# GREAT LAKES GRAPHITE INC.

**MANAGEMENT INFORMATION CIRCULAR**
**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**
**TO BE HELD ON SEPTEMBER 22, 2016**
This information is given as of August 23, 2016 unless otherwise noted.

## SOLICITATION OF PROXIES

**This management information circular (the "Management Information Circular") is furnished in connection with the solicitation of proxies by the management of Great Lakes Graphite Inc. (the "Corporation")** for use at the annual and special meeting of shareholders (the "**Meeting**") of the Corporation to be held at 82 Richmond Street East, Toronto, Ontario at 10:00 o'clock AM (Toronto Time) on Thursday, September 22, 2016 for the purposes set out in the notice of meeting (the "**Notice of Meeting**"), and at any adjournment or adjournments thereof.

Shareholders who are unable to be present at the Meeting in person are requested to fill in, sign, date and return the enclosed proxy instrument to the Corporation's transfer agent and registrar, Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1, or at the registered office of the Corporation at 36 Toronto Street East, Suite 1000, Toronto, Ontario, M5C 2C5 by no later than 10:00 o'clock AM (Toronto Time) on September 20, 2016 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays or holidays, preceding the time of such adjourned Meeting, or in either case by such later date and time as the board of directors of the Corporation (the "**Board of Directors**" or the "**Board**") may determine in its sole discretion.. An addressed envelope accompanies this Management Information Circular and may be used for such purpose. The solicitation will be primarily by mail; however, proxies may be solicited by telephone or in writing by employees or designated agents of the Corporation. The Corporation will bear the cost of solicitation on behalf of management of proxies in the form furnished herewith.

## APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed proxy instrument shall represent management at the Meeting. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him at the Meeting may do so either by inserting such person's name in the blank space provided in the proxy instrument and striking out the names of the two specified persons or by completing another proxy instrument and in either case delivering the completed proxy instrument addressed to the Secretary of the Corporation at the address set forth above, or to the Secretary or Chairman of the Meeting at the time of the Meeting.**

**A shareholder who has given a proxy instrument may revoke it:**

(a) by signing a proxy instrument bearing a later date and depositing it with the Secretary of the Corporation, or

(b) as to any matter on which a vote shall not have already been cast pursuant to the authority conferred by such proxy instrument, by signing a written notice of revocation and delivering it to the Secretary or the Chairman of the Meeting, or

(c) by attending the Meeting in person and personally voting the shares represented by the proxy instrument, or

(d) in addition to the revocation in any other manner permitted by law, a proxy may be revoked under subsection 110(4) of the *Business Corporations Act* (Ontario) (the "**Act**") by an instrument in writing executed by the shareholder or by his attorney authorized in writing (or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof authorized in writing), deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the proxy instrument is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof and upon either of such deposits the proxy shall be revoked.

## VOTING OF SHARES AND EXERCISE OF DISCRETION BY PROXIES

The common shares (the "**Common Shares**") represented by the enclosed form of proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions of the shareholder executing the proxy and, if such shareholder has specified a choice with respect to any matter to be acted on at the Meeting, the shares will be voted accordingly. **IN THE ABSENCE OF SUCH INSTRUCTIONS SUCH COMMON SHARES WILL BE VOTED in favour of each matter identified in the form of proxy to be voted upon at the Meeting.**

The enclosed proxy instrument confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendments or other matters to come before the Meeting other than matters referred to in the Notice of Meeting. However, if other matters not known to management should properly come before the meeting, the accompanying Proxy will be voted on such matters in accordance with the judgement of the person voting the proxy.

## NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "**Non-Registered Shareholder**") are registered either:

(a) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Shareholder deals in respect of the Common Shares (Intermediaries include, among others: banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or

(b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited, in Canada, and the Depository Trust Company, in the United States) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular and its form of proxy (collectively the "**Meeting Materials**") to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

(a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting**

**instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

(b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Trans Canada Transfer Inc., 25 Adelaide Street East, Suite 1301, Toronto, Ontario, M5C 3A1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the matters set out under the heading "*Particulars of Other Matters to be Acted On*", and as otherwise disclosed herein.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

There are outstanding as of the date hereof 117,561,978 fully paid and non-assessable Common Shares of the Corporation. Each Common Share carries the right to one (1) vote per Common Share. Each holder of outstanding Common Shares of record at the time of the close of business on August 23, 2016 (the "**record date**") will be given notice of the Meeting and will be entitled to vote at the Meeting the number of Common Shares of record held by such holder on the record date except if such shareholder subsequently transfers the ownership of the Common Shares and the transferee demands not later than 10 days before the Meeting that the transferee's name be included on the list of shareholders entitled to vote at the Meeting and establishes to the satisfaction of the Corporation that the transferee owns such Common Shares in which case the transferee is entitled to vote the Common Shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular, the only persons who beneficially own, or control or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Common Shares are as follows:

| | Number of Shares Owned (Percentage of Class and Type of Ownership) | |
|---|---|---|
| **Name** | **Common Shares** | **Percentage of Voting Rights** |
| Frank and Mitzi Ferguson | 12,810,999 | 10.9% |

As of the record date, the directors and executive officers of the Corporation as a group own beneficially, directly or indirectly, control or exercise direction over 4,997,071 Common Shares of the Corporation representing 4.25% of the presently issued and outstanding Common Shares.

## STATEMENT OF EXECUTIVE COMPENSATION

***Definitions***

In this section:

"**CEO**" means an individual who acted as chief executive officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

"**NEO**" or "**Named Executive Officer**" means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

***Compensation Discussion and Analysis***

The Compensation Committee of the Board of Directors is responsible for assisting the Corporation in setting director and senior officer compensation and to develop and submit to the Board recommendations with respect to other employee benefits advisable. The Committee will be guided by the following principles;

- to offer competitive compensation to attract, retain and motivate qualified executives in order for the Corporation to achieve the strategic plan and budgets approved by the Board; and
- act in the interests of the Corporation by being financially responsible.

Compensation for the Corporation's NEOs consists of the following:

(a) a base salary (for certain NEOs); and

(b) long term incentive in the form of incentive stock options (the "**Options**").

The Corporation does not provide the NEOs with any personal benefits, nor does the Corporation provide any additional compensation to its NEOs for serving as directors of the Corporation, other than the granting to them from time to time of Options under the Corporation's Incentive Stock Option Plan (the "**Stock Option Plan**" or the "**Plan**").

The Board of Directors approves the level of compensation, upon the recommendation of the Compensation Committee, in respect of the Corporation's senior executives. There were no long-term incentive awards other than Options granted to the Named Executive Officers of the Corporation during the financial year ended October 31, 2015. There are no pension plan benefits in place for the named executives and none of the Named Executive Officers, senior officers or directors of the Corporation is indebted to the Corporation.

<u>*Option-Based Awards*</u>

The Corporation has in place the Plan for the purpose of attracting and motivating directors, officers, employees and consultants of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase Common Shares of the Corporation. See "*Stock Option Plan*" under "*Securities Authorized for Issuance under Equity Compensation Plans*" below for details of the Plan (a copy of the Plan will be available for review at the Meeting.)

At the conclusion of the fiscal year ended October 31, 2015, a total of 2,851,740 Options had been granted under the Plan.

<u>***Summary Compensation Table***</u>

The following table provides a summary of total compensation earned during each of the twelve (12) month periods ended October 31, 2015, October 31, 2014 and October 31, 2014, respectively, by the Corporation's Named Executive Officers for services rendered during such period.

| Name and Principal Position | Year | Salary ($) | Share-based awards ($) | Option-based awards ($) | Non-equity incentive plan compensation ($) | | Pension value ($) | All other Compensation ($) | Total Compensation ($) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| Paul A. Gorman CEO[(2)] | 2015<br>2014<br>2013 | 120,000<br>108,000[(5)]<br>54,000[(3)] | Nil<br>Nil<br>Nil | Nil<br>17,180[(1)]<br>55,354 | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | Nil<br>Nil<br>Nil | 120,000<br>125,180<br>109,354 |
| Robert D.B. Suttie CFO[(6)] | 2015<br>2014<br>2013 | 14,000<br>N/A<br>N/A | Nil<br>Nil<br>Nil | Nil<br>Nil<br>Nil | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | Nil<br>Nil<br>Nil | 14,000<br>N/A<br>N/A |
| Paul R. Ankcorn (former CFO) [(6)] | 2015<br>2014<br>2013 | 35,000<br>60,000[(4)]<br>42,000[(4)] | 90,000<br>Nil<br>Nil | Nil<br>17,180[(1)]<br>11,070 | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | 30,000<br>Nil<br>Nil | 155,000<br>77,180<br>53,070 |
| Paul K Ferguson CMO | 2015<br>2014<br>2013 | 84,000<br>112,999<br>35,500 | Nil<br>Nil<br>Nil | Nil<br>17,180[(1)]<br>Nil | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | Nil<br>Nil<br>Nil | 84,000<br>130,179<br>35,500 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Arthur John Carter Former Senior V.P. (7) | 2015<br>2014<br>2013 | 102,000<br>85,000<br>N/A | Nil<br>Nil<br>Nil | Nil<br>17,180(1)<br>Nil | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | Nil<br>Nil<br>Nil | 102,000<br>102,180<br>N/A |

(1) The fair value of Options was calculated using the Black-Scholes Option pricing model with the following assumptions: share price $ 0.07 - $ 0.095; exercise price $ 0.10 - $ 0.12; risk-free rate 0.998% - 1.51%; expected volatility based on historical volatility 182.86% - 190.82%; expected life of Options 0.34 years – 5 years; expected dividend yield 0%; fair value of share-based payment $ 213,029; fair value per Option $ 0.011 - $ 0.16.
(2) Paul Gorman succeeded Howard Sinclair-Jones as CEO effective June 2013.
(3) Consists of a management fee paid to a company controlled by Paul Gorman.
(4) Consists of a management fee paid to Paul Ankcorn.
(5) Consists of a management fee paid to a company controlled by Paul Gorman.
(6) Robert D.B. Suttie succeeded Paul Ankcorn commencing June 1, 2015.
(7) Arthur John Carter ceased to be an officer of the Corporation effective August 7, 2015.

*Narrative Discussion*

In fiscal year ended October 31, 2014, 2,480,000 Options were granted to directors, officers, consultants and other service providers of the Corporation. The fair value of Options granted to directors, officers and consultants was estimated at the vesting date and the Options to service providers were estimated at the service completion date based on the Black-Scholes pricing model using the above-noted assumptions. There were no Options granted in fiscal 2015.

***Outstanding Share-Based Awards and Option-Based Awards – Named Executive Officers***

The following table sets forth the details in respect of outstanding Options granted to each Named Executive Officer as of October 31, 2015. The value shown for unexercised in-the-money Options is calculated based on a price of $0.070 per Common Share (being the closing price of a Common Share on the TSX Venture Exchange (the "**TSXV**") on the last day of the year ended October 31, 2015, on which the Common Shares were traded on the TSXV), less the respective exercise price of the Options, multiplied by the number of Options exercisable.

| **Name** | **Option Based Awards** | | | | **Share-based Awards** | |
|---|---|---|---|---|---|---|
| | **Number of Securities underlying unexercised options(1)** | **Option exercise price ($)** | **Option expiration date** | **Value of unexercised in-the-money options ($)** | **Number of Shares or units that have not vested (#)** | **Market or payout value of share-based awards that have not vested ($)** |
| Paul A. Gorman CEO(2) | 500,000<br>200,000 | 0.10<br>0.12 | Sept. 3, 2016<br>Aug. 6, 2019 | Nil<br>Nil | N/A<br>N/A | N/A<br>N/A |
| Paul R. Ankcorn Former CFO(3) | 150,000<br>100,000<br>200,000 | 0.10<br>0.10<br>0.12 | June 6, 2017<br>Sept. 3, 2016<br>August 6, 2019 | Nil<br>Nil<br>Nil | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A |
| Paul K Ferguson CMO | 26,740<br>150,000<br>200,000 | 0.10<br>0.10<br>0.12 | May 22, 2017<br>Sept. 3, 2016<br>August 6, 2019 | Nil<br>Nil<br>Nil | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A |
| Arthur John Carter Former Senior V.P. (4) | 250,000<br>200,000 | 0.10<br>0.12 | Sept. 3, 2016<br>Aug 6, 2019 | Nil<br>Nil | N/A<br>N/A | N/A<br>N/A |

(1) All Options are for Common Shares of the Corporation.
(2) Paul Gorman succeeded Howard Sinclair-Jones as CEO in June 2013.
(3) Robert D.B. Suttie succeeded Paul Ankcorn as CFO effective June 1, 2015.
(4) Arthur John Carter ceased to be an officer of the Corporation effective August 7, 2015.

***Incentive Plan Awards - Value Vested or Earned During The Year***

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended October 31, 2015. Currently, the Corporation does not have any other equity incentive plans other than its Stock Option Plan. At the Meeting, the Shareholders will be asked to approve the Plan. For the significant terms of the Plan, see "*Stock Option Plan*" under "*Securities Authorized for Issuance under Equity Compensation Plans*" (a copy of the Plan will be available for review at the Meeting.).

| Name | Option-based awards - Value vested during the year ($) | Share-based awards - Value vested during the year ($)[1] | Non-equity incentive plan compensation - Value earned during the year ($) |
|---|---|---|---|
| Paul A. Gorman<br>CEO[2] | Nil | Nil | Nil |
| Paul R. Ankcorn<br>CFO[3] | Nil | Nil | Nil |
| Paul K Ferguson<br>CMO | Nil | Nil | Nil |
| Arthur John Carter<br>Former Senior V.P. [4] | Nil | Nil | Nil |

(1) Value vested is calculated as the dollar value that would have been realized had the Options been exercised on the date that it vested less the related exercise price multiplied by the number of vesting Options.
(2) Paul Gorman succeeded Howard Sinclair-Jones as CEO in June, 2013.
(3) Robert D.B. Suttie succeeded Paul Ankcorn as CFO effective June 1, 2015.
(4) Arthur John Carter ceased to be an officer of the Corporation effective August 7, 2015

*Narrative Discussion*

There were no repricings of Options under the Plan or otherwise during the Corporation's completed financial year ended October 31, 2015. The total number of Options to purchase Common Shares that were outstanding at October 31, 2015 was 2,851,740.

***Pension Plan Benefits***

The Corporation has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement.

The Corporation also does not have any deferred compensation plans relating to any NEO.

***Termination and Change of Control Benefits***

During the most recently completed financial year there were no employment contracts, agreement, plans or arrangements for payments to an NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities, except for:

On June 1, 2015, the Corporation entered into an agreement with Robert Suttie, Chief Financial Officer of the Corporation, and Marrelli Support Services Inc.

On June 1, 2015, the Corporation entered into an agreement with Jo-Anne Archibald, Corporate Secretary of the Corporation, and DSA Corporate Services Inc.

On February 29, 2016, the Corporation entered into a consulting agreement with Alan Devaney, Vice President of Sales of the Corporation. Previously the Corporation had a verbal consulting agreement with Mr. Devaney with fees payable monthly and no set termination provisions.

Other than as disclosed herein, the Corporation does not have any pension or retirement plan which is applicable to the NEOs. The Corporation has not provided compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as an NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person, and the Corporation has provided no compensation to any such person as a result of a change of control of the Corporation. The Corporation is not party to any compensation plan or arrangement with an NEO resulting from the resignation, retirement or termination of employment of any such person.

### ***Director Compensation***

The Corporation has no pension plan or other arrangement for non-cash compensation for its directors who are not NEOs, except the Options.

Directors of the Corporation do not receive any compensation in the form of directors' fees. No compensation during the most recently completed financial year was paid to directors pursuant to any other arrangement or in lieu of any standard arrangement save and except through the granting of Options under the Corporation's Stock Option Plan. During the Corporation's completed financial year ended October 31, 2015, 600,000 Options were granted to directors who are not NEOs. All other Options held by directors at the 2014 year end were issued in fiscal years prior to 2014. All reasonable expenses incurred by directors in respect of their duties are reimbursed by the Corporation.

### ***Share-Based Awards, Option Based Awards, and Non-Equity Incentive Plan Compensation - Directors***

The following table discloses all amounts of compensation provided by the Corporation to its directors who are not NEOs for the financial year ended October 31, 2015. The value shown for unexercised in-the-money Options is calculated based on a price of $0.07 per Common Share (being the closing price of a Common Share on the TSXV on the last day of the year ended October 31, 2015, on which the Common Shares were traded on the TSXV), less the respective exercise price of the Options, multiplied by the number of Options exercisable.

| Name | Option Based Awards | | | | Share-based Awards | |
|---|---|---|---|---|---|---|
| | Number of Securities underlying unexercised options | Option exercise price ($) | Option expiration date | Value of unexercised in-the-money options ($) | Number of Shares or units that have not vested (#) | Market or payout value of share-based awards that have not vested ($) |
| Gregory W. Murphy | 200,000<br>250,000 | 0.12<br>0.10 | Aug. 6, 2019<br>Sept. 3, 2016 | Nil | N/A | N/A |
| John Carter | 200,000<br>250,000 | 0.12<br>0.10 | Aug. 6, 2019<br>Sept. 3, 2016 | Nil | N/A | N/A |
| Laura Mottola | 200,000<br>250,000 | 0.12<br>0.10 | Aug. 6, 2019<br>May 16, 2019 | Nil<br>Nil | N/A<br>N/A | N/A<br>N/A |

### ***Incentive Plan Awards - Value Vested or Earned During The Year - Directors***

The following table summarizes the value of each incentive plan award vested or earned by directors who are not NEOs during the financial year ended October 31, 2015. Currently, the Corporation does not have any other equity incentive plans other than its Stock Option Plan. At the Meeting, the Shareholders will be asked to approve the Plan.

For the significant terms of the Plan, see "*Stock Option Plan*" under "*Securities Authorized for Issuance under Equity Compensation Plans*" (a copy of the Plan will be available for review at the Meeting).

| **Name** | **Option-based awards - Value vested during the year ($)** | **Share-based awards - Value vested during the year ($)(1)** | **Non-equity incentive plan compensation - Value earned during the year ($)** |
|---|---|---|---|
| Gregory W. Murphy | Nil | Nil | Nil |
| John Carter | Nil | Nil | Nil |
| Laura Mottola | Nil | Nil | Nil |

(1) Value vested is calculated as the dollar value that would have been realized had the Options been exercised on the date that it vested less the related exercise price multiplied by the number of vesting Options.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as of October 31, 2015, financial information concerning securities authorized for issue under equity compensation plans of the Corporation. Currently, the Corporation does not have any other equity incentive plans other than its Stock Option Plan.

| **Plan Category** | **Number of Securities to be Issued Upon Exercise of Outstanding Options Warrants and Rights (#)** | **Weighted Average Exercise Price of Outstanding Options Warrants and Rights ($)** | **Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan (excluding securities reflected in (a))** |
|---|---|---|---|
| | (a) | (b) | (c) |
| Equity compensation plans previously approved by security holders | 5,334,093 | $0.10 | 4,196,314 |
| Equity compensation plans not previously approved by security holders | Nil | N/A | Nil |
| Total | 5,334,093 | $0.10 | 4,196,314 |

***Stock Option Plan***

The Corporation has in place the Stock Option Plan. The purpose of the Plan is to attract and motivate directors, officers, employees and consultants of the Corporation and to advance the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase Common Shares of the Corporation. At the Meeting, the Shareholders will be asked to approve the Plan.

A summary of the material aspects of the Plan is as follows:

1. The Plan is administered by the Corporation's Board of Directors or, if the Board so designates, by a committee of the Board appointed in accordance with the Plan to administer the Plan.

2. The maximum number of Common Shares in respect of which Options may be outstanding under the Plan at any given time is set at 10% of the issued and outstanding Common Shares of the Corporation.

3. The number of Common Shares that may be acquired under an Option granted to a participant is determined by the Board as at the time the Option is granted, provided that the aggregate number of Common Shares reserved for issuance to any one participant under the Plan or any other plan of the Corporation, cannot exceed 5% of the total number of issued and outstanding Common Shares (calculated on a non-diluted basis) in any 12 month period unless the Corporation receives the permission of the stock exchange or exchanges on which the Common Shares are listed to exceed such threshold and provided further that the number of Options granted to any one consultant in a 12 month period cannot exceed 2% of the total number of issued and outstanding Common Shares and the aggregate number of Options granted to persons employed to provide investor relations activities cannot exceed 2% of the total number of issued and outstanding Common Shares in any 12 month period. The Corporation shall obtain shareholder approval for grants of Options to insiders (as defined in the *Securities Act* (Ontario)), of a number of Options exceeding 10% of the issued Common Shares, within any 12 month period.

4. The Board fixes the exercise price at which Common Shares may be acquired upon the exercise of such Option provided that such exercise price shall not be less than that from time to time permitted under the rules of any stock exchange or exchanges on which the Common Shares are then listed. In addition, the exercise price of an Option must be paid in cash. Disinterested shareholder approval shall be obtained by the Corporation prior to any reduction to the exercise price if the affected participant is an insider (as defined in the *Securities Act* (Ontario)) of the Corporation at the time of the proposed amendment.

5. The period during which an Option may be exercised is determined by the Board at the time that the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time that such Option is granted, provided that, among other things, no Option shall be exercisable for a period exceeding ten (10) years from the date that the Option is granted.

6. If any Option granted under the Plan shall expire or terminate for any reason without having been exercised in full, any un-purchased Common Shares to which such Option relates shall be available for the purposes of the granting of Options under the Plan.

7. Following termination of an optionee's employment, directorship, consulting agreement or other qualified position, the optionee's Options shall terminate upon the expiry of such period of time following termination, not to exceed 30 days. An Option granted under the Plan will terminate six months following the death of the optionee.

8. Any amendment of the terms of an Option shall be subject to any required regulatory and shareholder approvals.

9. In the event of a reorganization of the Corporation or the amalgamation, merger or consolidation of the Common Shares of the Corporation, the Board of Directors shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

10. In the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, each participant is entitled to exercise, in whole or in part, the Options granted to such participant, either during the term of the Option or within 90 days after the date of the sale or change of control, whichever first occurs.

11. The Options are non-transferable and non-assignable.

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or senior officer of the Corporation, proposed management nominee for election as a director of the Corporation or associate or affiliate of any such director, senior officer or proposed nominee is or has been indebted to the Corporation any of its subsidiaries at any time during the Corporation 's last completed financial year.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, other than as set forth in this Management Information Circular, no director, executive officer, shareholder who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the outstanding Common Shares, or any known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction since the incorporation of the Corporation or in any proposed transaction that has materially affected or will materially affect the Corporation or a subsidiary of the Corporation.

## MANAGEMENT CONTRACTS

Except as otherwise disclosed in this Information Circular, management functions of the Corporation are generally performed by directors and senior officers of the Corporation and not, to any substantial degree, by any other person to whom the Corporation has contracted.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### ***Audited Financial Statements***

The audited financial statements of the Corporation for the fiscal year ended October 31, 2015 and the report of the auditors thereon will be submitted to the Meeting. Receipt at such Meeting of the auditors' report and the Corporation's financial statements for the above noted fiscal period will not constitute approval or disapproval of any matters referred to therein.

### ***Appointment and Remuneration of Auditor***

Management recommends to re-appoint MNP LLP at 111 Richmond Street West, Suite 300, Toronto, Ontario, as auditors of the Corporation for the next fiscal year and to authorize the directors to fix their remuneration. MNP LLP have been the auditors of the Corporation since December 16, 2015.

This resolution requires the approval of a simple majority of the votes cast at the Meeting, in person or by proxy, in order to be approved.

**In the absence of instructions to the contrary, the Common Shares represented by a properly executed form of proxy in favour of the persons designated by management of the Corporation will be voted FOR the re-appointment of MNP LLP, as auditors of the Corporation.**

### ***Election of Directors***

Directors of the Corporation are elected annually by the shareholders and will hold office until the next annual meeting of shareholders, or until his/her successor is duly elected or appointed, unless: (i) his/her office is earlier vacated in accordance with the articles and by-laws of the Corporation; or (ii) he/she becomes disqualified to act as a director. The constating documents of the Corporation provide that the number of directors to be elected shall be a minimum of three (3) and a maximum of ten (10). A Board of six (6) directors is to be elected at the Meeting.

The term of office of all present directors of the Corporation expires at the Meeting. Management has been informed by each nominee that he/she is willing to stand for re-election and serve as a director.

**In the absence of instructions to the contrary, the Common Shares represented by a properly executed form of proxy in favour of the persons designated by management of the Corporation will be voted FOR the election as directors of the nominees whose names are set forth below.**

The following table and the notes thereto state the names of all of the persons proposed to be nominated for election as directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment, their periods of service as directors of the Corporation and the number of Common Shares of the

Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof and indicates those nominees who are members of the Corporation's Audit Committee.

| **Name and Position with the Corporation** | **Principal Occupation** | **Director Since** | **Number of Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof (1)** |
|---|---|---|---|
| PAUL A. GORMAN (3)<br>*Chief Executive Officer, Director*<br>Oakville, Ontario | CEO, Great Lakes Graphite Inc. | June 2013 | 500,000 |
| PAUL K. FERGUSON (2) (4)<br>*Chief Marketing Officer, Director*<br>Southborough, Massachusetts | CMO, Great Lakes Graphite Inc. | February 2004 | 3,493,714 |
| ARTHUR JOHN CARTER<br>*Former Senior VP, Director*<br>Oakville, Ontario | Consultant | April 2014 | 169,500 |
| GREGORY W. MURPHY (2) (3) (4)<br>*Director*<br>Oakville, Ontario | CEO, Lakeshore Capital Advisors Ltd. | July 2013 | 150,000 |
| LAURA MOTTOLA (2) (4)<br>*Director*<br>Montreal, Quebec | Consultant | May 2014 | Nil |
| THOMAS UKOLOWICZ<br>*Director*<br>Camarillo, California | Consultant | January 2016 | 683,857 |

(1) The information as to Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the Directors individually.
(2) Member of the Audit Committee.
(3) Member of the Compensation Committee
(4) Member of the Nominating and Corporate Governance Committee

The following are brief profiles of the directors of the Corporation, including a brief description of each individual's principal occupation within the past five years.

**Paul A. Gorman**

Mr. Gorman is a resource based corporate specialist with over 20 years of experience in junior mining finance, taking companies public, assessing asset viability and operating growth-emerging public companies. For the last 12 years, he has been the President and Managing Partner of Riverbank Capital Inc., a Merchant Bank working with small-cap companies to assist them in financing, property development and initiating well-defined marketing programs.

Mr. Gorman's responsibilities have also included raising capital totaling in excess of $85 million as well as promoting the companies to the investment community and writing strategic plans for business growth. Mr. Gorman currently is a director of several companies and has held directorship positions with publicly listed corporations as well as holding senior management positions with Canadian and US based firms providing expertise in the areas of capital raising, corporate governance and strategic initiatives.

Mr. Gorman was instrumental in revitalizing the junior graphite space in North America in 2008 by funding Industrial Minerals Inc, which became Northern Graphite (TSX V : NGC) and assisting four other graphite companies in an advisory role. Paul founded Mega Graphite Inc. in 2009 and was the CEO of Yukon Gold Inc, Southampton Ventures Inc. and Exploration Syndicate Inc.

**Paul A. Ferguson**

Mr. Ferguson received his Bachelor of Arts, Cum Laude degree from the University of Massachusetts at Amherst in 1981. Mr. Ferguson is responsible for all aspects of branding, messaging, collateral development, inbound marketing program development and lead generation. Mr. Ferguson is an independent investor with strong experience in mining and resource companies. Prior to his involvement in the resources sector, he worked in both technical and executive capacities for a number of high technology companies. Mr. Ferguson is currently serving as a director for ProcessUnity Inc., a private corporation that is a leading provider of on-demand risk management solutions.

**Gregory M. Murphy**

Mr. Murphy received his Bachelor of Arts degree in Economics from the University of Western Ontario in 1983. He has over 30 years of international investment industry experience in Toronto, London and New York. He is a Founder and Principal of Bolton Capital Canada Inc. In addition to the Corporation, Mr. Murphy is the CEO of the Lakeshore Capital group of companies and a director of Aurigin Resources Inc. Previously held positions include: former head of equity derivatives at Midland Walwyn/Merrill Lynch Canada; First Marathon and Gordon Capital.

**Arthur John Carter**

John Carter has over 30 years experience in the metals and mining industries. Mr. Carter specializes in the engineering, design, and manufacturing of mineral processing equipment for mining operations and for operators such as Timcal Inc., currently the largest natural graphite mining company in North America.

Mr. Carter served as Vice President of Operations at Canada Carbon and has also served in an executive capacity for other graphite juniors. Mr. Carter brings significant value to Great Lakes Graphite because of his extensive knowledge of mill development and mines in the natural graphite sector.

**Laura Mottola**

Laura Mottola is the President and founder of Flow Partners, a management consulting company that provides strategic oversight and tactical execution of technology and business improvement programs to leading global mining and engineering companies. She has over 20 years of experience working in industry, mainly in mining and metals, but also in the automotive and aerospace sectors.

Ms. Mottola’s expertise covers technology program management (mining automation), process improvement, Lean, systems thinking, and change management. Most recently, she has been working at the Sierra Gorda project in Chile, consulting on the project from pre-feasibility to first copper in five years. The mill is currently being commissioned at a capacity of 110,000 tonnes per day.

**Thomas Ukolowicz**

Tom Ukolowicz is well known and respected in the world of corrosion-resistant process equipment, with an industry career spanning over four decades. Most recently, he served as VP of Sales and Marketing for TITAN Metal Fabricators, one of the world’s most prominent manufacturers of tantalum and reactive metals. Mr. Ukolowicz brings his depth of product and process chemistry knowledge to Great Lakes Graphite providing significant value. He holds a Bachelor of Science degree in Industrial Distribution from Clarkson University.

***Orders, Penalties and Bankruptcies***

To the knowledge of the Corporation, as of the date hereof, no director to be nominated for election at the Meeting:

(a) is at the date of this Management Information Circular, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

    (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

    (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,

(b) is at the date of this Management Information Circular, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such nominee was acting in that capacity, or within a year of such nominee ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such nominee.

For the purposes of the above section, the term "order" means:

    (i) a cease trade order;

    (ii) an order similar to a cease trade order; or

    (iii) an order that denied the relevant company access to any exemption under securities legislation

that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Corporation, as of the date hereof, no director nominated for election at the Meeting has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
(b) any other penalties or sanctions imposed by a court or regulatory body.

***Approval of Stock Option Plan***

The Corporation maintains the Stock Option Plan for the directors, officers, employees, consultants and other service providers of the Corporation, which was first approved at an annual meeting of shareholders of the Corporation on September 9, 2009. The Plan is considered a rolling plan, in that the maximum number of Options that may be outstanding at any one time may not exceed 10% of the issued Common Shares of the Corporation. The policies of the TSXV require the shareholders of the Corporation to annually approve rolling option plan.

Accordingly, shareholders are being asked to approve the Stock Option Plan at the Meeting. For the significant terms of the Plan, see "*Stock Option Plan*" under "*Securities Authorized for Issuance under Equity Compensation Plans*" (a copy of the Plan will be available for review at the Meeting).

As of the record date, the Corporation has 117,561,978 Common Shares issued and outstanding. This means that a total of 11,756,198 Options are currently available to be granted pursuant to the Stock Option Plan. As of the record date 7,551,740 Options had been granted pursuant to the Stock Option Plan and 4,204,458 Options were still available to be granted.

At the Meeting, Shareholders will be asked to pass an ordinary resolution substantially in the following form:

"RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the stock option plan (the "**Stock Option Plan**") of Great Lakes Graphite Inc. (the "**Corporation**") be and it is hereby ratified, confirmed and approved;

2. the Corporation is authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan, as amended, entitling all of the option holders in aggregate to purchase up to such number of common shares of the Corporation as is equal to ten percent (10%) of the number of common shares of the Corporation issued and outstanding on the applicable grant date; and

3. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to give effect to this resolution."

**In the absence of instructions to the contrary, the Common Shares represented by a properly executed form of proxy in favour of the persons designated by management of the Corporation will be voted FOR the resolution approving the Stock Option Plan.**

## AUDIT COMMITTEE DISCLOSURE

### Audit Committee Disclosure

Pursuant to Section 158(1) of the Act, the policies of the TSXV and National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), the Corporation is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation. NI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

### Audit Committee Charter

The Audit Committee Charter is annexed hereto as Schedule "A".

### Composition of the Audit Committee

The Corporation's Audit Committee is currently comprised of three (3) members: Gregory W. Murphy (Chairman), Paul K. Ferguson and Laura Mottola. All of the members of the Audit Committee are "financially literate" as defined in NI 52-110.

**Relevant Education and Experience**

**Mr. Murphy** received his Bachelor of Arts degree in Economics from the University of Western Ontario in 1983. He has over 30 years of international investment industry experience in Toronto, London and New York. He is a Founder and Principal of Bolton Capital Canada Inc. In addition to the Corporation, Mr. Murphy is CEO of the Lakeshore Capital group of companies and a director of Aurigin Resources Inc. Previously held positions include: former head of equity derivatives at Midland Walwyn/Merrill Lynch Canada; First Marathon and Gordon Capital. Mr. Murphy is an independent director of the Corporation as defined in NI 52-110 and is the Chairman of the Audit Committee.

**Mr. Ferguson** received his Bachelor of Arts, Cum Laude degree from the University of Massachusetts at Amherst in 1981. Mr. Ferguson serves as a director and as a member of the Nominating & Corporate Governance Committee and also the Audit Committee of the Board of Directors of the Corporation. Mr. Ferguson serves as Chief Marketing Officer of the Corporation and has been with the Company since 2004. In his current role, Mr. Ferguson is responsible for all aspects of branding, messaging, collateral development, inbound marketing program development and lead generation. Mr. Ferguson is an independent investor with strong experience in mining and resource companies. Prior to his involvement in the resources sector, he worked in both technical and executive capacities for a number of high technology companies. Mr. Ferguson is currently serving as a director for ProcessUnity Inc., a private corporation that is a leading provider of on-demand risk management solutions. Mr. Ferguson is not an independent director of the Corporation for the purpose of NI 52-110, as he is the Chief Marketing Officer of the Corporation.

**Ms. Mottola** is the President and founder of Flow Partners, a management consulting company that provides strategic oversight and tactical execution of technology and business improvement programs to leading global mining and engineering companies. She has over 20 years of experience working in industry, mainly in mining and metals, but also in the automotive and aerospace sectors. Ms. Mottola is a Mining Engineer (McGill 1992) with a Master's of Engineering in Mining Automation (McGill 1996). She has acted in a variety of leadership roles at professional organizations including the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) and served as a Member of the Board of Directors of PRECARN Inc. (2006-2012), an independent Innovation not-for-profit corporation that supports the pre-commercial development of Canadian leading-edge technologies. Ms. Mottola is an independent director of the Corporation as defined in NI 52-110.

**Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's Board of Directors has adopted all recommendations of the Audit Committee to nominate or compensate an external auditor.

**Reliance on Certain Exemptions**

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions contained in sections 2.4 or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must preapprove all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not reasonably expected to exceed 5% of the total amount of fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

**Pre-Approved Policies and Procedures**

The Corporation has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

**Exemption**

The Corporation is relying on the exemption provided by Part 6.1 of NI 52-110 for venture issuers, which allows for an exemption from Part 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of Audit Committee procedures set out in Form 52-110F2 and disclosed in this Management Information Circular.

**External Auditor Service Fees (by category)**

| | **Year ended October 31, 2015 ($)** | **Year ended October 31, 2014 ($)** |
|---|---|---|
| Audit Fees(1) | 60,000 | 26,280 |
| Audit Related Fees(2) | Nil | Nil |
| Tax Fees(3) | 1,500 | 1,500 |
| All Other Fees(4) | Nil | Nil |

(1) Aggregate fees billed for services provided in auditing the Corporation's annual financial statements. The 2014 audit fee is proposed by the auditors of the Corporation and is subject to review and approval by the Audit Committee.

(2) Aggregate fees not included in "audit fees" that are billed by the auditors for the assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's statements or as related to a prospectus.

(3) Aggregate fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.

(4) Aggregate fees billed by the auditors for products and services not included in the forgoing categories.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are approved by the Board and who are charged with the day-to-day management of the Corporation.

National Instrument 58-101-*Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires the Corporation to disclose its corporate governance practices by providing in its Management Information Circular the disclosure required by Form 58-101F2. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines, which apply to all public companies (the "**Guidelines**"). The Corporation has reviewed its own corporate governance practices in light of these Guidelines. In certain cases, the Corporation's practices comply with the Guidelines; however, the Board considers that some of the Guidelines are not suitable for the Corporation at its current stage of development, and therefore these Guidelines have not been adopted. The Corporation will continue to review and implement the Guidelines as the business of the Corporation progresses and becomes more active in operations.

***<u>Form 58–101F2 – Corporate Governance Disclosure</u>***

**Board of Directors**

The Board is currently composed of six (6) directors: Paul K. Ferguson, Paul A. Gorman, Gregory W. Murphy, Arthur John Carter, Laura Mottola and Tom Ukolowicz. All the proposed nominees are current directors of the Corporation.

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment. Of the proposed nominees, three (3) are "inside" or management directors and accordingly are considered not "independent". These are: Paul A. Gorman, Chief Executive Officer of the Corporation, John Carter, Former Senior Vice President of the Corporation and Paul

Ferguson, Chief Marketing Officer of the Corporation. Each of the remaining three (3) proposed directors are considered by the Board to be "independent", within the meaning of N1 58-101. The basis for this determination is that, within the last three years, none of the independent directors has worked for the Corporation, received remuneration from the Corporation (other than in their capacity as directors) or had material contracts with or material interests in the Corporation which could interfere with their ability to act with a view to the best interests of the Corporation.

The Board believes that it functions independently of management. To enhance its ability to act independent of management, the members of the Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

**Directorships**

The following table sets forth the directors of the Corporation who currently hold directorships on other reporting issuers:

| **Name** | **Other Reporting Issuer(s)** |
|---|---|
| A. John Carter | Mag Copper Ltd. (QUE_CSE) since 2013<br>Northern Sphere Mining Corporation (NSM _CSE) since 2011 |

**Orientation and Continuing Education**

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities' law matters. Additionally, historically Board members have been nominated who are familiar with the Corporation and the nature of its business.

**Ethical Business Conduct**

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct. However, the Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in the decision making of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

In addition, the Nominating and Corporate Governance Committee is responsible for assisting the Corporation and the Board in fulfilling their respective corporate governance responsibilities under applicable securities laws, instruments, rules and mandatory policies and regulators requirements and to promote a culture of integrity throughout the Corporation. Further, the Corporation's auditors have full and unrestricted access to the audit committee of the Corporation at all times to discuss the annual audits of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

**Nomination of Directors**

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors is reviewed by the Nominating and Corporate Governance Committee. Prior to standing for election, new nominees to the Board are reviewed by the entire Board upon the recommendation by the Nominating and Corporate Governance Committee.

**Compensation**

The Board of Directors approves the compensation for the Corporation's officers, based on the recommendations of the Compensation Committee, within industry standards and the Corporation's financial situation. The directors currently do not receive any remuneration for their acting in such capacity.

Please see "*Statement of Executive Compensation*" above, for details on the Company's compensation program.

**Other Board Committees**

The Board has the following committees:

- Audit Committee
- Compensation Committee
- Nominating and Corporate Governance Committee

**Assessments**

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision-making processes and the quality of information provided by management, and among other things:

- overseeing strategic planning;
- monitoring the performance of the Corporation's assets;
- evaluating the principal risks and opportunities associated with the Corporation's business and overseeing the implementation of appropriate systems to manage these risks;
- approving specific acquisitions and divestitures;
- evaluating senior management; and
- overseeing the Corporation's internal control and management information systems.

## OTHER MATTERS

Management knows of no other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. If any matters which are not known should properly come before the Meeting, the accompanying proxy instrument will be voted on such matters, in accordance with the best judgement of the person voting it.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at www.sedar.com. The Corporation's annual audited financial statements and management discussion and analysis ("**MD&A**") for the fiscal year ended October 31, 2015 is available for review under the Corporation's profile on SEDAR. A copy of these financial statements and related MD&A have also been mailed out to those shareholders who returned the Corporation's Financial Statement Request Form provided with the Corporation's 2013 annual general meeting material, in accordance with National Instrument 51-102 - *Continuous Disclosure Obligations*. Shareholders may contact the Corporation to request copies of the financial statements and MD&A by mail to: Suite 1000, 36 Toronto Street, Toronto, Ontario.

## DIRECTORS' APPROVAL

The contents and the sending of this Management Information Circular have been approved by the Board of Directors of the Corporation.

**DATED** at Toronto, Ontario this 23rd day of August, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS,**

***"Paul A. Gorman"***

Paul A. Gorman, Director

# SCHEDULE "A"

## GREAT LAKES GRAPHITE INC.

## AUDIT COMMITTEE CHARTER

The Audit Committee of the Board of Directors (the "Committee") of Great Lakes Graphite Inc. (the "Company") has the responsibilities and duties as outlined below:

### 1. Mandate

The mandate of the Committee is:

(a) To perform such duties as may be required by applicable legislation, regulations and policies including those of the Ontario Securities Commission ("OSC"), the Toronto Stock Exchange and/or the TSX Venture Exchange (collectively, the "TSX") as more fully described under the heading "Duties" below.

(b) To assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities for:

(i) the integrity of the Company's financial statements;

(ii) the Company's compliance with legal and regulatory requirements;

(iii) the external auditor(s)' qualifications and independence;

(iv) the performance of the Company's independent auditors;

(v) the system of internal control over financial reporting ("internal controls"); and

(vi) To perform such other duties as may from time to time be assigned to the Committee by the Board.

### 2. Authority

The Committee has authority to:

(a) conduct or authorize investigations into any matters within its scope of responsibility;

(b) retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;

(c) meet with Corporation officers, external auditors and outside counsel, as necessary; and

(d) determine appropriate funding for independent advisors.

### 3. Financial Information

The Committee shall:

(a) review the quarterly and annual consolidated financial statements of the Company prior to approval by the Board and disclosure to the public, which review should include discussion with management and external auditors of significant issues regarding the financial results, accounting principles, practices and management estimates and judgments;

(e) review the quarterly and annual Management's Discussion & Analysis ("MD&A") of the Company's current financial results, position and future prospects prior to review and approval by the Board;

(f) review earnings press releases and earnings guidance press releases;

(g) discuss significant financial risk exposures and the steps management of the Company has taken to monitor, control and report such exposures;

(h) review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards;

(i) review the Company's Annual Information Form; and

(j) review the process relating to and all certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Company's quarterly and annual consolidated financial statements as may be required under applicable securities legislation.

## 4. Compliance

The Committee shall:

(a) review investments and transactions that could adversely affect the well-being of the Company which may be brought to its attention by the external auditor(s) or by any officer of the Company;

(b) review the period reports on litigation matters; and

(c) periodically, review the Charter for the Committee and evaluate the Committee's effectiveness in fulfilling its mandate.

## 5. Internal Controls

The Committee shall:

(a) require Corporation management to implement and maintain appropriate internal control procedures over financial reporting and review, evaluate and approve these procedures; and

(b) establish procedures for processing complaints regarding accounting, internal controls or auditing matters.

## 6. External Auditors

The Committee shall:

(a) have responsibility for the oversight of the external auditor(s) who shall report directly to the Committee;

(b) retain and terminate the Company's external auditor(s), subject to shareholder ratification;

(c) review the annual audit plan and letter(s) of engagement;

(d) at least annually review the report of the external auditor(s);

(e) review and recommend to the Board the annual fee for the audit, review the Company's audit related expenses and pre-approve permitted non-audit services;

(f) approve any significant non-audit relationship with the external auditor(s);

(g) meet with the external auditor(s) and with management to discuss the quarterly and the annual consolidated financial statements including the Company's disclosure under MD&A; and

(h) review with the external auditor(s) any audit problems or difficulties and management's response.

## 7. Reporting / Other Duties

The Committee shall:

(a) report to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled Board meeting;

(b) provide for an open avenue of communication between internal audit, the external auditors and the Board of Directors; and

(c) institute and oversee special investigations as needed.

## 8. Composition

(a) Structure

(i) The Committee shall be composed of not less than three directors, a majority of whom must be "independent directors".

(ii) Each member of the Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices.

(b) Independence

(i) A majority of the Committee must not be current officers or employees of the Company or of any of its subsidiaries or affiliates nor have been such within the 36 months prior to his appointment. All of the members must not be persons who are affiliated with the Company or of any of its subsidiaries or affiliates as determined by the Board.

(ii) Directors' fees (annual retainer and/or attendance fees) and incentive stock options are the only compensation a member of the Committee may be paid by the Company.

(c) Appointment of Committee Members

(i) Members are appointed or reappointed annually by the Board, such appointments to take effect immediately following the annual meeting of the shareholders of the Company. Members shall hold office until their successors are appointed or until they cease to be Directors of the Company.

(d) Vacancies

(i) Vacancies may be filled for the remainder of the current term of appointment of members of the Committee by the Board.

(e) Appointment and Qualifications of Committee Chair

(i) The Board shall appoint from the Committee membership a Chair for the Committee to preside at meetings. In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside at that meeting.

## 9. Meetings

(a) Calling of Meetings

(i) Meetings of the Committee may be called by:

(1) the Chair,

(2) any member of the Committee; or

(3) the External Auditors.

(ii) The Committee may call a meeting of the Board to consider any matter of concern to the Committee.

(iii) The Committee shall not transact business at a meeting unless a majority of the members present are resident Canadians except where:

(1) a resident Canadian member who is unable to be present approves in writing or by telephonic, electronic or other communications facilities the business transacted at the meeting; and

(2) a resident Canadian majority of members would have been present if the absent member had been present.

(iv) Any resolution consented to at any time during the Company's existence by the signatures of all the members of the Audit Committee is as valid and effective as if passed at a meeting of the members of the Audit Committee duly called, constituted and held for that purpose.

(b) Notice of Meetings

Notice of meeting of the Committee shall be sent by prepaid mail, by personal delivery or other means of transmitted or recorded communication or by telephone at least 12 hours before the meeting to each member of the Committee at the member's address or communication number last recorded with the Secretary. A Committee member may in any manner waive notice of a meeting of the Committee and attendance at a meeting is a waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

(c) Notice to the Internal Auditor and External Auditor(s)

The external auditor(s) are entitled to receive notice of every meeting of the Committee and to attend and be heard at each meeting and to have the opportunity to discuss matters with the independent directors, without the presence of management.

(d) Frequency

The Committee shall meet at least quarterly.

(e) Quorum

The quorum for a meeting of the Committee shall be 40% of the number of members, subject to a minimum of two members.

(f) Secretary and Minutes

The Chief Financial Officer of the Company shall act as Secretary of the Committee.

Minutes of meetings of the Committee shall be recorded and maintained by the Secretary of the Committee and subsequently presented to the Committee and to the Board, if required by the Board.