

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in all the provinces of Canada (except the territories), but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the security regulatory authorities.

This preliminary short form base shelf prospectus has been filed under legislation in all the provinces of Canada (except the territories) that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf 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 authorized 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 "1933 Act"), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States (as such term is used in Regulation S under the 1933 Act ("Regulation S")) or to, or for the account or benefit of a U.S. Person (as defined in Regulation S) or a person in the United States except in compliance with exemptions from the registration requirements of the 1933 Act and applicable state securities laws. This preliminary short form base shelf 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. See "Plan of Distribution".

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Director Legal Affairs & Corporate Secretary of Nouveau Monde Graphite Inc. at 331, Brassard Street, Saint-Michel-des-Saints, Québec, J0K 3B0 telephone: 1 (450) 757-8905 and are also available electronically at www.sedar.com.



NOUVEAU MONDE GRAPHITE

SHORT FORM BASE SHELF PROSPECTUS

New Issue

December 11, 2018

**Nouveau Monde Graphite Inc.
\$300,000,000**

**Common Shares
Debt Securities
Subscription Receipts
Warrants
Units**

Nouveau Monde Graphite Inc. (the "**Corporation**") may, from time to time, during the 25-month period that this short form base shelf prospectus (the "**Prospectus**"), including any amendments hereto, remains valid, offer and issue common shares of the Corporation (the "**Common Shares**"), debt securities of the Corporation (the "**Debt Securities**"), subscription receipts exchangeable for Common Shares and/or other securities of the Corporation (the "**Subscription Receipts**"), warrants exercisable to acquire Common Shares and/or other securities of the Corporation (the "**Warrants**") and securities comprised of more than one of Common Shares, Debt Securities, Subscription Receipts and/or Warrants offered together as a unit (the "**Units**") (Common Shares, Debt Securities, Subscription Receipts, Warrants and Units are collectively referred to herein, as the "**Securities**") having an aggregate offering price of up to \$300,000,000. Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying shelf prospectus supplement (a "**Prospectus Supplement**"). In addition, Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Corporation or a subsidiary of the Corporation. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

The Corporation's outstanding Common Shares are listed and posted for trading on the TSX Venture Exchange ("TSXV") under the symbol "NOU", on the OTCQX under the symbol "NMGRF" and on the Frankfurt Stock Exchange under the symbol "NM9". On December 10, 2018, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was \$0.30, on the OTCQX was US\$0.2139 and on the Frankfurt Stock Exchange was US\$0.19. **Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Debt Securities, Subscription Receipts, Warrants or Units may be sold and purchasers may not be able to resell any Debt Securities, Subscription Receipts, Warrants or Units purchased under this Prospectus. This may affect the pricing of these Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities and the extent of issuer regulation.**

An investment in the Securities involves a high degree of risk and must be considered speculative due to the nature of the Corporation's business, the present stage of development of its mineral properties and of construction of its facilities and installations, and the fact that the Corporation's negative cash flow will continue at least until commercial production at the Matawinie Graphite Property (as defined herein) is achieved. Prospective investors should carefully consider the risk factors described in and incorporated by reference into the Prospectus. See "Forward-Looking Statements" and "Risk Factors".

The Corporation may offer and sell Securities to or through dealers, underwriters or agents and may also offer and sell certain Securities directly to purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters, dealers or agents involved in the offering and sale of such Securities and will set forth the terms of the offering of such Securities, the method of distribution of Securities including, to the extent applicable, the proceeds to the Corporation and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. **No underwriters, dealers or agents have been involved in the preparation of this Prospectus nor has any underwriters, dealers or agents performed any review of the contents of this Prospectus.**

The specific terms of the Securities with respect to a particular offering will be set out in the applicable Prospectus Supplement and may include, without limitation, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the issue price and any other terms specific to the Common Shares being offered; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, the maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption or retraction, any exchange or conversion terms and any other terms specific to the Debt Securities being offered; (iii) in the case of Subscription Receipts, the number of Subscription Receipts offered, the offering price, the terms of the release conditions, the designation, number and terms of the Common Shares or Warrants receivable upon satisfaction of the release conditions, any procedures that will result in the adjustment of this number, any additional payments to be made to holders of Subscription Receipts upon satisfaction of the release conditions, the terms governing the escrow of all or a portion of the gross proceeds from the sale of the Subscription Receipts, the terms for the refund of all or a portion of the purchase price for Subscription Receipts, the terms for the refund of all or a portion of the purchase price for Subscription Receipts in the event that the release conditions are not met and any other specific terms applicable to the offering of Subscription Receipts; (iv) in the case of Warrants, the designation, number and terms of the Common Shares or Debt Securities issuable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise and any other specific terms; and (v) in the case of Units, the number of Units being offered, the offering price, the terms of the securities underlying the Units, and any other specific terms.

Unless provided otherwise in a Prospectus Supplement relating to a particular offering of Securities and subject to applicable law, the dealers, underwriters or agents may, in connection with the offering of any Securities, effect transactions which stabilize or maintain the market price of the Common Shares or other Securities, as applicable, at levels other than that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

No underwriter or dealer involved in an "at-the-market distribution" under this Prospectus, no affiliate of such an underwriter or dealer and no person or corporation acting jointly or in concert with such an underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities.

All shelf information permitted under applicable law to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Corporation's head office is located at 331, Brassard Street, Saint-Michel-des-Saints, Québec, J0K 3B0.

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ABOUT THIS SHORT FORM BASE SHELF PROSPECTUS

An investor should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and is not entitled to rely on parts of the information contained in this Prospectus (including the documents incorporated by reference herein) to the exclusion of others. The Corporation has not authorized anyone to provide investors with additional or different information. The Corporation is not offering to sell the Securities in any jurisdictions where the offer or sale of the Securities is not permitted. The information contained in this Prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus (or the date of the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Securities. The Corporation's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus provides a general description of the Securities that the Corporation may offer. Each time the Corporation offers and sells Securities under this Prospectus, it will provide the purchasers with a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before investing in any Securities, the purchasers should read both this Prospectus and any applicable Prospectus Supplement together with additional information described below under "Documents Incorporated by Reference".

All information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be made available together with this Prospectus.

CURRENCY

The Prospectus and the documents incorporated by reference herein contain references to the Canadian dollar, United States dollar, Euro and Great Britain Pound. Unless otherwise indicated in the Prospectus and the documents incorporated by reference herein, all references to "\$", "CAD\$" or "dollars" refer to Canadian dollars, all references to "US\$" refer to United States dollars, all references to "EUR" refer to Euros and all references to GBP or "£" refer to Great Britain Pounds.

FINANCIAL INFORMATION

The Corporation's financial statements that are incorporated by reference into the Prospectus have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are presented in Canadian dollars.

The Corporation uses a non-IFRS measure such as working capital in this Prospectus or in documents incorporated by reference herein, which is not a measure calculated in accordance with IFRS. This measure has no meaning under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. The Corporation believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Corporation's financial condition. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance or financial condition prepared in accordance with IFRS.

Management uses a non-IFRS financial measure, the working capital for an amount of \$10,921,153 as at December 31, 2017, to present the resources available to the Corporation for its ongoing activities in the MD&A (as defined herein). The Corporation calculates working capital as its current assets (\$12,523,866) less the current liabilities (\$1,602,713). For further information, please refer to the Corporation's MD&A and Interim MD&A (each as defined herein).

FORWARD-LOOKING STATEMENTS

The Prospectus, including the documents incorporated by reference herein, contains forward-looking statements which relate to future events or future performance and reflects management's expectations and assumptions regarding the Corporation's growth, results, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to it. In some cases, forward-looking statements can be identified by verbs such as "may", "would", "could", "will", "should", "expect", "intend", "anticipate", "believe", "estimate", "predict" or the negative of these terms or other similar expressions concerning matters that are not historical facts. In particular, statements regarding the Corporation's future results, economic performance and product development efforts, as well as the Corporation's achievement of milestones, including the ability to obtain sufficient financing for in respect of the Matawinie Graphite Property (as defined herein) mine project are or involve forward-looking statements.

Forward-looking information is based on reasonable assumptions that have been made by the Corporation as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to, the actual results of current exploration and development activities and plans, access to capital and future prices of the graphite and those factors discussed in the section entitled "Risk Factors" in the Prospectus and in the documents incorporated by reference herein. Forward-looking information in the Prospectus, including the documents incorporated by reference herein, contains, among other things, disclosure regarding: the Corporation's development activities and production plans, including the operation of the Demonstration Plant (as defined herein); the construction and commissioning, as applicable, of the Matawinie Graphite Property mine site; the receipt of all requisite approvals in connection therewith and the anticipated costs and timing thereof; the future outlook, corporate development and strategy, estimates of mineral resources and mineral reserves, government regulation of mining operations, environmental regulation and compliance; the realization of the expected economics of the construction and operation of the mine; any particular offering of Securities under this Prospectus and the relevant Prospectus Supplement, and the receipt of all regulatory and stock exchange approvals in connection therewith; and the ability to obtain sufficient financing for the development of the Matawinie Graphite Property.

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to: general business and economic conditions; the supply and demand for, deliveries of, and the level and volatility of prices for graphite products; the timing of the receipt of regulatory and governmental approvals for the Corporation's projects; the availability of financing for the Corporation's development of its properties and construction of its facilities and installations on reasonable terms; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the development of the Matawinie Graphite Property being achieved; the ability to attract and retain skilled staff; exploration, development and production timetables; market competition; the accuracy of the Corporation's mineral resource and mineral reserve estimates (including, with respect to size, grade and recoverability) as well as the geological, operational and price assumptions on which they are based; and such other assumptions and factors as set out herein and in any Prospectus Supplement.

Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. **The Corporation does not undertake to update any forward-looking information that is included or incorporated by reference herein, except in accordance with applicable securities laws.**

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained or incorporated by reference in the Prospectus is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Corporation believe these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. The Corporation has not independently verified any of the data from third party sources referred to or incorporated by reference herein in the Prospectus and accordingly, the accuracy and completeness of such data is not guaranteed.

CAUTIONARY NOTE TO UNITED STATES INVESTORS

This Prospectus has been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws. In Canada, an issuer is required to provide technical information with respect to mineralization, including reserves and resources, if any, on its mineral exploration properties in accordance with Canadian requirements, which differ significantly from the requirements of the United States Securities and Exchange Commission (the “SEC”) applicable to registration statements and reports filed by United States companies pursuant to the 1933 Act. As such, information contained or incorporated by reference in this Prospectus and in any Prospectus Supplement concerning descriptions of mineralization under Canadian standards may not be comparable to similar information made public by United States corporations subject to the reporting and disclosure requirements of the SEC.

Mineral resource estimates included in this Prospectus and in any document incorporated by reference herein have been, or will be, prepared in accordance with Regulation 43-101 *respecting Standards of Disclosure for Mineral Projects* (“NI 43-101”) and the Canadian Institute of Mining and Metallurgy Classification System, as required by Canadian securities regulatory authorities. In particular, this Prospectus and any document incorporated by reference herein include or may include the terms “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource”. While these terms are recognized and required by Canadian regulations under NI 43-101, the SEC does not recognize them. In addition, this Prospectus or any document incorporated by reference in this Prospectus may include disclosure of “contained ounces” of mineralization. Although such disclosure is permitted under Canadian regulations, the SEC only permits issuers to report mineralization as in place tonnage and grade without reference to unit measures.

The definitions of proven and probable reserves used in NI 43-101 differ from the definitions in SEC Industry Guide 7. Under SEC Industry Guide 7 (under the 1933 Act), as interpreted by the SEC staff, mineralization may not be classified as a “reserve” for United States reporting purposes unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or issuance thereof be imminent in order to classify mineralised material as reserves under the SEC standards.

United States investors are cautioned not to assume that any part or all of the mineral deposits identified as a “measured mineral resource”, “indicated mineral resource” or “inferred mineral resource” will ever be converted to reserves as defined in NI 43-101 or SEC Industry Guide 7. Further, “inferred mineral resources” have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher resource category. Under Canadian rules, estimates of “inferred mineral resources” may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that part or all of an inferred mineral resource actually exists, or is economically or legally mineable.

SCIENTIFIC AND TECHNICAL INFORMATION

Certain information of a scientific or technical nature in respect of the Matawinie Graphite Property contained in this Prospectus is based on the Technical Report (as defined herein).

Ms. Céline M. Charbonneau, P. Eng., M. Sc., a Senior Project Manager with Met-Chem, Division of DRA Americas Inc., has reviewed and approved the scientific and technical information contained in or incorporated by reference in this Prospectus. Ms. Charbonneau is considered, by virtue of her education, experience and professional association, to be a “qualified person” within the meaning of NI 43-101.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference are available electronically at www.sedar.com under the Corporation’s issuer profile, and may also be obtained on request without charge from the Director Legal Affairs & Corporate Secretary of the Corporation at 331, Brassard Street, Saint-Michel-des-Saints, Québec, J0K 3B0 telephone: 1-450-757-8905. The filings of the Corporation through the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) are not incorporated by reference in the Prospectus except as specifically set out herein.

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

- (a) the Unaudited Consolidated Condensed Interim Financial Statements as at and for the nine-month period ended September 30, 2018 and September 30, 2017;
- (b) the MD&A of the Corporation for the nine-month period ended September 30, 2018 (the “**Interim MD&A**”);
- (c) the material change report dated November 19, 2018, prepared in connection with the announcement of the results of the Technical Report (as defined herein);

- (d) the Annual Information Form (the “**AIF**”) dated October 31, 2018 for the fiscal year ended December 31, 2017, except for its section 5.2.1 entitled “Matawinie Graphite Property”;
- (e) the material change report dated October 9, 2018, prepared in connection with the closing of the final tranche of private placements of units and flow-through shares closed on October 2, 2018;
- (f) the material change report dated October 5, 2018, prepared in connection with the closing of the second tranche of private placements of units and flow-through shares closed on September 28, 2018;
- (g) the material change report dated July 20, 2018, prepared in connection with the closing of the first tranche of private placements of units and flow-through shares closed on July 13, 2018;
- (h) the material change report dated May 28, 2018, prepared in connection with the grant by Hydro-Québec of an exploitation licence and the closing of a private placement of units on May 17, 2018;
- (i) the Audited Consolidated Annual Financial Statements as at and for the years ended December 31, 2017 and December 31, 2016, together with the notes thereto and the independent auditors’ report thereon;
- (j) the Management’s Discussion and Analysis (“**MD&A**”) of the Corporation for the year ended December 31, 2017; and
- (k) the Management Proxy Circular dated April 18, 2018, prepared in connection with the annual general and special meeting of shareholders of the Corporation held on May 18, 2018.

Any AIF, annual or interim financial statements and related MD&As, material change report (other than a confidential material change report), business acquisition report, information circular or any other disclosure documents required to be incorporated by reference herein under *Regulation 44-101 respecting Short Form Prospectus Distributions* (“**NI 44-101**”) filed by the Corporation with any securities commission or similar regulatory authority in Canada subsequent to the date of this Prospectus and prior to the termination of any particular offering of Securities under this Prospectus and the relevant Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus, as well as any other document so filed by the Corporation which expressly states it to be incorporated by reference into this Prospectus.

Any statement contained in the Prospectus or in a document (or part thereof) incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of the Prospectus, to the extent that a statement contained in the Prospectus or in any subsequently filed document (or part thereof) that also is, or is deemed to be, incorporated by reference in the Prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of the Prospectus. The 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 which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose 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 the Prospectus; rather, only such statement as so modified or superseded shall be considered to constitute part of the Prospectus.

Upon a new AIF and corresponding annual financial statements and related MD&As being filed by the Corporation with securities commissions or similar regulatory authorities in Canada during the currency of this Prospectus, the previous AIF and corresponding annual financial statements and related MD&As, all interim financial statements and MD&As, and all material change reports filed prior to the commencement of the then current financial year will be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

Upon each new filing of interim financial statements and related MD&As filed with securities commissions or similar regulatory authorities in Canada during the currency of this Prospectus, the previous interim financial statements and MD&As filed prior to the commencement of the then current interim period will be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement or Prospectus Supplements containing the specific terms for an issue of Securities will be delivered to purchasers of the Securities together with this Prospectus to the extent required by applicable securities laws, and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement but only for the purposes of the Securities issued thereunder.

THE CORPORATION

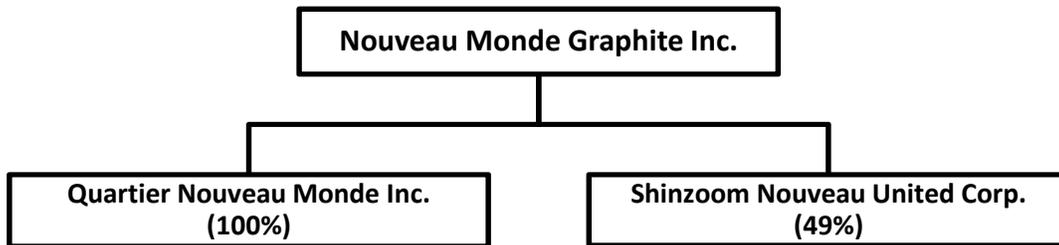
Name and Incorporation

The Corporation was formed on December 31, 2012 pursuant to the *Canada Business Corporation Act* (the “CBCA”) under the name “Nouveau Monde Mining Enterprises Inc. / Entreprises minières du Nouveau Monde Inc.” as a result of the amalgamation of “Tucson Acquisition Corporation” a capital pool company and “Nouveau Monde Mining Enterprises Inc. / Entreprises minières du Nouveau Monde Inc.”, a private company located in Gatineau, Quebec. On February 6, 2017, the Corporation filed articles of amendment in order to change its name for “Nouveau Monde Graphite Inc.”.

The Corporation’s head office is located at 331, Brassard Street, Saint-Michel-des-Saints, Québec, J0K 3B0.

Intercorporate Relationships

As of October 31, 2018, the Corporation beneficially owns 100% of the voting shares of Quartier Nouveau Monde Inc. incorporated under the CBCA and 49% of the voting shares of Shinzoom Nouveau United Corp. incorporated under the CBCA. Quartier Nouveau Monde Inc. currently holds properties in Saint-Michel-des-Saints and is expected to continue purchasing other properties in the near future. Shinzoom Nouveau United Corp. has been created on September 25, 2017, and is inactive as of the date hereof.



General Business Activities

Introduction and General Outlook

The Corporation is a Québec-based resource company whose mission is to become a major producer of natural flake graphite and anode material for lithium-ion batteries as well as other value-added graphite products with the industry's lowest environmental footprint, driving sustainable development in the upper-Matawinie region. The Corporation is engaged in developing its flagship property, the Matawinie graphite property.

Matawinie Graphite Property

The Matawinie graphite property includes 210 map-designated claims forming eight (8) mining claims blocks covering 11,360 hectares (the "**Matawinie Graphite Property**"). The Matawinie Graphite Property is located approximately 120 km as the crow flies North of Montréal, Québec using the existing public network. The Tony claims block is located in the Saint-Michel-des-Saints area. The Tony claims block, including the West Zone, is easily accessible using existing forest roads and is close to high quality infrastructure, including paved roads and high voltage power lines, which are needed for industrial activities. The community of Saint-Michel-des-Saints, as well as surrounding communities, includes available skilled workforce following the end of many forestry activities.

Demonstration Plant

On April 19, 2017, the Corporation announced that it is planning to build a demonstration plant (the "**Demonstration Plant**") in the community of Saint-Michel-des-Saints. Since then, the Demonstration Plant has been built with a capacity to produce 1,000 tonnes of natural graphite concentrate per year using mineralization from West Zone Deposit, part of its Matawinie Graphite Property. The Demonstration Plant is in operation as of September 18, 2018. The goals of this operation are the following:

- to produce graphite concentrate aimed at the traditional industrial market as well as value-added products including purified spheronized graphite used in the expanding lithium-ion battery market;
- to validate and optimize the technological choices used during ore processing in advance of the commercial scale construction; and
- to qualify and homologate the natural graphite products for potential North American, European and Asian customers with the goal of securing an offtake agreement for the commercial operation.

More detailed information regarding the business of the Corporation as well as its operations, assets, and properties can be found in the AIF and other documents incorporated by reference herein, as supplemented by the disclosure herein. See “Documents Incorporated by Reference” and “Recent Developments”.

RECENT DEVELOPMENTS

On December 10, 2018, the Corporation filed a technical report entitled *NI 43-101 Technical Feasibility Study Report for the Matawinie Graphite Project* with an effective date as of July 10, 2018 and an issue date as of December 10, 2018 (the “**Technical Report**”), the results of which were announced by the Corporation on October 24, 2018.

THE MATAWINIE GRAPHITE PROPERTY PROJECT

The following description of the Matawinie Graphite Property project was summarized from the Technical Report that was prepared by Mr. Bernard-Olivier Martel, P. Geo., B. Sc., Mr. Yann Camus, P. Eng., Mr. Oliver Peters, P. Eng., M. Sc., MBA, Ms. Martine Paradis, P. Eng., M. Sc., Mr. Patrick Perez, P. Eng., M. Sc., Mr. Ewald Pengel, P. Eng., M. Sc., Mr. Jordan Zampini, P. Eng., Mr. Martin Saint-Amour, P.Eng. and Ms. Céline M. Charbonneau, P. Eng., M. Sc. (the “**Authors of the Technical Report**”), each of whom is a “qualified person” and “independent” of the Corporation within the meaning of the NI 43-101 and is qualified in its entirety with reference to the full text of the Technical Report. The summary below replaces section 5.2.1 entitled “Matawinie Graphite Property” of the AIF for the fiscal year ended December 31, 2017 and is subject to all the assumptions, conditions and qualifications set forth in the Technical Report. The Technical Report was prepared in accordance with NI 43-101 and for additional technical details, please see the complete text of the Technical Report which was filed with the applicable regulatory authorities and was posted on SEDAR at www.sedar.com on December 10, 2018. Defined terms and abbreviations used in this section and not otherwise defined in this Prospectus have the meanings attributed to them in the Technical Report.

Introduction

The Matawinie Graphite Property consists of 210 map-designated claims forming eight (8) main claim blocks.

The Technical Report focuses on the Tony claims block consisting of 145 contiguous map-designated claims. The Tony claim block center is located approximately six (6) km South West of the community of Saint-Michel-des-Saints, 120 km as the crow flies North of Montréal.

Following completion of a pre-feasibility study and an updated pre-feasibility study NI 43-101 technical report on the Matawinie Graphite Property prepared by Met-Chem, a division of DRA Americas Inc (“**MC-DRA**”) and published in 2017 and in 2018 respectively, the Corporation has mandated MC-DRA to complete the Technical Report, a feasibility study following NI 43-101 rules and guidelines, regarding the Tony Block in order to advance the project to the next phase.

The Technical Report incorporates the following changes from the pre-feasibility study:

- New results from core and hydrogeology drilling programs performed in late 2017 and early 2018;
- Increase in the production rate from 52,000 tonnes to 100,000 tonnes of graphite concentrate per year;
- Replacement of a permanent crushing system by a semi-mobile in-pit crushing system;
- Relocation of the de-sulphurization plant and related temporary storage facilities for Non-Acid Generating (“**NAG**”) and Potentially Acid Generating (“**PAG**”) materials from the south of the pit to the concentrator plant area;
- Replacement of the NAG and PAG tailings stockpiles by co-disposition tailings storage whereby the NAG and PAG materials are co-disposed with waste rock underlain with impervious geomembrane liners;
- Change in the mining operation from diesel to an all-electric operation;
- The increase in plant throughput and the addition of the all electric mining fleet coupled with the limited power available at 34.5 kV, requires that the incoming power line from Hydro-Québec to be at 120 kV;
- A mining contractor would be responsible for providing the all-electric mine and service equipment and provide the quality and quantity of ore to the concentrator on a cost per tonne basis over the life of the mine.

To finalize the Technical Report to the requisite standard, MC-DRA worked with renowned engineering firms and suppliers who provided design and cost information to support the capital and operating cost estimates, project schedule, and economic analysis. MC-DRA was supported by SGS Geostat, Metpro and SNC Lavalin as well as ABB and MEDATECH.

Property Description, Location and Ownership

The Matawinie Graphite Property consists of 210 map-designated claims forming eight (8) main claim blocks totalling 11,360 hectares. The Matawinie Graphite Property is fully owned by the Corporation and is spread over an area of approximately 75 km by 45 km. Since the main focus of the Technical Report is to present an assessment on the Tony claim block, only that claim block will be described. The Tony claim block currently consists of 145 contiguous map-designated claims totalling 7,543.86 hectares.

The centre of the Tony claim blocks is located approximately six (6) km to the South-West of the community of Saint-Michel-des-Saints in the National Topographic System map sheets 31J/09 and 31I/12. Most of the Tony claim block lies within the municipality of Saint-Michel-des-Saints, Lanaudière Administrative Region, Province of Quebec, Canada. The centre of the Tony claim block is positioned approximately 120 km as the crow flies north of Montréal, more or less at latitude 46.63° and longitude -73.96°.

A large part of the Tony claim block is subject to a 2 % Net Smelter Return (“**NSR**”) royalty agreement which can be bought back by the Corporation from 3457265 Canada Inc. and Éric Desaulniers with a total of two (2) lump sum payments of \$1,000,000 (one payment for each tranche of 1 %). The portion of the claim block subject to the NSR agreement is located over the main mineralized zones, one of which, the West Zone, contains the Mineral Reserves identified in the Technical Report.

Geological Setting and Mineralization

The Matawinie Graphite Property, including the Tony claim block, lies in the southwestern portion of the Grenville geological province, and more specifically in the Morin Terrane. The area is host to a variety of rock types, mainly composed of deformed metamorphosed sediments, including paragneiss and calc-silicates. Granitic and pegmatitic intrusions are also present and are observed locally on the Matawinie Graphite Property. The graphite mineralization identified in the Tony claim block is hosted in paragneiss horizons and appears as disseminated graphite flakes.

Exploration & History

Exploration work on the Tony claim block was initiated in late 2013, when a detailed airborne geophysical survey was performed in the area. The 2013 survey was executed following positive results from a regional survey by 3457265 Canada Inc., pursuant to the instructions provided by the Corporation’s technical staff, covering over 2,100 km² (confidential internal documents).

The Corporation’s field exploration programs on the Tony claim block focused on graphite exploration consisting of:

- Airborne TDEM surveys (2013 and 2015);
- Ground prospecting of conductive targets identified by the airborne surveys (2014-2015);
- Ground geophysical surveying using a portable TDEM system (2014-2017);
- Trenching and channel sampling of the main conductors (2014-2016);
- Drilling of the main mineralized zones (2015-2016 and 2018);
- Metallurgical testing of surface and drill core samples.

From 2014 to 2017, ground PhiSpy TDEM surveys totalling 110 line-kilometres using 100 m line spacing in the targeted areas and 25 m line spacing over the more promising South-East, South-West and West Zones, was performed. The PhiSpy survey results provided a detailed outline of the conductive areas and thus possible mineralized zones, which were used as a basis for planning the trenching and drilling programs.

Trenching on the Tony claim block from 2014 to 2016 confirmed the extent of the graphite mineralization on the Matawinie Graphite Property. The trenching work targeted wide conductors on each of the main conductive zones outlined by the 2015-2016 ground PhiSpy surveys. A total of 511 channel samples were collected from the Tony claim block. The results from trenches TO-14/16-TR-03, TO-16-TR-10 and TO-16-TR-11 were used in the mineral Resource Estimate for the West Zone (West Zone Deposit).

Drilling

Exploration drilling on the Tony claim block targeted wide conductors on each of the main conductive areas outlined by the 2014 to 2017 ground PhiSpy surveys. A total of 123 exploration drill holes, numbered TO-15-05 to TO-15-74, TO-16-75 to TO-16-116 and TO-18-127 to TO-18-137, were drilled in the Tony claim block totalling 19,780.60 m. Drilling in the West Zone consisted of 80 holes totalling 13,848.04 m. The exploration drill holes mentioned above do not include ten (10) holes drilled for the pit slope geotechnical study and 14 vertical holes for overburden thickness survey in the West Zone.

Mineralization was intercepted 270 times by drilling in the West Zone resulting in the interpretation of a mineralized envelope of about 100 m to 150 m thick from which 19 graphitic horizons, or volumes, were interpreted. These horizons can be followed, sometimes sporadically, from sections W-0400 to W+2200 (a distance of 2,600 m). An additional feature of the West Zone is that some of the horizons separate and coalesce to form wider mineralized volumes. The longest intersection along drill core returned a graphite content of 4.76 % C(g) over 133.7 m although this intersection is considered as being down-dip. Mineralization is open to the North, to the south and at depths greater than 200 m from surface.

The drilling in the South-East Zone of the South deposit consisted of nine (9) holes for a total of 1,551.99 m drilled. Mineralization was intercepted 13 times by drilling resulting in the interpretation that the South-East Zone is composed of two (2) main mineralized horizons (S1 and S2). The highlight of the South-East Zone is the large width of the mineralized horizons. From section S2600 to section S2900 (300 m length), the mineralized horizon ranges from 117 to 160 m true width, with grades varying from 3.19 % to 3.62 % C(g).

The drilling in the South-West Zone of the South deposit consisted of 22 holes for a total of 2,616.6 m drilled. Mineralization was intercepted 57 times by drilling resulting in the interpretation that the South-West Zone is composed of two (2) main mineralized horizons (S1 and S2). The highlight of South-West Zone is a first graphitic horizon (S1) about 30 m thick, followed by a mostly barren interval between 25 and 63 m thick, and finally, a second graphitic horizon (S2) around 40 to 50 m thick, with both graphitic horizons varying from 2.79 % to 5.29 % C(g).

A total of 12 other exploration holes totalling 1,763.97 m was drilled in other mineralized zones on the Matawinie Graphite Property. Although most of these holes intercepted graphite mineralization, the potential for the presence of an economic deposit was lower than that for the West, South-East and South-West Zones, due to thinner mineralized intercepts and/or lower graphite grades.

Quality control samples, including blanks, duplicates and graphite standards, were included in the drill core sample stream. Out of the 7,252 drill core samples from the Tony claim block sent for graphic carbon (“C(g)”) analysis in 2015, 2016 and 2018, 771 were sent as quality control samples. Quality control sample results returned within acceptable limits. No bias was introduced in the sampling procedures.

Table – Locked Cycle Test Results

Sample ID	Weight (%)	Assays (%) C(t)	Distr. (%) C(t)
Combined Concentrate	4.30	97.0	94.3
+80 mesh 1st Clnr Concentrate	2.20	96.6	48.1
+80 mesh 1st Clnr Tailings	0.01	50.0	0.1
-80 mesh 3rd Clnr Concentrate	2.10	97.4	46.2
-80 mesh 1st Clnr Tailings	0.13	28.3	0.8
1st Clnr Tailings	3.59	1.95	1.6
Scavenger Tailings	92.1	0.15	3.2
Combined Tailings	95.8	0.26	5.7
Head (calc)	100.1	4.42	100.0

Table - LCT Graphite Concentrate Size Fraction Analysis

Size Fraction	Weight (%)	Assays (%) C(t)	Distribution (%) C(t)
+32 mesh	1.0	97.2	1.0
+48 mesh	12.5	97.6	12.5
+65 mesh	18.1	96.8	18.0
+80 mesh	11.4	96.6	11.3
+100 mesh	13.5	96.9	13.4
+150 mesh	13.5	98.4	13.7
+200 mesh	9.8	98.3	9.9
+325 mesh	9.1	97.8	9.1
+400 mesh	2.8	97.3	2.8
-400 mesh	8.2	97.2	8.2
Final Concentrate (SA)	100.0	97.4	100.0

Mineral Resources Estimates

The block model, used to generate the Current Resource of the West Zone for the Technical Report has an effective date of July 10, 2018. This Resource is based on a total of 104 core drill holes which produced 4,491 samples as well as 207 samples collected from channelling work in three (3) trenches. This does not include the quality control samples which are comprised of 198 duplicates, 198 blanks and 96 standard samples, all of which returned within acceptable limits. In all, 19 mineralized horizons encased in paragneiss units were interpreted and modelled from this data.

The Current Resource block model for the West Zone was prepared by Yann Camus, P. Eng., of SGS Canada Inc. - Geostat office in Blainville, Quebec, Canada, using the Genesis® mining software. Interpolation was performed using inverse square distance as well as different search ellipses which were adapted to geology of the deposit. The block model was then processed by GEOVIA's Whittle software to provide an optimized pit. The optimized pit containing the Current Resource was limited to the Tony claim block property boundary to the South of the West Zone Deposit at the effective date of the Resource Estimate (July 10, 2018). The Mineral Resources of the West Zone are presented in the Table below.

Table – Pit-Constrained Mineral Resource Estimate for the West Zone⁽¹⁾

Mineral Resource Category ⁽²⁾	Current Resource (July 10, 2018) ⁽⁷⁾		
	Tonnage (Mt) ⁽⁵⁾⁽⁶⁾	Grade [% C(g)] ⁽³⁾	C(g) (Mt)
Indicated	95.8	4.28	4.10
Inferred ⁽⁴⁾	14.0	4.19	0.59

Notes:

- (1) The Mineral Resources provided in this table were estimated using current Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") standards on Mineral Resources and Reserves, definitions and guidelines.
- (2) Mineral resources that are not mineral reserves have not demonstrated economic viability. Additional trenching and/or drilling will be required to convert Inferred and Indicated Mineral Resources to Measured Mineral Resources. There is no certainty that any part of a mineral resource will ever be converted into reserves.
- (3) All analyses used for the Resource Estimates were performed by ALS Minerals Laboratories and delivered as % C(g), internal analytical code C-IR18.
- (4) Inferred Mineral Resources represent material that is considered too speculative to be included in economic evaluations. Additional trenching and/or drilling will be required to convert Inferred Mineral Resources to Indicated or Measured Mineral Resources. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category.
- (5) Current Resource effective July 10, 2018.
- (6) Mineral Resources are stated at a cut-off grade of 1.78 % C(g).
- (7) Standards used for this resource update are the same standards produced over the course of the pre-feasibility study (results published October 25, 2017). The difference comes from a newly acquired land package (see July 5, 2017 press release), the south-west extension drilled in 2018, the new hydrogeological and geotechnical data.

Mineral Reserve Estimates

The Mineral Reserves for the West Zone Deposit were prepared by MC-DRA using best practices in accordance with CIM guidelines and following NI 43-101 rules and guidelines. The Mineral Reserves are the Measured and Indicated Mineral Resources that have been identified as being economically extractable and which incorporate mining losses and the addition of waste dilution.

The first step in the Mineral Reserve estimate was to carry out a pit optimization analysis. The pit optimization analysis used economic criteria to determine the cut-off grade and to limit the extent at which the deposit can be mined profitably. The pit optimization analysis was done using the MS-Economic Planner module of MineSight®. The optimizer uses the 3D Lerchs-Grossmann algorithm to determine the economic pit limits based on input of mining and processing costs and revenue per block.

The pit optimization analysis shows that the open pit design should be based on PIT33 (Revenue Factor - 0.7). This pit shell contains 63.9 Mt of Indicated Mineral Resources at a strip ratio of 0.8 to 1 (waste to ore). Mining additional resources with an open pit beyond the limits of this pit shell increases the stripping ratio. Although a slight increase in NPV is observed for PIT38, it was decided to remain at a lower stripping ratio.

The pit designed for the Tony Block consists of five (5) phases of varying size and grade. The ultimate pit (all phases combined) is approximately 2,600 m long and 380 m wide at surface with a maximum pit depth from surface of 235 m. The total surface area of the pit is roughly 680,000 m². The overburden thickness varies along the strike of the mineralization increasing in thickness towards the North. For Phases 1, 2, and 3 of the project, overburden thickness is on average five (5) m ranging between 0 to 15 m in thickness. In Phases 4 and 5, overburden thickness increases and varies between 10 and 38 m.

The open pit design includes 59.8 Mt of Probable Mineral Reserves at a diluted grade of 4.35% Cg. In order to access these reserves, 13.2 Mt of overburden and 50.0 Mt of waste rock will need to be removed. This results in a stripping ratio of 1.06 to 1 (waste/ore).

The effective date of the Mineral Reserve estimate is July 10, 2018.

Table – Open Pit Mineral Reserves

Category	Tonnage (Mt)	Cg Grade (%)
Proven	0	0
Probable	59.8	4.35
Proven & Probable	59.8	4.35

Mining Methods

The mining method selected for the project will consist of an open pit, truck and shovel operation considering an all-electric fleet. In addition, an in-pit crushing and conveying system will supply crushed ore to the concentrator. Vegetation, topsoil and overburden will be stripped and stockpiled for future reclamation use. The ore and waste rock will be mined with five (5) m high benches, drilled, blasted and loaded into rigid frame haul trucks with hydraulic excavators.

The use of electric equipment for drilling, loading and hauling operations will minimize carbon emissions over the duration of the mine life. This incentive aligns directly with the Corporation's low environmental impact initiative. The design and implementation of an all-electric mining project is an opportunity to reduce the environmental impact on the community of Saint-Michel-des-Saints.

A mine plan was developed which supplies the required amount of ore to produce 100,000 tonnes of graphite concentrate per year. The ultimate pit design consists of five (5) phases of production to assure a consistent feed grade for the entire 26-year mine life of the project.

The initial starter pit (Phase 1) was designed at the south most extension closest to the Corporation's property boundaries. The majority of the Run-of-Mine ("ROM") ore for the first four (4) years of the operation will be supplied from the initial starter pit and will be mined to completion to allow in-pit backfilling of waste and tailings (PAG and NAG). Mining will commence in Phase 1 and progress toward the north reaching Phase 5.

This mining sequence will help minimize the project's environmental footprint as the disposal of waste, PAG and NAG tailings can commence backfilling in-pit as early as Year 5 of production. The driving factor for the mining sequence is the progressive reclamation of the site while minimizing the environmental footprint and assuring a consistent feed grade (Cg %) to the mill. This involves maximizing the backfilling of waste and tailings in-pit and minimizing the size of any external co-disposal stockpile.

Due to the configuration of the pit, starting in the south extension will also minimize overburden removal as the majority of overburden is located in the Phases 4 and 5 areas. Phase 2 consists of an extension of Phase 1 to the north and will be predominately mined between Years 2 and 8 of operation. Phase 3 consists of a high-grade zone which will be blended with Phase 4 material (located north of Phase 3) to facilitate a consistent blend to the mill.

The mining operations will be carried out by a mining contractor who will operate the mine, five (5) days per week and 16-hour per day. The mining contractor will also operate the in-pit crushers five (5) days per week and 12-hour per day. Since the concentrator is designed to operate continuously 24-hour per day year-round, an ore stockpile was designed in order to maintain the ROM ore feed to the plant during nights, weekends and when mining operations are idle.

Recovery Methods

The concentrator is located near the open pit mine and is designed to produce a nominal 100,000 tonnes of high-grade graphite concentrate per year.

The ROM mineralized material will be crushed by the in-pit crushers prior to being transported from the pit to the covered stockpile by conveyor. The crushed material is reclaimed from the stockpile and ground in a SAG mill. The SAG mill discharge is screened and the screen oversize is returned back to the SAG mill. The SAG screen undersize is pumped to the ball mill circuit. The ball mill is in closed circuit with rougher flotation and the cyclones. This allows for the removal of larger graphite flakes as soon as they are liberated from the ore and helps maintain graphite flake integrity. The cyclone overflow flows to scavenger flotation. The scavenger tailings are pumped to the final tailings treatment plant via the concentrator tailings thickener.

The combined rougher and scavenger concentrates are dewatered to obtain the proper pulp density and polished in a polishing mill using ceramic media. The polishing mill scrubs the surface of the graphite flakes and thus removes the gangue minerals that are attached to the flakes. The polished concentrate is refloated in the primary column. The primary cleaner concentrate is screened to separate fine and coarse flakes. The screen oversize is the final product and is transported to the graphite concentrate thickener. The screen undersize undergoes the same process with slightly harsher polishing and column flotation. The fine cleaner concentrate combines with the coarser concentrate and both are pumped to the graphite concentrate thickener. Both cleaner tailings go to the tailings thickener.

The final graphite concentrate is thickened, filtered and dried. After drying the product is dry screened into four (4) products and bagged in super sacks for transport.

The graphite flotation reagents are fuel oil and Methyl Isobutyl Carbinol ("**MIBC**"). Almost all of the flotation reagents will be adsorbed by the graphite.

The concentrator tailings are initially thickened for process water recovery and then pumped to the de-sulphurization plant. The concentrator tailings are de-sulphurized by sulphide flotation and magnetic separation to produce clean ("**NAG**") tailings. The NAG tailings and the sulphide concentrate ("**PAG**") tailings are filtered and stockpiled before being trucked to the co-disposition site.

Project Infrastructure

The project infrastructure includes the 120 kV electrical power line, the main access road and site roads, general site works, site electrical distribution and communication, site fire protection, fresh water, potable water and sewage treatment, auxiliary buildings, water treatment and tailings and water management facilities.

Water Management Plan

The mine water management plan addresses the surface runoff and the process water that are to be collected from the industrial areas including the open pit, the overburden/topsoil stockpiles and co-disposal storage facilities (“**CSF**”) of the Matawinie mine site. The water management infrastructure (i.e. basins and pumping requirements) is sized based on the required volume of surface runoff to manage, which varies based on the catchment area of the CSF and the open pit. Hence, the water management plan is divided into three (3) distinct phases (A, B1 and B2) as the drainage area increases with the mine development. Treated water from the Water Treatment Plant will be discharged into a polishing basin to be partly reused in the mineral processing plant while the remaining water will be discharged in the *ruisseau à l'eau morte* following monitoring of flow and water quality in full compliance with applicable laws, regulations and standards.

Tailings and Waste Rock Storage Facility

Co-disposal methodology will be used to manage tailings and waste rock generated by mining activities. Tailings produced at the Corporation concentrator are PAG and will be subjected to a de-sulphurization process. De-sulphurized tailings (NAG) and sulphide concentrate (PAG) will then be filtered and placed with the waste rocks in co-disposition cells to form a co-disposal stockpile. From Year 5, co-disposition will also be carried-out in the mine pit. A total of 56.49 Mm³ (60%) of waste rocks and tailings will be managed out of which 22.6 Mm³ (40%) will be placed in-pit. Progressive restoration of the co-disposal stockpile will also be carried out starting at Year 4 of mine operation.

Market Studies and Contracts

Graphite is a material with unique chemical, electrical, mechanical and thermal properties, which allows it to find demand from a very wide array of applications, from pencil lids and refractory bricks, to battery active anode. Natural Graphite is one of the commercial types of this material, and is available in an array of commercial grades with different purity, particle size and morphology. Among the traditional applications, the refractory industry is the most relevant, and looking into future trends, anode material for lithium-ion batteries is the most promising. China is the largest producer, followed by Brazil and Mozambique.

The graphite concentrate sales price used for the Technical Report was established at \$2,261 (1,730 USD) per tonne. The selling price was calculated using price forecasts provided by Benchmark Mineral Intelligence (“**Benchmark**”). Benchmark is an independent credible source who compiles international graphite prices for various commercial size fractions and concentrate purities. The Tony Block’s West Zone graphite concentrate value was calculated based on the weighted average of each size fraction and purity obtained during the metallurgical testing. No contracts relevant to the Technical Report have been established by the Corporation. The Corporation has not hedged, nor committed any of its production pursuant to an offtake agreement.

Environmental Studies, Permitting and Social or Community Impact

Several environmental baseline studies have been completed since 2015 to set environmental reference values and to identify any major environmental issues. In parallel, several stakeholder and public engagement activities were set forth since 2015 to obtain an overview of potential socioeconomic issues and to propose adequate measures to foster the social acceptability of the project and its harmonious insertion at the local level.

Field-work to describe the receiving environment started in June 2016 and continued through October 2018, and focused on the following components: soil characterization; sediment characterization; geochemistry, hydrogeology; surface water quality; groundwater quality; noise environment; vegetation, wetlands and special status plant species; aquatic fauna and fish fauna; small mammals; amphibians and reptiles; bats; and birds. Some results on soil characterization, geochemistry, hydrogeology, and groundwater quality are still to come as these studies are in progress.

Modelling studies are under preparation to better understand the project's impacts and propose relevant mitigation measures (noise, air emission, hydrogeology, etc.). Baseline studies on other environmental components were completed using existing data. According to the results of the current baseline studies, no major environmental issues likely to have an impact on resource extraction were identified in the study area. However, specific mitigation measures have been integrated into the Technical Report as progressive reclamation of the co-disposal waste and tailings storage facility. In addition, stakeholders and the public have raised issues that relate to noise, air quality, transportation and safety, loss of property value and physical and psychosocial health, among others. A stakeholder committee has been formed to follow up on the project's advancement and to collaboratively design adequate mitigation measures. The Atikamekw First Nation of Manawan and the Council of the Atikamekw First Nation is also involved in this process and in discussions aiming to lead to a predevelopment agreement.

The Corporation is planning to prepare an Environmental and Social Impact Assessment (“**ESIA**”) report based on the directive issued in February 2018 by the Ministry responsible for the Environment (“**MELCC**”) in order to get a decree. If and once the certificate of authorization is issued, the Corporation will be required to obtain all other environmental permits requested by the law to fully operate its mining project. At the same time, the project will need to undertake the environmental monitoring activities as described in the ESIA report and/or requested by the government authorities.

Capital and Operating Costs

Capital Cost Estimate

The project scope covered in the Technical Report is based on the construction of a green field mining and processing facility with an average mill feed capacity of 2.37 million tonnes per year of ore and producing 100,000 tonnes per year of graphite concentrate. The capital and operating cost estimates related to the mine, the concentrator, and all required facilities and infrastructure have been developed by MC-DRA or consolidated from external sources.

The capital cost estimate (“**Capex**”) consists of direct and indirect capital costs as well as a contingency. Provision for sustaining capital is also included, mainly for the development of the co-disposition area, and capital requirements as the mine development moves from the south to the north. Amounts for closure and rehabilitation of the site have been estimated as well.

The Capex includes the material, equipment, labour and freight required for the mine predevelopment, processing facilities, tailings storage and management, as well as all infrastructure and services necessary to support the operation.

The Capex is based on a Class 3 type estimate as per the American Association of Cost Engineers (“AACE”) Recommended Practice 47R-11 with a target accuracy of ± 15%.

Table – Summary of Capital Cost Estimate⁽¹⁾

Summary of Capital Cost Estimate (\$000 CAD)			
Description	Initial Costs	Sustaining Costs	LoM Costs
Direct Costs			
Mining	16,833	4,155	20,988
Processing Plant	105,017	-	105,017
Infrastructure	11,420	-	11,420
Tailings and Water Management	48,177	38,760	86,937
Electrical Distribution	23,486	8,085	31,571
Sub-Total Direct Costs	204,933	51,000	255,933
Indirect and Owner's Costs			
Project Development Costs	2,327	-	2,327
EPCM Costs	21,703	957	22,660
Owner's Costs	14,732	-	14,732
Sub-Total Indirect Costs	38,762	957	39,719
Contingency	31,476	8,731	40,207
Closure Costs	6,250	6,250	12,501
NSR Buyout	2,000	-	2,000
Total Costs	283,421	66,938	350,360

Note:

(1) The totals may not add up due to rounding.

Operating Costs Estimate

The estimated operating costs of the project cover the mining, processing, general administration and site services.

The sources of information used to develop the operating costs include in-house databases and outside sources, particularly for materials, services and consumables.

Table – Operating Costs Summary

Description	Cost per Year (\$)	Cost /tonne of concentrate (\$/t concentrate)	Total Costs (%)
Mining (Average over life)	17,776,100	177.76	35.6
Tailings (Average over life)	5,872,892	58.73	11.8
Ore Processing	23,270,908	232.70	46.6
Site Services	886,080	8.86	1.8
General and Administration	2,123,010	21.23	4.3
Total Opex	49,928,990	499.29	100.0

*Totals may not add up due to rounding

Economic Analysis

An economic analysis based on the production and cost parameters of the project was prepared and the results are shown in the table below. In the analysis, an average EXW-mine graphite concentrate selling price of 1,730 USD per tonne and a USD/CAD exchange rate of 0.7651 (1.307 CAD/USD) were assumed.

Table – Summary of Life of Project Production, Revenues and Costs

Description	Units	Value
Production - Mineralization	M tonnes	59.9
Production – Concentrate@ 97.0% Cg	k tonnes	2,520.4
Revenue	M CAD	5,703.0
Operating Costs	M CAD	1,261.2
Initial Capital Costs (excludes Working Capital)	M CAD	276.2
Sustaining Capital Costs	M CAD	59.8
Closure Costs	M CAD	14.4
Total Pre-Tax Cash Flow	M CAD	4,091.4
Total After-Tax Cash Flow	M CAD	2,449.5

The financial indicators associated with the economic analysis are summarized in the table below.

Table – Summary of Financial Indicators

Description	Units	Value
<u>Pre-Tax</u>		
Payback Period	Years	2.2
NPV @ 6%	M CAD	1,673.8
NPV @ 8%	M CAD	1,286.8
NPV @ 10%	M CAD	1,002.7
Internal Rate of Return	%	40.6
<u>After-Tax</u>		
Payback Period	Years	2.6
NPV @ 6%	M CAD	986.7
NPV @ 8%	M CAD	750.8
NPV @ 10%	M CAD	577.2
Internal Rate of Return	%	32.2

Figures below show the sensitivity of the after-tax NPV and IRR, respectively, to variations in Capex, Opex, Selling Prices and the USD/CAD Exchange Rate. The vertical dashed lines represent the typical margin-of-error interval associated with the feasibility level cost estimates.

The Technical Report was compiled according to widely accepted industry standards. However, there is no certainty that the conclusions reached in the Technical Report will be realized.

Figure – Sensitivity of Project NPV @ 8% (After-Tax)

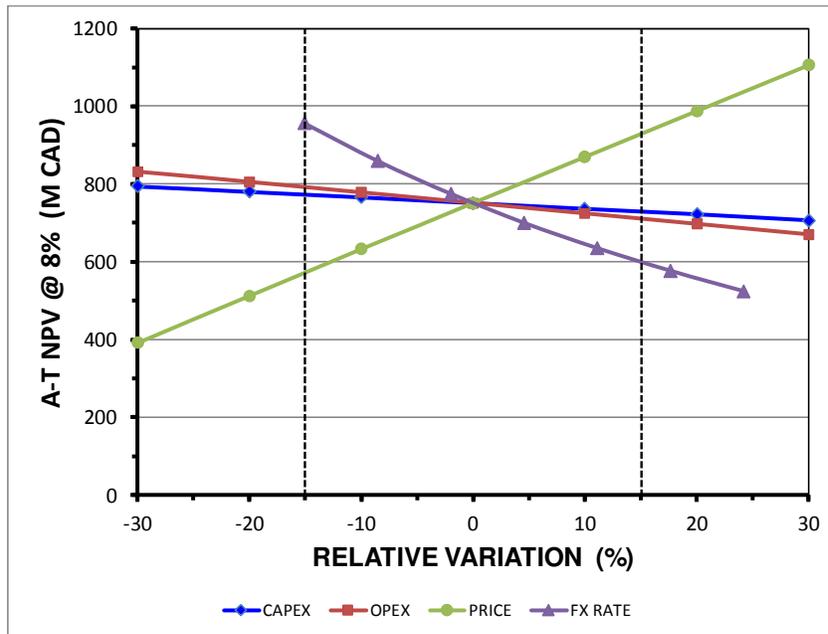
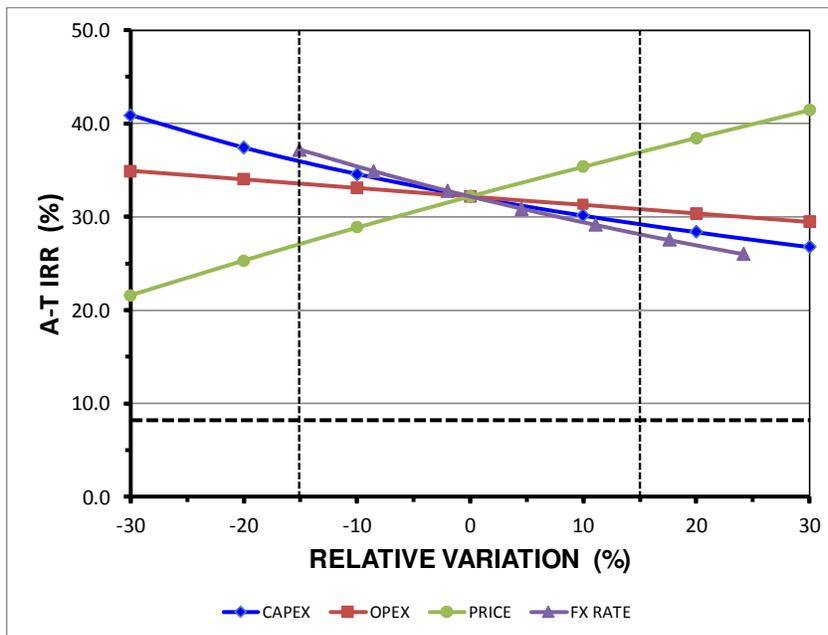


Figure – Sensitivity of Project IRR (After-Tax)



Interpretation and Conclusions

Exploration Activities

Exploration work on the project targeted graphite mineralization and consists to date of airborne geophysics (Mag and TDEM), prospecting, ground TDEM surveying, trenching/channel sampling and core drilling. Surface and core samples were also collected for metallurgical tests including representative master composites of the West Zone. Exploration work by the Corporation was initiated on the Tony claim block in summer of 2014 which resulted in the discovery of seven (7) mineralized zones. These zones are named the Far West, West, North, North-East, East, South-East and South-West Zones. No other known mineral occurrences were identified on the project area prior to the exploration work performed by the Corporation.

Exploration activities by the Corporation have culminated in the identification of a Probable Mineral Reserve for the West Zone as well as a Mineral Resource Estimate combining the South-East and South-West mineralization present on the Corporation's Tony claim block. The Probable Mineral Reserve of the West Zone is based on 4,491 assay intervals collected from core drilling and three (3) surface trenches providing 207 channel samples. Proper quality control measures were used throughout the exploration programs leading to the Probable Mineral Reserves detailed in the Technical Report.

Mineral Processing and Testing

The metallurgical test program that was carried out to support the Technical Report confirmed the robustness of the flow sheet that was developed during the pre-feasibility.

The additional testing that was completed to address risks and opportunities that have been identified led to the following conclusions:

- Master composite representing the first few years of planned mining operation and mine plan variability composites confirmed the metallurgical results that were obtained in the flow sheet development and optimization programs. This consistent metallurgical response further reduces the process risk of the project.
- Process water re-circulation can result in undesirable activation of sulphides in the rougher/scavenger stage and increased sulphide grades in the final graphite concentrate. Further work will be required to develop a better understanding of the impact of process water circulation time and ageing on the activation of sulphides.
- Laboratory simulations of the Outotec SkimAir® technology has not resulted in a superior concentrate product. However, this evaluation is based on two (2) tests only. Longer term and larger scale testing would be required to determine the attractiveness of the technology.
- Optimized conditions have been developed for the desulphurization stage, but a full characterization of representative low-sulphur and high-sulphur tailings have not been completed.

All test programs completed to-date generated conclusive results and further laboratory scale development testing is deemed unnecessary at this point, especially when considering the new 3.5 t/h Demonstration Plant commissioned to process the West Zone material.

The Demonstration Plant has been designed with a capacity of 3.5 t/h and will process approximately 40,000 tonnes of ore over a period of two (2) years. The operation of the Demonstration Plant will facilitate the optimization of all unit operations and a systematic investigation of the grinding conditions for the polishing and stirred media mill applications. It will also allow to test process options such as the SkimAir® technology or spirals in the secondary cleaning circuit. The operation of the Demonstration Plant will provide critical process data to finalize the flow sheet necessary for the detailed engineering phase.

Recovery Methods

The processing plant is designed to process 6,449 t/d of run of mine to produce 100,000 tonnes per year of graphite concentrate grading at about 97% C(t) based on a concentrate recovery of 94%. A suitable process flow sheet has been developed which includes crushing, grinding, flotation, polishing, thickening, filtering and drying. The dried concentrate is then classified into various sized products as required by customers.

The concentrator tailings are de-sulphurized in the de-sulphurization plant. The NAG tailings and the sulphide tailings (PAG) are conveyed to separate stockpiles before being trucked to the co-disposition storage facility.

All-Electric

Based on the work carried out in the Technical Report, it was concluded that for this project, the following all-electric operation scheme was appropriate:

- Waste rocks (0-750 mm) to be transported from the pit to the CSF by electric haul trucks;
- Both NAG and PAG tailings to be transported from their respective stockpiles to the CSF by electric haul trucks;
- Backfill material to be transported to the pit by electric haul trucks; and
- ROM ore (0-750 mm) to be transported by electric haul trucks to electrically-cabled in-pit crushers, and then subsequently by electrically-fed overland conveyors (0-150 mm) to the concentrator.

Market

The Corporation is developing a natural graphite project which will have competitive advantages due to its privileged location, cost structure and experienced team. The Demonstration Plant (see press release dated September 18, 2018) located near the mine site has been constructed to allow the Corporation to have an earlier debut in the market and de-risk the first years of sales. One of the goals of this Demonstration Plant is to secure medium to long term supply agreements with different customers.

Economic Analysis

The Technical Report shows that the project is technically feasible as well as economically viable.

Based on a 26-year production period and assuming 100% equity financing, the IRR is 40.6% before taxes and 32.2% after taxes.

The Authors of the Technical Report consider project is sufficiently robust to warrant moving it to the mine development phase.

Risk Evaluation

There are a number of risks and uncertainties identifiable to any new project and usually cover the mineralization, process, financial, environment and permitting aspects. This project is no different and an evaluation of the possible risks was undertaken which is summarized in this Section.

Mineralization

- The estimates of Mineral Resources and Mineral Reserves for the Matawinie Graphite Property have been prepared in accordance with NI 43-101 rules and guidelines. There are numerous uncertainties inherent in estimating Mineral Resources and Mineral Reserves and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that any categories of Mineral Resources or Reserves will be upgraded to higher categories. The estimation of mineralization is a subjective process and the accuracy of estimates is a function of quantity and quality of available data, the accuracy of statistical computations and the assumptions and judgments made in interpreting engineering and geological information.
- The Probable Mineral Reserves on which the Technical Report is based are derived from Indicated Resources and thus, have a lower level of confidence than Proven Mineral Reserves which are derived from Measured Mineral Resources. Hence, there could be unexpected internal grades or variations which could result in the project being uneconomic.
- Limited mineralogical data is presently available for the West Zone mineralization. While this is not an immediate risk, a better understanding of the host rock mineralogy may assist in the final optimization of the graphite and sulphide circuits and may provide an opportunity for generating a saleable by-product.
- Hydrogeology studies are ongoing. Potential water sources that affect the mining operation are surface run-off, rainfall, snowmelt, and groundwater. Additional information will be required prior to construction to assess possible risks. The work needed to gather the necessary data will be included in the next phase of the project.

Process

- The process has been developed based on significant test work on representative samples extracted from the mineralization. Major variations in the quality of mineralization could result in limitation of throughput and quality throughout the process. These limitations include:
 - The crushing and grinding circuit has been designed based on limited comminution data. Significant variations in hardness throughout the life of mine resource could cause a throughput limitation in the comminution circuit;
 - Variability flotation tests completed to-date have revealed a consistent metallurgical response of composites representing large areas within the resource. However, the risk of increased variation for smaller areas within the deposit still exists. Any significant variation in the metallurgical response of the mill feed during the first few months and years of operation can have a significant impact on the economics of the project;
- The addition of xanthate in the sulphide circuit which may lead to residual xanthate in the process water that is cycled back to the front end of the graphite circuit. The xanthate could result in elevated sulphur recovery into the graphite cleaning circuit and possibly the final graphite concentrate.

All-Electric

- Maintenance intervals of battery-electric mobile fleet is uncertain due to a general lack of reference data available in the industry.
- The information from Hydro-Québec for the costs and the schedule to build the new 120 kV power line is incomplete.

Mine Infrastructure

- Lack of detailed geotechnical assessment could result in unintended consequences and have a significant impact in the construction Capex and hence must be completed before the start of basic engineering and the finalization of the project budget.

Financing

- The results of the Technical Report were based on certain assumptions that were given as of the date of the Technical Report. The economic assessment reveals that the project's viability will not be significantly vulnerable to variations in capital and operating costs, within the margins of error associated with the Technical Report estimates. However, the project's viability remains more vulnerable to the USD/CAD exchange rate and the larger uncertainty in future market prices. Delays and cost overrun can impact the project rendering it uneconomic.
- Currently, there is a significant demand on the mining community for funds for mining opportunities worldwide. The Corporation is one of those mining companies who would be seeking financing for a project. Even though, the results of this financial analysis is very positive and shows an excellent return on investment, the Corporation is a smaller mining operator and funds could be difficult to obtain.
- The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that a profitable market will exist for the sale of the same. There can be no assurance that mineral prices will be such that the project can be mined at a profit. Mineral prices largely fluctuated over the last years and any serious downturn could prevent the continuation of the exploration, construction and development activities of the Corporation.

Environmental and Permitting

- The project requires licenses and permits from various governmental authorities such as the MELCC. There can be no assurance that the Corporation will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations and failure to do so could delay or prevent the construction and start-up of the mine as planned.
- Any delay in obtaining the anticipated construction permits would have an adverse effect on the timing and costs associated with start-up. Such delays could also allow other third-party projects to commence production before the Matawinie Graphite Property, thereby potentially reducing the Corporation's target market share, which would have an adverse impact on the level of product sales and economics of the Matawinie Graphite Property.
- Although the Corporation has had communications with the local communities and has worked with these communities to mitigate their concerns about the potential project's environmental and social impact, the project could be delayed by changes in the communities' attitudes necessitating additional studies and design alternatives.

Recommendations

Next Phase Estimated Costs

The table below presents the estimated costs for the next phase and the section below describes the work to be done.

Table – Next Phase Estimated Costs

Activity	Estimated Costs (\$)
Condemnation Drilling Program, Geotechnical, Hydrology and Hydrogeology Studies	1,050,000
Metallurgical Studies and Tests Works	100,000
Complementary Environmental Studies or Surveys	100,000
Hydro-Québec Preliminary Study	700,000
Hydro-Québec Down Payment	3,000,000
Advance Engineering	2,142,000
Estimated Total Costs	7,092,000

Mining and Geology

Condemnation Drilling and Geotechnical Studies for Infrastructure

It is proposed to proceed with a 1,500 m drilling program in the sector of the West Zone Deposit aimed at providing more detailed geological data in areas where permanent infrastructure is planned. The goal is to ensure that the permanent infrastructure does not conflict with possible economic mineral deposits in the area. Condemnation drilling will also be combined with geotechnical studies since both aim to characterize the planned locations of the co-disposal stockpiles, the main concentrator site and the water collecting basins. Results will also help in determining the suitability of the underlying material for use in construction. The provisions estimated for the work include all field-work expenses, personnel, laboratory analysis, and the preparation of a final report.

Further geotechnical investigation will have to be carried out at the location of the proposed CSF and water management infrastructure (collecting basins, ditches). Investigations will include additional geotechnical boreholes with rock coring supplemented with laboratory tests including particle size distribution, moisture content, and uniaxial compressive strength on selected soils and rock samples.

Geotechnical and hydrogeology studies aimed at characterizing the overburden, pit wall stability and water pressure within the pit area are a necessary step for the project to go forward. The pit angles could be optimized further once geotechnical and hydrogeological assessments of the mine site are completed.

The work program aims to enhance the understanding of the geotechnical and hydrogeological conditions onsite and to characterize materials in support of the design of the open pit. The work program also includes consultant support to perform geo-mechanical mapping, drilling, trenching and a laboratory program as well as computer modelling to simulate groundwater regime and effects from the mining activities. Additional drilling and testing are recommended in the open pit area to get detailed geotechnical information of the overburden.

The use of existing and future exploration drill holes could help in lowering the proposed budget for the hydrogeology program.

Metallurgical Studies and Test Work

A number of process areas require additional characterization in preparation of the detailed engineering stage. Testing to optimize the process and conditions will be completed in the demo plant due to the larger scale and continuous operating mode:

- Optimize the process variables associated with the polishing and stirred media mills. This includes a systematic investigation of the impact of grinding media type and size, retention time, mill speed, and pulp density on the metallurgical response in terms of concentrate grade and flake size distribution. The results of this will help determine whether polishing/cleaning of the coarse fraction is required, and whether upgrading of the graphite using spirals or WHIMS is required to meet the required specifications.
- Establish realistic reagent dosages for the various flotation circuits. Since the demo plant recirculates 100% of the process water, any residual frother and collector will reduce the reagent dosage requirements.
- Optimize any process equipment design specifications that will require modifications due to the specific nature of graphite. For example, operation of the intermediate and final concentrate thickeners can be challenging due to the persistent froth often observed for graphite concentrates. Specific measures may have to be implemented to address these frothing issues.
- Develop a better understanding of the relationship between PAX dosage in the sulphide rougher and the recovery of sulphides into the final graphite concentrate under continuous operating conditions. This includes the implementation of control mechanisms to reduce the risk of overcollection and the investigation of xanthate destruction technologies and xanthate degradation over time.
- Evaluation of the SkimAir® technology. Outotec can provide a pilot scale cell, which aligns well with the 3.5 t/h nameplate capacity of the demo plant.
- Evaluation of screening and cycloning as dewatering technologies to confirm technical requirements for dewatering.
- Full characterization work on representative low-sulphide and high-sulphide tailings.
- Determine the material characteristics for storage and handling of ore and products. Parameters required for proper bin and pile sizing shall be determined whether with the Demonstration Plant or with specialized laboratories.
- Packaging cycle times will be determined and logistics will be optimized for bag loading, inflating, filling, and storage.

Co-Disposal and Water Management Infrastructure

The following additional information is required to address project design refinements and confirm the assumptions made in co-disposal and water treatment engineering:

- Additional stability analysis will be required to include recommendations and optimization in the next engineering phases for:
 - The co-disposal stockpile including the pit wall data for areas where the pile will be located near the pit.
 - The co-disposal stockpile when placed over the backfilled mine pit.
 - Depending of geotechnical data interpretation after the next investigation, stability analysis for collecting basins design may be required.
 - Additional stability analyses to evaluate the effect of the blasting activities on the pit and the co-disposal pile will have to be carried out.

- Additional validation and engineering will have to be carried out regarding a protective rock layer between the in-pit co-disposal and the northern part of the pit where a lake will form after site reclamation.
- Perform instrumented experimental test cell monitoring on site and gather data (oxygen consumption, water content, suction) to improve co-disposal design.
- Collect surface water and process water quality data from laboratory tests and the demonstration project.

All-Electric

- It is recommended that automated (unmanned) charging technology be demonstrated in Canadian climatic conditions, in order to de-risk the project.
- It is recommended for the Corporation to market benchmark EV operations for open pit mining applications. It could also target underground mining EV applications which would use the same technology.

Environment

- Undertake air emission, noise, hydrogeology and landscape modelling during the preparation of the environmental impact assessment.
- Perform a land survey in order to properly assess the location and proximity of private and leased lands within a 1 km radius of the proposed open pit.
- Continue the collaborative work with the Community, the Atikamekw First Nation of Manawan and the Stakeholder Committee;
- Continue the engagement with the Atikamekw First Nation of Manawan and the Council of the Atikamekw First Nation in order to reach the pre-development agreement;
- Ensure that all stakeholders and members of the public are engaged for the purpose of the upcoming ESIA.
- Continue holding public consultations in order to properly inform and take into account the local communities' and stakeholders' concerns regarding the project.
- Pursue the proactive acquisition process.
- Fulfill the Corporation's engagements and put forth mitigation measures when possible.
- Complete the ESIA report in winter 2019 following the directive that has been issued by the MELCC for the project (February 2018) and the new set of directives issued after the approval of the new Loi sur la qualité de l'environnement (March 23, 2018).

Opportunities

The location of the Corporation's project is a key competitive advantage to supply natural graphite to the North American market. The Corporation's Demonstration Plant, which uses ore material from the West Zone to create natural graphite flakes concentrate, (see Press Releases dated May 24, 2018 and September 18, 2018) is a pivotal component in de-risking the Corporation's open pit natural graphite mining project on its Matawinie Property. The Demonstration Plant will serve to:

- Supply enough quantities of each material group to support an adequate market approach;
- Qualify the Corporation graphite products and establish a sales record;
- Test and improve processes for commercial operation optimization;
- Implement high standard and innovative technology for tailings and mine waste management as well as site reclamation;
- Start employee training and local future workforce outreach program.

CONSOLIDATED CAPITALIZATION

Since September 30, 2018, there have been no material changes in the Corporation's share or loan capital, other than:

- (i) the issuance of an aggregate of 21,857,001 units, being comprised of 21,857,001 Common Shares and 10,928,502 warrants, for an aggregate cash consideration of \$6,557,100.30;
- (ii) the issuance of an aggregate of 6,395,377 flow-through shares, for an aggregate cash consideration of \$2,302,336;
- (iii) the issuance of an aggregate of 600,000 Common Shares following the exercise of an aggregate of 600,000 options, for an aggregate cash consideration of \$120,000;
- (iv) the issuance of an aggregate of 3,846,003 Common Shares following the exercise of an aggregate of 3,846,003 warrants and broker warrants, for an aggregate cash consideration of \$770,550;
- (v) the grant of an aggregate of 300,000 options at an exercise price of \$0.35 and 500,000 options at an exercise price of \$0.35;
- (vi) the issuance of an aggregate of 331,994 broker warrants, at an exercise price of \$0.40; and
- (vii) the issuance of an aggregate of 621,665 advisory warrants, at an exercise price of \$0.40.

USE OF PROCEEDS AND OTHER AVAILABLE FUNDS

Unless otherwise specified in a particular Prospectus Supplement, the net proceeds from the sale of Securities will be used to fund the construction, commissioning, working capital and reserves funds of the Matawinie Graphite Property and also for general corporate purposes. Each Prospectus Supplement will contain specific information concerning the use of proceeds from that sale of Securities. See "The Matawinie Graphite Property Project – Capital and Operating Costs", "The Matawinie Graphite Property Project – Risk Evaluation" and "Risk Factors" of the Prospectus.

The Corporation had negative operating cash flow for the financial year ended December 31, 2017. The average burn rate per month, including development capitalized costs not covered by grants and construction costs, for the period that ended December 31, 2017 was at an average of \$593,383 and for the period that ended September 30, 2018, it was an average of \$1,895,699. The Corporation had an estimated working capital of approximately \$5,824,312 based on the information available to the Corporation as at the date of the Prospectus. The Corporation anticipates it will continue to have negative cash flow until such time, if ever, that commercial production is achieved for the Matawinie Graphite Property. To the extent that the Corporation has negative operating cash flows in future periods, the Corporation may need to allocate a portion of its existing working capital to fund such negative cash flow.

EARNINGS COVERAGE RATIOS

The Corporation had no revenue from operations and no debt bearing interest for the period of 12 months ended on December 31, 2017 and for the nine-month period ended September 30, 2018.

DESCRIPTION OF COMMON SHARES

The holders of Common Shares are entitled to vote at all shareholder meetings. They are also entitled to dividends, if, as and when declared by the board of directors of the Corporation and, upon liquidation or winding-up of the Corporation, to share the residual assets of the Corporation. The Common Shares do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Common Shares, all of which rank equally as to all benefits which might accrue to the holders of the Common Shares.

DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be issued in series under one or more trust indentures to be entered into between the Corporation and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee. Each such trust indenture, as supplemented or amended from time to time, will set out the terms of the applicable series of Debt Securities. The statements in this Prospectus relating to any trust indenture and the Debt Securities to be issued under it are summaries of anticipated provisions of an applicable trust indenture and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of such trust indenture, as applicable.

Each trust indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Corporation. Any Prospectus Supplement for Debt Securities will contain the terms and other information with respect to the Debt Securities being offered, including (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities, (ii) the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars), (iii) the percentage of the principal amount at which such Debt Securities will be issued, (iv) the date or dates on which such Debt Securities will mature, (v) the rate or rates at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any), (vi) the dates on which any such interest will be payable and the record dates for such payments, (vii) any redemption term or terms under which such Debt Securities may be defeased, (viii) any exchange or conversion terms, and (ix) any other specific terms.

Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The Debt Securities will be direct obligations of the Corporation. The Debt Securities will be senior or subordinated indebtedness of the Corporation as described in the relevant Prospectus Supplement.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

This section describes the general terms that will apply to any Subscription Receipts that may be offered pursuant to this Prospectus and the relevant Prospectus Supplement. Subscription Receipts may be offered separately or together with Common Shares, Debt Securities or Warrants, as the case may be. The Subscription Receipts will be issued under a subscription receipt agreement.

The applicable Prospectus Supplement will include details of the subscription receipt agreement covering the Subscription Receipts being offered. A copy of the subscription receipt agreement relating to an offering of Subscription Receipts will be filed by the Corporation with securities regulatory authorities in Canada after being entered into. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered;
- the procedures for the conversion of the Subscription Receipts into Common Shares, Debt Securities or Warrants;
- the number of Common Shares, Debt Securities or Warrants that may be issued upon conversion of each Subscription Receipt;
- the designation and terms of any other securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each security;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- material Canadian federal income tax consequences of owning the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

The subscription receipt agreement covering the Subscription Receipts being offered will provide that any misrepresentation in this Prospectus, the applicable Prospectus Supplement, or any amendment hereto or thereto, will entitle each initial purchaser of Subscription Receipts to a contractual right of rescission following the issuance of the underlying Common Shares, Debt Securities or Warrants to such purchaser entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the underlying securities, provided that the remedy for rescission is exercised within the time frame stipulated by securities laws as set out in the subscription receipt agreement.

DESCRIPTION OF WARRANTS

This section describes the general terms that will apply to any Warrants for the purchase of Common Shares (the “**Equity Warrants**”) or for the purchase of Debt Securities (the “**Debt Warrants**”).

Warrants may be offered separately or together with other Securities, as the case may be. Each series of Warrants may be issued under a separate warrant indenture or warrant agency agreement to be entered into between the Corporation and one or more banks or trust companies acting as Warrant agent or may be issued as stand-alone contracts. The applicable Prospectus Supplement will include details of the Warrant agreements governing the Warrants being offered. The Warrant agent will act solely as the agent of the Corporation and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. The following sets forth certain general terms and provisions of the Warrants offered under this Prospectus. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement. A copy of any warrant indenture or any warrant agency agreement relating to an offering of Warrants will be filed by the Corporation with the securities regulatory authorities in Canada after it has been entered into.

The Corporation will not offer Warrants or other convertible or exchangeable Securities for sale separately (as opposed to part of a Unit offering) to any member of the public in Canada unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless a Prospectus Supplement containing the specific terms of the Warrants or other convertible or exchangeable Securities to be offered separately is first approved for filing by the securities commissions or similar regulatory authorities in each of the provinces of Canada where the Warrants will be offered for sale.

Equity Warrants

The particular terms of each issue of Equity Warrants will be described in the relevant Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of Equity Warrants;
- the price at which the Equity Warrants will be offered;
- the currency or currencies in which the Equity Warrants will be offered;
- the date on which the right to exercise the Equity Warrants will commence and the date on which the right will expire;
- the class and/or number of Common Shares that may be purchased upon exercise of each Equity Warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each Equity Warrant;
- the terms of any provisions allowing for adjustment in (i) the class and/or number of Common Shares that may be purchased, (ii) the exercise price per Common Share, or (iii) the expiry of the Equity Warrants;
- whether the Corporation will issue fractional shares;
- the designation and terms of any Securities with which the Equity Warrants will be offered, if any, and the number of the Equity Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the Equity Warrants and the related Securities will be transferable separately;
- whether the Equity Warrants will be subject to redemption and, if so, the terms of such redemption provisions;
- whether the Corporation has applied to list the Equity Warrants and/or the related Common Shares on a stock exchange;
- material Canadian federal income tax consequences of owning the Equity Warrants; and
- any other material terms or conditions of the Equity Warrants.

Debt Warrants

The particular terms of each issue of Debt Warrants will be described in the relevant Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of Debt Warrants;

- the price at which the Debt Warrants will be offered;
- the currency or currencies in which the Debt Warrants will be offered;
- the designation and terms of any Securities with which the Debt Warrants are being offered, if any, and the number of the Debt Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the Debt Warrants and the related Securities will be transferable separately;
- the principal amount of Debt Securities that may be purchased upon exercise of each Debt Warrant and the price at which and currency or currencies in which that principal amount of Debt Securities may be purchased upon exercise of each Debt Warrant;
- the date on which the right to exercise the Debt Warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of Debt Warrants that may be exercised at any one time;
- whether the Debt Warrants will be subject to redemption, and, if so, the terms of such redemption provisions;
- material Canadian federal income tax consequences of owning the Debt Warrants; and
- any other material terms or conditions of the Debt Warrants.

DESCRIPTION OF UNITS

This section describes the general terms that will apply to any Units that may be offered pursuant to this Prospectus.

Units are a security comprised of more than one of the other Securities described in this Prospectus offered together as a "Unit". A Unit is typically issued so the holder thereof is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each Security comprising the Unit. The agreement, if any, under which a Unit is issued may provide that the Securities comprising the Unit may not be held or transferred separately at any time or at any time before a specified date.

The particular terms and provisions of Units offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the Prospectus Supplement filed in respect of such Units. This description will include, where applicable: (i) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately; (ii) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; (iii) whether the Units will be issued in registered or global form; and (iv) any other material terms and conditions of the Units.

PLAN OF DISTRIBUTION

The Corporation may sell the Securities to or through underwriters, dealers or agents and, subject to applicable securities laws, may also offer the Securities directly to potential purchasers pursuant to applicable statutory exemptions at prices and upon terms negotiated between the purchasers (including any underwriters) and the Corporation.

The applicable Prospectus Supplement will state the terms of its corresponding offering, including the name or names of any underwriters, dealers or agents, the initial offering price (in the event that the offering is a fixed price distribution), the manner of determining the initial offering price(s) (in the event the offering is made at prices which may be changed at market prices prevailing at the time of the sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in Regulation 44-102 - *Shelf Distributions* (“**NI 44-102**”), including sales made directly on the TSXV or other existing trading markets), the proceeds to the Corporation from the sale of the Securities, any underwriting discount or commission and any discounts, concessions or commissions allowed or reallocated or paid by any underwriter to other underwriters, dealers or agents. Any initial offering price and discounts, concessions or commissions allowed or reallocated or paid to dealers may be changed from time to time.

Underwriters, dealers or agents who participate in the distribution of the Securities may be entitled, under agreements to be entered into with the Corporation, to indemnification by the Corporation against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Corporation in the ordinary course of business.

The Corporation and, if applicable, the dealers, underwriters or agents reserve the right to reject any offer to purchase any Securities offered, in whole or in part. The Corporation also reserves the right to withdraw, cancel or modify the offering of any Securities under this Prospectus and any Prospectus Supplement without notice.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales made directly on the TSXV or other existing trading markets for the Securities. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution.

In connection with any offering of Securities, other than an “at-the-market distribution” (unless otherwise specified in a Prospectus Supplement) the dealers, underwriters or agents may, when acting as an agent, over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The dealers, underwriters or agents, if applicable, may from time to time purchase and sell the Securities in the secondary market but are not obliged to do so. The Corporation’s outstanding Common Shares are listed and posted for trading on the TSXV under the symbol “NOU”, on the OTCQX under the symbol “NMGRF” and on the Frankfurt Stock Exchange under the symbol “NM9”. Unless otherwise indicated in a Prospectus Supplement or pricing supplement, there is no market through which Debt Securities, Subscription Receipts, Warrants and Units may be resold and purchasers may not be able to resell the Securities purchased under this Prospectus. The offering price and other selling terms for any sales in the secondary market may, from time to time, be varied by the dealers, underwriters or agents.

The Securities have not been, and will not be, registered under the 1933 Act or the securities laws of any states in the United States and, subject to certain exceptions, may not be offered or sold or otherwise transferred or disposed of in the United States absent registration or pursuant to an applicable exemption from the 1933 Act and applicable state securities laws. In addition, until 40 days after closing of an offering of Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in such offering) may violate the registration requirement of the 1933 Act if such offer or sale is made other than in accordance with an exemption under the 1933 Act.

PRIOR SALES

During the 12-month period prior to the date of this Prospectus, the Corporation issued securities as follows:

Issue Date	Number and Class of Securities	Issue Price or Exercise Price per Security
November 7, 2017	90,000 common shares ⁽¹⁾	\$0.20
November 16, 2017	500,000 common shares ⁽¹⁾	\$0.20
November 20, 2017	50,000 common shares ⁽²⁾	\$0.40
November 28, 2017	10,000 common shares ⁽¹⁾	\$0.20
December 11, 2017	100,000 common shares ⁽¹⁾	\$0.35
December 11, 2017	50,000 common shares ⁽¹⁾	\$0.20
December 19, 2017	400,000 common shares ⁽¹⁾	\$0.20
December 22, 2017	217,392 common shares ⁽¹⁾	\$0.35
January 24, 2018	5,000 common shares ⁽²⁾	\$0.20
January 24, 2018	50,000 common shares ⁽¹⁾	\$0.25
January 25, 2018	50,000 common shares ⁽¹⁾	\$0.20
March 12, 2018	15,000 common shares ⁽¹⁾	\$0.20
May 16, 2018	6,666,667 common shares ⁽³⁾	\$0.30
May 16, 2018	3,333,334 warrants ⁽³⁾	\$0.40
June 15, 2018	100,000 common shares ⁽¹⁾	\$0.20
July 13, 2018	8,961,167 common shares ⁽⁴⁾	\$0.30
July 13, 2018	2,777,778 common shares ⁽⁴⁾	\$0.36
July 13, 2018	4,480,584 warrant ⁽⁴⁾	\$0.40
July 18, 2018	21,000 common shares ⁽¹⁾	\$0.20
July 24, 2018	833,334 common shares ⁽¹⁾	\$0.20
July 25, 2018	666,667 common shares ⁽¹⁾	\$0.20
August 8, 2018	80,000 common shares ⁽¹⁾	\$0.20
August 13, 2018	83,334 common shares ⁽¹⁾	\$0.20
August 16, 2018	100,000 common shares ⁽¹⁾	\$0.20
August 22, 2018	1,333,334 common shares	\$0.20
August 24, 2018	1,233,334 common shares ⁽¹⁾	\$0.20
September 5, 2018	50,000 common shares ⁽¹⁾	\$0.20
September 28, 2018	2,506,489 common shares ⁽⁵⁾	\$0.36
September 28, 2018	11,585,168 common shares ⁽⁵⁾	\$0.30
September 28, 2018	5,792,585 warrants ⁽⁵⁾	\$0.40
October 2, 2018	1,111,110 common shares ⁽⁶⁾	\$0.36
October 2, 2018	1,310,666 common shares ⁽⁶⁾	\$0.30
October 2, 2018	655,333 Warrants ⁽⁶⁾	\$0.40

Notes:

- (1) Issued upon the exercise of options.
- (2) Issued upon the exercise of warrants.
- (3) Issued pursuant to the May 2018 private placement.
- (4) Issued pursuant to the July 2018 private placement.
- (5) Issued pursuant to the September 2018 private placement.
- (6) Issued pursuant to the October 2018 private placement.

TRADING PRICE AND VOLUME

The Common Shares of the Corporation are listed and posted for trading on the TSX under the symbol “NOU”.

The following table sets forth trading information for the Common Shares on the TSX (as reported by web.tsxmoney.com) during the 12-month period prior to the date of the Prospectus.

Month	High (\$) ⁽¹⁾	Low (\$) ⁽²⁾	Trading volume ⁽³⁾
November 2017	0.53	0.365	6,959,660
December 2017	0.50	0.42	3,630,000
January 2018	0.455	0.35	3,771,050
February 2018	0.39	0.31	2,689,710
March 2018	0.365	0.30	4,396,410
April 2018	0.345	0.28	4,662,750
May 2018	0.37	0.305	6,141,140
June 2018	0.33	0.295	3,850,670
July 2018	0.31	0.29	1,636,510
August 2018	0.295	0.25	2,501,450
September 2018	0.305	0.27	2,544,970
October 2018	0.315	0.26	4,042,410
November 2018	0.33	0.275	4,531,780
December 1, 2018 to December 10, 2018	0.30	0.26	954,960

Notes:

- (1) Includes intra-day high prices.
- (2) Includes intra-day low prices.
- (3) Total volume traded in the relevant period.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations generally applicable to investors described therein of purchasing, holding and disposing of applicable Securities, including, in the case of an investor who is not a resident of Canada, Canadian non-resident withholding tax consideration.

RISK FACTORS

In addition to the risk factors set forth herein, additional risk factors relating to the Corporation's business are discussed in the AIF and in the MD&As, which risk factors are incorporated herein by reference. An investment in the Securities offered hereby involves certain risks. Before investing, purchasers of Securities should carefully consider the information contained in this Prospectus as well as the other information contained in and incorporated by reference in this Prospectus and in the applicable Prospectus Supplement before purchasing the Securities offered hereby. If any event arising from these risks occurs, the Corporation's business, prospects, financial condition, results of operations or cash flows, or your investment in the Securities could be materially adversely affected.

Risk related to An Offering of Securities

No Market for the Securities

There is currently no trading market for any Debt Securities, Subscription Receipts, Warrants or Units that may be offered. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these securities fails to develop or be sustained, the prices at which these securities trade may be adversely affected. Whether or not these securities will trade at lower prices depends on many factors, including liquidity of these securities, prevailing interest rates and the markets for similar securities, the market price of the Corporation, general economic conditions and the Corporation's financial condition, historic financial performance and future prospects.

Use of Proceeds

While information regarding the use of proceeds from the sale of the Securities will be described in the applicable Prospectus Supplement, the Corporation will have broad discretion over the use of the net proceeds from an offering of Securities. Because of the number and variability of factors that will determine the use of such proceeds, the Corporation's ultimate use might vary substantially from its planned use. Purchasers of Securities may not agree with how the Corporation allocate or spend the proceeds from an offering of Securities. The Corporation may pursue acquisitions, collaborations or other opportunities that do not result in an increase in the market value of the securities, including the market value of the Common Shares, and that may increase losses.

LEGAL MATTERS

Unless otherwise specified in the Prospectus Supplement relating to an offering of Securities, certain legal matters relating to the offering of Securities will be passed upon on behalf of the Corporation by Stein Monast L.L.P. with respect to matters of Canadian law. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of the offering by such underwriters, dealers or agents with respect to matters of Canadian and, if applicable, United States or other foreign law.

EXEMPTION FROM THE REGULATION

The Corporation has applied for an exemption pursuant to Section 11.1 of NI 44-102 requesting relief from the requirement under Section 6.3(1)3 to include a prospectus certificate signed by each agent or underwriter with respect to the Securities offered by any Prospectus Supplement to the extent that such agent or underwriter is not a registered dealer in any Canadian jurisdiction (a “**Foreign Dealer**”). Accordingly, such Foreign Dealer would not, directly or indirectly, solicit offers to purchase or sell any Securities in Canada and all sales of Securities pursuant to a Prospectus Supplement to Canadian residents would solely be made through other agents or underwriters that are duly registered in the applicable Canadian jurisdictions where any offer of Securities will be made (the “**Canadian Dealers**”); and the Prospectus Supplement would include a certificate signed by each Canadian Dealer in compliance with Section 6.3(1)3 of NI 44-102 and Section 5.9(1) of NI 44-101. The granting of the exemption will be evidenced by issuance of a receipt in respect of the Prospectus. No application for exemptive relief was sought in any other jurisdiction of Canada as, in the Corporation’s view, there would be no “distribution” of Securities in those other jurisdictions (within the meaning ascribed to such term under applicable securities laws in such other jurisdictions) in connection of a foreign offering.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., a partnership of Chartered Professional Accountants, located at 1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec, Canada, H3B 4Y1. PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. has advised the Corporation that it is independent with respect to the Corporation within the meaning of the *Code of ethics of chartered professional accountants* (Québec).

The Corporation’s transfer agent and registrar is AST Trust Company (Canada) (“**AST**”). The register of transfers of the Corporation’s common shares is held at AST’s offices located in its place of business at 2001 Robert-Bourassa Blvd. Suite 1600, Montréal, Québec, H3A 2A6.

INTERESTS OF EXPERTS

The names of each person or company who has prepared or certified a report, valuation, statement or opinion in this Prospectus, either directly or in a document incorporated by reference, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company, are set forth below.

As of the date of this Prospectus, the “designated professionals” (as such term is defined in Form 51-102F2 - Annual Information Form) of Stein Monast L.L.P. beneficially own, directly or indirectly, less than 1% of the Corporation’s securities or properties.

Certain information of a scientific or technical nature in respect of the Matawinie Graphite Property contained or incorporated herein by reference in the Prospectus is based on the Technical Report. Each of the Authors of the Technical Report, being Mr. Bernard-Olivier Martel, P. Geo., B. Sc., Mr. Yann Camus, P. Eng., Mr. Oliver Peters, P. Eng., M. Sc., MBA, Ms. Martine Paradis, P. Eng., M. Sc., Mr. Patrick Perez, P. Eng., M. Sc., Mr. Ewald Pengel, P. Eng., M. Sc., Mr. Jordan Zampini, P. Eng., Mr. Martin Saint-Amour, P.Eng. and Ms. Céline M. Charbonneau, P. Eng., M. Sc. is a “qualified person” within the meaning of NI 43-101. As of the date hereof, the aforementioned persons had no beneficial or registered interests, direct or indirect, in the Corporation’s securities or properties.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser's 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 (2) 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 such 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 or territory for the particulars of these rights or consult with a legal adviser.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Corporation will have a contractual right of rescission against the Corporation in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities, the amount paid for the applicable convertible, exchangeable or exercisable Securities in the event that this Prospectus, the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement. This contractual right of rescission shall be subject to the defences, limitations and other provisions described under Title VIII of the *Securities Act* (Québec), and is in addition to any other right or remedy available to original purchasers of Securities which are convertible, exchangeable or exercisable under sections 217 to 219 of the *Securities Act* (Québec) or otherwise at law.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Corporation are further cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible, exchangeable or exercisable Securities are offered to the public under the offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon exercise of the convertible, exchangeable or exercisable securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Dated: December 11, 2018

This Prospectus, together with the documents incorporated by reference, will, as of the date of the last supplement to this Prospectus relating to the securities offered by this Prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus and the supplement(s) as required by the securities legislation of all the provinces of Canada (except the territories).

“Éric Desaulniers”
President and Chief Executive Officer

“Charles-Olivier Tarte”
Chief Financial Officer

On behalf of the Board of Directors of the Corporation

“Pierre Renaud”
Chairman of the Board of Directors and Director

“Guy Bourassa”
Director