

# Graphite One

## FORM 51-102F3 *Material Change Report*

### **Item 1 Name and Address of Issuer**

Graphite One Inc. (“**Graphite One**”, “**G1**” or the “**Company**”)  
777 Hornby St.  
Suite 600  
Vancouver, British Columbia  
V6Z 1S4 Canada

### **Item 2 Date of Material Change**

October 22, 2024

### **Item 3 News Release**

A news release (the “**News Release**”) reporting the material change was issued by Graphite One and disseminated through Cision on October 21, 2024 and subsequently filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Item 4 Summary of Material Change**

Graphite One Products Inc., an indirect, wholly-owned subsidiary of G1, entered into a technology license agreement and consulting agreement (collectively, the “**Agreements**”) with Hunan Chenyu Fuji New Energy Technology Co. Ltd. (“**Chenyu**”), to provide exclusive access to Anode Active Material (“**AAM**”) technology.

The Company also approved a grant effective October 21, 2024 of the remaining 1,215,778 performances share units to senior management pursuant to the terms of the Company’s Omnibus Plan.

### **Item 5 Full Description of Material Change**

#### **Item 5.1 Full Description of Material Change**

Graphite One Products Inc., an indirect, wholly owned subsidiary of G1 incorporated in Delaware, has signed the Agreements with Chenyu, an Anode Active Material (“**AAM**”) manufacturer headquartered in Changsha City, China that currently supplies qualified AAM to lithium-ion battery producers. The Agreements are an important milestone for G1 in bringing leading technology in AAM manufacturing to the U.S. domestic supply chain for battery materials.

The Agreements give G1 access to critical AAM technology from an experienced AAM supplier to major battery manufacturers on a commercial basis. AAM technology is evolving rapidly as battery makers require fast charging, high density, and long-life battery specifications and G1 expects to keep pace with this advancement.

The Agreements are strictly fee-for-services arrangements, and provide no direct or indirect equity in G1, no representation in the management or Boards of Directors of G1 or any of its affiliates, and no direct or indirect rights to control the projects of G1 or any of its affiliates.

Subject to financing, G1 is planning to construct a commercial AAM facility using this technology at its Warren, Ohio property.

The Chenyu Agreements include:

1. Technology License Agreement: Chenyu grants an exclusive license to certain AAM technologies in return for the payment of royalties applied to net revenues received by G1 from the sale in each calendar quarter of AAM products manufactured using the technology;
2. Consulting Agreement: Chenyu will provide:
  - a. Advice and guidance in designing, constructing, commissioning and operating the Ohio AAM plant in return for the payment by G1 of milestone fees which track events progressing from the commencement of work on the plant by hiring an engineering, procurement and construction management firm through ultimately to G1 successfully qualifying licensed products manufactured at the plant with a U.S. customer.
  - b. Consulting and advisory services as requested based on individual statements of work for agreed upon fees.
3. Other contractual provisions:
  - a. Right of First Negotiation for Next Generation Products: Chenyu agrees to offer G1 advanced, next-generation AAM technology prior to offering it to other AAM manufacturers in North America; and
  - b. Right of First Negotiation for Additional Markets: Chenyu agrees to offer G1 the right to license Chenyu's AAM technology in Europe, the United Kingdom and the Kingdom of Saudi Arabia before offering it to other AAM manufacturers.

Chenyu reserves the right to terminate both the Technology License Agreement and the Consulting Agreement for convenience if G1 has not hired an engineering, procurement and construction management firm to assist with the design of the Ohio AAM plant by July 31, 2025. Termination of either of the Agreements by Chenyu if G1 does not meet these conditions automatically terminates the other agreement.

In anticipation of its manufacturing developments in Ohio, G1 has completed an internal corporate reorganization, adding indirect, wholly owned U.S. subsidiaries, including Graphite One Products Inc.

Copies of the Agreements will be filed under G1's SEDAR+ profile at <https://www.sedarplus.ca>.

### **Grant of Long-Term Incentive Awards**

The Company announces that the board of directors has approved a grant effective October 21, 2024 of the remaining 1,215,778 performances share units ("PSUs") to senior management pursuant to the terms of the Company's Omnibus Plan. The grant of these PSUs was previously disclosed in the Company's March 20, 2024 press release. It was subject to receipt of the approval of shareholders to increase the number of common shares available under the Omnibus Plan and the approval from the TSX Venture Exchange, both approvals have now been received.

Each PSU will convert into one common share of the Company on the March 19, 2027 vest date subject to the achievement of certain corporate share price performance criteria. Further details

regarding the Omnibus Plan are set out in the management information circular of the Company dated May 15, 2024, which is available on the Company's website at [www.graphiteoneinc.com](http://www.graphiteoneinc.com) or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Following the above noted grant of PSUs, the Company has 138,969,294 common shares issued and outstanding, 6,833,151 restricted share units and 3,200,436 performance share units issued and outstanding under the Company's Omnibus Plan.

**Item 5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

**Item 7 Omitted Information**

No significant facts otherwise required to be disclosed in this report have been omitted.

**Item 8 Executive Officer**

For further information, please contact:

Anthony Huston, CEO, President & Director  
Graphite One Inc.  
Phone: (604) 889-4251

**Item 9 Date of Report**

October 22, 2024