

Ceylon Graphite Granted Industrial Mining Licence for the M1 Mining Project - its Second Full Mining Licence

August 15, 2022, Vancouver – Ceylon Graphite Corp. (“the Company” or “Ceylon Graphite”) (TSX-V: CYL) (OTC: CYLYF) (FSE: CCY) is pleased to announce the renewal of the Industrial Mining Licence for the Malsiripura, “M1” mining project in Sri Lanka from the Geological Survey and Mines Bureau (“GSMB”). The Licence grants exclusive rights to mine graphite from within the M1 mining area.

With the M1 permit in hand, the Company expects to be hoisting graphite after the shaft has been deepened by twenty feet and crosscut to a parallel vein system. The K1 mining project is fully permitted, and the Company is in the process of deepening the shaft and has doubled capacity for hoisting graphite.

Recent political unrest in Sri Lanka earlier this summer has subsided with the appointment of a new President. Ceylon’s operations were not adversely affected, and the Company only experienced a few delays in obtaining the final details of certain permits, but the Company is now able to expedite activities at both mines.

“The M1 and K1 licences demonstrate our ability to meet, or surpass, the requirements set out by the GSMB as well as the social licence we have developed in Sri Lanka” said Don Baxter, President, and Chief Executive Officer. “With the closing of our recent financing and the permitting of both the K1 and M1 mining projects, we are now in position to expedite our goal of achieving free cash flows from hoisting our high-grade, direct shipping, vein graphite from both projects within the next few months.”

QUALIFIED PERSON

Donald K. D. Baxter, P.Eng., CEO of Ceylon Graphite Corp., is a Qualified Person as defined by National Instrument 43-101 (“N.I. 43-101”) guidelines and has reviewed and approved the content of this news release.

About Ceylon Graphite Corp.

Ceylon Graphite is a public company listed on the TSX Venture Exchange, which is in the business of mining for graphite, and developing and commercializing innovative graphene and graphite applications and products. Graphite mined in Sri Lanka is known to be some of the highest grade in the world and has been confirmed to be suitable to be easily upgradable for a range of applications including the high-growth electric vehicle and battery storage markets as well as construction, healthcare and paints and coatings sectors. The Government of Sri Lanka has granted the Company's wholly owned subsidiary Sarcon Development (Pvt) Ltd. an IML Category A licence for its K1 and M1 mines and exploration rights in a land package of over 120km². These exploration grids (each one square kilometer 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.

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

Don Baxter, Chief Executive Officer

info@ceylongraphite.com

Corporate Communications

+1(604) 765 8657

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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: Investor Relations Activities (as such term is defined in the policies of the TSX Venture Exchange) to be performed by North Equities and the anticipated approval of the TSX-V for said activities, the potential commercial purposes for graphite mined in Sri Lanka and the grade of the Company's graphite assets located in Sri Lanka. 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, there will be no material adverse change in metal prices, all necessary consents, licences, permits and approvals will be obtained, including various local government licences 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, 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 cautions the reader that the above list of risk factors is not exhaustive.