



Grafta Nanotech Inc. Shareholder Update – Q1 2023

Dear Fellow Shareholders,

The management team and board of Grafta Nanotech Inc. (“Grafta” or the “Company”) are pleased to provide a corporate and operational update on the Company.

Since the \$2 million equity capital raise completed in June of 2022, management has achieved the following milestones:

- Established Toronto lab for testing, research and development; led by Dr. Safari.
- Moved into new Calgary manufacturing facility in December and began receiving equipment:
 - We were a couple of months late gaining access to the facility as it is a new build and the landlord had supply chain issues.
 - We are in the process of commissioning the plant with batches run and commercial production to start in the back half of February.
 - Commenced hiring of plant workers including a plant supervisor and one labourer.
- Received confirmation from the US patent office that our filed patents will be granted in Q1
 - Our Canadian patent application has been filed and we will push for issuance based on US results.
- Several R&D and commercial achievements:
 - Successfully tested waters removing phenols for an engineering firm on a former creosote facility;
 - Working on a second program with the same engineering firm removing arsenic for an oil and gas client; and
 - Successfully tested waters removing nitrates, sulfates, and ammonia primary targets, selenium and copper, for BC copper mines; awaiting confirmation of scaled test programs.
- Submitted an application to MICA for CEMI funding for up to \$1.5M (non dilutive) for large pilot tests with mining companies.

Looking forward, we have the following expectations for the business in 2023:

- Move to full scale production utilizing 22 shifts per month by end of February.
- Expectation to close on larger scaled product testing at multiple BC mine sites.
- Expansion of production to 44 shifts per month by mid April.
- Positive EBITDA forecast for Q2 2023 with sufficient liquidity to reach self sustaining status.
- Planning for a second manufacturing facility in Sudbury upon sufficient proven demand for product in the Ontario mining industry; likely requires a capital raise in H2 2023 (potential RTO).

Thank you all for your support and if you have any questions, please feel free to reach out to me directly at 403-827-2700 or mbentsen@grafta.tech

Mark, Bentsen
President & CEO



Loading Bays



Manufacturing Facility



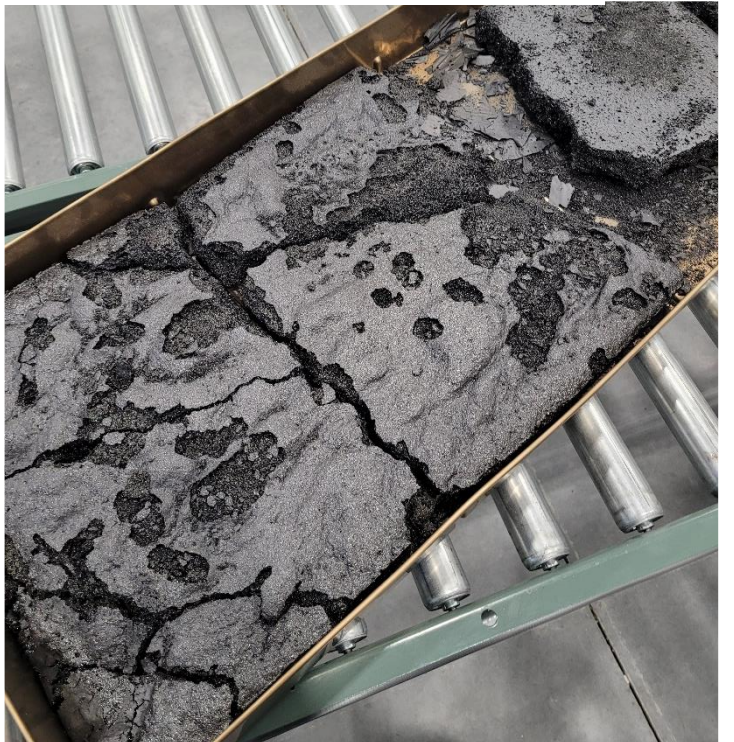
Nitrogen Generator



Crusher and Mixer



Oven & Racks



Finished Product (pre crushing)