

Michael Bauer Files Early Warning Report

Toronto, Ontario, December 23, 2021 – In accordance with the requirements of National Instrument 62-103 - The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, Michael Bauer (the “**Acquiror**”) reports that through a series of transactions it has acquired ownership and control of an aggregate of 2,200,000 common shares and 2,153,845 warrants of Graphano Energy Inc. (“**Graphano**” or the “**Company**”).

On August 27, 2021, Graphano announced that Manganese X Energy Corp. (“**Manganese X**”) and Graphano completed a plan of arrangement pursuant to section 288 of the Business Corporations Act (British Columbia) (the “**Arrangement**”) involving Manganese X, Graphano, and the securityholders of Manganese X. Pursuant to the Arrangement, Manganese X distributed shares of Graphano to Manganese X shareholders. In connection with the Arrangement, Graphano became a reporting issuer in British Columbia and Alberta.

In connection with the completion of the Arrangement, the escrow release conditions have been satisfied in respect of Graphano’s previously completed offering of subscription proceeds, which were automatically converted into pre-consolidation Common Shares and Warrants (the “**Conversion of Subscription Receipts**”).

On September 1, 2021, Graphano announced that it has consolidated its issued and outstanding share capital on the basis of one post-consolidated common share for every six and one-half pre-consolidated common shares (the “**Consolidation**”).

Further details of the Arrangement, Conversion of Subscription Receipts and Consolidation are contained in the news releases of the Company dated August 27, 2021 and September 2, 2021, which are available under the Company’s profile on SEDAR at www.sedar.com.

Following completion of the Arrangement and Conversion of Subscription Receipts the Acquiror received 14,150,000 pre-consolidation Common Shares and 14,000,000 pre-consolidation Warrants.

Following the Consolidation, the Acquiror’s securityholding was consolidated to 2,176,921 post-consolidation Common Shares and 2,153,845 post-consolidation Warrants.

In addition, the Acquiror acquired the following securities of the Company (the “**Acquisitions**”):

- acquired 5,194 Common Shares for \$0.3077 per share on the TSX Venture Exchange (“**TSXV**”) on September 30, 2021;
- acquired 2,500 Common Shares for \$0.33 per share on the TSXV on October 1, 2021; and
- acquired 15,385 Common Shares for \$0.4395 per share on the TSXV on November 1, 2021.

The Acquiror is filing the initial early warning report due to the Arrangement and Conversion of Subscription Receipts resulting in its holdings being over 10% of the outstanding Common Shares.

Prior to the above transactions, the Acquiror owned and controlled a total of 14,000,000 subscription receipts of the Company, being 17.08% of the then outstanding subscription receipts, based on 81,945,660 subscription receipts outstanding as of August 27, 2021.

Subsequent to such transactions, the Acquiror owned and controlled a total of 2,200,000 Common Shares and 2,153,845 Warrants, representing approximately 14.52% of the issued and outstanding Common

Shares, based on a total of 15,154,566 Common Shares outstanding as of September 20, 2021, on an undiluted basis, and 25.15% assuming exercise of all Warrants owned or controlled by the Acquiror.

The Acquiror has acquired the Common Shares and Warrants for investment purposes. In the future, the Acquiror will evaluate its investment in the Company from time to time and may, based on such evaluation, market conditions and other circumstances, increase or decrease its shareholdings as circumstances require through market transactions, private agreements, or otherwise.

A copy of the early warning report being filed by the Acquiror may be obtained on SEDAR at www.sedar.com under the Company's profile or by contacting the Acquiror at 416.869.1234.