



Graniz Mondal  
Graniz Graphite

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## Graniz Mondal Inc. Provides Update on Proposed Transaction With Group NanoXplore Inc.

Lévis, Québec, Canada

### ***NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES***

Graniz Mondal Inc. (TSXV: GRA.H) (“**Graniz**” or the “**Corporation**”) is pleased to announce that Group NanoXplore Inc. (“**NanoXplore**” or “**GNI**”) has completed on August 2, 2017 the previously announced brokered private placement financing (the “**Offering**”) of subscription receipts (the “**Subscription Receipts**”) sold at a price of \$0.45 per Subscription Receipt for gross proceeds of \$9,697,082.40, well above the initial proposed range of \$3 million to \$5 million. Paradigm Capital Inc. (the “**Agent**”) acted as agent in connection with the Offering. The closing of the Offering is a step towards the completion of the proposed three-cornered amalgamation (the “**Proposed Transaction**”) which was previously announced by the Corporation on June 8, 2017.

The gross proceeds received from the Offering, less the Agent’s expenses in connection with the Offering and a portion of the Agent’s commission, has been deposited into escrow with TSX Trust Company and will be released to GNI upon notice to TSX Trust Company that the escrow release conditions discussed below (the “**Release Conditions**”) have been satisfied.

As consideration for the services of the Agent rendered in connection with the Offering, GNI has agreed to pay the Agent an aggregate cash fee equal to 7% of the gross proceeds of the Offering and to issue a number of broker warrants (the “**Broker Warrants**”) equal to 7% of the number of Subscription Receipts issued pursuant to the Offering, except in respect of sales to certain purchasers identified by GNI to a maximum aggregate subscription amount of \$1 million (the “**President’s List Subscribers**”) for which GNI agreed to pay a cash fee equal to 3.5% of the gross proceeds in respect of Subscription Receipts subscribed for by President’s List Subscribers and to issue that number of Broker Warrants equal to 3.5% of the Subscription Receipts issued to President’s List Subscribers. Each Broker Warrant is exercisable to purchase one common share of GNI (a “**Broker Warrant Share**”) at a price of \$0.45 per Broker Warrant Share at any time in whole or from time to time in part for a period of 24 months following the closing of the Proposed Transaction. The Broker Warrants shall be exercisable following the satisfaction of the Release Conditions. Upon completion of the Proposed Transaction, each Broker Warrant will be exchanged for a broker warrant of the Corporation.

It is intended that, upon completion of the Proposed Transaction, the net proceeds of the Offering will be used to fund working capital and commercial and engineering activities.

Upon the satisfaction of the Release Conditions, each Subscription Receipt will be automatically converted into one unit which will consist of one common share of GNI (a “**GNI Share**”) and one half of one common share purchase warrant of GNI. Each whole warrant of GNI (a “**GNI Warrant**”) will entitle the holder to acquire an additional GNI Share at a price of \$0.70 for a period of 24 months from the closing of the Offering.

The GNI Shares and GNI Warrants will be exchanged for shares and warrants of the Corporation in connection with the Proposed Transaction and will not be subject to any hold period under Canadian securities laws.

Conditions to the completion of the Proposed Transaction and the Release Conditions include obtaining the required approvals for the Proposed Transaction from the shareholders of Graniz and GNI, and the TSX Venture Exchange.

### **Summary of the Proposed Transaction**

The Proposed Transaction is an arm's length reverse takeover of the Corporation within the meaning of Policy 5.2 – *Change of Business and Reverse Takeovers* of the TSX Venture Exchange (the "Exchange").

Pursuant to the Proposed Transaction, the Corporation shall proceed to a 15:1 common share consolidation in order to reduce its outstanding shares to 1,412,939 and shall purchase all of the issued and outstanding common shares in the share capital of GNI for a total consideration of \$25,294,594 payable through the issuance of 56,210,252 common shares in the share capital of the Corporation (after consolidation), at a deemed value of \$0.45 per common share to previous shareholders of GNI. The Corporation will also issue 21,549,072 common shares in exchange for the GNI Shares issued upon conversion of the Subscription Receipts.

Furthermore, outstanding debts of the Corporation, estimated at \$340,000 shall be converted into 755,556 common shares in the share capital of the Corporation, at a deemed value of \$0.45 per common share (after consolidation).

Advisory fees shall be payable to certain advisors of the Corporation and GNI, through the issuance of 115,556 common shares of the Corporation, at a deemed price of \$0.45 per common share and 466,667 options of the Corporation, at an exercise price of \$0.45 per common share.

Pursuant to the Proposed Transaction, the in-the-money existing options of GNI will be converted into 694,981 common shares in the share capital of the Corporation, at a deemed value of \$0.45 per common share and the out-the-money existing options of GNI will be converted in 520,866 options of the Corporation at a an exercise price of \$0.45 per common share.

Furthermore, the Corporation shall terminate, subject to prior shareholder approval, an option agreement pursuant to which it may acquire the Mousseau West property and as a result, the outstanding debt and accrued interest relating to the property shall be deemed forgiven (approximately \$210,000) without any other consideration to be paid.

### **About Graniz Mondal Inc.**

Graniz Mondal Inc. holds interests in one mineral property located in Northern Québec, and an option on a graphite deposit in the region of Mont-Laurier.

*Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Graniz Mondal should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.*

*Neither TSX Venture Exchange nor its regulation services provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

**CONTACT INFORMATION**

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