

July 29, 2021



# Gratomic Acquires Remaining 37% Interest In Aukam Property

TORONTO, ON / ACCESSWIRE / July 29, 2021 / Gratomic Inc. (“**GRAT**” or the “**Company**”) (TSXV:GRAT)(OTCQX:CBULF)(FRA:CB82) is pleased to announce that, further to its Press Release of June 29, 2021, the Company has acquired the remaining 37% interest (the “**Interest**”) in Gazania Investments Two Hundred and Forty Two (Proprietary) Limited (the “**Acquisition**”), the Namibian company which holds the licenses on the Aukam property (“**Aukam**”) pursuant to a definitive agreement (the “**Agreement**”) with Next Graphite, Inc. (“**NextG**”). Gratomic now holds 100% of the rights and interests in the Aukam Mining License (ML215) and exploration License (EPL 3895). As part of the transaction, Cliff Bream, President and CEO of NextG, has been appointed to the Board of Directors of Gratomic, subject to TSXV approval, and Lynne Brand has resigned as a director to facilitate the appointment of Cliff Bream as a director.

Arno Brand, President and CEO commented, “We are very pleased to have acquired the remaining 37% interest in the Aukam project. On behalf of the Board of Directors of Gratomic, I would like to welcome Cliff Bream to the Board. I look forward to working with Cliff to continue a strategic business relationship and build a strong future for Aukam together. I would also like to thank Lynne Brand for her service to the Company as a director.”

In consideration for the Interest, Gratomic issued 18,986,188 common shares (the “**Escrowed Shares**”), 2,272,727 common shares (the “**Additional Shares**”) and a further 4,500,000 common shares (the “**Dilution Shares**”) for an aggregate of 25,758,915 common shares (the “**Consideration Shares**”) in the capital of Gratomic to NextG and ten (10) shareholders of NextG (the “**NG Recipients**”) and paid \$100,000 in cash to NextG. Additionally, Gratomic agreed to honour its previous contractual condition to provide NextG with US\$500,000 from the first US\$1,000,000 of net revenue generated from sales of graphite from the Aukam property pursuant to the issuance of the Additional Shares and the agreement to pay US\$250,000 (the “**Revenue Amount**”). In the event the Revenue Amount is not paid in full by July 29, 2022 (the “**Due Date**”), then any outstanding Revenue Amount will be settled by the issuance to NextG of that number of common shares (the “**Settlement Shares**”) as is arrived at by dividing the then outstanding Revenue Amount by the closing price of the Common Shares on the first trading day following the Due Date, less the maximum discount allowed by the rules of the TSXV. As part of the closing, NextG delivered a promissory note to Gratomic in the amount of US\$71,752 (the “**Promissory Note**”) in respect of certain expenses owed by NextG to Gratomic. The Promissory Note bears interest at 10% per year and is due and payable on February 28, 2022, failing which, it bears default interest of 11% per annum. If the Promissory Note is not paid when due, Gratomic has the right to set off the principal amount of the Promissory Note plus accrued interest against the Revenue Amount.

The Consideration Shares issued to NextG and the NG Recipients are subject to a hold period expiring on November 30, 2021 and are subject to the provisions of an Escrow Agreement dated July 29, 2021. The Escrowed Shares and the Dilution Shares are subject to an 18-month escrow with a release of 1/3 of the original balance every 6 months, pro rata, and the Additional Shares are subject to a 12-month escrow and shall be released from escrow, pro rata, on the Due Date.

Gratomic has also granted the NG Recipients a right to participate in any future financings of Gratomic at the same price as any other participants on a pro rata basis to their percentage holding in Gratomic (calculated on the basis of the number of Consideration Shares remaining in Escrow) at the time of any such fundraise (calculated on a non-dilutive basis).

Cliff Bream, President and CEO of Next Graphite said, “we feel that combining the interests in Aukam will optimize the potential of Aukam and allow the shareholders of NextG to participate in the success of Gratomic. Many of us in the two companies have worked together for years, and we have great confidence that Gratomic will be successful with the Aukam project”.

### **About Gratomic Inc.**

Gratomic is focused on introducing an exceptional anode material to the global electric vehicle and energy storage supply chains. The Company aims to achieve full operational capabilities in 2021, with further plans to take its Aukam Graphite Project fully solar by 2022. Large quantities of its naturally high-quality graphite have been shipped for testing to confirm its viability as an anode material. Gratomic is confident that the results will provide a unique competitive advantage in its desired target markets.

The Company’s recent collaboration agreement with Forge Nano has advanced the developments on its graphite finalization phase for the micronization, spheronization, and the patented ALD coating of its Aukam vein graphite for use in lithium-ion batteries. Forge Nano is a global leader in surface engineering and precision nano-coating technology, using Atomic Layer Deposition.

GRAT has two outstanding off-take purchase agreements with TODAQ and Phu Sumika with contract fulfillment slated to begin in 2021. Gratomic plans to deliver mine-to-market traceability through its partnership with deeptech company TODAQ by providing documented tracking on all graphite generated at its flagship Aukam Graphite Project.

For more information: visit the website at [www.gratomic.ca](http://www.gratomic.ca) or contact: Arno Brand at [abrand@gratomic.ca](mailto:abrand@gratomic.ca) or 416 561-4095

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### **Forward Looking Statements:**

This news release contains forward-looking statements, which relate to future events or future performance and reflect management’s current expectations and assumptions. Such forward-looking statements reflect management’s current beliefs and are based on assumptions made by and information currently available to the Company. 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. These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, the Company 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](http://www.sedar.com))