A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia, Alberta, Ontario and Nova Scotia, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and, subject to certain exceptions, may not be offered or sold within the United States or to U.S. persons. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to U.S. persons. See "Plan of Distribution."

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Northern Graphite Corporation at Suite 201, 290 Picton Avenue, Ottawa, Ontario, K1Z 8P8, telephone (613) 241-9959, and are also available electronically at www.sedar.com*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue June 16, 2015

NORTHERN GRAPHITE CORPORATION

$2,500,000

3,906,250 Units

($0.64 per Unit)

This short form prospectus (the "**Prospectus**") qualifies the distribution of up to 3,906,250 units (the "**Offered Units**") of Northern Graphite Corporation ("**Northern**" or the "**Corporation**") to be issued at a price of $0.64 per Offered Unit (the "**Offering Price**"), for aggregate gross proceeds of up to $2,500,000 (the "**Offering**"). Each Offered Unit will be comprised of one common share in the capital of the Corporation (a "**Common Share**") and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one Common Share in the capital of the Corporation (each a "**Warrant Share**") at an exercise price of $0.80 per share for a period of 24 months (the "**Expiry Date**") following the Closing Date (as hereinafter defined).

The Common Shares and Warrants comprising the Offered Units will separate immediately upon closing of the Offering.

The Offered Units will be issued and sold on a best-efforts basis pursuant to an agency agreement (the "**Agency Agreement**") to be entered into between the Corporation and Secutor Capital Management Corporation, as agent (the "**Agent**"). The Offering Price has been determined based upon arm's length negotiations between the Corporation and the Agent.

	Price to the Public	**Agent's Commission[(1)]**	**Net Proceeds to the Corporation[(2)]**
Per Offered Unit	$0.64	$0.038	$0.602
Total[(3)]	$2,500,000	$150,000	$2,350,000

Notes:

(1) The Corporation has agreed to pay the Agent a cash commission (the "**Commission**") equal to 6% of the gross proceeds from the sale of the Offered Units, including any Over-Allotment Units (as hereinafter defined) sold pursuant to the exercise of the Over-Allotment Option (as hereinafter defined). The Corporation has also agreed to grant the Agent non-transferable compensation options (the "**Compensation Options**") exercisable to purchase that number of Common Shares as is equal to 6% of the aggregate number of Offered Units issued and sold under the Offering, including any Over-Allotment Units sold pursuant to the exercise of the Over-Allotment Option. Each Compensation Option will entitle the holder thereof to acquire one Common Share at an exercise price of $0.64 per share until the date which is 12 months following the Closing Date. This Prospectus also qualifies the distribution of the Compensation Options. See "*Plan of Distribution*".

(2) After deducting the Commission but before deducting the expenses of the Offering, estimated at $175,000, which will be paid by the Corporation from the proceeds of the Offering. See "*Use of Proceeds*".

(3) The Corporation has granted to the Agent an option (the "**Over-Allotment Option**"), exercisable in whole or in part at the discretion of the Agent for a period of 30 days from and including the Closing Date, to purchase up to an additional 585,938 Offered Units (collectively the "**Over-Allotment Units**") at a price of $0.64 per Over-Allotment Unit, solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total Price to the Public, Agent's Commission and Net Proceeds to the Corporation will be $2,875,000, $172,500 and $2,702,500, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Units issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Units forming part of the Agent's over-allocation position acquires such securities under this Prospectus, regardless of whether the over-allocation position is filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless the context otherwise requires, all references in this Prospectus to the "Offering" assume the exercise of the Over-Allotment Option in full and all references to the "Offered Units" include the Over-Allotment Units. See "*Plan of Distribution*".

The outstanding Common Shares of Northern are currently listed for trading on the TSX Venture Exchange (the "**TSX-V**") under the symbol "NGC". On June 15, 2015, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX-V was $0.64. The Corporation will apply to list the Common Shares comprising part of the Offered Units, the Warrant Shares and the Common Shares underlying the Compensation Options on the TSX-V. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX-V.

There is no market through which the Warrants comprising part of the Offered Units may be sold and purchasers may not be able to resell the Warrants that are purchased under this Prospectus. In addition, the Warrants will not be listed for trading on the TSX-V or any other stock exchange following the Closing Date. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation.

The following table sets out the number of options that have been issued or may be issued by Northern in connection with the Offering:

Agent's Position	Maximum Size or Number of Securities Held	Exercise Period or Acquisition Date	Exercise Price or Average Acquisition Price
Over-Allotment Option	585,938 Offered Units	Prior to the Closing Date	$0.64 per Offered Unit
Compensation Options	269,531 Compensation Options[(1)]	12 months from the Closing Date	$0.64 per Compensation Option

Note:

(1) Assumes the exercise of the Over-Allotment Option in full. If the Over-Allotment Option is not exercised, 234,375 Compensation Options would be issuable.

There is no minimum amount of funds that must be raised under this Offering. This means that the Corporation could complete this Offering after raising only a small proportion of the offering amount set out above.

The Offering is not underwritten or guaranteed by any person. The Agent conditionally offers the Offered Units on a best-efforts agency basis, subject to prior sale, if, as and when issued by Northern and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of Northern by Wildeboer Dellelce LLP and on behalf of the Agent by Torys LLP.

Subject to applicable laws and in connection with the Offering, the Agent may effect transactions intended to stabilize or maintain the market price for the Common Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

Subscriptions for the Offered Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about July 9, 2015 or on such other date as the Agent and the Corporation may agree upon (the "**Closing Date**"). The distribution of the Offered Units will not continue for a period of more than 90 days after the date on which the Corporation receives a receipt for the final prospectus, unless an amendment to the final prospectus is filed and a receipt obtained therefor by the Corporation in accordance with applicable securities laws, provided that the total period of distribution under the Offering will not exceed 180 days from the date of the receipt for the final prospectus.

The Offering will be conducted under the book-based system. A subscriber who purchases Offered Units will receive a customer confirmation from the registered dealer through which Offered Units are purchased and who is a CDS Clearing and Depository Services Inc. ("**CDS**") depository-service participant. CDS will record the CDS participants who hold Common Shares or Warrants comprising the Offered Units on behalf of owners who have purchased them in accordance with the book-based system. No certificates will be issued unless specifically requested. See "*Plan of Distribution*".

The Offered Units may only be sold in those jurisdictions where offers and sales are permitted. This Prospectus is not an offer to sell or a solicitation of an offer to buy Offered Units in any jurisdiction in which, or to any person to whom, it is unlawful.

An investment in the Offered Units is speculative and involves a high degree of risk. Prospective investors should carefully review and consider the risk factors identified under the heading "*Risk Factors*" in this Prospectus and in the Corporation's most recent Annual Information Form (as hereinafter defined) before purchasing the Offered Units being offered hereunder. Prospective investors are advised to consult their own legal counsel and other professional advisors in order to assess income tax, legal and other aspects of the investment. See "*Cautionary Statement Regarding Forward-Looking Information*" and "*Risk Factors*".

Prospective investors should rely only on the information contained in this Prospectus and the documents incorporated by reference herein. The Corporation has not authorized anyone to provide prospective investors with information different from that contained in this Prospectus and the documents incorporated by reference herein. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Offered Units.

No person has been authorized to give any information other than that contained in this Prospectus, or to make any representations in connection with the Offering made hereby, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Corporation.

Iain Scarr, a director of the Corporation, resides outside of Canada and has appointed Wildeboer Dellelce LLP, 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1 as his agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Unless otherwise indicated, all references to dollar amounts in this Prospectus are to Canadian dollars.

The Corporation's principal office is located at Suite 201, 290 Picton Avenue, Ottawa, Ontario, K1Z 8P8. The registered office of the Corporation is located at Suite 800, Wildeboer Dellelce Place, 365 Bay Street, Toronto, Ontario, M5H 2V1.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated by reference herein contain “forward-looking information” which reflect management’s expectations regarding the Corporation’s future growth, results of operations, performance and business prospects and opportunities. Such forward-looking information may include, but are not limited to, statements with respect to the future financial or operating performance of the Corporation and its projects, the future price of graphite, the estimation of mineral resources, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or information that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others: general business, economic, competitive, political and social uncertainties; the actual results of current exploration and development activities; conclusions of economic evaluations; fluctuations in currency exchange rates; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; future prices of graphite; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; actual results of reclamation activities, and the factors discussed in the section entitled “*Risk Factors*” in this Prospectus and in the Annual Information Form. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made based on the opinions and estimates

of management as at the date the statements are made, and the Corporation disclaims any obligation to update any forward-looking information except as required by applicable Canadian Securities laws, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

ELIGIBILITY FOR INVESTMENT

In the opinion of Wildeboer Dellelce LLP, counsel to the Corporation, and Torys LLP, counsel to the Agent, based on the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**"), as of the date hereof, the Common Shares, Warrants and Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts ("**TFSAs**"), all as defined in the Tax Act (collectively "**Deferred Income Plans**"), provided that (i) the Common Shares and Warrant Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes Tiers 1 and 2 of the TSX-V), and (ii) in the case of the Warrants, neither the Corporation, nor any person with whom the Corporation does not deal at arm's length for the purposes of the Tax Act, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the particular Deferred Income Plan.

Notwithstanding that a Common Share, Warrant or Warrant Share may be a qualified investment for an RRSP, RRIF or TFSA (a "**Registered Plan**"), if the Common Share, Warrant or Warrant Share is a "prohibited investment" within the meaning of the Tax Act for a Registered Plan, the annuitant under or holder of the Registered Plan will be subject to penalty taxes as set out in the Tax Act. A Common Share, Warrant or Warrant Share generally will be a prohibited investment for a Registered Plan if the annuitant under or holder of the Registered Plan: (i) does not deal at arm's length with the Corporation for the purposes of the Tax Act; or (ii) has a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in the Corporation. The Common Shares and Warrant Shares generally will not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for trusts governed by a Registered Plan. **Purchasers who intend to hold Common Shares, Warrants or Warrant Shares in a Registered Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of these documents may be obtained on request without charge from the Corporate Secretary of the Corporation at Suite 201, 290 Picton Avenue, Ottawa, Ontario, K1Z 8P8 and are also available electronically under the Corporation's SEDAR profile at *www.sedar.com*.

The following documents of the Corporation filed with the Commissions are specifically incorporated by reference into, and form an integral part of, this Prospectus:

(a) the Corporation's amended and restated annual information form (the "**Annual Information Form**") dated June 15, 2015 for the financial year ended December 31, 2014;

(b) the audited comparative financial statements of the Corporation as at and for the financial year ended December 31, 2014, together with the auditors' report thereon and the notes thereto;

(c) management's discussion and analysis of financial condition and results of operations of the Corporation dated March 30, 2015 for the financial year ended December 31, 2014;

(d) the management information circular of the Corporation dated April 24, 2015 prepared in connection with the annual meeting of shareholders of the Corporation held on June 9, 2015;

(e) the unaudited comparative financial statements of the Corporation as at and for the three month period ended March 31, 2015; and

(f) management's discussion and analysis of financial condition and results of operations of the Corporation dated May 19, 2015 for the three month period ended March 31, 2015.

Any documents of the type referred to above (excluding confidential material change reports) or other disclosure documents required to be incorporated by reference into a prospectus filed under National Instrument 44-101 - *Short Form Prospectus Distributions* that are filed by the Corporation with the securities commissions or other similar authorities in Canada after the date of this Prospectus and prior to the termination of the Offering, shall be deemed to be incorporated by reference in this Prospectus. The documents incorporated or deemed to be incorporated by reference in this Prospectus contain meaningful and material information relating to the Corporation and the reader should review all information contained in this Prospectus and the documents incorporated by reference.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies, replaces or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

MARKET INFORMATION

Certain information concerning the graphite industry and market contained in documents incorporated by reference in this Prospectus has been obtained from publicly available sources and independent industry expert publications prepared by research and data services. These sources make no representations as to the reliability of the information on which their analysis is based. Further, the analyses reflected in these publications are subject to a series of assumptions about future events. There are a number of factors that can cause the results to differ materially from those described in these publications. These publications consider the graphite industry generally and do not purport to provide advice as to any particular investment or guidance with respect to any particular investment objective, nor do these publications purport to provide information with respect to any particular issuer within the industry. While the Corporation believes that these publications are reliable, neither the Corporation nor the Agent have independently verified the accuracy or completeness of any information or assume any responsibility for the completeness or accuracy of the information derived from these publications.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined in National Instrument 41-101 - *General Prospectus Requirements*) will be incorporated by reference in the final short form prospectus. However, such "template version" of "marketing materials" will not form part of the final short form prospectus to the extent that the contents of the "template version" of "marketing materials" is modified or superseded by a statement contained in the final short form prospectus. Any "template version" of "marketing materials" filed on SEDAR after the date of the final short form prospectus and before the termination of the distribution under the Offering will be deemed to be incorporated by reference into the final short form prospectus.

THE CORPORATION

Northern was incorporated on February 25, 2002 under the *Business Corporations Act* (Ontario) under the name "Industrial Minerals Canada Inc." Pursuant to articles of amendment dated March 1, 2010, the Corporation changed its name to "Northern Graphite Corporation" and subdivided its then outstanding Common Shares. Pursuant to articles of amendment dated August 10, 2010, the Corporation amended its articles to remove certain private company restrictions and cumulative voting provisions. The Corporation completed an initial public offering and listing on the TSX-V on April 20, 2011.

The head office of the Corporation is located at Suite 201, 290 Picton Avenue, Ottawa, Ontario, K1Z 8P8. The registered office of the Corporation is located at Suite 800, Wildeboer Dellelce Place, 365 Bay Street, Toronto, Ontario, M5H 2V1.

The Corporation has no subsidiaries.

BUSINESS OF THE CORPORATION

The Bissett Creek Project

Northern is a mineral exploration and development company which holds a 100% interest in the Bissett Creek graphite project (the "**Bissett Creek Project**"), which is located approximately 17 kilometres from the Trans-Canada Highway between the towns of Deep River and Mattawa, Ontario, and approximately 300 kilometres northeast of Toronto, Ontario and 200 kilometers west of Ottawa, Ontario. The Corporation's sole focus is the potential development of the Bissett Creek Project and the Corporation has no other properties or rights to acquire other properties.

The Bissett Creek Project consists of a 565 hectare mining lease which expires on August 31, 2035 and a 1,938 hectare mining lease which expires on June 30, 2034. Northern also held five unpatented claims totalling approximately 464 hectares which expired in March 2015, which are not integral to the Corporation's plans for the Bissett Creek Project, and in respect of which the Corporation has submitted an application for renewal. The Bissett Creek Project is subject to a royalty of $20 per ton of concentrate sold once a mine is operational, as well as a 2.5% net smelter royalty on any other minerals derived from the Bissett Creek Project.

Northern completed a bankable feasibility study on the Bissett Creek Project in July 2012 (the "**FS**") which confirmed the technical and financial viability of constructing and operating an open pit mine and 2,500 tonne per day processing plant. The FS was updated in September 2013 (the "**FS Update**") following an additional drill program on the Bissett Creek Project, the release of a new and larger resource estimate for the project based on the results of the drill program, revision of the mine plan based on the new resource model, and updating of the economics for the project to incorporate the new resource estimate, some modifications to capital and operating cost assumptions, and lower graphite prices.

The Corporation subsequently completed a preliminary economic assessment on an expansion case for the Bissett Creek Project in October 2013 (the "**Expansion PEA**") to demonstrate the ability to meet expected future growth in graphite demand by substantially increasing production from the Bissett Creek Project based on measured and indicated resources only. The Corporation also updated the Expansion PEA in June 2014 but it does not plan to pursue the development scenario envisioned in the Expansion PEA update.

Northern received the acceptance of its mine closure plan for the Bissett Creek Project from the Ministry of Northern Development and Mines (Ontario) in 2013. The Corporation intends to file a Statement of Material Change to the mine closure plan as a result of changes to the development scenario for the Bissett Creek Project, in particular the use of a large, low grade stockpile, but does not anticipate that this will require an amendment to the plan.

As a result of Northern's work on the Bissett Creek Project described above, the Corporation is now in a position to begin construction of a mine, subject to the availability of financing and species at risk permitting. Certain operational permits and environmental authorization certificates are also required before mining and processing could commence.

In addition, Northern has developed certain technology and proprietary processes for purifying concentrates from the Bissett Creek Project as an alternative to the wet chemical purification process used in China and the thermal process commonly used elsewhere, and for producing spherical graphite.

Recent Developments

On March 2, 2015, Northern announced that independent testing carried out by NGS Naturgraphit GmbH ("**Naturgraphit**") indicated that flake graphite concentrates from the Bissett Creek Project meet or exceed quality requirements for all major end markets and in particular, refractories and expandable graphite. The analysis and evaluation carried out by Naturgraphit did not detect any limitations on potential uses for Bissett Creek flake graphite.

In particular, Naturgraphit tested large flake and combined extra-large/extra extra-large flake concentrates from the Bissett Creek Project for moisture content, volatile matter, purity (loss on ignition), expansion volume and ash content, and performed a microscopic examination of each flake size for degree of crystallization and the presence of quartz grains and other impurities. Microscopic investigation indicated shiny, platy and pristine graphite flakes that are almost free of discoloration and impurities. Both samples are suitable for refractory applications due to there being very little or no $CaCO_3$ or iron sulphides, a high degree of crystallization, a high carbon content achieved by flotation alone, and little volatile matter. The absence of large quartz grains also makes the concentrate suitable for graphite foil, brake pads, lubrication products and carbon brushes in electric motors.

In addition, Naturgraphit concluded the expansion volume of Northern's +80 mesh concentrate was approximately $400cm^3/g$, which is very good and better than the best Chinese expandable graphite. The expansion volume of Northern's +50 mesh concentrates was similar, although testing by other potential users has achieved values up to $600cm^3/g$. Northern plans to conduct additional testing to optimize retention times for each process step, the amount of oxidization and intercalation reagents and process and drying temperatures. Expandable graphite is used in thermal management for consumer electronics, fuel cells, seals and gaskets, fire retardants, flow batteries and many other products.

Naturgraphit also concluded that it should be possible for Northern to achieve high purity levels with a simple, inexpensive process due to the absence of large quartz grains, and that the very low content of heavy metals makes the material suitable for the battery market.

On May 19, 2015, Northern announced that it was providing the first commercial samples of its coated spherical graphite to potential customers. Spherical graphite is the anode material used in lithium ion batteries and is manufactured from flake graphite concentrate produced by graphite mines. Northern has manufactured spherical graphite from a representative sample of its mine concentrate and purified and coated it using the Corporation's proprietary technologies. Lithium ion battery cell testing indicates that Northern's spherical graphite has a higher total capacity and better first cycle efficiency than certain other commercial samples.

CONSOLIDATED CAPITALIZATION

There have been no material changes in the Corporation's share or loan capital on a consolidated basis since March 31, 2015, being the end of the period for the Corporation's most recently filed interim consolidated financial statements. See "*Documents Incorporated by Reference*". As at June 15, 2015, the Corporation had 49,181,281 Common Shares issued and outstanding. After giving effect to the Offering but without taking into account the exercise of any Warrants or other securities convertible into or exercisable for Common Shares, 53,087,531

Common Shares will be issued and outstanding. If the Over-Allotment Option is exercised in full, 53,673,469 Common Shares will be issued and outstanding.

USE OF PROCEEDS

The net proceeds to be received by the Corporation from the Offering will be $2,175,000 (or $2,527,500 if the Over-Allotment Option is exercised in full), after deducting the Commission of $150,000 (or $172,500 if the Over-Allotment Option is exercised in full) and expenses of the Offering estimated at $175,000.

The Corporation intends to use the net proceeds from the Offering (without giving effect to the exercise of the Over-Allotment Option) as follows:

Principal Purpose	**Amount**
Ongoing environmental permitting	$500,000
Product qualification work	$1,250,000
General working capital	$425,000
Total	***$2,175,000***

If the Over-Allotment Option is exercised in full, the Corporation intends to allocate the additional net proceeds of $352,500 toward general working capital.

In order to accomplish its business objectives, the Corporation intends to complete species at risk, operational and environmental authorization permitting for the Bissett Creek Project, continue its product qualification work to further develop its technologies for purifying graphite and making spherical graphite, complete detailed engineering work for mine construction, and raise additional financing to construct a mine. The net proceeds from the Offering are expected to be used by the Corporation to fund ongoing permitting necessary for the issuance of permits required for the construction and operation of a mine at the Bissett Creek Project, to conduct additional product qualification work necessary to further develop its technologies for purifying graphite and making spherical graphite, and for general working capital. The Corporation's qualification work is expected to consist of spherical graphite purification studies and the development of production scale samples for potential customers. In addition, the proceeds allocated to the Corporation's general working capital will fund the cost of head office work on these activities and the sourcing of additional financing arrangements with respect to the engineering and construction of a mine at the Bissett Creek Project. The net proceeds from the Offering, together with the Corporation's existing funds, are anticipated to be sufficient to fund the above requirements through to the end of 2016.

Although the Corporation intends to use the net proceeds from the Offering as set forth above based on the current knowledge and planning by management, there may be circumstances where for sound business reasons, a reallocation of funds may be deemed prudent or necessary, and may vary materially from that set forth above

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement between the Corporation and the Agent, the Agent has agreed to distribute, on a best-efforts agency basis, subject to issuance by the Corporation, in accordance with the terms and conditions of the Agency Agreement, up to 3,906,250 Offered Units at a price of $0.64 per Offered Unit, for gross proceeds to the Corporation of up to $2,500,000.

The Offering Price has been determined by negotiation between the Corporation and the Agent.

The Agency Agreement provides, among other things, that the Corporation will pay the Agent the Commission of $0.038 per Offered Unit issued and sold pursuant to the Offering, representing 6% of the Offering Price.

The distribution of Offered Units is being made in each of the provinces of British Columbia, Alberta, Ontario and Nova Scotia pursuant to the Offering contemplated by this Prospectus. The Agent has agreed to distribute the

Offered Units on a "best-efforts" agency basis but is not required to subscribe for any Offered Units. **There is no minimum amount of funds that must be raised under this Offering. This means that the Corporation could complete this Offering after raising only a small proportion of the Offering amount.** The obligations of the Agent pursuant to the Agency Agreement may be terminated based on its assessment of the state of the financial markets or if certain events set out in the Agency Agreement occur.

The Corporation will grant the Over-Allotment Option to the Agent, pursuant to which the Agent may purchase, for a period of 30 days following the final closing of the Offering, Over-Allotment Units in a maximum number equal to 15% of the number of Offered Units sold pursuant to the Offering, solely to cover the Agent's over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Units, if any, will be issued and sold at the Offering Price. This Prospectus qualifies the distribution of the Over-Allotment Option and Over-Allotment Units. A purchaser who acquires Over-Allotment Units forming part of the Agent's over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

As additional compensation, the Corporation will grant the Compensation Options to the Agent, entitling the holder to acquire that number of Common Shares that is equal to 6% of the total number of Offered Units issued and sold hereunder, including pursuant to the exercise, if any, of the Over-Allotment Option. The Compensation Options may be exercised at any time during a period of 12 months following the date of their grant at a price equal to the Offering Price. The Compensation Options will be non-transferrable. The terms governing the Compensation Options will be set out in the certificate representing the Compensation Options and will include, among other things, customary provisions for the appropriate adjustment of the class and number of Common Shares issuable pursuant to the exercise of the Compensation Options upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, any payment of stock dividends to holders of all the Common Shares, any capital reorganization of the Corporation, or any merger, consolidation or amalgamation of the Corporation with another company or entity. This Prospectus qualifies the distribution of the Compensation Options.

The Corporation's Common Shares are listed on the TSX-V under the symbol "NGC". The Corporation will apply to list the Common Shares comprising part of the Offered Units, the Warrant Shares and the Common Shares underlying the Compensation Options on the TSX-V. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX-V.

There is no market through which the Warrants comprising part of the Offered Units may be sold and purchasers may not be able to resell the Warrants that are purchased under this Prospectus. In addition, the Warrants will not be listed for trading on the TSX-V or any other stock exchange following the Closing Date. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation.

Pursuant to the Agency Agreement, unless it has received the prior written consent of the Agent, such consent not to be unreasonably withheld, the Corporation will not directly or indirectly sell or issue, or negotiate or enter into any agreement to sell or issue, or otherwise dispose of any Common Shares or securities convertible or exchangeable into Common Shares for a period of 90 days following the closing of the Offering, other than (i) pursuant to the grant or exercise of stock options or other similar issuances pursuant to the existing stock option and incentive plans of the Corporation and other existing compensation arrangements, or (ii) in connection with *bona fide* asset or share acquisitions by the Corporation in the normal course of business.

In addition, the Agency Agreement provides that the Corporation will obtain from its directors and executive officers, prior to the closing of the Offering, an undertaking not to sell (directly or indirectly, including a disposition of the economic interest in or exposure to), or announce any intention to sell, any Common Shares or securities convertible or exchangeable into Common Shares for a period of 90 days following the closing of the Offering without the prior written consent of the Agent, such consent not to be unreasonably withheld.

Pursuant to policy statements of certain Canadian provincial securities regulators, the Agent may not, throughout the period of distribution, bid for or purchase Common Shares for its own account or for accounts over which they exercise control or direction. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. Such exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and stock exchanges, including the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada, relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to applicable laws, pursuant to the first-mentioned exception, in connection with the Offering, the Agent may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Common Shares and Warrants comprising the Offered Units and the Warrant Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws of the United States and, subject to certain exceptions, may not be offered or sold in the United States. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Units within the United States or to U.S. persons.

Subscriptions for Offered Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering is expected to occur on or about July 9, 2015 or on such other date as the Agent and the Corporation may agree upon. Notwithstanding the foregoing, the distribution of the Offered Units will not continue for a period of more than 90 days after the date on which the Corporation receives a receipt for the final prospectus in respect of the Offering, unless an amendment to the final prospectus is filed and a receipt obtained therefor by the Corporation in accordance with applicable securities laws, provided that the total period of distribution under the Offering will not exceed 180 days from the date of the receipt for the final prospectus.

The Offering will be conducted under the book-based system. The Common Shares and Warrants comprising the Offered Units (other than any Common Shares and Warrants issued to purchasers outside of Canada and the United States which may, if required, be issued in individually physically certificated form) will be issued and deposited in electronic form with CDS or its nominee pursuant to the book-based system administered by CDS. A purchaser of Offered Units (other than purchasers of Offered Units outside of Canada and the United States which may, if required, receive individual physical certificates) will receive only a client confirmation from the registered dealer from or through whom Offered Units are purchased and who is a CDS depository service participant in accordance with the practices and procedures of the registered dealer. CDS will record the CDS participants who hold Common Shares and Warrants comprising the Offered Units on behalf of owners who have purchased them in accordance with the book-based system. Except in limited circumstances (including those noted above), no certificates will be issued to purchasers of Offered Units.

Registration of ownership and transfers of Common Shares and Warrants comprising the Offered Units (other than as noted above) may be effected through the book-based system administered by CDS or its nominees (with respect to interests of participants of CDS) and on the records of participants of CDS (with respect to interests of persons other than participants of CDS). CDS will be responsible for establishing and maintaining book-entry accounts for its CDS participants having interests in the Common Shares and Warrants.

It is anticipated that the Warrant Shares issued upon the exercise of the Warrants will be delivered electronically through the book-based system. On the date of exercise of the Warrants, the Corporation, via its transfer agent, will electronically deliver the Warrant Shares registered to CDS or its nominee. Transfers of ownership of Warrant Shares in Canada must be effected through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of shareholders who hold Warrant Shares in CDS must be exercised through, and all payments or other property to which such shareholders are entitled, will be made or delivered by CDS or the CDS participant through which the shareholder holds such Warrant Shares. Except in limited circumstances, a holder of a

Warrant Share participating in the book-based system will not be entitled to a certificate or other instrument from the Corporation or the Corporation's transfer agent evidencing that person's interest in or ownership of Warrant Shares, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS participant.

DESCRIPTION OF THE SECURITIES DISTRIBUTED

Offering

The Offering consists of up to 3,906,250 Offered Units (4,492,188 Offered Units if the Over-Allotment Option is exercised in full). The Offered Units will be comprised of one Common Share and one-half of one Warrant. Each Warrant will entitle the holder thereof to acquire one Warrant Share at a price of $0.80 per Warrant Share for a period of 24 months from the Closing Date.

Common Shares

The authorized share capital of Northern consists of an unlimited number of Common Shares. As at June 15, 2015, there were 49,181,281 Common Shares issued and outstanding.

Holders of Common Shares are entitled to receive: (a) notice of and attend at any meeting of the shareholders of the Corporation except class meetings of other classes of shares and are entitled to one vote for each share held; and (b) dividends in the discretion of the Corporation's Board of Directors. Additionally, subject to the rights of holders of any shares ranking prior to the Common Shares, the holders of the Common Shares shall be entitled to receive the remaining property of the Corporation upon liquidation, dissolution or the winding-up of the Corporation.

Warrants

The following is a summary of the principal attributes of the Warrants and refers to the Warrant Indenture mentioned hereunder. The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture, which will be filed by the Corporation on SEDAR under the Corporation's profile at *www.sedar.com* following the closing of the Offering.

Each Warrant will entitle the holder to purchase one Warrant Share at a price of $0.80. The exercise price and the number of Warrant Shares issuable upon exercise are both subject to adjustment in certain circumstances as more fully described below and in the Warrant Indenture. The Warrants will be exercisable at any time prior to 5:00 p.m. (Toronto time) on the date that is 24 months following the Closing Date, after which time the Warrants will expire and become null and void.

The Warrants will be governed by an agreement to be entered into prior to the closing of the Offering (the "**Warrant Indenture**") between the Corporation and Equity Financial Trust Company. The Corporation will designate Equity Financial Trust Company, in its Toronto office, as agent for the Warrants where the Warrants can be surrendered for exercise or exchange. Certificates representing the Warrants will be issued under and be governed by the terms of the Warrant Indenture to subscribers for Offered Units through a book-entry system. See "*Plan of Distribution*".

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

(i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a "dividend paid in the ordinary course", as defined in the Warrant Indenture, or a distribution of Common Shares upon the exercise of the Warrants or pursuant to

the exercise of directors', officers' or employee stock options granted under the Corporation's stock option plan);

(ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;

(iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of the Common Shares of shares of any class other than the Common Shares, rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares or other assets of the Corporation, or evidences of indebtedness or cash, securities or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (1) reclassifications of the Common Shares; (2) consolidations, amalgamations, plans of arrangement or mergers of the Corporation with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the Common Shares or a change of the Common Shares into other shares); or (3) the transfer (other than to a subsidiary of the Corporation) of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or the number of Warrant Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Common Shares purchasable upon exercise by at least one one-hundredth of a Common Share.

The Corporation will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 21 days prior to the record date or effective date, as the case may be, of such event.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

The Warrant Indenture will provide that from time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 10% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution or (2) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants.

PRIOR SALES

The following table summarizes details of the securities issued by the Corporation during the 12 month period prior to the date of this Prospectus:

Date of Issuance	Type of Security	Issue or Exercise Price per Security	Number of Securities
May 19, 2015	Stock Options	$0.75	100,000[(1)]
January 9, 2015	Stock Options	$0.70	650,000[(2)]
July 30, 2014	Common Shares	$0.50	50,000[(3)]

Notes:
(1) These stock options were granted pursuant to the Corporation's stock option plan and each stock option is exercisable to acquire one Common Share for a period of three years from the date of grant at the exercise price stated above.
(2) These stock options were granted pursuant to the Corporation's stock option plan and each stock option is exercisable to acquire one Common Share for a period of five years from the date of grant at the exercise price stated above.
(3) These Common Shares were issued pursuant to the exercise of stock options.

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX-V under the symbol "NGC". The following table sets forth information relating to the trading of the Common Shares on the TSX-V for the months indicated.

	High ($)	Low ($)	Daily Average Volume
June 1 to June 15, 2015	0.75	0.64	81,808
May 2015	0.81	0.70	49,891
April 2015	0.80	0.68	59,641
March 2015	0.89	0.68	65,252
February 2015	0.70	0.61	41,505
January 2015	0.70	0.57	57,402
December 2014	0.84	0.63	72,518
November 2014	0.93	0.76	44,680
October 2014	0.93	0.75	66,591
September 2014	1.18	0.82	122,346
August 2014	1.34	1.06	239,657
July 2014	1.44	0.70	396,733
June 2014	0.76	0.60	72,520
May 2014	0.79	0.69	54,922

On June 15, 2015, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX-V was $0.64.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Wildeboer Dellelce LLP, counsel to the Corporation, and Torys LLP, counsel to the Agent, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Purchaser of the Offered Units under the Offering who, at all relevant times for purposes of the Tax Act, is or is deemed to be resident in Canada, deals at arm's length with and is not affiliated with the Corporation or a subsequent purchaser of the Common Shares, Warrant Shares or Warrants and acquires and holds the Common

Shares and Warrants, and will hold the Warrant Shares issuable on the exercise of the Warrants, as capital property (a "**Holder**").

Generally, the Common Shares, Warrant Shares and Warrants will be considered to be capital property to a Holder thereof provided that the Holder does not use or hold the Common Shares, Warrant Shares or Warrants in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders may, in certain circumstances, make an irrevocable election under subsection 39(4) of the Tax Act to have their Common Shares and Warrant Shares, and every other "Canadian security" (as defined in the Tax Act) owned by such Holder in the taxation year of the election and in all subsequent years deemed to be capital property. The election under subsection 39(4) does not apply to Warrants. Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) is available or advisable in their particular circumstances.

This summary is not applicable to a holder: (i) that is a "financial institution" (as defined in the Tax Act for the purposes of the "mark-to-market" rules); (ii) an interest in which is a "tax shelter investment" for the purposes of the Tax Act; (iii) that makes or has made an election to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency pursuant to section 261 of the Tax Act; (iv) that is a "specified financial institution" (as defined in the Tax Act); or (v) that has entered, or will enter, into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Common Shares, Warrant Shares or Warrants. Such holders should consult their own tax advisors with respect to an investment in Common Shares, Warrant Shares and Warrants.

This summary is based upon the current provisions of the Tax Act and the Regulations in force on the date hereof, all specific proposals (the "**Proposed Amendments**") to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") made public prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted in the form proposed, but no assurance can be given that the Proposed Amendments will be enacted in their current proposed form, if at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations and does not otherwise take into account any changes in law, whether by legislative, governmental or jurisdiction, nor does it take into account or consider any provincial, territorial, for foreign income tax considerations.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any Holder. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

The total purchase price of an Offered Unit to a Holder must be allocated on a reasonable basis between the Common Share and the one-half of one Warrant to determine the cost of each to the Holder for purposes of the Tax Act. The portion of the purchase price of each Offered Unit allocated to the Common Share and to the one-half of one Warrant, respectively, will become a Holder's cost thereof for the purposes of the Tax Act. These amounts must generally be averaged with the adjusted cost base of all other Common Shares and Warrants, respectively, held by a Holder as capital property to determine the adjusted cost base of all such Common Shares and Warrants to the Holder.

For its purposes, the Corporation intends to allocate $0.557 of the issue price of each Offered Unit as consideration for the issue of each Common Share and $0.083 of the issue price of each Offered Unit as the consideration for the issue of each one-half of one Warrant. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA or the Holder. The Holder's adjusted cost base of the Common Share comprising a part of each Offered Unit will be determined by averaging the cost allocated to such Common Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Disposition and Expiry of Warrants

A disposition or deemed disposition by a Holder of a Warrant (other than upon the exercise thereof) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) such Holder's adjusted cost base of the Warrant. In the event of the expiry of an unexercised Warrant, the Holder will generally realize a capital loss equal to the Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Disposition of Common Shares

A disposition or deemed disposition of Common Shares (including Warrant Shares) by a Holder will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) such Holder's adjusted cost base of the Common Shares. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

One-half of any capital gain (a "**taxable capital gain**") realized by a Holder must be included in the income of the Holder for the taxation year in which the disposition occurs. Subject to, and in accordance with, the provisions of the Tax Act, a Holder is required to deduct one-half of a capital loss (an "**allowable capital loss**") realized by the Holder against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be applied to reduce net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to the provisions of the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Common Shares by a Holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstance prescribed by the Tax Act. Similar rules may apply where a Holder that is a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

A Holder that is throughout its taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on its "aggregate investment income" for the year which will include taxable capital gains.

Dividends

Dividends received or deemed to be received on the Common Shares (including Warrant Shares) will be included in computing the Holder's income. In the case of a Holder that is an individual, such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of taxable dividends received from "taxable Canadian corporations" (as defined in the Tax Act) including the enhanced gross-up and dividend tax credit applicable to dividends that are designated by the Corporation as "eligible dividends". There may be limitations on the ability of the Corporation to designate dividends as "eligible dividends". Dividends received by a Holder that is a corporation on the Common Shares (including Warrant Shares) must be included in computing the corporation's

income but generally will be deductible in computing the corporation's taxable income to the extent and under the circumstances provided in the Tax Act.

Private corporations (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a 33 1/3% refundable tax under Part IV of the Tax Act on dividends to the extent such dividends are deductible in computing such corporations' taxable income.

Minimum Tax

In general terms, a Holder that is an individual or a trust, other than a specified trust, that receives or is deemed to receive taxable dividends on the Common Shares or that realizes a capital gain on the disposition or deemed disposition of Common Shares, Warrant Shares or Warrants may be liable for alternative minimum tax.

RISK FACTORS

An investment in the securities of the Corporation is speculative and subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Corporation and the business, prospects, financial position, financial condition or operating results of the Corporation.

Prospective investors should carefully consider all information contained in this Prospectus, including all documents incorporated by reference, and in particular should give special consideration to the risk factors under the section entitled "Risk Factors" in the Annual Information Form, which is incorporated by reference in this Prospectus and which may be accessed on the Corporation's SEDAR profile at *www.sedar.com*, and the information contained in the section entitled "*Cautionary Statement Regarding Forward-Looking Statements*", before deciding to purchase the Offered Units. Additionally, purchasers should consider the following risk factors.

Exploration Stage Company and Single Asset

The Corporation has a limited history of operations and is in the early stage of development. The Corporation is engaged in the business of exploring and developing a single asset, the Bissett Creek Project, in the hope of ultimately building and operating a producing mine at the Bissett Creek Project. There can be no assurance that any of the Corporation's planned development activities on the Bissett Creek Project will ever lead to graphite production from the Bissett Creek Project. The Bissett Creek Project will be the Corporation's sole asset for the foreseeable future. Although management believes the Bissett Creek Project has sufficient merit to justify focusing all the Corporation's limited resources upon it, the Corporation will in consequence be exposed to some heightened degree of risk due to the lack of property diversification.

Mineral Exploration and Development

The exploration and development of mineral projects is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not reduce or eliminate. The Bissett Creek Project, which constitutes the Corporation's sole asset, is known to host measured, indicated and inferred resources and a probable reserve. However, there are no guarantees that these measured, indicated and inferred resources will ever be demonstrated, in whole or in part, to be profitable to mine, and there are no guarantees that there will ever be a profitable mining operation on the Bissett Creek Project. Development of the Bissett Creek Project will only follow upon completion of species at risk permitting, receipt of operational and environmental authorization permits, completion of detailed engineering work, and receipt of additional financing to construct a mine. There can be no assurance that any of the Corporation's planned development activities on the Bissett Creek Project will ever lead to graphite production from the Bissett Creek Project. In addition, the proposed development program on the Bissett Creek Project is subject to a significant degree of risk. Whether a mineral deposit will be commercially viable depends on a number of factors,

including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Corporation.

Commodity Prices

The price of the Corporation's securities, its financial results and its exploration, development and mining activities have previously been, or may in the future be, significantly adversely affected by declines in the price of graphite. Industrial mineral prices fluctuate widely and are affected by numerous factors beyond the Corporation's control such as the sale or purchase of industrial minerals by various dealers, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, the degree to which a dominant producer uses its market strength to bring supply into equilibrium with demand, and international political and economic trends, conditions and events. The prices of industrial minerals have fluctuated widely in recent years, and future price declines could cause continued exploration and development of the Bissett Creek Project to be impracticable.

Further, reserve calculations and life-of-mine plans using significantly lower graphite prices could result in material write-downs of the Corporation's investment in the Bissett Creek Project and increased amortization, reclamation and closure charges.

In addition to adversely affecting reserve estimates and the Corporation's financial condition, declining graphite prices can impact operations by requiring a reassessment of the feasibility of the Bissett Creek Project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to the project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

No History of Mineral Production

The Corporation has never had an interest in a mineral producing property. There is no assurance that commercial quantities of minerals will be discovered at any future properties, nor is there any assurance that any future exploration and development programs of the Corporation on the Bissett Creek Project or any future properties will yield any positive results. Even where commercial properties of minerals are discovered, there can be no assurance that any property of the Corporation will ever be brought to a stage where mineral reserves can be profitably produced thereon. Factors which may limit the ability of the Corporation to produce mineral resources from its properties include, but are not limited to, the price of the commodity, availability of additional capital and financing and the nature of any mineral deposits.

Mining Operations and Insurance

Mining operations generally involve a high degree of risk. The Corporation's operations will be subject to all of the hazards and risks normally encountered in mineral exploration and development. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows, fires and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labor disputes, political unrest and theft. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. The Corporation does not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at

economically feasible premiums or acceptable terms. The potential costs associated with losses or liabilities not covered by insurance coverage may have a material adverse effect upon the Corporation's financial condition.

Cost Overruns, Delays and Construction Risk

The Corporation has not initiated development on the Bissett Creek Project site nor does it currently have the funds to initiate such development. However, subject to securing future mine development financing, the Corporation may encounter risks associated to potential cost overruns, delays and construction.

Limited Operating History and Financial Resources

The Corporation has a limited operating history, has no operating revenues and is unlikely to generate any revenues from operations in the immediate future. It anticipates that its existing cash resources, together with the net proceeds of the Offering, will be sufficient to cover its projected funding requirements until at least the end of 2016. Additional funds will be required to bring the Bissett Creek Project to production. The Corporation has limited financial resources and there is no assurance that the Corporation will be able to raise sufficient additional funding to fulfill its obligations or for further exploration and development on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Corporation to reduce or terminate its operations. Additional funds raised by the Corporation from treasury share issuances may result in further dilution to the shareholders of the Corporation or a change of control.

Governmental and Environmental Regulation, Permits and Compliance

The future operations of the Corporation, including development activities and the commencement and continuation of commercial production, require licenses, permits or other approvals from various federal, provincial and local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, species at risk, exports, taxes, labor standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters. The Corporation believes that the Bissett Creek Project is in substantial compliance with all material laws and regulations which currently apply to its activities. There can be no assurance, however, that the Corporation will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on plans to develop the Bissett Creek Project. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay on the Corporation's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Results of Prior Exploration Work

In preparing the FS, the FS Update and the Expansion PEA, the authors of such studies and assessments relied upon data generated by exploration work carried out by geologists employed by others. There is no guarantee that data generated by prior exploration work is 100% reliable and discrepancies in such data not discovered by the Corporation or such authors may exist. Such errors and/or discrepancies, if they exist, could impact on the accuracy of the FS, the FS Update and the Expansion PEA.

Proprietary Technologies

The Corporation's proprietary technologies and processes (the "**Proprietary Processes**") for producing spherical graphite (purification and coating) will require further validation and testing. It is possible that defects may be detected or that the Proprietary Processes currently in place are not economically scaleable to commercial quantities, in which case the Corporation would be restricted to conventional markets.

Intellectual Property Protection

The Corporation does not have patents on the Proprietary Processes and presently relies upon trade secrets to maintain the confidentiality and proprietary nature of the Proprietary Processes.

Reliance on Management and Experts

The success of the Corporation will be largely dependent upon the performance of its senior management and directors. Due to the relative small size of the Corporation, the loss of these persons or the inability of the Corporation to attract and retain additional highly-skilled employees may adversely affect its business and future operations. The Corporation has not purchased any "key-man" insurance nor has it entered into any non-competition or non-disclosure agreements with any of its directors, officers or key employees and has no current plans to do so.

The Corporation has hired and may continue to rely upon consultants and others for geological and technical expertise. The Corporation's current personnel may not include persons with sufficient technical expertise to carry out the future development of the Corporation's properties. There is no assurance that suitably qualified personnel can be retained or will be hired for such development.

Title to Property

The Corporation has carefully examined the historical record of ownership of the registered surface and mineral rights for the claims and leases comprising the Bissett Creek Project, and the leasehold interests comprising the Bissett Creek Project, and has established and confirmed that ownership thereof is valid and secure and that title is properly registered. However, there can be no assurance or guarantee that the Corporation's interests in the Bissett Creek Project may not be challenged. There can be no assurance that the Corporation will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments having jurisdiction over the Bissett Creek Project will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned. It is always possible, though unlikely, that third parties may have valid claims not appearing in the historical record underlying portions of the interests of the Corporation and the permits or tenures may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that the Corporation may lose all or part of its interest in the properties to which such defects relate.

The Corporation has applied for the renewal of the five unpatented mining claims included in the Bissett Creek Project which expired in March 2015 but there can be no guarantee that this renewal will be successful. It is possible that the Corporation may lose all or part of these claims if the renewal application is not successful. These claims are not currently integral to the Corporation's plans for the Bissett Creek Project.

Aboriginal Land Claims

At the present time, the lands comprising the Bissett Creek Project are the subject of an aboriginal land claim by the the Algonquins of Ontario ("**AOO**"). The Corporation has been in consultations with the AOO for the past three years. The Corporation has begun the process of negotiating an Impact Benefits Agreement ("**IBA**") with the AOO. A Memorandum of Understanding ("**MOU**") has been provided and is under negotiation which is the first step towards an IBA. To date the AOO have expressed support for the Bissett Creek Project and have shown interest in

economic development. However, the negotiation of an MOU and an IBA are subject to many factors beyond the Corporation's control and there is no guarantee or assurance that the Corporation will be successful.

The Corporation is not aware of any other aboriginal land claims having been asserted or any legal actions relating to native issues having been instituted with respect to any of the lands comprising the Bissett Creek Project.

The legal basis of a land claim is a matter of considerable legal complexity and the impact of a land claim settlement and self-government agreements cannot be predicted with certainty. In addition, no assurance can be given that a broad recognition of aboriginal rights by way of a negotiated settlement or judicial pronouncement would not have an adverse effect on the Corporation's activities. Such impact could be material and, in certain circumstances, could delay or even prevent the Corporation's mineral exploration and mining activities.

Environmental Risks and Hazards

All phases of the Corporation's operations will be subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation and provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the viability or profitability of operations of the Corporation. The Bissett Creek Project has, over the course of the past two decades, been subject to several environmental studies. Additional environmental studies will, however, be required as the Corporation's anticipated exploration and development programs unfold. It is always possible that, as work proceeds, environmental hazards may be identified on the Bissett Creek Project which are at present unknown to the Corporation and which may have the potential to negatively impact on the Corporation's exploration and development plans for the Bissett Creek Project.

Cost of Land Reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities on the Bissett Creek Project. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of the Corporation.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Corporation competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties and their development. The Corporation also competes for financing with other resources companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Corporation.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs.

Although the Bissett Creek Project can be accessed by a good quality all-weather road and labor, power, rail lines and water are all readily available, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's future operations, financial condition and results of operations.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their fiduciary duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Ontario) and other applicable laws.

Price Volatility and Lack of Active Market

In recent years, securities markets in Canada and elsewhere have from time to time experienced high levels of price and volume volatility. Consequently, the market prices of the securities of many public companies have experienced significant fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for the Corporation's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline.

Use of Proceeds

The Corporation currently intends to allocate the proceeds received from the Offering as described under "*Use of Proceeds*". However, the Corporation will have broad discretion concerning the specific use of the proceeds as well as the timing of their expenditure. The Corporation's management may use the proceeds of this Offering in ways not set out in this Prospectus. Consequently, there will be a reliance on the judgment of management to ensure the most effective application of the proceeds of this Offering, the outcome of which will be uncertain. If the proceeds are not applied effectively, the Corporation's operations, and results, may suffer.

Loss of Entire Investment

An investment in the Offered Units is highly speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Corporation.

Warrants Not Listed for Trading

The Corporation does not intend to apply for the listing of the Warrants on any securities exchange. There is no public market for the Warrants. There can be no assurance that a secondary market for the Warrants will develop or be sustained after the closing of the Offering. Even if a market develops for the Warrants, there can be no assurance that it will be liquid and that the price of the Warrants will be the same as the price allocated for the Warrants comprising the Offered Units.

INTEREST OF EXPERTS

Certain legal matters relating to the distribution of the Offered Units pursuant to this Prospectus will be passed upon by Wildeboer Dellelce LLP on behalf of the Corporation and by Torys LLP on behalf of the Agent. The partners and associates of each of Wildeboer Dellelce LLP and Torys LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

Meyers Norris Penny LLP, Chartered Accountants, are the Corporation's auditors, and have advised that they are independent with respect to the Corporation in accordance with the Rules of Professional Conduct of the British Columbia Institute of Chartered Accountants.

The technical report on the Bissett Creek Project entitled "Preliminary Economic Assessment" dated December 6, 2013, was prepared for the Corporation by Marc Leduc, P.Eng., who is an independent Qualified Person pursuant to National Instrument 43-101, and by Pierre Desautels, P.Geo., Principal Resource Geologist, and Gordon Zurowski, P.Eng., Principal Mining Engineer, both of AGP Mining Consultants Inc. and independent Qualified Persons under National Instrument 43-101, who prepared the mineral resource estimates in the Expansion PEA. As of the date hereof, to the Corporation's knowledge, none of Messrs. Leduc, Desautels and Zurowski, nor any of the directors, officers, principals and associates of AGP Mining Consultants Inc. own beneficially, directly or indirectly, or exercise control or direction over, any of the securities or other property of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are MNP LLP, Chartered Accountants, 2200, MNP Tower, 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3.

The transfer agent and registrar for the Common Shares is TMX Equity Transfer Services at its principal office in Toronto, Ontario.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights or consult with a legal advisor.

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the warrants are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE CORPORATION

Dated: June 16, 2015

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Ontario and Nova Scotia.

(Signed) "Gregory B. Bowes"
Chief Executive Officer

(Signed) "Stephen Thompson"
Chief Financial Officer

On behalf of the Board of Directors:

(Signed) "Donald Christie"
Director

(Signed) "Ronald Little"
Director

CERTIFICATE OF THE AGENT

Dated: June 16, 2015

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Ontario and Nova Scotia.

SECUTOR CAPITAL MANAGEMENT CORPORATION

By: *(Signed) "George Aprile"*