

Ceylon Graphite – Sarcon Development’s K1 Project Announces Commencement of Commercial Production

December 13th , 2019, Vancouver – Ceylon Graphite Corp. (“**Ceylon Graphite**” or the “**Company**”) (TSX-V: CYL) (OTC: CYLYF) (FSE: CCY) today announced that its wholly owned subsidiary Sarcon Development (Pvt) Ltd (“**Sarcon**”) has started commercial production at its K1 Graphite Mining Project at Karasnagla, Sri Lanka (the “**K1 Project**”).

“We are finally in commercial production mode and look forward to selling our first container of Sri Lankan vein graphite- today we have brought 2 tons of raw graphite to the surface” said Bharat Parashar, Chief Executive Officer. “These 3 years have been a learning process and whilst this is just the first step to creating a globally recognized graphite mining company, we are now much better prepared to develop our next sites and at a faster pace. I would also like to place on record our thanks to the GSMB for all its support”.

The Company is presently in discussions with several end users and processors of natural graphite regarding sales contracts. Sri Lankan graphite is known to be amongst the purest in the world.

Pictured below is Chief Executive Bharat Parashar with Dr Nalaka Godahewa, Founder Member of Viyathmaga of Sri Lanka, Dr C.H.E.R Sriwardane, Director General, Geological Survey and Mines Bureau of Sri Lanka and Mr Sasha Jacob, CYL shareholder with the first production of raw vein graphite from the K1 mine.



Also pictured below is Mine Manager Sunil Jayasuriya with Sarcon miners..



The Company also announces that Sarcon's drilling and exploration program will increase in its momentum as the Company looks to increase its footprint to at least 5 mine sites over 2020.

Cautionary Note

In accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, of the Canadian Securities Administrators, Ceylon Graphite advises that it has not based its production decision on a feasibility study of mineral reserves demonstrating economic and technical viability of the K1 Project, and that the mineral resource estimate for the K1 Project is comprised predominately of an inferred mineral resource. As a result there is increased uncertainty and there are multiple technical and economic risks of failure which are associated with this production decision.

These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to resources and reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts.

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 Corp, is a public company listed on the TSX Venture Exchange (CYL:TSX-V), that is in the business of exploration and development of graphite mines in Sri Lanka. The Geological Survey and Mines Bureau (“**GSMB**”) of the Government of Sri Lanka has granted the company’s wholly owned subsidiary Sarcon Development (Pvt) Ltd. and Industrial Mining License Category A for its K1 Project at Karasnagla, Sri Lanka. An Industrial Mining License Category A is the highest category license in Sri Lanka and grants exclusive rights to mine, process and trade in graphite mined within the area specified in the license. It also allows for underground multiborehole blasting, commercial production, use of all mining machinery and equipment and export of graphite. Graphite mined in Sri Lanka is known to be some of the purest in the world, and currently accounts for less than 1% of the world graphite production.

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 drilling and exploration objectives, mining and production decisions and the entering into of possible sales contracts. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to Ceylon Graphite, insufficient financial resources will be available, the records from 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 various Local Government Licenses 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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Chairman & Chief Executive Officer

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