

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in British Columbia, Alberta, Ontario and Saskatchewan, 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 a public 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 hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States. Accordingly, except as permitted by the Underwriting Agreement (as defined herein), the securities offered hereby may not be offered or sold, directly or indirectly, within the United States (as defined in Regulation S under the U.S. Securities Act) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) or persons in the United States, absent an exemption from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States. 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, or for the account or benefit of, U.S. persons or persons in the United States. 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 Graphene Manufacturing Group Ltd. at its head office and principal place of business at Unit 5, 18 Spine Street, Sumner, QLD 4074, Australia (Telephone: (617) 3040-5716) and copies are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

August 11, 2021



GRAPHENE MANUFACTURING GROUP LTD.

C\$10,000,000

• Units

Price: C\$• per Unit

Graphene Manufacturing Group Ltd. (the "**Company**" or "**GMG**") is filing this short form prospectus ("**Prospectus**") to qualify the distribution (the "**Offering**") of • units (the "**Units**") of the Company at a price of C\$• per Unit (the "**Offering Price**") for aggregate gross proceeds of up to C\$10,000,000.

Each Unit consists of one ordinary share in the capital of the Company (an "**Offered Share**") and one-half of one ordinary share purchase warrant (each whole ordinary share purchase warrant, a "**Warrant**"). Each Warrant will be exercisable to purchase one ordinary share in the capital of the Company (a "**Warrant Share**") at an exercise price of C\$• per Warrant Share for a period of • months from the Closing Date (defined below), subject to adjustment events. The Offered Shares and Warrants comprising the Units will separate immediately upon closing of the Offering.

The Units are being sold pursuant to an underwriting agreement dated as of August •, 2021 (the "**Underwriting Agreement**") among the Company and Cantor Fitzgerald Canada Corporation ("**CFCC**" or the "**Lead Underwriter**"), as lead underwriter and sole bookrunner, on its own behalf and on behalf of a syndicate of underwriters (collectively

with the Lead Underwriter, the "**Underwriters**"). The terms of the Offering, including the Offering Price, were determined by negotiation between the Company and the Lead Underwriter.

The issued and outstanding ordinary shares of the Company (the "**Ordinary Shares**") are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "GMG". On August 10, 2021, the last trading day prior to the announcement of the Offering and the filing of this Prospectus, the closing price of the Ordinary Shares on the TSXV was C\$2.84. The Company will apply to list the Offered Shares, Warrants, the Warrant Shares and the Ordinary Shares and Warrants issuable upon exercise of the Broker Warrants (as defined below) on the TSXV. Listing will be subject to acceptance by the TSXV upon the Company fulfilling all of the customary listing requirements of the TSXV.

	Price to the Public	Underwriters' Commission⁽¹⁾	Net Proceeds to the Company⁽²⁾
Per Unit	C\$•	C\$•	C\$•
Total ⁽³⁾	C\$•	C\$•	C\$•

Notes:

- (1) The Company has agreed to pay the Underwriters a cash commission (the "**Underwriters' Commission**") equal to 6.0% of the gross proceeds of the Offering. In addition, the Company has agreed to issue to the Underwriters, on the Closing Date, such number of broker warrants of the Company (the "**Broker Warrants**") as is equal to 3.0% of the aggregate number of Units issued under the Offering (including the Additional Units (defined below)). Each Broker Warrant shall entitle the holder to acquire one Unit at the Offering Price at any time on or before the date that is • months from the Closing Date. The Underwriters' Commission and Broker Warrants will be payable on the total gross proceeds of the Offering and the total number of Units issued, respectively, including any Additional Units (as defined below) issued upon exercise of the Over-Allotment Option (as defined below). The Company has also agreed to reimburse the Underwriters for their reasonable expenses in connection with the Offering. See "Plan of Distribution".
- (2) After deducting the Underwriters' Commission, but before deducting expenses of the Offering, including expenses in connection with the preparation and filing of this Prospectus, which are estimated to be C\$200,000 and which will be paid by the Company from the proceeds of the Offering.
- (3) The Company has agreed to grant the Underwriters an over-allotment option (the "**Over-Allotment Option**") exercisable, in whole or in part, at the Underwriters' sole discretion, to purchase up to an additional number of Units (the "**Additional Units**") as is equal to 15% of the number of Units sold hereunder at a price equal to the Offering Price, to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, at any time or times during the 30 days immediately following the Closing Date. The Over-Allotment Option may be exercised by the Underwriters in respect of: (i) Additional Units at the Offering Price; (ii) additional Offered Shares (the "**Additional Shares**") at a price of C\$• per Additional Share; (iii) additional Warrants (the "**Additional Warrants**") at a price of C\$• per Additional Warrant; or (iv) any combination of Additional Shares and/or Additional Warrants (together, the "**Additional Securities**"), so long as the aggregate number of Additional Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed • Additional Shares and • Additional Warrants. The grant of the Over-Allotment Option and the Additional Securities issuable upon exercise of the Over-Allotment Option, and the Broker Warrants and the securities underlying the Broker Warrants, are hereby qualified for distribution under this Prospectus. A purchaser who acquires Units, Offered Shares or Warrants forming part of the Underwriters' over-allocation position acquires these securities under this short form prospectus regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public, the Underwriters' Commission and the net proceeds to the Company (but before deducting the expenses of the Offering which are estimated to be C\$200,000) will be C\$•, C\$• and C\$•, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Additional Units, Additional Shares or Additional Warrants issued or sold pursuant to the exercise of the Over-Allotment Option. See "*Plan of Distribution*".

This Prospectus also qualifies the distribution of the Broker Warrants and the securities underlying the Broker Warrants. See "*Plan of Distribution*".

Unless the context otherwise requires, when used herein, all references to "Offering", "Units", "Offered Shares", "Warrants" and "Broker Warrants" include the Additional Units, Additional Shares, Additional Warrants and additional Broker Warrants issuable upon the exercise of the Over-Allotment Option.

The following table sets out the number of securities that may be issued by the Company to the Underwriters pursuant to the Over-Allotment Option and the Broker Warrants.

Underwriters' Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	<ul style="list-style-type: none"> • Additional Shares and/or • Additional Warrants 	At any time, but not later than 30 days following the Closing Date	C\$• per Additional Unit C\$• per Additional Share C\$• per Additional Warrant
Broker Warrants	<ul style="list-style-type: none"> • Broker Warrants (up to • if the Over-Allotment Option is exercised in full) 	At any time, but not later than the expiration of the Warrants sold under the Offering	C\$• per Broker Warrant

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions intended to stabilize or maintain the market price of the Ordinary Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

The Underwriters propose to initially offer the Units at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Units at the Offering Price, the Underwriters may subsequently reduce the selling price of the Units to purchasers. See "*Plan of Distribution*".

The Underwriters, as principal, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the terms and conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of the Company by DuMoulin Black LLP and on behalf of the Underwriters by Bennett Jones LLP. See "*Plan of Distribution*".

Subscriptions for the 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. It is expected that the closing of the Offering will take place on or about August 31, 2021, or such other date as may be agreed upon by the Company and the Underwriters (the "**Closing Date**"), but in any event, not later than 42 days after the date of the receipt for the (final) short form prospectus.

It is anticipated that the Offering will be conducted primarily under a book-based system. Certificates evidencing the Offered Shares and Warrant Shares may be issued to purchasers under the Offering only in certain limited circumstances. Except in a limited number of circumstances, the Units are expected to be deposited electronically with CDS Clearing and Depository Services Inc. ("**CDS**") on the Closing Date through the non-certificated inventory system of CDS. Purchasers of Units under this Prospectus which are deposited electronically with CDS, will receive only a customer confirmation from the applicable Underwriter or other registered dealers who is a CDS Participant (as defined below) and from or through whom a beneficial interest in the Unit is purchased. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. See "*Plan of Distribution*".

The annual financial statements of the Company incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The interim financial statements of the Company incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards applicable to interim financial reporting, including International Accounting Standard 34, Interim Financial Reporting. **Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Units. Owning the Units may have tax consequences for an investor in Canada, Australia and the United States. This Prospectus contains only a summary of certain Canadian federal income tax considerations and Australian income tax considerations for non-residents of Australia and does not address any U.S. tax considerations.**

Investors should rely only on the information contained in this Prospectus and the documents incorporated by reference herein. The Company has not authorized anyone to provide investors with information different from that contained in this Prospectus. Subject to the Company's obligations under applicable securities laws, 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 Units.

Substantially all of the assets of the Company are located outside of Canada and the Company is formed and organized under the laws of Australia. All of the current directors and officers of the Company reside outside of Canada, except for Robert William Shewchuk and Will Ollerhead. BDO Audit Pty Ltd., the Company's auditor, is a corporate entity formed under the laws of Australia. Each of the Company, Craig Nicol, Guy Outen, Christopher Ohlrich and Robbert De Weijer have appointed DuMoulin Black LLP, 10th Floor, 595 Howe Street, Vancouver, British Columbia V6C 2T5 as its or his agent for service of process in Canada.

The Company is incorporated under the laws of Australia. Prospective investors under the Offering 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.

The Company presents its financial statements in Australian dollars. Unless otherwise indicated, in this Prospectus all references to (i) "\$" or "AUD" are to Australian dollars; (ii) "US\$" and "USD" are to United States dollars; (iii) and "C\$" are to Canadian dollars. The Canadian dollar rates of exchange on August 10, 2021 were:

United States Dollar ⁽¹⁾	Australian Dollar ⁽¹⁾
C\$1.00=US\$0.80	C\$1.00=AUD\$1.09

Note:

(1) Bank of Canada average exchange rate for August 10, 2021 as reported on the Bank of Canada website.

An investment in the securities of the Company is highly speculative and involves significant risks. An investment in the Units should only be made by those persons who can afford the loss of their entire investment. The risk factors described in this Prospectus, as well as the documents incorporated by reference herein should be carefully reviewed and considered by purchasers in connection with an investment in the Units. See "*Cautionary Statement Regarding Forward-Looking Information*" and "*Risk Factors*" in this Prospectus.

The Company's head and registered office is located at 5/18 Spine Street, Sumner, Queensland 4074, Australia.

TABLE OF CONTENTS

ELIGIBILITY FOR INVESTMENT	2
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	3
IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS	5
DOCUMENTS INCORPORATED BY REFERENCE	5
MARKETING MATERIALS.....	6
BUSINESS OF THE COMPANY.....	7
CONSOLIDATED CAPITALIZATION	10
USE OF PROCEEDS	11
DESCRIPTION OF SECURITIES DISTRIBUTED.....	13
PLAN OF DISTRIBUTION.....	16
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	20
CERTAIN AUSTRALIAN INCOME TAX CONSIDERATIONS.....	23
PRIOR SALES.....	25
TRADING PRICE AND VOLUME	26
RISK FACTORS	26
INTEREST OF EXPERTS.....	29
AUDITORS, TRANSFER AGENT AND REGISTRAR	29
LEGAL PROCEEDINGS.....	29
PURCHASERS' STATUTORY RIGHTS.....	30
CERTIFICATE OF THE COMPANY	C-1
CERTIFICATE OF THE AGENTS	C-2

ELIGIBILITY FOR INVESTMENT

In the opinion of Thorsteinssons LLP, special Canadian tax counsel to the Company, based on the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations under the Tax Act (the "**Regulations**"), and any specific proposal to amend the Tax Act or the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Offered Shares, Warrants and the Warrant Shares, will at a particular time be a "qualified investment" under the Tax Act for a trust governed by a registered retirement savings plan (a "**RRSP**"), a registered retirement income fund (a "**RRIF**"), a deferred profit sharing plan, a registered education savings plan (a "**RESP**"), a registered disability savings plan (a "**RDSP**") or a tax-free savings account (a "**TFSA**" and collectively the "**Plans**"), each as defined in the Tax Act, provided that, at such time:

- (i) In the case of the Offered Shares or the Warrant Shares, the Offered Shares or Warrant Shares (as the case may be) are listed on a "designated stock exchange" (as such term is defined in the Tax Act and which currently includes the TSXV); and
- (ii) In the case of the Warrants, either:
 - a. the Warrants are listed on a "designated stock exchange" (as such term is defined in the Tax Act and which currently includes the TSXV); or
 - b. the Warrant Shares are qualified investments as described in (i) above and the Company is not an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Plan and deals at arm's length with each person who is an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Plan.

Notwithstanding that the Offered Shares, the Warrants and the Warrant Shares may be a qualified investment for a TFSA, RRSP, RRIF, RDSP or RESP (a "**Registered Plan**"), the holder of the TFSA or the RDSP, the subscriber of the RESP or annuitant of the RRSP or RRIF (as the case may be) will be subject to a penalty tax as set out in the Tax Act if the Offered Shares, the Warrants or the Warrant Shares (as the case may be) are a "prohibited investment" for the purposes of the Tax Act. The Offered Shares, the Warrants or the Warrant Shares (as the case may be) will generally be a "prohibited investment" if the holder of the TFSA or the RDSP, the subscriber of the RESP or annuitant of the RRSP or RRIF (as the case may be): (i) does not deal at arm's length with the Company for purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in the Company. In addition, the Offered Shares or Warrant Shares will not be a "prohibited investment", if such securities are "excluded property", as defined in subsection 207.01(1) of the Tax Act, for a Registered Plan. **Purchasers of Units should consult their own advisors to ensure that the Offered Shares, Warrants and Warrant Shares would not be a prohibited investment in their particular circumstances.**

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated or deemed to be incorporated by reference herein contain forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") within the meaning of applicable securities laws. These forward-looking statements relate to future events or the future performance of the Company. All statements other than statements of historical fact may be forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", or the negative of these terms or other comparable terminology. These forward-looking statements are only predictions. Actual events or results may differ materially. In addition, this Prospectus and the documents incorporated by reference herein may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions and known and unknown risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Forward-looking statements in this Prospectus and the documents incorporated by reference herein speak only as of the date of this Prospectus or as of the date specified in the documents incorporated by reference herein.

Forward-looking statements in this Prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

- the listing of the Offered Shares underlying the Units on the TSXV;
- the closing of the Offering;
- the exercise of the Over-Allotment Option;
- the size and expenses of the Offering;
- the Company's strategies and objectives;
- limited operating history and negative operating cash flow;
- the Company's future cash requirements;
- general business and economic conditions;
- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations;
- the timing and pricing of proposed financings if applicable;
- the anticipated completion of financings;
- the anticipated receipt of regulatory approval/acceptance of financings;
- the anticipated use of the proceeds from the financings;
- use of available funds, including the proceeds of the Offering and the costs of the Offering; and
- business objectives and milestones.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including, without limitation, assumptions about:

- general business and economic conditions;
- conditions in the financial markets generally;
- the Company's ability to attract and retain key staff, and to retain consultants to provide the specialized information and skills involved in understanding the graphene manufacturing and marketing businesses;
- its ability to carry out current planned manufacturing, production, and sales and marketing programs for its graphene and graphene-enhanced products and solutions with its current financial resources;
- its graphene-enhanced products and solutions not achieving the expected performance benefits which could negatively impact adoption by prospective customers;
- its rates of production for graphene or graphene-enhanced products, may not be enough to meet customer demand, or it may take longer than expected to achieve those rates;
- the quality of the Company's graphene or graphene-enhanced products may vary which could affect the expected performance benefits or specifications required by its customers; and
- the growth of global markets in which the Company operates.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Neither the Company nor the Underwriters can guarantee future results, levels of activity, performance or achievements. Moreover, neither the Company nor any other person assumes responsibility for the outcome of the forward-looking statements. Many of the risks and other factors are beyond the control of the Company which could cause results to differ materially from those expressed in the forward-looking statements contained in this Prospectus and the documents incorporated by reference herein. The risks and other factors include, but are not limited to:

- escalation of the COVID-19 public health crisis;
- the Company's inability to obtain any necessary permits;
- the Company's inability to obtain consents or authorizations required for its activities;
- the Company's ability to continue its projected growth;
- the Company's ability to raise the necessary capital or to be fully able to implement its business strategies;
- uncertainty of additional funding;
- the negative cash flow of the Company;
- uninsured or uninsurable risks;
- contractual risks;
- unforeseen expenses;
- dilution;
- there may not be an active or liquid market for the Offered Shares or other securities qualified for distribution hereunder;
- the market price of the Ordinary Shares may be adversely affected by stock market volatility;
- the Company may not use the proceeds from the Offering as described in this Prospectus;

- the Company's ability to carry out current planned manufacturing, production, and sales and marketing programs for its graphene and graphene-enhanced products and solutions with its current financial resources;
- the technical feasibility of the Company's graphene powder and graphene-enhanced products in commercial applications;
- the Company's ability to adapt to new advances in material sciences;
- the Company's graphene-enhanced products and solutions not achieving the expected performance benefits which could negatively impact adoption by prospective customers;
- the Company's ability of production for graphene or graphene-enhanced products, may not be enough to meet customer demand, or it may take longer than expected to achieve those rates;
- the quality of the Company's graphene or graphene-enhanced products may vary which could affect the expected performance benefits or specifications required by its customers;
- the growth of global markets in which the Company operates; and
- the forward-looking information in this Prospectus or in the documents incorporated by reference in this Prospectus may prove inaccurate.

Readers are cautioned that the foregoing list of factors is not exhaustive and that additional information on these and other factors that could affect the Company's operations or financial results is discussed in this Prospectus and certain of the other documents on file with Canadian securities regulatory authorities and incorporated by reference herein. Copies of these documents are available on SEDAR at www.sedar.com. The above summary of assumptions and risks related to forward-looking statements is included in this Prospectus and the documents incorporated by reference herein in order to provide readers with a more complete perspective on the future operations of the Company. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements contained in this Prospectus and in the documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company is not under any duty to update or revise any of the forward-looking statements except as expressly required by applicable securities laws.

IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS

Investors should rely only on information contained in this Prospectus or incorporated by reference herein. Neither the Company nor the Underwriters have authorized anyone to provide investors with different or additional information. If anyone provides the reader with different or additional information, the reader should not rely on it. Neither the Company nor the Underwriters are making an offer to sell the Units in any jurisdiction where the offer or sale is not permitted. Investors should assume that the information contained in this Prospectus or in any document incorporated or deemed to be incorporated by reference in this Prospectus is accurate only as of the respective date of the document in which such information appears. The business, financial condition, results of operations and prospects of the Company may have changed since those dates.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or other similar authorities in British Columbia, Alberta, Saskatchewan and Ontario. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at Unit 5, 18 Spine Street, Sumner, QLD 4074 Australia (Telephone: (617) 3040-5716). In addition, copies of the documents incorporated herein by reference may be obtained under the profile of the Company through the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed online at www.sedar.com.

The following documents are specifically incorporated by reference into, and form an integral part of, this Prospectus:

1. the Company's final long form non-offering prospectus dated March 31, 2021 as filed on SEDAR on March 31, 2021 (the "**Non-Offering Prospectus**"), which includes the audited consolidated financial statements of the Company as at and for the years ended June 30, 2020 and 2019, together with the notes thereto and the auditor's report thereon and the management's discussion and analysis of the Company for the years ended June 30, 2020 and 2019 (the "**Annual MD&A**");
2. the unaudited condensed consolidated interim financial statements for three and nine months ended March 31, 2021, except the "Notice to Reader" of no auditor review contained therein, together with the notes thereto (the "**Interim Financial Statements**") filed on SEDAR on May 7, 2021;
3. the management's discussion and analysis as at and for the three months ended March 31, 2021 (the "**Interim MD&A**") filed on SEDAR on May 7, 2021;
4. the material change report dated April 23, 2021 in connection with the Company's announcement of the closing of the Company's Qualification Transaction filed on SEDAR on April 23, 2021 (see "*Plan of Distribution*"); and
5. the "template version" (as such term is defined National Instrument 41-101 – *General Prospectus Requirements*) of the term sheet, dated August 12, 2021, in respect of the Offering (the "**Marketing Materials**").

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any material change reports (except confidential material change reports), comparative interim financial statements, comparative annual financial statements, together with the accompanying report of the auditors, if any, MD&A of financial condition and results of operations, information circulars, annual information forms, marketing materials and business acquisition reports filed by the Company with the securities regulatory authorities in British Columbia, Alberta, Saskatchewan and Ontario after the date of this Prospectus and prior to the termination of the distribution, shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein is not incorporated by reference to the extent that any such statement is modified or superseded by a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein. Any such 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. Any statement so modified or superseded shall not be considered in its unmodified or superseded form to constitute part of this Prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus.

MARKETING MATERIALS

The Marketing Materials are not part of this short form prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus. Any "template version" of "marketing materials" (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) prepared in connection with the Offering do not form part of this short form prospectus to the extent

that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus.

Any "template version" of "marketing materials" filed on SEDAR after the date of this short form prospectus and before the termination of the distribution under the Offering will be deemed to be incorporated into this short form prospectus.

BUSINESS OF THE COMPANY

What is Graphene?

Graphene, a 2-dimensional allotrope of carbon is one atom thick, and it forms the fundamental building block for few layered and multilayered graphene. Isolated in 2004 by Andre Geim and Konstantin Novoselov, the discovery led to the Nobel Prize in Physics in 2010¹. The Company believes that graphene is one of the strongest and thinnest known materials, and it is an extraordinary conductor of heat and electricity.² As of the date hereof, over 53,000 graphene technology patents have been filed by various parties.³ Research has indicated that graphene-based materials are promising materials for a myriad of applications.^{4,5}

GMG graphene, in its powder form, consists of few and multilayered graphene.

Overview

The Company is a clean-technology focused company which aims to offer energy saving products and solutions and energy storage products, enabled by graphene manufactured in-house via a proprietary production process. In 2017 and 2018, the Company developed and proved its proprietary production process to decompose natural gas (i.e. methane) into its elements, carbon (including as graphene) and hydrogen (and some residual hydrocarbon gases). This process produces high quality, low input costs, scalable, tuneable and low contaminant graphene suitable for use in clean-technology applications⁶. While GMG graphene may be suitable for a wide range of industries, the Company's initial focus has been developing applications for energy savings and energy storage.⁷

In the energy savings segment, the Company has focused on graphene enhanced heating, ventilating, and air conditioning ("HVAC") coatings, lubricants and fluids. The Company and its customers have successfully demonstrated HVAC coating projects, offering customers improvement in the efficiency of space cooling (air-

¹ <https://www.nobelprize.org/prizes/physics/2010/press-release/>

² <https://www.forbes.com/sites/startswithabang/2019/06/18/there-are-6-strongest-materials-on-earth-that-are-harder-than-diamonds/?sh=1b3be0733412>

³ Yang, X.; Yu, X.; Liu, X. Obtaining a Sustainable Competitive Advantage from Patent Information: A Patent Analysis of the Graphene Industry. *Sustainability* 2018, 10, 4800.

⁴ Angew. Chem. Int. Ed. 2012, 51, 7640 – 7654 (From Nanographene and Graphene Nanoribbons to Graphene Sheets: Chemical Synthesis).

⁵ Khan M.F. Shahil, Alexander A. Balandin, Thermal properties of graphene and multilayer graphene: Applications in thermal interface materials, *Solid State Communications*, Volume 152, Issue 15, 2012, Pages 1331-1340, ISSN 0038-1098, <https://doi.org/10.1016/j.ssc.2012.04.034>.

⁶ There is limited data availability of graphene produced by competitors. The high quality and low-cost characteristics of GMG's graphene is relative to competitors and based on anecdotal evidence gathered from various sources including the internet, and market discussions.

⁷ Development is undertaken both in-house and in partnership with third parties i.e. universities and customers.

conditioning) and coolant units. Also, the Company is developing lubricants which aim to reduce friction in engines. Both these offerings have the potential to enable lower energy consumption, reducing both cost and emissions.

In the energy storage segment, the Company and University of Queensland (also referred to herein as "**UQ**") have entered into a research agreement and a license agreement dated as of February 26, 2021, pursuant to which they are working collaboratively with financial support from the Australian Government to progress research and development ("**R&D**"), and ultimately explore the commercialization of GMG graphene aluminum-ion batteries (also referred to as "**G+AI Batteries**"). Aluminum-ion batteries have the potential to have better energy density than lithium-ion batteries (also referred to as "**LI Batteries**"). G+AI Batteries may eliminate many disadvantages of LI Batteries, including risk of overheating/fire and performance degradation. Management believes that successful commercialization of the G+AI Batteries would result in a superior substitute to LI Batteries in targeted applications.

The energy saving HVAC coating product, "Thermal XR powered by GMG graphene", has recently commenced generating sales revenue on a limited basis for both liquid and project sales. Early-stage test results provide encouragement to Management on the viability of GMG graphene enhanced lubricants by demonstrating a reduction in the lubricant coefficient of friction. Further testing of lubricants is progressing both in-house and via third parties. Other products in early stages of development or investigation include graphene enhanced fluids (glycol coolants and aqueous graphene fluid) and graphene enhanced diesel and bio-diesel. If various product applications are commercialized, the Company will need to increase its graphene powder production capacity and will likely need to build additional manufacturing capacity for specific product offerings. This will require capital, working capital and operating expenditure going forward.

The Company's core customer offerings are enhanced with the Company's graphene. To keep its proprietary graphene production process strictly confidential, the Company has maintained it as a 'trade secret' rather than filing a patent which would require mandatory disclosure. The Company has also adopted a strategy of building exclusivity and intellectual property around graphene-enhanced products and solutions. For example, the HVAC coating product was developed by one of the Company's customers, OzKem Pty Ltd., an Australian coatings technology company that specializes in coatings for the HVAC industry, in collaboration with the Company - referred to in this Prospectus, as "TXR Supplier", using the Company's graphene. The Company entered into the Distribution Agreement with TXR Supplier on November 11, 2020 and the Supply Agreement with TXR Supplier on November 12, 2020. The Distribution Agreement and the Supply Agreement, together, are referred to herein as the "TXR Agreements". The Company supplies graphene powder for the production of "Thermal XR powered by GMG graphene", also referred to herein as "TXR". In return, the Company enjoys exclusive distribution rights for this product in most regions in the world, including the Americas, Middle East, Europe, Africa and NE Asia (China, Japan and Korea)⁸. This will allow the Company to adopt a value-based pricing approach for distribution, supply and install projects of this coating. For regions in which the Company does not enjoy exclusivity under the TXR Agreements, it can still operate on a non-exclusive basis.

The Company has a strong R&D focus. The Company has filed a patent in relation to its lubricant and its coolant⁹ and is currently in the process of determining whether to pursue these patent protections globally, in specific countries, or at all. The Company is focused on R&D with the aim to enable it to build long-term competitive advantage. Furthermore, R&D has been carried out in-house and in collaboration with third parties for other downstream applications such as Thermal XR powered by GMG Graphene and G+AI Batteries, for which distribution and license agreements, respectively, have been signed. Success in these and other R&D initiatives may provide opportunity for improvements and future expansion of the Company's business and operations.

⁸ Regions where GMG does not have exclusive rights are Australia, New Zealand, Papua New Guinea, Malta and each country within South East Asia (being Brunei, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam).

⁹ The Company filed a provisional patent on March 27, 2019 in Australia. A Patent Co-operation Treaty Application was filed on March 27, 2020. National phase entry into individual countries is anticipated to occur shortly. The Company filed a provisional patent for enhanced lubricant composition on January 20, 2021 in Australia which remains pending.

Further information regarding the business of the Company and its operations can be found in the materials incorporated by reference into this Prospectus.

Recent Developments

On March 24, 2021, the Company completed a non-brokered private placement financing (the "**SR Financing**") of 3,077,000 subscription receipts ("**Subscription Receipts**") at a price of C\$0.65 per subscription receipt for gross proceeds of C\$2,000,050. On April 13, 2021, the Subscription Receipts automatically converted into 3,077,000 units of the Company with each such unit consisting of one Ordinary Share and one-half of one Ordinary Share purchase warrant (each whole such warrant, an "**SR Warrant**"). Each SR Warrant is exercisable to acquire one Ordinary Share at a price of C\$1.00 until October 13, 2022.

On April 2, 2021, the Company completed a split of the Ordinary Shares (the "**GMG Split**") at a ratio of 22 post-GMG Split Ordinary Shares for every one pre-GMG Split Ordinary Share. As a result of the GMG Split, the Company had 59,550,766 Ordinary Shares and 5,490,628 options outstanding.

On April 13, 2021, the Company announced that it had completed the Company's qualifying transaction (the "**Qualifying Transaction**") pursuant to a statutory plan of arrangement under the *Business Corporations Act* (Ontario), pursuant to which the Company acquired all of the issued and outstanding shares in the capital of Cuspis Capital Ltd. in exchange for the issuance of 6,162,072 Ordinary Shares to the former shareholders of Cuspis Capital Ltd. Additionally, the Company announced that on April 2, 2021, the Company changed its name from "Graphene Manufacturing Group Pty Ltd." to "Graphene Manufacturing Group Ltd."

On April 15, 2021 the Company announced that it had entered into a number of agreements to increase its investor relations outreach.

On April 15, 2021, the Company announced that its Ordinary Shares commenced trading on the TSXV under the symbol "GMG".

On April 22, 2021, the Company announced the execution of a research agreement with the UQ's Australian Institute for Bioengineering and Nanotechnology ("**AIBN**") for the development of G+AI Batteries. Under the agreement, the Company will manufacture commercial battery prototypes for watches, phones, laptops, electric vehicles and grid storage with technology developed at the UQ. The Company also signed a license agreement with Uniquist, the University of Queensland commercialisation company, which provides the Company exclusive license of the technology for battery cathodes.

On May 11, 2021 the Company announced the initial performance data when tested in coin cells for the patent-pending surface perforation of G+AI Batteries developed by the Company and UQ. The experiments were performed at AIBN at UQ.

On June 17, 2021 the Company announced the signing of a non-binding Letter of Intent with OPENIA Project Management Services LLC for the exclusive distribution of THERMAL-XR powered by GMG Graphene throughout the United Arab Emirates.

On June 22, 2021, the Company disclosed performance data for G+AI Batteries coin cell batteries using the patent-pending surface perforation of graphene synthesised by the Company and UQ. The experiments were performed at AIBN at UQ. Testing confirmed a very high cycle rate for graphene aluminium-ion coin cell batteries together with minimal reduction in performance over a 3,000 cycle experiment period.

On June 24, 2021, the Company announced its intention to join the Future Battery Industries Cooperative Research Centre ("**CRC**") for Battery Electrolytes along with various organizations and universities. The CRC's objective is to

develop advanced electrolyte systems that improve battery performance. The project will run over a period of 4 years with the Company providing a source of graphene and personnel time to the project.

On July 14, 2021, the Company announced that it is procuring equipment for a pilot production and testing plant for the manufacture of its G+AI Batteries.

CONSOLIDATED CAPITALIZATION

Since March 31, 2021, the date of the Interim Financial Statements, there have been no material changes in the Company's share and loan capital on a consolidated basis, other than:

Date of Issuance	Securities	Amount	Issue Price/Exercise Price
April 13, 2021	Ordinary Shares ⁽¹⁾	3,077,000	C\$0.65
April 13, 2021	SR Warrants ^{(1),(2)}	1,538,500	C\$1.00
April 13, 2021	Ordinary Shares ⁽³⁾	6,162,072	C\$0.53
April 13, 2021	Incentive stock options ⁽⁴⁾	604,500	C\$0.4963
April 13, 2021	Ordinary Shares ⁽⁵⁾	291,880	C\$0.65
April 15, 2021	Incentive stock options ⁽⁶⁾	100,000	C\$1.00
June 1, 2021	Ordinary Shares ⁽⁷⁾	453,375	C\$0.4963
June 8, 2021	Ordinary Shares ⁽⁷⁾	10,000	A\$0.61
July 30, 2021	Ordinary Shares ⁽⁸⁾	56,316	C\$0.65

Notes:

- (1) Issued upon conversion of the Subscription Receipts.
- (2) Each whole SR Warrant is exercisable into one (1) Ordinary Share at a price of C\$1.00 until October 13, 2022.
- (3) Upon the Company's acquisition of 100% of the issued and outstanding shares in the capital of Cuspis, the Company issued 6,162,072 Ordinary Shares to the former shareholders of Cuspis.
- (4) Exercisable into one Ordinary Share at a price of C\$0.4963 until March 12, 2024.
- (5) Issued to Tri View Capital Ltd. ("**TriView**") pursuant to an investment advisory agreement between the Company and TriView.
- (6) Exercisable into one Ordinary Share at a price of C\$1.00 until April 15, 2024.
- (7) Issued upon the exercise of incentive stock options.
- (8) Issued upon exercise of Finder Warrants (as defined below).

The following table sets forth the consolidated capitalization of the Company (as at March 31, 2021) before and after giving effect to the Offering and the Qualifying Transaction. This table should be read in conjunction with the Interim Financial Statements and the Interim MD&A, which are incorporated by reference in this Prospectus.

<u>Designation of security</u>	<u>Outstanding as at March 31, 2021</u>	<u>Outstanding as at March 31, 2021 after giving effect to the Qualifying Transaction</u>	<u>Outstanding as at March 31, 2021 after giving effect to the Qualifying Transaction and the Offering</u>
Shareholders' Equity	\$927,772	\$4,660,636 ⁽¹⁾	\$• ⁽²⁾
Ordinary Shares	2,706,853	69,081,718 ^{(3),(4)}	• ⁽⁹⁾
Subscription Receipts	3,077,000 ⁽⁵⁾	Nil ⁽⁶⁾	Nil ⁽⁶⁾
Stock Options	249,574	6,095,128 ^{(3),(7)}	6,095,128 ^{(3),(7)}
Warrants	Nil	1,538,500 ⁽⁶⁾	• ⁽¹⁰⁾
Finder Warrants	161,430 ⁽⁸⁾	161,430 ⁽⁸⁾	161,430 ⁽⁸⁾

Notes:

- (1) After accounting for the Qualifying Transaction and payment of the Finder's Fees (defined below).
- (2) After accounting for the Qualifying Transaction, payment of the Finder's Fees (defined below) and deducting the expenses of the Offering (estimated to be C\$200,000), as applicable.
- (3) On April 2, 2021, the Company completed the GMG Split at a ratio of 22 post-GMG Split Ordinary Shares for every one pre-GMG Split Ordinary Share. As a result of the GMG Split, the Company had 59,550,766 Ordinary Shares and 5,490,628 options outstanding.
- (4) Represents 59,550,776 Ordinary Shares issued and outstanding following the GMG Split, 6,162,072 Ordinary Shares issued to the former shareholders of Cuspis in connection with the Qualifying Transaction, 3,077,000 Ordinary Shares issued on conversion of the Subscription Receipts and 291,880 Ordinary Shares issued to TriView.
- (5) On March 24, 2021 the Company completed the SR Financing consisting of 3,077,000 Subscription Receipts at a price of C\$0.65 per Subscription Receipt for gross proceeds of C\$2,000,050.
- (6) On April 13, 2021, 3,077,000 Subscription Receipts automatically converted into 3,077,000 units comprised of 3,077,000 Ordinary Shares and 1,538,500 SR Warrants.
- (7) Pursuant to the Qualifying Transaction, the Company issued 604,500 stock options of the Company to former holders of stock options of Cuspis, with each such option being exercisable to purchase one Ordinary Share at a price of C\$0.4963 until March 12, 2024.
- (8) In connection with the SR Financing, the Company paid finder's fees to certain finders 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 the Company (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 at an exercise price of C\$0.65 until September 24, 2022.
- (9) Includes the 69,081,718 Ordinary Shares issued and outstanding following the Qualifying Transaction and • Ordinary Shares issued pursuant to the Offering (assuming exercise of the Over-Allotment Option in full).
- (10) Includes the 1,538,500 SR Warrants issued on conversion of the Subscription Receipts and • Warrants issued pursuant to the Offering (assuming exercise of the Over-Allotment Option in full).

USE OF PROCEEDS

The net proceeds to the Company from the Offering (assuming no portion of the Over-Allotment Option has been exercised) is expected to be C\$9,200,000 after deducting the Underwriters' Commission of C\$600,000 (calculated on the basis that the exercise of the Over-Allotment Option is not exercised) and the estimated expenses of the Offering of approximately C\$200,000. If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering are estimated to be \$10,610,000 after deducting the Underwriters' Commission of C\$690,000 (calculated on the basis that the exercise of the Over-Allotment Option is exercised in full) and the estimated expenses of the Offering of approximately C\$200,000.

The Company's working capital (unaudited) as at July 31, 2021, being the most recent month end prior to the date of this Prospectus, was approximately \$2,800,000.

Principal Purposes

The Company proposes to use the net proceeds from the Offering (assuming no portion of the Over-Allotment Option has been exercised) as follows:

Use of Net Proceeds	Estimated Expenditure (C\$)
Develop a commercial coin cell G+AI Battery prototype, building on performance results achieved in initial testing of pre-commercial coin cell prototype.	\$280,000
Complete front end design work for initial coin cell G+AI Battery manufacturing facility.	\$230,000
Subject to successful prototype and a final investment decision, construct the initial coin cell G+AI Battery manufacturing facility, and target first production and sales of G+AI Batteries.	\$3,700,000
Secure and grow sales of graphene enhanced products, particularly Thermal XR powered by GMG graphene and G Lubricant.	\$600,000
Further optimize, enhance and expand graphene powder production capability, and increase graphene powder manufacturing plant reliability.	\$925,000
Unallocated working capital	\$3,465,000
Total	\$9,200,000

Business Objectives and Milestones

Set forth below are the business objectives that the Company expects to accomplish using the net proceeds of the Offering (assuming no portion of the Over-Allotment Option has been exercised):

- Develop a commercial coin cell G+AI Battery prototype, building on performance results achieved in initial testing of pre-commercial coin cell prototype.
- Subject to successful prototype and a final investment decision, design and construct the initial coin cell G+AI Battery manufacturing facility, and target first production and sales of battery production.
- Secure and grow sales of graphene enhanced products, particularly Thermal XR powered by GMG graphene and G Lubricant.
- Further optimize, enhance and expand graphene powder production capability, and increase graphene powder manufacturing plant reliability.

Set forth below is each significant event that must occur for the business objectives above to be accomplished and the related time frames and associated costs.

Milestone	Target Date	Estimated Cost (A\$)
Develop a commercial coin cell G+AI Battery prototype.	December 31, 2021	\$300,000
Complete front end design work for initial coin cell G+AI Battery manufacturing facility.	December 31, 2021	\$250,000

Construct the initial coin cell G+Al Battery manufacturing facility.	March 31, 2023	\$4,400,000
Secure and grow sales of graphene enhanced products.	June 30, 2022	\$650,000
Further optimize, enhance and expand graphene powder production capability, and increase graphene powder manufacturing plant reliability.	June 30, 2022	\$1,000,000
	Total:	\$6,600,000

The Company expects to fund the estimated costs associated with each milestone and other operating expenditure above from a combination of the net proceeds of the Offering, existing cash and working capital, revenue and cash receipts from the annual refundable tax offset.

The Company had negative cash flow for the twelve months ended June 30, 2020 and the three and nine months ended March 31, 2021. If the Company continues to generate negative cash flow in the future, net proceeds from the Offering may need to be allocated to funding the negative cash flow in addition to the expenditures listed above. See "*Risk Factors – Historical Negative Cash Flow from Operations*".

Until utilized for the above purposes, the Company may invest the net proceeds that it does not immediately require in short-term marketable debt securities, cash balances, certificates of deposit, and other instruments issued by banks or guaranteed by the Government of Canada or the Government of Australia.

The above-noted allocation represents the Company's intention with respect to its use of proceeds based on current knowledge and planning by management of the Company. Actual expenditures may differ from the estimates set forth above. There may be circumstances where, for sound business reasons, the Company reallocates the use of proceeds. See "*Risk Factors – Use of Proceeds of the Offering*".

DESCRIPTION OF SECURITIES DISTRIBUTED

Units

Each Unit will be comprised of one Offered Share and one-half of one Warrant. Each whole Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances in accordance with the terms of the Warrant Indenture, one Warrant Share, at an exercise price of C\$• for a period of • months from the Closing Date. The Units will separate into Offered Shares and Warrants immediately upon issue.

Offered Shares

The Offered Shares will have all of the characteristics, rights and restrictions of the Ordinary Shares. The authorized share capital of the Company consists of an unlimited number of Ordinary Shares. As of the date hereof there are an aggregate of 69,601,408 Ordinary Shares issued and outstanding (on a non-diluted basis) as fully paid and non-assessable ordinary shares in the capital of the Company.

There are no special rights or restrictions of any nature attached to any of the Ordinary Shares. The holders of the Ordinary Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Ordinary Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company.

Preference Shares

The Company is also authorized to issue an unlimited number of preference shares which are, at the option of the Company or holder, liable to be redeemed or converted to Ordinary Shares. Each preference share confers on the holder the right to: (i) receive a preferential dividend, in priority to the payment of any dividend on the Ordinary Shares; and (ii) participate with the Ordinary Shares in profits and assets of the company, including on a winding up of the Company. The preference shares do not confer the right to vote at annual general meetings of the Company except in limited specified circumstances. As of the date hereof there are no preference shares of the Company issued and outstanding.

Warrants

The Warrants will be issued under a warrant indenture (the "**Warrant Indenture**") to be entered into between the Company and Computershare Investor Services Inc. (the "**Warrant Agent**"). The Company will appoint the principal transfer offices of the Warrant Agent in Toronto as the location at which the Warrants may be surrendered for exercise, transfer or exchange.

The following summary of the material provisions of the Warrants to be issued pursuant to the Offering and certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject to and is qualified in its entirety by reference to the detailed provisions of the Warrant Indenture. Promptly following execution thereof, a copy of the Warrant Indenture will be made available electronically under the Company's issuer profile on SEDAR at www.sedar.com, and reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

Each Warrant will entitle the holder to purchase one Warrant Share at a price of C\$•. 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. Each Warrant will be exercisable at any time for a period of • months from the Closing Date, after which time the Warrants will expire and become null and void.

The Warrant Indenture is expected to provide for adjustment to the exercise price of the Warrants and/or to the number or kind of securities issuable upon the exercise of the Warrants upon the occurrence of certain events, including:

- a subdivision of the Ordinary Shares into a greater number of Ordinary Shares or a consolidation of the Ordinary Shares into a lesser number of Ordinary Shares;
- the issuance of Ordinary Shares or securities exchangeable or convertible into Ordinary Shares to all or substantially all the holders of Ordinary Shares by way of a stock dividend or other distribution;
- the issuance to all or substantially all of the holders of the Ordinary 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 Ordinary Shares, or securities exchangeable for or convertible into Ordinary Shares, at a price per Ordinary 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, of Ordinary Shares on such record date; and/or
- subject to certain exceptions, a distribution by the Company to all or substantially all the holders of the Ordinary Shares, of securities of any class (whether of the Company or any other corporation) other than Ordinary Shares, rights, options or warrants, evidence of indebtedness, or cash, securities, or other property or assets.

The Warrant Indenture is also expected to provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or the exercise price per security in the event of the following additional events:

- a reclassification of the Ordinary Shares;
- the amalgamation, plan of arrangement or merger of the Company with or into another entity (other than an amalgamation, plan of arrangement or merger which does not result in any reclassification of the Ordinary Shares or a change of the Ordinary Shares into other shares); and/or
- a transfer (other than to one of the Company's subsidiaries) of the undertaking or assets of the Company 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 will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least one percent (1%) in the exercise price or the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Ordinary Share, as the case may be.

The Company also expects to covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Company 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 14 days prior to the record date or effective date, as the case may be, of such event.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant, and no cash or other consideration will be paid in lieu thereof. Holders of Warrants will not have any voting rights or pre-emptive rights or any other rights, which a holder of Ordinary Shares would have.

From time to time, the Company and the Warrant Agent may, without the consent of or notice to the holders of Warrants, 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 is expected to be defined in the Warrant Indenture as a resolution either (i) passed at a meeting of the holders of Warrants at which there are present in person or represented by proxy, registered holders of Warrants representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on such resolution, or (ii) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all then outstanding Warrants.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act, and the Warrants may not be exercised in the United States or by, or for the account or benefit of, any U.S. person or person in the United States and the Warrant Shares may not be delivered into the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States.

The foregoing 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 made available electronically under the Company's issuer profile on SEDAR at www.sedar.com promptly following execution thereof.

Broker Warrants

As additional consideration for the services being rendered in connection with the Offering, the Company has agreed to issue the Underwriters such number of Broker Warrants as is equal to 3.0% of the aggregate number of Units sold under the Offering (including any Additional Units). Each Broker Warrant shall entitle the holder to acquire one Unit at the Offering Price at any time on or before the date that is • months from the Closing Date.

The terms governing the Broker Warrants will be set out in the respective certificates representing the Broker Warrants and will include, among other things, customary provisions for adjustment upon the occurrence of certain events, including:

- a subdivision of the Ordinary Shares into a greater number of Ordinary Shares or a consolidation of the Ordinary Shares into a lesser number of Ordinary Shares;
- the issuance of Ordinary Shares or securities exchangeable or convertible into Ordinary Shares to all or substantially all the holders of Ordinary Shares by way of a stock dividend or other distribution;
- the issuance to all or substantially all of the holders of the Ordinary 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 Ordinary Shares, or securities exchangeable for or convertible into Ordinary Shares, at a price per Ordinary Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price" of Ordinary Shares on such record date; and/or
- subject to certain exceptions, a distribution by the Company to all or substantially all the holders of the Ordinary Shares, of securities of any class (whether of the Company or any other corporation) other than Ordinary Shares, rights, options or warrants, evidence of indebtedness, or cash, securities, or other property or assets.

The Broker Warrants will be non-transferable without express written consent of the Company. The Broker Warrants will not have any voting rights or other rights attached to the underlying Ordinary Shares until the Broker Warrants are exercised in accordance with their terms.

This Prospectus qualifies the distribution of the Broker Warrants and the securities underlying the Broker Warrants. See "*Plan of Distribution*".

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement dated August •, 2021 among the Company and the Underwriters, the Company has agreed to sell, and the Underwriters have agreed severally, and not jointly nor jointly and severally, to purchase, as principals, on the Closing Date, an aggregate of • Units at the Offering Price for aggregate gross proceeds of up to C\$10,000,000 payable in cash to the Company against delivery of the Units, subject to compliance with all of the necessary legal requirements and to the conditions contained in the Underwriting Agreement. The obligations of the Underwriters may be terminated at the Underwriters' discretion upon the occurrence of certain events, including "disaster out", "material change out", "market out" and "breach out". The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. The Offering Price and other terms of the Offering were determined by arms' length negotiation among the Company and the Lead Underwriter, on its own behalf and on behalf of the Underwriters.

The Company has agreed to grant to the Underwriters the Over-Allotment Option, exercisable in whole or in part, at the Underwriters' sole discretion, to purchase up to such number of Additional Units as is equal to 15% of the number of Units sold pursuant to the Offering at the Offering Price, to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, at any time or times during the 30 day period immediately following the Closing Date. The Over-Allotment Option may be exercised by the

Underwriters in respect of: (i) Additional Units at the Offering Price; (ii) Additional Shares at a price of C\$• per Additional Share; (iii) Additional Warrants at a price of C\$• per Additional Warrant; or (iv) any combination of Additional Shares and/or Additional Warrants, so long as the aggregate number of Additional Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed • Additional Shares and • Additional Warrants. The grant of the Over-Allotment Option and the Additional Securities issuable upon exercise of the Over-Allotment Option are qualified for distribution under this Prospectus. A purchaser who acquires Units, Offered Shares or Warrants forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay certain reasonable expenses incurred by the Underwriters in connection with the Offering. The Company has also agreed pursuant to the terms of the Underwriting Agreement to indemnify the Underwriters, their subsidiaries and affiliates, and each of their respective directors, officers, employees, consultants, shareholders and agents against certain liabilities and expenses and to contribute to payments that the Underwriters may be required to make in respect thereof.

The total gross proceeds payable in cash to the Company against delivery of Units is expected to be C\$9,200,000 (assuming no portion of the Over-Allotment Option has been exercised). In consideration for the services provided by the Underwriters in connection with the Offering and pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters, the Underwriters' Commission, equal to 6.0% of the aggregate gross proceeds of the Offering (including any gross proceeds raised on the exercise of the Over-Allotment Option). The Company has also agreed to grant to the Underwriter such number of Broker Warrants as is equal to 3.0% of the Units sold under the Offering (including the Additional Units). Each Broker Warrant shall entitle the holder to acquire one Unit at the Offering Price at any time on or before the date that is • months from the Closing Date.

This Prospectus also qualifies the distribution of the Broker Warrants and the securities underlying the Broker Warrants.

The Units will be offered in the provinces of Alberta, British Columbia, Ontario and Saskatchewan, through the Underwriters or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters.

It is expected that the closing of the Offering will occur on or about August 31, 2021, or such other date as may be mutually agreed to by the Company and the Underwriters, but in any event, not later than 42 days after the date of the receipt for the (final) short form prospectus. Subscriptions for the 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. It is anticipated that the Units (other than in respect of Units issued to a limited number of purchasers) will be delivered under the book-based system through CDS or its nominee and deposited in electronic form with CDS on the Closing Date. A purchaser of Units which have been deposited in electronic form with CDS will receive only a customer confirmation from the registered dealer, broker, bank or other financial institution (each a "CDS Participant") through which the Units are purchased. Certificates evidencing the Units or Warrants comprising the Units may be issued to purchasers under the Offering only in certain limited circumstances. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. Other than in certain limited circumstances, no purchaser of Units will receive a certificate or other instrument from the Company, the Underwriters or CDS evidencing that person's interest in or ownership of any Units, or will be shown on the records maintained by CDS, except through an agent that is a CDS Participant.

The Underwriters propose to offer the Units initially at the Offering Price. After the Underwriters have made reasonable efforts to sell all of the Units at such price, the Offering Price may be decreased, and may be further changed from time to time, to an amount not greater than the Offering Price and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds to be paid by the Underwriters to the Company. Notwithstanding any reduction in the Offering Price, the Company will still receive a net price of C\$• per Unit purchased by the Underwriters under this Prospectus.

The Ordinary Shares are listed on the TSXV. The Company will apply to list the Offered Shares, Warrants, the Warrant Shares and the Ordinary Shares and Warrants issuable upon exercise of the Broker Warrants on the TSXV. Listing will be subject to acceptance by the TSXV upon the Company fulfilling all of the listing requirements of the TSXV.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period ending on the date the selling process for the Units ends and all stabilization arrangements relating to the Units are terminated, bid for or purchase Ordinary Shares for their own account or for accounts over which they exercise control or direction. The foregoing restriction is subject to certain exceptions. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSXV, 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 or on behalf of a client where the client's order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Underwriters may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the Ordinary Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced may be discontinued at any time.

The Units offered hereby have not been and will not be registered under the U.S. Securities Act or any securities laws of any state of the United States and, subject to registration under the U.S. Securities Act and applicable securities laws of any state of the United States or certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States or to, or for the account or benefit of, U.S. persons or persons in the United States.

The Underwriters have agreed that they will not offer, sell or deliver, directly or indirectly, the Units at any time within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States.

The Company has agreed pursuant to the Underwriting Agreement that it will not, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional Ordinary Shares or any securities or other financial instruments convertible or exchangeable into or having the right to acquire Ordinary Shares, other than issuances in conjunction with: (i) the Offering; (ii) the grant or exercise of stock options issued pursuant to the stock option plan of the Company outstanding as of the date of the Underwriting Agreement, and other similar issuances pursuant to the share incentive plans of the Company and other share compensation arrangements; (iii) the exercise of warrants outstanding as of the date of the Underwriting Agreement; (iv) the issuance of securities in connection with arm's length property or share acquisitions in the normal course of business; or (v) pursuant to other rights or obligations under securities or instruments outstanding as at the date of the Underwriting Agreement, from the date hereof and continuing for a period of 90 days from the Closing Date without the prior written consent of the Underwriters, such consent not to be unreasonably withheld.

Each of the directors and executive officers of the Company will agree, prior to the Closing Date, not to, directly or indirectly, offer, sell, contract to offer or sell, transfer, assign, grant any option to purchase, make any short sale, lend, swap, or otherwise dispose of, transfer, assign (or announce any intention to do so), any Ordinary Shares or securities exchangeable or convertible into Ordinary Shares for a period of 90 days from the Closing Date without the prior written consent of the Underwriters, such consent not to be unreasonably withheld.

Notice to Certain Prospective Investors Outside of North America

European Economic Area

This Prospectus has been prepared on the basis that all offers of the Units, if any, will be made in any member state (a "**Member State**") of the European Economic Area pursuant to an exemption under Article 1(4) of Regulation (EU)

2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**EAA Prospectus Regulation**”), from the requirement to produce a prospectus for offers of the Units. Accordingly, any person making or intending to make any offer within any Member State of the Units should only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to produce a prospectus for such offer. Neither we nor any Underwriter has authorized, nor do we or they authorize, the making of any offer of the Units through any financial intermediary, other than offers made by the Underwriters, which constitute the final placement of the Units contemplated in this Prospectus.

Each Underwriter has represented and agreed, and each further Underwriter appointed under the Offering will be required to represent and agree, that it has not made and will not make an offer of any Units to the public in any Member State, except that it may make an offer of such Units to the public in that Member State:

- (a) at any time to any legal entity that is a qualified investor as defined in Article 2(e) of the EAA Prospectus Regulation (a “**Qualified Investor**”);
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the EAA Prospectus Regulation; or
- (c) at any time in any other circumstances falling within Article 1(4) of the EAA Prospectus Regulation,

provided that no such offer of Units shall result in a requirement for the publication by the Company or any Underwriter of a prospectus pursuant to Article 3(1) of the EAA Prospectus Regulation or a supplement to a prospectus pursuant to Article 23 of the EAA Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Units to the public” in relation to any Units in any Member State means the communication in any form and by any means, presenting sufficient information on the terms of the offer and the Units so as to enable an investor to decide to purchase or subscribe for the Units. Each subscriber for the Units located in a Member State will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor.

United Kingdom

No Units have been offered or will be offered to the public in the United Kingdom, prior to the publication of a prospectus in relation to the Units which has been approved by the Financial Conduct Authority, except that the Units may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- (c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 (“**FSMA**”),

provided that no such offer of the Units shall require the Company or any Underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of the paragraph above, the expression an “offer to the public” in relation to the Units in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Units to be offered so as to enable an investor to decide to purchase or subscribe for any Units and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act of 2018.

This Prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors (as defined in the UK Prospectus Regulation) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, referred to herein as the "Order", and/or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated or caused to be communicated. Each such person is referred to herein as a "Relevant Person".

This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this document or any of its contents.

Any invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") may only be communicated or caused to be communicated in connection with the issue or sale of the securities in circumstances in which Section 21(1) of the FSMA does not apply. All applicable provisions of the FSMA must be complied with in respect of anything done by any person in relation to the securities in, from or otherwise involving the United Kingdom.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Thorsteinssons LLP, special tax counsel to the Company, the following is, as of the date of this Prospectus, a fair summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a purchaser who acquires, as beneficial owner, Units (comprising Offered Shares and Warrants) pursuant to the Offering and, if applicable, Warrant Shares on the exercise of Warrants, and who, for purposes of the Tax Act and at all relevant times, deals at arm's length with the Company and the Underwriters, is not affiliated with the Company or the Underwriters, and acquires and holds the Offered Shares and Warrants, and will hold any Warrant Shares acquired on the exercise of Warrants, as capital property (a "Holder"). For purposes of this summary, references to "Shares" shall include Offered Shares and Warrant Shares unless otherwise indicated. Generally, the Shares and Warrants will be considered to be capital property to a Holder provided that the Holder does not use or hold the Shares or Warrants in the course of carrying on a business and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

The following summary is also only applicable to a Holder who at all relevant times, for the purposes of the Tax Act and any applicable tax treaty or convention, is or is deemed to be resident in Canada.

This summary is not applicable to (i) a Holder that is a "financial institution" (as defined in the Tax Act for the purposes of the mark-to-market rules), (ii) a Holder where an interest in such Holder would be a "tax shelter investment" (as defined in the Tax Act), (iii) a Holder that is a "specified financial institution" (as defined in the Tax Act), (iv) a Holder whose functional currency for purposes of the Tax Act is the currency of a country other than Canada, (v) a Holder who enters into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Shares or Warrants, (vi) a Holder for whom the Company would constitute a "foreign affiliate" (for the purposes of the Tax Act), or (vii) a Holder that is a corporation resident in Canada (for the purposes of the Tax Act) and that is or becomes (or that does not deal at arm's length (for purposes of the Tax Act) with a corporation resident in Canada and that is or becomes), as a part of a transaction or event or series of transactions or events that includes the acquisition of any Shares or Warrants, controlled by a non-resident person (or by a group of non-resident persons that do not deal at arm's length with each other for purposes of the Tax Act) for purposes of the foreign affiliate

dumping rules in section 212.3 of the Tax Act. **Any such Holder should consult its own tax advisor with respect to an investment in the Units.**

This general summary does not address the deductibility of interest by a Holder who borrows money or otherwise incurs debt in connection with the acquisition of Units or to exercise Warrants to acquire Warrant Shares.

This summary is based on the facts set out in this Prospectus, the provisions of the Tax Act and the Regulations in force as of the date hereof, and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") published in writing by the CRA and publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in law or in the administrative policies or assessing practices of the CRA, whether by way of judicial, legislative or governmental decision or action. This summary is not exhaustive of all possible Canadian federal income tax considerations, and does not take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ materially from those described in this summary.

This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder, and no representations concerning the tax consequences to any particular Holder are made. The tax consequences of acquiring, holding and disposing of Shares and Warrants will vary according to the Holder's particular circumstances. **Holders should consult their own tax advisors regarding the tax considerations applicable to them having regard to their particular circumstances.**

This summary assumes that the Company is, and will at all relevant times be, a non-resident of Canada for purposes of the Tax Act and any applicable tax treaty or convention.

Currency Conversion

For the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Shares and Warrants generally must be converted into Canadian dollars, including dividends, adjusted cost base and proceeds of disposition, using the single daily exchange rate as quoted by the Bank of Canada for the relevant day, or such other rate of exchange that is acceptable to the CRA.

Allocation of Cost

A Holder who acquires Units pursuant to the Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Offered Share and the one-half Warrant comprising each Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act.

For its purposes, the Company has advised counsel that, of the \$• subscription price for each Unit, it intends to allocate \$• to each Offered Share and \$• to each one-half Warrant and believes that such allocation is reasonable. The Company's allocation, however, is not binding on the CRA or on a Holder. Holders should consult their own tax advisors in this regard.

The cost of each Offered Share comprising a part of a Unit acquired by a Holder pursuant to the Offering will be averaged with the adjusted cost base to such Holder of all other Ordinary Shares (if any) held by the Holder as capital

property immediately prior to the acquisition for purposes of determining the adjusted cost base to a Holder of an Offered Share immediately following its acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder of a Warrant upon the exercise of such Warrant. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the amount paid on the exercise of the Warrant. The cost of such Warrant Share must be averaged with the adjusted cost base to such Holder of all other Ordinary Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant for purposes of computing the adjusted cost base to the Holder of such Warrant Share immediately following its acquisition.

Taxation of Dividends

A Holder that receives (or is deemed to receive) a dividend on its Shares will be required to include in computing its income such dividend for the taxation year of receipt. Such dividends received (or deemed to be received) by a Holder that is an individual will not be subject to the gross-up and dividend tax credit rules in the Tax Act. A Holder that is a corporation will generally not be entitled to deduct in computing its taxable income the amount of such dividends received (or deemed to be received) from the Company.

Any non-resident withholding tax on dividends received or deemed to be received on Shares generally will be eligible for foreign tax credit or deduction treatment where applicable under the Tax Act, subject to certain limitations. Holders should consult their own tax advisors regarding the availability of a foreign tax credit or deduction, having regard to their particular circumstances.

Disposition of Shares and Warrants

Upon a disposition or a deemed disposition of a Share or Warrant (other than on the exercise of a Warrant), a Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security to the Holder. Generally, the expiry of an unexercised Warrant will give rise to a capital loss equal to the adjusted cost base to the Holder of such expired Warrant. 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

Generally, a Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

Australian tax, if any, levied on any gain realized on a disposition of Shares or Warrants, as the case may be, may be eligible for a foreign tax credit under the Tax Act to the extent and under the circumstances described in the Tax Act. Holders should consult their own tax advisors with respect to the availability of a foreign tax credit, having regard to their particular circumstances.

Additional Refundable Tax on Canadian-Controlled Private Corporations

A Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year, including certain amounts in respect of net taxable capital gains, dividends and interest.

Minimum Tax

Capital gains realized and dividends received by a Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Holders should consult their own advisors with respect to the application of the minimum tax.

Foreign Property Information Reporting

A Holder that is a "specified Canadian entity" for a taxation year or a fiscal period and whose total "cost amount" of "specified foreign property" (as such terms are defined in the Tax Act) at any time in the year or fiscal period exceeds \$100,000 will be required to file an information return for the year or period disclosing prescribed information in respect of such property. Subject to certain exceptions, a taxpayer that is resident in Canada during a taxation year will generally be a specified Canadian entity and a share or a warrant to acquire a share of a corporation that is not resident in Canada (for the purposes of the Tax Act) will generally be a specified foreign property.

The foreign reporting rules in the Tax Act are complex and this summary does not purport to explain all circumstances in which reporting may be required. Holders should consult their own tax advisors regarding whether they must comply with these reporting requirements.

CERTAIN AUSTRALIAN INCOME TAX CONSIDERATIONS

The following is a summary of the principal Australian federal income tax considerations generally applicable under Australian tax legislation and practices ("**Australian Tax Law**") to purchasers who, for the purpose of Australian Tax Law and at all relevant times:

- are not, or are not deemed to be, a resident of Australia for taxation purposes; and
- hold the Company's securities on capital account (e.g. the shares are not held on revenue account as a share trader).

This summary assumes the Company is a resident of Australia for income tax purposes. It is general in nature and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective security holder of the Company, and no representations with respect to the income tax consequences to any prospective purchaser or holder are made. All purchasers or prospective purchasers of the Company's securities should consult their own tax advisor in relation to the taxation consequences of acquiring and holding securities, based on their specific circumstances.

The comments included below are based on current Australian Tax Law and the current practice of the Australian Taxation Office ("**ATO**") as at the date of the Prospectus. Australian Tax Law is complex and subject to change periodically, as is its interpretation by the courts and the ATO. Any changes to the law or its interpretation, may alter the information below.

Dividends Paid on Ordinary Shares

Australia's tax system includes a dividend imputation regime, whereby a company may impute a credit for underlying

income tax it has paid to its shareholders when a dividend is paid (also referred to as a franked dividend).

Regarding Australian dividend withholding tax:

- to the extent they are not franked, dividends paid to non-resident shareholders will generally be subject to withholding tax at a rate of 30%;
- the withholding tax rate will generally be limited to 15% (lower for certain countries) where there is an applicable Double Tax Agreement (“DTA”) in place between Australia and the shareholder’s country of residence; and
- to the extent they are franked, dividends paid by an Australian resident company to non-resident shareholders are not subject to withholding tax.

Where dividend withholding tax applies, the Company is required to deduct and remit the appropriate amount of withholding tax at source, prior to making the dividend payment.

Dividends Received by Canadian Resident Shareholders

Article 10 of the DTA between Australia and Canada (the “**Canadian DTA**”), provides that the rate of Australian dividend withholding tax on a dividend paid to a security holder that is a Canadian tax resident shall not exceed:

- 5% where the dividend is fully franked and the security holder is a company that holds at least a 10% interest (non-portfolio interest) in the Australian resident company¹⁰; or
- 15% where a security holder has less than a 10% interest in the Australian resident company (portfolio interest).

As mentioned above, to the extent they are franked, dividends paid by the Company to a security holder that is not a resident of Australia should be exempt from Australian dividend withholding tax, notwithstanding the maximum rates prescribed by Article 10 of the Canadian DTA.

Conduit Foreign Income

The Australian income tax system provides an additional exemption from dividend withholding tax, which applies to the extent a company declares an unfranked dividend to be Conduit Foreign Income (“CFI”). In broad terms, CFI consists of income derived by an Australian resident company from a non-resident company that is exempt from tax in Australia. Subject to meeting certain requirements, the Australian company may pass this category of income on to its non-resident shareholders free of Australian dividend withholding tax.

At present the Company is not expected to declare dividends as CFI.

Disposition of Ordinary Shares

In broad terms under Australian Tax Law, a non-resident is taxed on gains from a disposal of securities in an Australian resident company where:

- the non-resident holds at least a 10% interest (non-portfolio interest) in the Australian resident company; and

¹⁰ Certain holding period rules may also apply, which also require the securities in question to be held for a minimum of one year.

- the value of Taxable Australian Property¹¹ (“TARP”) held by the above company exceeds the value of its non-TARP assets.

As previously mentioned, Canadian security holders will be subject to the provisions of the Canadian DTA. Article 13 of the Canadian DTA provides that, where the Company wholly or principally holds assets located in Australia that are classified as real property¹², the Canadian DTA will not limit Australia’s right to tax any gain on a disposal of shares in the Company by a Canadian tax resident.

Security holders who are not residents of Australia should seek specific advice on the Australian capital gains tax implications of a disposal of securities in the Company, based on their particular circumstances.

PRIOR SALES

During the twelve month period prior to the date hereof, the Company issued the following securities:

Date of Issuance	Type of Security	Number of Securities	Issue Price Per Security
October 21, 2020	Ordinary Shares	3,037,804 ⁽¹⁾	AUD\$0.56818
October 30, 2020	Ordinary Shares	475,046 ⁽²⁾	AUD\$0.56818
December 23, 2020	Stock Options	484,000 ⁽²⁾	AUD\$0.818
March 12, 2021	Stock Options	44,000 ⁽²⁾	AUD\$0.936
March 24, 2021	Subscription Receipts	3,077,000 ⁽³⁾	C\$0.65
March 24, 2021	Finder's Warrants	161,430 ⁽⁴⁾	C\$0.65
April 13, 2021	Stock Options	604,500 ⁽⁵⁾	C\$0.4963
April 13, 2021	Ordinary Shares	6,162,072 ⁽⁵⁾	C\$0.53
April 13, 2021	Ordinary Shares	291,880 ⁽⁶⁾	C\$0.65
April 15, 2021	Stock Options	100,000 ⁽⁷⁾	C\$1.00

Notes:

- Issued in non-brokered private placement. These Ordinary Shares are reflected on a post-GMG Split basis.
- Securities reflected on a post-GMG Split basis.
- Subscription Receipts converted into Units on April 13, 2021, with each Unit being comprised of one (1) Ordinary Share and one-half of one (1/2) Warrant, with each whole Warrant being exercisable into one (1) Ordinary Share at a price of C\$0.65 for a period expiring on October 13, 2022.
- Each Finder's Warrant is exercisable into one (1) Ordinary Share at a price of C\$1.00 for a period expiring on September 24, 2022.
- Pursuant to the Qualifying Transaction, the Company acquired 100% of the issued and outstanding shares in the capital of Cuspis in exchange for the issuance of 6,162,072 Ordinary Shares to the former shareholders of Cuspis. The Company issued 604,500 stock options of the Company to former holders of stock options of Cuspis, with each such option being exercisable to purchase one Ordinary Share at a price of C\$0.4963 until March 12, 2024.
- In connection with the Qualifying Transaction, the Company also issued 291,880 Ordinary Shares to Tri View pursuant to an investment advisory agreement between the Company and Tri View.
- The Company issued 100,000 stock options of the Company to an investor relations provider, with each such option being exercisable to purchase one Ordinary Share at a price of C\$1.00 until April 15, 2024.

¹¹ TARP is generally real property situated in Australia, including mining, quarrying or prospecting rights.

¹² Applies where this test is satisfied at any time in the twelve months prior to the disposal date.

TRADING PRICE AND VOLUME

The Ordinary Shares are listed for trading on the TSXV under trading symbol "GMG". The following table sets forth the reported high and low sales prices (which are not necessarily the closing prices) and the trading volumes for the Ordinary Shares on the TSXV for the periods indicated.

Month Ended	High (C\$)	Low (C\$)	Volume (# of Ordinary Shares)
April 15 – 30, 2021	1.25	0.73	2,928,336
May, 2021	4.00	1.14	13,103,126
June, 2021	2.93	1.94	5,294,936
July, 2021	2.38	1.35	2,137,213
August 1– 10, 2021	2.99	1.60	1,953,162

RISK FACTORS

Investing in the Units involves a significant degree of risk and must be considered speculative due to the high-risk nature of the Company's business. Investors may lose their entire investment. Investors should carefully consider the information included or incorporated herein by reference in this Prospectus and the Company's historical consolidated financial statements and related notes thereto. There are various risks, including those discussed in the section entitled "*Risk Factors*" in the Non-Offering Prospectus and the Annual MD&A, all of which are incorporated herein by reference, that could have a material adverse effect on, among other things, the operating results, earnings, properties, business and condition (financial or otherwise) of the Company. The following risk factors, together with all of the other information included or incorporated by reference in this Prospectus, including information contained in the section entitled "*Cautionary Note Regarding Forward-Looking Statements*", should be carefully reviewed and considered before a decision to invest in the Units is made.

Risks Related to the Business

COVID-19 Public Health Crisis

The Company's business, operations and financial condition, and the market price of the Ordinary Shares, could be materially and adversely affected by epidemics, pandemics or other health crises, including the outbreak of COVID-19 and variant strains. To date, there have been a large number of temporary lockdowns, business closures, quarantines and a general reduction in consumer activity in a number of countries, including Canada and Australia. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether, or to what extent, the COVID-19 outbreak, government responses to it, and the potential financial impact may extend to countries outside of those currently impacted.

The responses of governmental authorities and corporate entities, including through mandated or voluntary shutdowns, may also lead to a general long-term slow-down in the economy and may lead to disruptions to the Company's workforce and facilities, customers, sales and operations and supply chain. Measures taken by the governments worldwide and voluntary measures undertaken by the Company with a view to the safety of the Company's employees, may also adversely impact the Company's business.

In particular, as a result of the foregoing, COVID-19 could materially and adversely impact the Company's business, including without limitation, employee health, workforce availability and productivity, limitations on travel, supply

chain disruptions, increased insurance premiums, and restrictions to the Company's ability to conduct its business. While the Company does not currently generate revenue from operations, future revenues and cash resources may be negatively affected and demand for the Company's products may decrease as partners and potential customers defer expenditure. Any such disruptions or closures could have a material adverse effect on the Company's business. In addition, parties with whom the Company does business or on whom the Company is reliant may also be adversely impacted by the COVID-19 pandemic which may in turn cause further disruption to the Company's business. Any long-term closures or suspensions may also result in the loss of personnel or the workforce in general as employees seek employment elsewhere.

The impact of COVID-19 and government responses thereto may also continue to have a material impact on financial results and could constrain the Company's ability to obtain equity or debt financing in the future, which may have a material adverse effect on its business, financial condition and results of operations.

The Company is actively monitoring the situation and will respond as the impact of the COVID-19 pandemic evolves, which will depend on several factors set out above. The extent to which the pandemic will impact the Company's operations in the future is highly uncertain and cannot be predicted with confidence as at the date hereof, but could have a material adverse effect on the Company's business, financial condition and results of operations. These uncertainties include, but are not limited to, the duration of the outbreak, the ability of governments in countries in which the Company conducts business to curtail the spreading of the virus, the economic recovery as well as community and social stabilities. Any of these uncertainties, and others, could have further material adverse effect on the Company's business and operations.

At this time, is not possible for the Company to predict the duration of the adverse results of the outbreak and its effects on the Company's business. Risks include, but are not limited to, the ability of the Company to develop and commercialize products and raise funds, the ability of the Company to conduct operations in the event of safety lockdowns, the inability to travel for professionals and contractors involved in production, regional and international travel and quarantine restrictions within the country, and the disruption of shipping material and samples to and from the Company's head office.

Product Development and Technological Change

As there is little sustained history of successful use of the Company's graphene powder and graphene-enhanced products in commercial applications, there is no assurance that broad successful commercial applications may be technically feasible. Most, if not all, of the scientific and engineering data related to the Company's products has been generated by the Company's own laboratories or laboratory environments at our customers or third-parties, like universities and national laboratories. It is well known that laboratory data is not always representative in commercial applications.

Additionally, the industries in which the Company operates are characterized by rapid technological change and frequent new product introductions. Part of the Company's business strategy is to monitor such change and take steps to remain technologically current, but there is no assurance that such strategy will be successful. If the Company is not able to adapt to new advances in materials sciences, or if unforeseen technologies or materials emerge that are not compatible with the Company's products and services or that could replace its products and services, the Company's revenues and business would likely be adversely affected.

Risks Related to the Offering

Completion of the Offering

Completion of the Offering remains subject to a number of conditions precedent. There can be no certainty that the Offering will be completed. If the Offering is not completed, the Company may not be able to raise the funds required for the purposes contemplated under "*Use of Proceeds*" from other sources on commercially reasonable terms or at all.

Use of Proceeds of the Offering

Management will have discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditure. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering other than as described under the heading "Use of Proceeds" if they believe it would be in the Company's best interest to do so and in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Company's results of operations may suffer.

Loss of Investment

An investment in the Units is suitable only for those investors who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment.

Historical Negative Cash Flow from Operations

The Company has a limited history of operations, cash flow or profitability. The Company has had negative operating cash flow since its inception, and it will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations. If the Company continues to generate negative cash flow in the future, net proceeds from the Offering may need to be allocated to funding the negative cash flow in addition to the expenditures listed under the heading "Use of Proceeds".

Dilution

Giving effect to the issuance of Units in this Offering, the receipt of the expected net proceeds, and the use of those proceeds, this Offering may have a dilutive effect on our expected net income/loss available to our shareholders per share and funds from operations per share. Furthermore, other than in accordance with the terms of the Underwriting Agreement, the Company is not restricted from issuing additional securities in the future, including Ordinary Shares, securities that are convertible into or exchangeable for, or that represent the right to receive Ordinary Shares or substantially similar securities. To the extent that the Company raises additional funds through the sale of equity or convertible debt securities, the issuance of such securities will result in dilution to the Company's shareholders. The Company may sell Ordinary Shares or other securities in any other offering at a price per share that is less than the price per share paid by investors in this Offering, and investors purchasing Ordinary Shares or other securities in the future could have rights superior to existing shareholders. The price per share at which the Company sells additional Ordinary Shares or securities convertible or exchangeable into Ordinary Shares, in future transactions may be higher or lower than the price per share paid by investors in this Offering.

Forward-Looking Statements May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Volatility Market Price of Ordinary Shares

There can be no assurance that an active market for the Ordinary Shares will be sustained. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general

economic and political conditions, such as the COVID-19 pandemic, could adversely affect the market price for the Ordinary Shares.

Shareholder Rights

Holders of Warrants will not be entitled to any rights with respect to the Ordinary Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Ordinary Shares), but if a holder of Warrants subsequently exercises its Warrants into Ordinary Shares, such holder will be subject to all changes affecting the Ordinary Shares. Rights with respect to the Ordinary Shares will arise only if and when the Company delivers Ordinary Shares upon the exercising of a Warrant and, to a limited extent, under the Warrant exercise adjustments under the Warrant Indenture. For example, in the event that an amendment is proposed to the Company's constituting documents requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of Ordinary Shares to a holder, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes in the powers or rights of Ordinary Shares that result from such amendment.

Additional Financing

The continued development of the Company will require additional financing. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of the Company's business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. The Company will require additional financing to fund its operations until positive cash flow is achieved. See "*Risk Factors – Historical Negative Cash Flow from Operations*".

INTEREST OF EXPERTS

The independent auditor of the Company, BDO Audit Pty Ltd., has informed the Company that it is independent with respect to the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Certain legal matters relating to the Offering and this Prospectus will be passed upon by DuMoulin Black LLP and Thorsteinssons LLP, on behalf of the Company, and by Bennett Jones LLP on behalf of the Underwriters. Based on security holdings as of August 10, 2021, the designated professionals of DuMoulin Black LLP, as a group, the designated professionals of Thorsteinssons LLP, as a group, and the designated professionals of Bennett Jones LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding Ordinary Shares. In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of GMG is BDO Audit Pty Ltd., Chartered Professional Accountants, located at Level 10, 12 Creek Street, Brisbane, Queensland, 4000, Australia.

Computershare Investor Services Inc. at its Vancouver office located at 510 Burrard Street, Vancouver, BC, V6C 3B9, is the transfer agent and registrar for the Ordinary Shares.

LEGAL PROCEEDINGS

There are no outstanding legal proceedings material to the Company to which the Company is a party or in respect of which its respective business is subject, nor are there any such proceedings known to the Company to be contemplated.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories 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 and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions 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 or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering involving Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is 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 conversion, exchange or exercise of the security, 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 adviser.

CERTIFICATE OF THE COMPANY

August 11, 2021

This short form prospectus, together with the documents incorporated 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 each of British Columbia, Alberta, Ontario and Saskatchewan.

(Signed) "*Craig Nicol*"

Craig Nicol
Chief Executive Officer

(Signed) "*Christopher Ohlrich*"

Christopher Ohlrich
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) "*Guy Outen*"

Guy Outen
Director

(Signed) "*William Ollerhead*"

William Ollerhead
Director

CERTIFICATE OF THE UNDERWRITERS

August 11, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated 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 each of British Columbia, Alberta, Ontario and Saskatchewan.

CANTOR FITZGERALD CANADA CORPORATION

(Signed) "*Elan Shevel*"

Elan Shevel
Chief Compliance Officer