

Ceylon Signs Three New Land Agreements on Assay Results Showing 96.13% Pure Graphite Carbon Content

August 24, 2018, Vancouver – Ceylon Graphite Corp. (“Ceylon Graphite”) (TSX-V: CYL) (OTC: CYLYF) (FSE: CCY) is pleased to announce that it has received assay results of laboratory testing of graphite samples taken from the overburden of its exploration GRID no 23, under Exploration License No EL/222/R/2 in the Pasyala area in Sri Lanka.

These new site test results indicate a carbon content (Cg) of 96.13% which is vastly superior to virtually every other natural graphite source globally. The laboratory testing was done by the Sri Lanka Government’s Geological Survey and Mines Bureau’s laboratory.

Upon these material findings, the company is pleased to report it has signed three new land agreements under Exploration Licenses 222 and 224 and is accelerating its exploration, and commencing a drilling program on the recently added site(s) to determine an additional resource estimate, in addition to its currently verified ore holdings.

“We are delighted with this result which confirms that Ceylon Graphite has some of the world’s purest graphite available in its grids,” said Bharat Parashar, Chief Executive Officer. “With three active sites at present, we fully expect to bring the new land packages online for commercial extraction over the next several months – as we are now executing on a dual strategy of drilling and clearing out the historical shafts simultaneously.”

The new sites contains several historic shafts and adits. The Government of Sri Lanka has granted the company exploration rights in a land package of over 120km² with substantial reserves of the world’s purest graphite.

These tests were conducted in the normal course of exploration work with samples taken from the overburden – ie. subsurface materials. The company is looking forward to additional testing from its drilling efforts, as bedrock extracted Graphite from this site will likely be of even higher quality than the (Cg) of 96.13%.

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 Government of Sri Lanka has granted the company 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. 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 Ceylon Graphite's grids, Ceylon Graphite's plans to undertake additional drilling and to develop a mine plan, Ceylon Graphite's Mining License application and to commence establishing 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 drilling exercises will confirm the presence of high quality graphite, sufficient financial resources will be available, the records from the 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

Bharat Parashar, Chairman and & Chief Executive Officer

Chairman & Chief Executive Officer

info@ceylongraphite.com

Corporate Communications

(604) 559-8051