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CEYLON GRAPHITE

CEYLON GRAPHITE PROVIDES CORPORATE UPDATE

February 28, 2017 – Ceylon Graphite Corp. ("**Ceylon**") **(TSX-V: CYL) (OTC: NWNYF) (Frankfurt: CCY)** provides the following corporate update related to its Sri Lanka graphite projects.

Corporate

Management recently completed a trip to Sri Lanka, where they visited several of the company's exploration sites and started a process, with the company geologist and consultants of documenting the potential of each assigned grid. They also met with Government officials to discuss the next steps for permitting and approval processes. The company is currently in negotiation with a 3rd party Mining Engineering firm to oversee the commencement of mining operations and ensure it adheres to North American standards.

Vein Graphite Project

The company is in the final stages of purchasing a drill rig and other equipment for the exploration of its grids and is commencing site preparation for its first two sites. Interviews and the hiring process for a full time exploration crew has commenced.

Bharat Parashar, Chief Executive Officer, said: "Our first goal is to start commercial production of graphite in the foreseeable future and then provide consistent quality and volume of the product."

About Vein Graphite*

Vein graphite is known under various names including crystalline vein, Plumbago, Sri Lankan graphite, and Ceylon graphite. The name "Sri Lankan" and "Ceylon" are commonly used for vein graphite since the island nation of Sri Lanka (formally Ceylon) is the only area to produce this material in commercial quantities. Serious mining and exportation of Ceylon graphite began about 1824, however the unusual deposits of Ceylon have been known, and apparently used locally, since the middle of the 1600s.

Vein graphite has a morphology that ranges from flake-like for fine particles, needle or acicular for medium sized particles, and grains or lumps for very coarse particles. As the name implies, this form of graphite occurs as a vein material. Vein fillings range in size from 1-150 cm. "As mined" material is available in sizes ranging from fine powder to 10 cm lumps.

Vein graphite has the highest "degree of crystalline" perfection of all conventional graphite materials. As a result of its high degree of crystallinity, vein graphite is utilized extensively in "formed" graphite products that are used in electrical applications. Many of the highest quality electrical motor brushes and other current-carrying carbons are based on formulations using vein graphite.

In friction applications, vein graphite is used in advanced brake and clutch applications. Other applications include most of those that can utilize flake graphite. Commercial grades are available in purities ranging from 80-99% carbon, and sizes from 3-micrometer powder to 8-10 cm lumps.

*Source : Asbury Carbon

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 exploring and developing lump vein graphite mines in Sri Lanka. The Government of Sri Lanka has granted the company exploration rights in a land package over 100km² of exploration grids. These grinds cover all relevant areas that had historical lump vein graphite production during the 1900's to 1930's representing majority of the government's known vein graphite occurrence in Sri Lanka. Ceylon's lump vein graphite is unique and has higher quality than normal flake graphite, and currently accounts for less than 1% of the world graphite production.

"Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release."

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

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