



Dear Fellow Shareholders,

Grafta Nanotech Inc. is pleased to provide you with the following updates regarding our company.

Firstly, the company and the Holder of the Secured Promissory Note, which matured on May 12, 2025, have executed a binding Termsheet canceling the Promissory Note. The cancellation of the note means that the company is relieved of all interest payments and the obligation to repay the debt.

The Termsheet includes a contractual commitment to pay the former owner of the Patents a fee of 6% on gross revenues received from products derived from the Patents until a target value is achieved. Post target the rate decreases to 2% on gross revenue received. Management believes that this modification to the terms of the original Patent purchase should result in higher cash retention for funding growth and more predictability on outflows. The Holder's legal counsel is drafting binding agreements, and we anticipate completion by the end of Q3.

Secondly, management and the board have initiated a private placement of common shares to raise equity (\$one million CAD) to fund:

- an increase in graphene production capacity from 50 tonnes per month.
- an increase in finished goods inventories.
- additional sales efforts and further business development personnel.

before pursuing a public listing in Q4 2025.

In the Investor section of the company website ([grafta.tech/investors](http://grafta.tech/investors)) (pw: GRAFTA2025) is a PowerPoint Deck that provides relevant information about the company and this equity raise. Should you have an interest in subscribing for additional common shares of the company or updating your knowledge of the business, please review.

Mark or Doug will be pleased to meet with you by video, in-person or phone to answer questions you may have. You may request a subscription agreement, and we will forward the agreement promptly.

Grafta, a Calgary-based company, specializes in the application of its proprietary graphene technology to the treatment of contaminated water that results from industrial and mineral extraction processes.

Grafta has an experienced management team that has been progressing the technology through testing and field trials. The company is working with several large end users, many of whom have multiple sites and a need for continual water treatment as part of their processes (recurring sales), and has begun initial shipments (generating revenue currently).

Highlights include:



# GRAFTA

Industrial water remediation solutions.

GRAFTA Nanotech Inc.

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[www.grafta.tech](http://www.grafta.tech)

-  Unique patented products utilizing Graphene for the treatment of industrial and mining waste waters
-  Third party certified lab tests have been performed proving that Grafta's products successfully remove a high ratio of targeted contaminants from client water samples
-  Large and growing addressable market: USD \$42.7 billion TAM / 5.18% CAGR
-  Grafta 1.0 has proved to have significantly superior performance in removing contaminants vs. traditional methods while requiring less capital equipment and footprint on treatment sites
-  Cost effective on a per volume basis relative to competing incumbent methods
-  First mover advantage with no competitors offering absorbent graphene products for the treatment of water
-  Commercially available today, with an owned and operated 50 tonne/month production facility + supported in both sales and technical deployments by a group of established industry partners

Sincerely,

Mark Bentsen

CEO and Director

**Grafta Nanotech Inc.**

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