

Ceylon Graphite Announces Approval of Amended and Restated Agreement For Acquisition of Sarcon Development

March 7, 2023, Vancouver – Ceylon Graphite Corp. (“Ceylon Graphite” or the “Company”) (TSX-V: CYL) (OTC: CYLYF) (FSE: CCY) today announced that it has received approval from the TSX Venture Exchange (the “**TSXV**”) for the amended and restated agreement dated February 4, 2023, as amended on February 26, 2023 (the “**Restated Agreement**”) with a private vendor (the “**Vendor**”) based in Sri Lanka to amend and restate the terms of a purchase agreement dated September 12, 2012, as amended (the “**Initial Agreement**”), whereby the Company’s wholly owned subsidiary incorporated in Curacao, Plumbago Refining Corp BV (“**Plumbago**”), acquired Sarcon Development Pvt Ltd. (“**Sarcon**”). Sarcon holds 116 high-grade graphite grids in the country of Sri Lanka, which grids represent the Company’s primary focus for exploration and development.

Under the Restated Agreement a cash payment of US\$250,000 and a total amount of common shares of the Company equal to US\$1,625,000 shall be issued to the Vendor upon meeting certain milestones as described in Restated Agreement. For further details please see the press release of the Company dated February 7, 2023.

Completion of the transactions contemplated by the Restated Agreement are subject to the satisfaction of customary conditions as described in the Restated Agreement.

About Ceylon Graphite Corp.

Ceylon Graphite is a public company listed on the TSXV, that 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 purest 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 license for its K1 mine 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

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in 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, but is not limited to, payments made to the Vendor, completion and timing of the transactions contemplated by the Restated Agreement, required approvals in connection with completion of the transactions contemplated by the Restated Agreement, government and third-party approvals, global market conditions, Ceylon Graphite's grids, Ceylon Graphite's plans to undertake additional drilling and to develop a mine plan and timing of commencement of 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 transactions contemplated by the Restated Agreement will receive final TSXV approval and be completed on the terms and conditions as anticipated by the Company, that there will be no material adverse change in graphite prices, all necessary consents, licenses, permits and approvals will be obtained, including various local Government licenses. 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, risks related to litigation and contractual disputes, 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, risks related to global pandemics, 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.