



Graphano Energy Closes Flow Through Financing and Provides Corporate Update

Vancouver, British Columbia, December 23, 2021 – Graphano Energy Ltd. (TSXV: GEL, OTC PINK: GELEF, FSE: 97G0) (the "**Company**" or "**Graphano Energy**") is pleased to announce that its 2022 drilling program at its Lac Aux Bouleaux ("**LAB**") graphite project in Québec is underway. Details of the drilling program will be outlined in the coming weeks. To fund the drill program, the Company is pleased to also announce that it has completed a non-brokered private placement offering (the "**Offering**") issuing an aggregate 1,562,500 flow-through units (each, a "**FT Unit**") at a price of \$0.80 per FT Unit for aggregate gross proceeds of \$1,250,000.00 (the "**Proceeds**").

Each FT Unit consists of one common share of the Company that qualifies as a "flow-through share" for the purposes of the *Income Tax Act* (Canada) (a "**FT Share**") and one-half of one common share purchase warrant of the Company, whereby each whole common share purchase warrant of the Company (a "**Warrant**") entitles the holder thereof to purchase a common share of the Company (a "**Share**") at an exercise price of \$1.10 until December 23, 2023.

The Proceeds will be used for Canadian Exploration Expenses ("**CEE**") and "flow-through mining expenditures" as defined in the *Income Tax Act* (Canada) (the "**Qualifying Expenditures**"), which will be incurred on or before December 31, 2022, and renounced with an effective date no later than December 31, 2021, to the initial subscribers of the FT Units in an aggregate amount not less than the Proceeds. In addition, with respect to Québec resident subscribers who are eligible individuals under the *Taxation Act* (Québec), the CEE will also qualify for inclusion in the "exploration base relating to certain Québec exploration expenses" within the meaning of section 726.4.10 of the *Taxation Act* (Québec) and for inclusion in the "exploration base relating to certain Québec surface mining expenses or oil and gas exploration expenses" within the meaning of section 726.4.17.2 of the *Taxation Act* (Québec). If the Qualifying Expenditures are reduced by the Canada Revenue Agency, the Company will indemnify each FT Share subscriber for any additional taxes payable by such subscriber as a result of the Company's failure to renounce the Qualifying Expenditures as agreed.

In connection with the Offering, the Company paid a cash finder's fee of \$75,000.00, representing 6% of the Proceeds raised from investors introduced to the Company by GloRes Securities Inc., and issued an aggregate of 93,750 finders' warrants, representing 6% of the number of FT Units sold under the Offering. Each finder's warrant is exercisable into a Share at an exercise price of \$1.10 until December 23, 2023.

The Offering was carried out pursuant to prospectus exemptions of applicable securities laws and is subject to final acceptance by the TSX Venture Exchange. All securities issued pursuant to the Offering are subject to a hold period of four months plus a day from the date of issuance, expiring on April 24, 2022, and the resale rules of applicable securities legislation.

The securities issued have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, or any state securities law, and may not be offered, sold, or delivered, directly or indirectly, within the United States, or to or for the account or benefit of U.S. persons, absent registration or an exemption from such registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of securities in any state in the United States in which such offer, solicitation or sale would be unlawful.

Corporate Update

Since the Company's listing on the TSX Venture Exchange on September 30, 2021, Graphano Energy has been active in the field performing detailed exploration work, which resulted in several new graphite showings being identified in the eastern and southern areas of the LAB property. Additional geophysics and trenching work will be performed throughout the LAB property, particularly in the central and northern regions with the aim of identifying additional high-grade showings.

The Company is currently compiling and analysing current and historical data to develop an initial drilling plan scheduled to commence in late-January 2022. Graphano Energy will release details of the drilling program in the coming weeks.

Luisa Moreno, Chief Executive Officer of the Company, commented: "With the flow-through financing, we are well positioned to continue our aggressive exploration approach to advance our LAB graphite project and we look forward to reaching progressive milestones that have the potential to create significant shareholder value."

She added, "Graphano Energy's stock has been under pressure in part because of our early success, but we are just starting. We are pleased to close the flow-through financing and grateful to all our shareholders for joining us on this exciting journey. We look forward to a great 2022."

About Graphano Energy

Graphano Energy Ltd. is an exploration and development company that is focused on evaluating, acquiring and developing energy metals resources from exploration to production.

Graphite is one of the most in-demand technology minerals that is required for a green and sustainable world. The Company's Lac Aux Bouleaux property in Québec, Canada, has historically been an active area for natural graphite. With the demand for graphite growing in some of the most prominent and cutting-edge industries, such as lithium batteries in electric cars and other energy storage technologies, Graphano Energy is developing its project to meet the demands of the future.

ON BEHALF OF THE BOARD OF DIRECTORS

Luisa Moreno
Chief Executive Officer and Director
E: info@graphano.com

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.

Cautionary Note Regarding Forward-Looking Statements:

This news release contains "forward-looking information" including statements with respect to the future exploration performance of the Company. This forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements of the Company, expressed or implied by such forward-looking statements. These risks, as well as others, are disclosed within the Company's filing on SEDAR, which investors are encouraged to review prior to any transaction involving the securities of the Company. Forward-looking information contained herein is provided as of the date of this news release and the Company disclaims any obligation, other than as required by law, to update any forward-looking information for any reason. There can be no assurance that forward-looking information will prove to be accurate, and the reader is cautioned not to place undue reliance on such forward-looking information.