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## GRAPHANO – A New Graphite Play with Great Upside Potential for Investors



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“We are in a district that has a history of production. In fact, our property is immediately adjacent to a graphite producer. When we define a resource, we will very likely have a much lower development cost than most and potentially a fast route to production.”  
Dr. Luisa Moreno, Ph.D.

**CEOCFO:** *Dr. Moreno, what is the overall vision behind Graphano Energy?*

**Dr. Moreno:** The overall vision is to be a company that can supply graphite for the green economy. By that, I mean produce graphite that can be used in batteries for electric vehicles. We would like to be able to do that as fast as possible.

**CEOCFO:** *Where else is graphite used and why would you like to get into the green segment with graphite?*

**Dr. Moreno:** The reason we decided to start this company is because we want to make a contribution to the global green agenda, and there will be significant graphite supply shortage going forward. There are forecasts that suggest that demand for graphite for electric vehicle applications will require an increase in current supply by at least 100% in the next 10-15 years. We saw the opportunity and the need to support that global vision to transition from internal combustion engine vehicles to electric vehicles. That is our main vision, but graphite is also used for many other applications.

There are different types of graphite. There is flake graphite and there is also lump graphite which you can find mostly in Sri Lanka. We have flake graphite and additional applications include lubricants and refractories. It can also be used for the production of brake linings for vehicles. Another common use is, of course, pencils. It is also used in aluminum production, as an alloying component in cast iron, and in the semiconductor industry.

**CEOCFO: *Would you tell us about your Lac Aux Bouleaux Graphite Property and why it is a good prospect for you?***

**Dr. Moreno:** We were candidly very excited about the Lac Aux Bouleaux Graphite Property ("LAB") when we saw it because it is next door to the only existing graphite producer in North America, which is TIMCAL. Contrary to other graphite properties in development, this property next to TIMCAL has readily available infrastructure, which means much lower costs of development. Many of the mining companies and projects are unfortunately in isolated areas and require high infrastructure costs. We are in a very civilized area with excellent nearby access to two major cities, Montreal and Ottawa; and again, being right next door to a producer, we are VERY close to power and transportation infrastructure.

**CEOCFO: *Why was the property available? What did you see that the previous owners did not?***

**Dr. Moreno:** This property was owned by Manganese X ("MN") and they decided to spin it out to their shareholders to enable focus on its development by a separate management team and free themselves to concentrate on their excellent manganese project. They were able to get it for a very reasonable price when the market was not as good and graphite prices were weak. The vendors had been willing to sell it for a good price to people who would advance it and MN opportunistically bought it and then recognized it deserved more immediate development than they could give it. We think it was accidental that TIMCAL let the property drop, enabling the Vendors to stake it.

Manganese X is also in the space of developing a project to produce a key product (battery grade manganese sulfate) for electric vehicle batteries. They thought it would be a good idea to have LAB developed separately with a focus to produce another key battery material, in this case an anode material to supply the electric vehicle industry. As the manganese project developed, they spun out the graphite. That is the background story.

Sometimes when markets weaken, good properties become much easier to secure. For those with vision it is opportunity time. Despite the volatile markets we decided to invest in this property, which we believe is one of the best graphite properties in Canada. In a normal market, like now, it would be really competitive and difficult to acquire such a quality graphite property.

**CEOCFO: *What is happening on the property today?***

**Dr. Moreno:** We started with a summer exploration campaign, which included channel sampling and ground geophysics to identify key areas for drilling. We released these very positive results and then completed the second exploration program in October / November. We are now waiting for the complete results, but have already put out some results, which were very good, too. It was just a small portion, about 50 out of 200 samples. We are now waiting for the remaining samples to have a much better picture of where the main drilling targets would be. We are looking forward to start drilling and defining a NI 43-101 resource next year.

**CEOCFO: *What might be available in technology today to make it easier for you?***

**Dr. Moreno:** What we are trying to do is define a graphite deposit and for that we are using conventional technology, like ground geophysics techniques followed by standard early-stage activities, like channel sampling. Once that is done and we are able to outline a resource from drilling, we have to process the material to produce a graphite concentrate through flotation, also pretty conventional technology.

Historically, the work done on the property has yielded good results and a high-grade graphite concentrate. It is not a complex process that requires highly advanced technology, it is just a conventional flotation process that we have to optimize, by changing parameters like temperature, the amount of the reagents and so forth. That is essentially what we have to do. We also have to determine the flake size distribution.

Once we have the high-grade graphite concentrate, then we will probably partner with companies or laboratories that can bring that anode-grade graphite experience, to produce an anode grade material for electric vehicle batteries.

**CEOCFO: *Is the investment community paying attention to Graphano Energy?***

**Dr. Moreno:** I think the investment community is definitely paying attention. It is just difficult to differentiate with so many juniors, to determine which ones have realistic chances to reach the finish line. This is not a precious or base metals project. Battery metals are different and require a little more learning for investors. I think that as we develop the project and we are able to present the markets with results, and explain that we have a good deposit with acceptable grades and recoveries from processing, it will then be easier for investors to see the value. We have the infrastructure and the history of graphite production in the region on our side. Now we just have to deliver, find the resource and bring the project to production, which we believe we can do faster than the market is expecting. You must bear in mind that there is an historic non-conforming resource on the property that was identified before the introduction of NI 43-101.

**CEOCFO: *Does your background help? Does that matter when investors are taking a look or do they focus entirely on the property?***

**Dr. Moreno:** I think the team is always very important and investors are going to be looking at that, particularly as the project advances to production. The existing team is small but very experienced and highly qualified. The team that we build should have a variety of expertise, and it will continue to grow as the project advances. I think having a technical team with experience in graphite geology and metallurgy is crucial but the capital markets experience we have is also important. My background is in investment banking research and I also have a scientific background in materials science. I have always looked at understanding metallurgy of various strategic materials and I can contribute to that, but we are in the process of adding a professional with graphite processing experience as well.

**CEOCFO: *Diversity has come up very often in interviews lately. Does being a woman make a difference in your industry? Does it interest people? Do they care?***

**Dr. Moreno:** I saw an article on CNBC yesterday where someone was trying to correlate company performance with women's leadership and finding positive results there.

Women and men are definitely different and they probably run companies somewhat differently and bring different energies and understanding, especially of human nature. The combination can be very complementary. I think it is a positive change as more companies bring women to their board of directors and leadership, as CEOs and chief operating officers and so forth. Time will tell, but indications are very positive that there is much greater strength with diversity.

**CEOCFO: *Why should Graphano Energy stand out?***

**Dr. Moreno:** I think it is probably fair to compare Graphano at this stage with other companies that are close to developing graphite properties into "next producers". I think we stand out for the very reason, as I said at the beginning; We are in a district that has a history of production. In fact, our property is immediately adjacent to a graphite producer. When we define a resource, we will very likely have a much lower development cost than most and potentially a fast route to production.

