

MATERIAL CHANGE REPORT

1. **Name and address of Company**

Northern Graphite Corporation (“**Northern**” or the “**Corporation**”)
290 Picton Avenue
Ottawa, Ontario K1Z 8P8

2. **Date of Material Change**

July 9, 2015

3. **News Release**

A press release disclosing the material change was issued by the Corporation through Marketwired on July 9, 2015.

4. **Summary of Material Change**

On July 9, 2015, the Corporation closed the previously announced short form prospectus offering (the “**Offering**”), pursuant to which Northern sold 2,102,998 units (the “**Units**”) at a price of \$0.60 per unit for aggregate gross proceeds of \$1,261,799.

5. **Full Description of Material Change**

On July 9, 2015, the Corporation closed the previously announced Offering, pursuant to which Northern sold 2,102,998 Units at a price of \$0.60 per Unit for aggregate gross proceeds of \$1,261,799. Each Unit is comprised of one common share of the Corporation and one half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one common share of the Corporation at an exercise price of \$0.80 per share for a period of 24 months from the closing of the Offering.

The Offering was conducted on a “best efforts” agency basis by Secutor Capital Management Corporation (the “**Agent**”). In consideration for its services in connection with the Offering, the Agent received a cash commission of \$67,697.93. The Agent (together with selling group members) also received a total of 126,180 compensation options. Each compensation option entitles the holder thereof to acquire one common share of the Corporation at an exercise price of \$0.60 per share for a period of 12 months from closing of the Offering.

Certain insiders of the Corporation directly and/or indirectly participated in the Offering, acquiring 318,000 Units, representing approximately 15% of the Offering. The participation by these insiders in the Offering is considered a “related party transaction” under Multilateral Instrument 61-101 (“**MI 61-101**”) but is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of the transaction, insofar as it involves interested parties, is less than 25% of the Corporation’s market capitalization. The Corporation did not file a material change report more than 21 days before the closing of the Offering as required by MI 61-101 as the details of the participation by the insiders in the Offering were settled only recently.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

No significant facts have been omitted from this report.

8. **Executive Officer**

For further information, please contact Gregory Bowes, Chief Executive Officer or Stephen Thompson, Chief Financial Officer of the Corporation at (613) 241-9959.

9. **Date of Report**

DATED this 13th day of July, 2015.