Zen Graphene Solutions complete financing

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Zen Graphene closes private placement for $1.05-million

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Mr. Brian Bosse reports

ZEN GRAPHENE SOLUTIONS LTD. COMPLETES NON-BROKERED PRIVATE PLACEMENT OF UNITS

Zen Graphene Solutions Ltd. has closed its previously announced private placement. The company raised $1.05-million under the offering, which will be used to finance continuing work on the Albany graphite project, including environmental studies, graphene research and development work, and material processing, and for general corporate purposes. While the company received significant demand for the offering over the $1-million initial target, it limited the offering to $1.05-million. The board of directors wishes to thank all the long-term shareholders and new shareholders who participated in the offering.

The offering consisted of the issuance of three million units at a price of 35 cents per unit, for aggregate gross proceeds of $1.05-million. Each unit consisted of one common share of the company and one-half of one non-transferable share purchase warrant. Each whole warrant will entitle the holder thereof to acquire one additional common share at an exercise price of 50 cents per warrant, exercisable for a period of 24 months from the closing of the offering. Insiders of the company have subscribed for approximately 34 per cent of the offered units.

All warrants issued in connection with the offering are subject to an acceleration clause. If the company’s share price trades at or above $1 per share for a period of 10

consecutive trading days during the exercise period, the company may accelerate the expiry date of the warrants to 30 calendar days from the date on which written notice is given by the company to the holders of the warrants.

Certain insiders of the issuer participated in the offering. Such participation represents a related-party transaction under Multilateral Instrument 61-101 (Protection of Minority Security Holders in Special Transactions), but the offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the transaction, nor the consideration paid, exceeds 25 per cent of the issuer's market capitalisation. The offering was approved by all of the independent directors of the company.

The common shares and the warrants issued in connection with the offering will be subject to a hold period until Jan. 13, 2020, in accordance with applicable securities laws.

To find out more on Zen Graphene Solutions, please visit the company's website. A copy of this press release and all material documents in respect of the company may be obtained on Zen Graphene's SEDAR profile.

Cautionary statement: Zen Graphene has completed a preliminary economic assessment regarding the Albany project (the PEA) in support of its development work (see the Zen Graphene press release of June 1, 2015). The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations

applied to them that would enable them to be categorised as mineral reserves and there is no certainty that the PEA will be realised. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Without a formal independent feasibility study, there is no assurance that operations will be economically viable.

We seek Safe Harbor.