B Mining License 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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