



**Lanka Graphite Limited**

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**ASX Announcement**

**Lanka Graphite to raise \$1.42 Million from issue of Convertible Notes**

**Highlights**

- **Lanka Graphite to raise \$1.42 million via Convertible Note Issue**
- **Share conversion price of Notes at 56% premium to last traded price**
- **Funds used to progress MOU with Sri Lanka Government**
- **Further exploration for vein graphite planned**

Lanka Graphite Limited (LGR or the 'Company') is pleased to announce that the Company has entered into agreements to raise \$1,427,500 from the issue of unsecured convertible notes ('Notes'). Subject to shareholder approval, Notes will be convertible into shares in the Company ('Shares') at a Share issue price of \$0.125 per Share at the election of the Note holder. This represents a premium of 56% on the closing price of Shares as traded on ASX on Friday 30 September 2016.

Notes have a term of 1 year and any Notes not converted into Shares may be redeemed by the Note holder at the end of the term. Notes will accrue interest of 10% per annum until conversion to Shares or redemption by the Note holder. Interest on Notes is payable in arrears at the end of the 1-year term.

Funds raised will be used for working capital purposes and to further advance the current MOU that refers to the potential commercialisation of the Sri Lanka Government graphite mining operations.

Executive Chairman of Lanka Graphite Mr Jitto Arulampalam commented, "It is very pleasing for us to have the support of our new Convertible Note investors as Lanka prepares for the most significant development stage of our company. This investment will provide us with the working capital to progress our MOU with the Government of Sri Lanka for the future development of Sri Lanka's vein graphite mining industry."

ENDS

For further information regarding this release or other company enquiries, please contact:

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### **About Lanka Graphite**

Lanka Graphite Limited (ASX:LGR) is an ASX listed graphite exploration company that is focused on exploration of a number of historic and new mining tenements in Central and South Western Sri Lanka. Historic mining at a number of the granted tenements produced very high grade 'lump' or vein style graphite with grades >95%C. High purity vein graphite was historically produced from Lanka's tenements at a grade that is also well suited to graphene derivation. Lanka Graphite will commence exploration of its granted tenements with the intention to develop high grade graphite production that can supply nearby Asian end user companies particularly focused on new technology graphene applications.