

CEYLON GRAPHITE RECEIVES GRAB SAMPLE ASSAY OF 86.63% CARBON

May 2, 2017 – Ceylon Graphite Corp. (“Ceylon”) (TSX-V: CYL) (OTC: CYLYF) (FSE: CCY) announces that Sarcon Development (PVT) Ltd (“Sarcon”) its wholly owned subsidiary has conducted a “pre drilling” grab sample of historic dump material (graphite and quartzite) including substantial rock fragments of graphite from its K1 site in Karasnagala. The K1 site was selected for its historic crystalline graphite production as it contains a number of abandoned mine shafts and adits, and is inundated with dump material.

A sample of 1.1kg of graphite material that has been subjected to weathering for over 50 years was collected, washed and bagged. The bagged samples were sent to the laboratories of SGS Lanka (PVT) Ltd – a member of the SGS Group SA. Sarcon has received the following test results.

SGS SAMPLE REFERENCE NO: CG17-007665.001

UTM: 133052/211516

Tests	Protocol	Results% (w/w)
Moisture Content (On air basis)	IS 14852 : 2000	0.097
Ash (On dry basis)	IS 14852 : 2000	10.630
Volatile Matter (as dry basis)	IS 14852 : 2000	2.250
Fixed Carbon (On air dry basis)	IS 14852 : 2000	86.630
Sulphur (as S)	IS 14852 : 2000	0.490
Bulk Density	IS 7190 : 1974	1556.000
Silica (as SiO ₂)	ASTM C : 114 - 2015	58.380
Aluminum (as Al ₂ O ₃)	ASTM D : 6349 - 2013	4.710
Iron (as Fe ₂ O ₃)	ASTM D : 6349 - 2013	31.550
Calcium (as CaO)	ASTM D : 6349 - 2013	0.990
Magnesium (as MgO)	ASTM D : 6349 - 2013	0.390
Manganese (as Mn)	ASTM D : 6349 - 2013	0.080
Sodium (as Na ₂ O)	ASTM D : 6349 - 2013	0.340
Potassium (as K ₂ O)	ASTM D : 6349 - 2013	0.410
Titanium (as TiO ₂)	ASTM D : 6349 - 2013	0.090
Phosphorous (as P ₂ O ₅)	ASTM D : 6349 - 2013	0.940

The company will be sending the next round of surface samples and split drill core in for a series of analysis including upgrading / concentration and crystallinity tests to determined its suitability for battery grade material.

Bharat Parashar, Chief Executive Officer, said: “Having 86% Fixed Carbon is a fabulous result from weathered surface dump material. These results have validated our hypothesis that the K1

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site has high purity graphite. The ongoing drill program is designed to explore for subsurface extensions of graphite vein mineralization exposed at surface. Drilling will produce non weathered graphite that is likely to be higher quality graphite than weathered graphite from surface.”

Qualified Person

Robert Marvin, P.Geol (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 Corp is a public company listed on the TSX Venture Exchange (CYL:TSX-V), that is in the business of exploring for and development of graphite mines in Sri Lanka. The Government of Sri Lanka has granted the company exploration rights in a land package of over 100km². These exploration grids cover all relevant areas that had historical graphite production during the early twentieth century representing the majority of the known graphite occurrence in Sri Lanka. Ceylon’s graphite is 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 the Company's expected increase in global exposure and anticipated investment from European investors. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company including the assumption that trading on the Frankfurt Stock Exchange will increase the Company's profile to European investors. 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, a general economic downturn. The Company 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, the Company 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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