



GRAPHITE ENERGY CORP. ENTERS INTO AGREEMENT FOR ACQUISITION OF A PROPERTY PACKAGE IN WESTERN AUSTRALIA, A NON-BROKERED PRIVATE PLACEMENT AND NAME CHANGE

VANCOUVER, British Columbia, June 22, 2020 – Graphite Energy Corp. (CSE:GRE.X) (OTC:GRXXF) (Frankfurt: G0A) (“GRE” or the “**Company**”) announces that on June 17, 2020, it has entered into an agreement, with third party arms’ length vendors (the “Vendors”), to acquire (the “acquisition”) a 100% ownership in a company that controls seven tenements that are highly prospective for gold mineralization in Western Australia. The Company will have all base and precious metal mineral rights except for diamonds and iron ore which remain with the Vendors.

Pursuant to the agreement, the Company will make the following common share issuances to the Vendors on a pro rata basis:

- 7,500,000 common shares to acquire 100% ownership of the target company. These shares will be subject to an escrow provision over a 12 month period;
- On the completion of a drill program of 4,000 meters, an additional 2,500,000 common shares;
- On the announcement of not less than 500,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares;
- On the announcement of at least 1,000,000 ounces of gold within the property package, as defined in a resource calculated compliant to NI 43-101 standards a further 2,500,000 common shares.

The acquisition is subject to the Company completing a due diligence program including an initial 43-101 report on the project as well as receiving applicable regulatory approvals. The Company is paying a finder’s fee of 750,000 common shares on the completion of the transaction to a non-related third party.

In conjunction with the acquisition, the Company also announces a non-brokered private placement financing of 10,000,000 units at a price of \$0.20 per unit. Each unit will consist of one common share of the Company and one transferable common share purchase warrant. Each warrant will allow the holder to purchase one share of the Company at a price of \$0.35 per share for a period of three years from the date of closing of the private placement. The private placement will be open to all existing shareholders of the company and interested parties who can rely upon an exemption from the registration and prospectus requirements of applicable securities laws to participate. The warrants are subject to an expiry acceleration provision, whereby if the Company’s shares close at or above \$0.40 per share for more than 10 consecutive trading days, the holder will have 30 days from that date to exercise the warrant or it will expire. A finder’s fee of 8 per cent cash and 8 per cent warrants is payable in connection with this private placement.



At the conclusion of the transaction, the Company will be completing a name change and a change in CSE symbol, the Company plans to adopt a new logo and new website. The Company will provide further updates to shareholders regarding these changes in the near future.

The Company will provide further updates to shareholders regarding these changes as they materialize.

ON BEHALF OF THE BOARD

Adrian Hobkirk, President and CEO
Graphite Energy Corp.

For further information, please telephone: (954) 684-8040

The Canadian Securities Exchange has not reviewed, nor approved the contents of this news release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein in the United States. The securities described herein have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities law and may not be offered or sold in the “United States”, as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available.

Forward-Looking Statements

This release contains certain “forward looking statements” and certain “forward-looking information” as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “continue”, “plans” or similar terminology. Forward-looking statements and information are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of the Company to control or predict, that may cause the Company’s actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out here in, including but not limited to: the potential impact of epidemics, pandemics or other public health crises, including the current outbreak of the novel coronavirus known as COVID-19 on the Company’s business, operations and financial condition, the inherent risks involved in the general securities markets; uncertainties relating to the availability and costs of financing needed in the future; the inherent uncertainty of cost estimates and the potential for unexpected costs and expenses, currency fluctuations; regulatory restrictions, liability, competition, loss of key employees and other related risks and uncertainties. The Company undertakes no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents managements’ best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.