

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. NAME AND ADDRESS OF ISSUER

Graphene Manufacturing Group Ltd. (formerly Graphene Manufacturing Group Pty Ltd.) ("**GMG**" or the "**Company**")
Unit 5, 18 Spine Street,
Sumner, Queensland
4074

ITEM 2. DATE OF MATERIAL CHANGE

April 13, 2021

ITEM 3. NEWS RELEASE

A news release was disseminated by the Company through The Newswire, and was subsequently filed on the System for Electronic Document Analysis and Retrieval (SEDAR) under the Company's profile on April 13, 2021.

ITEM 4. SUMMARY OF MATERIAL CHANGE

Effective April 13, 2021, the Company and Cuspis Capital Ltd. ("**Cuspis**") announced that they have completed their previously announced qualifying transaction (the "**Transaction**") under TSX Venture Exchange ("**TSXV**") Policy 2.4 – *Capital Pool Companies*.

The Company also announced that effective April 2, 2021, the Company's name changed from "Graphene Manufacturing Group Pty Ltd." to "Graphene Manufacturing Group Ltd." (the "**Name Change**").

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

Effective April 13, 2021, the Company and Cuspis announced that they have completed the Transaction under TSXV Policy 2.4 – *Capital Pool Companies*.

The Transaction was completed by way of statutory plan of arrangement under the *Business Corporations Act* (Ontario). Pursuant to the Transaction, the Company has acquired 100% of the issued and outstanding shares in the capital of Cuspis ("**Cuspis Shares**") in exchange for the issuance of 6,162,072 ordinary shares in the capital of the Company ("**Shares**") to the former shareholders of Cuspis. The Company also issued 604,500 stock options ("**Options**") of the Company to former holders of stock options of Cuspis, with each Option being exercisable to purchase one Share at a price of C\$0.4963 until March 12, 2024. In connection with the Transaction, the Company also issued 291,880 Shares to Tri View Capital Ltd. ("**Tri View**") pursuant to an investment advisory agreement between the Company and Tri View.

A total of 31,768,000 Shares and 2,916,704 Options ("**Surplus Escrowed Securities**") held by certain principals and other shareholders of the Company are subject to the TSXV's Tier 1 Surplus escrow requirements, with 10% of the Surplus Escrowed Securities to be released at the date of the issuance of the TSXV's bulletin (the "**Exchange Bulletin**") in respect of the Transaction and listing of the Shares on the TSXV ("**Listing**"), with 20%, 30%, and 40% of the total Surplus Escrowed Securities to be released, respectively, at the 6th, 12th and 18th month anniversaries of the date of the Exchange Bulletin.

A total of 2,015,000 Shares ("**CPC Escrowed Securities**") held by the former principals of Cuspis will be subject to the TSXV's Capital Pool Company escrow requirements, with 25% of the CPC Escrowed Securities to be released at the date of the Exchange Bulletin and 25% of the total CPC Escrowed Securities to be released at each of the 6th, 12th and 18th anniversaries of the date of the Exchange Bulletin.

Upon closing of the Transaction, William Ollerhead, a former director of Cuspis, was appointed as a director of the Company.

The Company is classified as a Tier 1 Industrial Issuer pursuant to TSXV policies, trading under the symbol "GMG".

Immediately prior to closing of the Transaction, the Company held no Cuspis Shares. Upon closing of the Transaction, the Company acquired 15,290,500 Cuspis Shares, representing 100% of the issued and outstanding Cuspis Shares.

Immediately prior to closing of the Transaction, Craig Nicol, Chief Executive Officer, Corporate Secretary and Managing Director held 13,200,000 Shares and 826,540 Options representing approximately 22.17% of the issued and outstanding Shares on a non-diluted basis and 20.54% of the issued and outstanding Shares on a fully diluted basis. Upon closing of the Transaction, Mr. Nicol's 13,200,000 Shares and 826,540 Options represent approximately 19.11% of the issued and outstanding Shares on a non-diluted basis and 18.25% of the issued and outstanding Shares on a fully-diluted basis.

In connection with the Transaction, the Company completed a non-brokered private placement financing of 3,077,000 subscription receipts (each, a "**Subscription Receipt**") at a price of C\$0.65 per Subscription Receipt for gross proceeds of C\$2,000,050. Immediately prior to Listing, the Subscription Receipts automatically converted ("**Conversion**") into 3,077,000 units of GMG (the "**Units**"). Each Unit consists of one (1) Share and one-half (1/2) of one ordinary share purchase warrant of GMG (each, a "**GMG Warrant**"), with each whole GMG Warrant exercisable into one (1) Share at a price of C\$1.00 for a period of eighteen (18) months from the date of issuance. The Units and all securities issuable thereunder are subject to a four-month hold period under applicable Canadian securities laws expiring on July 25, 2021.

At Conversion, GMG also paid finder's fees to in the aggregate amount of C\$109,755.59 in cash, representing 6% of the proceeds from investors introduced by applicable finders, and issued an aggregate of 161,430 share purchase warrants of GMG (the "**Finder Warrants**"), representing 6% of the Subscription Receipts subscribed for by investors introduced by applicable finders (collectively, the "**Finder's Fees**"). Each Finder Warrant is exercisable for one Share ("**Finder Warrant Share**") at an exercise price of C\$0.65 for a period of 18 months from the date of issuance. The Finder Warrants and Finder Warrant Shares are subject to a four-month hold period expiring on July 25, 2021 (as opposed to August 13, 2021 which was stated in the news release dated April 13, 2021 as a result of a typographical error).

The Company also announced the Name Change.

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not Applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not Applicable.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

Contact: Christopher Ohlrich, Chief Financial Officer and Executive Director
Telephone: 617 3040-5716

ITEM 9. DATE OF REPORT

April 23, 2021