

**NORTHERN GRAPHITE CORPORATION**  
(the “Corporation”)

**FORM 51-102F6V**  
**STATEMENT OF EXECUTIVE COMPENSATION**

**For the year ended December 31, 2020**

**Named Executive Officers**

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”), the Corporation is required to disclose the compensation paid to its “named executive officers”. This means the Corporation’s Chief Executive Officer and Chief Financial Officer (or individuals who served in similar capacities) for any part of the Corporation’s most recently completed financial year, and the three most highly compensated executive officers (or individuals who served in similar capacities), other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 (and each individual who would be a “named executive officer” but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the financial year).

For the financial year ended December 31, 2020, the “named executive officers” of the Corporation were Mr. Gregory Bowes, the Chief Executive Officer and former Interim Chief Financial Officer of the Corporation and Mr. John McNeice, the Chief Financial Officer of the Corporation (the “**Named Executive Officers**” or “**NEOs**”). Mr. McNeice was appointed Chief Financial Officer on January 11, 2018.

**Compensation Discussion and Analysis**

The Board of Directors establishes the remuneration of the Chief Executive Officer on the basis of a recommendation from the Compensation and Nomination Committee. In addition, the Compensation and Nomination Committee, based on the recommendation of the Chief Executive Officer, establishes the remuneration of executives reporting to the Chief Executive Officer, including their participation in incentive plans offered by the Corporation.

The objective of the Corporation’s compensation program is to provide suitable compensation for executives that is competitive to other junior mining issuers that are at a similar stage of development to that of the Corporation and which reflects the achievements of the Corporation’s executives. This approach is designed to attract and retain highly qualified individuals who are able to carry out the Corporation’s business objectives. The compensation program aims to ensure total remuneration is competitive by market standards and link rewards with the short-term and long-term strategic goals and performance of the Corporation by providing compensation arrangements that are comprised of both a fixed component and an at-risk component, with the at-risk component being composed of certain incentives.

The Corporation has an annual incentive program for the NEOs under employment with the Corporation, approved by the Board of Directors, which may consist of cash bonuses ranging from 10% to 60% of base salary for achieving certain corporate and/or individual performance levels with reference to pre-set objectives. The payment of any bonus is discretionary and is based on an evaluation carried out by the Compensation and Nomination Committee. All bonuses are approved by the Board of Directors. It was expected that, at a minimum, NEOs would be paid the lower end of the range, provided the Corporation has the financial resources to do so. The minimum reflects the fact that the Corporation does not provide its employees with any pension benefits. NEO bonuses will be in the middle of the range based on satisfactory personal and market performance and at the higher end of the range for performance that exceeds goals, expectations and market performance indices. Market performance is based on the Corporation’s share price performance relative to the performance of the TSX Venture Select Index and the TSX-V Index for the period. Bonuses can be increased by up to 100% at the discretion of the Compensation and Nomination Committee based on outstanding performance with respect to the objectives.

The Corporation also uses the granting of stock options as part of its compensation strategy. As a junior mining exploration company with no revenue, stock options will be used mainly to offer additional incentive and compensation for services. Stock options will also be used to provide an incentive for executive officers to remain associated with the Corporation and, to a lesser extent, to increase ownership in the Corporation.

Effective January 1, 2019, Mr. Bowes' annual salary was voluntarily reduced to \$180,000. For the year ended December 31, 2018, Mr. Gregory Bowes, the Chief Executive Officer and a director of the Corporation, was paid a total salary of \$250,000. For the year ended December 31, 2020, a company owned and controlled by Mr. John McNeice was paid \$39,690 (2019 - \$51,604) for management fees related to his services as Chief Financial Officer.

### **Option-Based Awards**

The Board of Directors has the responsibility to administer the compensation policies related to the executive management of the Corporation, including option-based awards. The Corporation's Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of executive officers, as well as their impact or contribution to the longer-term operating performance of the Corporation. Option-based awards are determined by the Compensation and Nomination Committee based on recommendations from the Chief Executive Officer.

#### *Summary of the Stock Option Plan*

The Corporation's Stock Option Plan is designed to motivate and retain directors, officers, key employees, and other service providers, and to align their interests with those of the Corporation's Shareholders. Participation in the Stock Option Plan rewards overall corporate performance, as measured through the price of the Common Shares. In addition, the Stock Option Plan enables executives, including directors, to develop and maintain a significant ownership interest in the Corporation. All options that have been granted under the Stock Option Plan have been issued at an exercise price not less than the closing market price of the Common Shares on the date prior to the date of the grant.

Long-term incentives for executive officers and directors have been provided through options granted under the Stock Option Plan. As the Corporation's business focuses on the exploration and development of mineral properties, options are used to provide incentives to the directors and executive officers of the Corporation and are intended to be an important part of compensation. The Corporation may amend its stock option policies as it moves further towards commencing commercial production in respect of mineral properties and continues to review the appropriateness of all forms of compensation paid to its directors and executive officers.

The Board of Directors of the Corporation may, from time to time, in its discretion, and in accordance with the rules and regulations of the TSX-V, grant to directors and officers of the Corporation, and *bona fide* Employees, Consultants, or Management Company Employees (all as defined in the policies of the TSX-V) of the Corporation, non-transferable options to purchase Common Shares for a period of up to ten years from the date of the grant; provided, that the total number of Common Shares reserved for issuance may not exceed 10% of the issued Common Shares at the time of the grant of an option.

The securities offered under the Stock Option Plan consist of options to acquire up to a maximum of 10% of the issued Common Shares at the time of the grant of an option. The aggregate number of Common Shares to be delivered upon the exercise of all options granted under the Stock Option Plan will not exceed the maximum number of Common Shares permitted under the rules of any stock exchange on which the Common Shares are then listed or the rules of any other regulatory body having jurisdiction over the Common Shares. If any option granted under the Stock Option Plan expires or terminates for any reason without having been exercised in full, the unpurchased Common Shares subject thereto will again be available for the purpose of the Stock Option Plan. Each option granted under the Stock Option Plan is non-assignable and non-transferable.

The number of Common Shares subject to an option granted to any participant will be determined by the Board of Directors or a committee authorized under the Stock Option Plan, but no participant, where the Corporation is listed on any stock exchange, will be granted an option which exceeds the maximum number of shares permitted under any stock exchange on which the Common Shares are then listed or other regulatory body having jurisdiction, which maximum number of shares is presently an amount equal to 5% of the then issued and outstanding Common Shares (on a non-diluted basis) in any 12-month period, unless disinterested shareholder approval is obtained.

The maximum number of Common Shares subject to an option granted to any participant who is a Consultant is presently limited to an amount equal to 2% of the then issued and outstanding Common Shares (on a non-diluted basis) in any 12-month period. The number of options granted to all persons in aggregate who are employed to perform Investor Relations Activities (as defined in the policies of the TSX-V) is presently limited to an amount equal to 2% of the then issued and outstanding Common Shares (on a non-diluted basis) in any twelve month period. Options

granted to Consultants performing Investor Relations Activities must vest in stages over a twelve month period with no more than 25% of the options vesting in any three month period.

The exercise price of the Common Shares covered by each option shall be determined by the Board of Directors. The exercise price will not be less than the price permitted by any stock exchange on which the Common Shares are then listed or other regulatory body having jurisdiction. Currently, the TSX-V requires that the exercise price of the options must be equal to or greater than the Discounted Market Price (as defined in the policies of the TSX-V). The exercise price of options is solely payable in cash.

The ability of the options to be exercised and the obligation of the Corporation to issue and deliver Common Shares in accordance with the Stock Option Plan are subject to any approvals that may be required from the Shareholders of the Corporation, or any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation.

So long as it remains a policy of the TSX-V, the Corporation must obtain disinterested shareholder approval for: (i) any reduction in the exercise price of an option if the relevant participant in the Stock Option Plan is an insider of the Corporation at the time of the proposed amendment; (ii) the aggregate number of shares reserved for issuance under the Stock Option Plan to be granted to insiders, at any point in time, exceeds 10% of the then issued Common Shares (iii) the grant of options if the Stock Option Plan, together with all of the Corporation's previously established and outstanding stock option plans or grants, could result in a grant to insiders of the Corporation, or to any person or persons, within a 12 month period, of a number of options exceeding 10% and 5%, respectively, calculated at the date any option is granted to an insider or any person or persons; (iv) any individual stock option grant that would result in the limitations set forth in (ii) and (iii) being exceeded; or (v) if the Corporation requires Shareholder approval for a new or amended stock option plan.

If a participant ceases to be a director, officer, Employee or Consultant, as the case may be, of the Corporation for any reason (other than death), she/he may exercise her/his option to the extent that she/he was entitled to exercise it at the date of such cessation, but only for a period determined by the Board of Directors of up to one year following her/his ceasing to be a director, officer, Employee or Consultant. In the case of an optionee's death, the optionee's heirs or administrators can exercise any portion of the options for up to six months from the optionee's death. Nothing contained in the Stock Option Plan, nor in any option granted pursuant to the Stock Option Plan, will confer upon any participant any right with respect to continuance as a director, officer, employee or consultant of the Corporation or of any affiliate.

Appropriate adjustments in the number of Common Shares issuable upon exercise of outstanding options and in the exercise price of the options shall be made to give effect to adjustments in the number of Common Shares resulting from any subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends by the Corporation or other relevant changes in the capital structure of the Corporation.

The Stock Option Plan provides that the minimum price at which an option holder may purchase a Common Share upon the exercise of an option shall not be established unless the option is allocated to a particular person in accordance with the terms of the Stock Option Plan and, more specifically, the Corporation shall not grant options unless and until such options have been allocated to a particular person or persons.

If and for so long as the Corporation is listed on the TSX-V and in addition to any resale restrictions under applicable securities laws, any options granted to an insider of the Corporation will be subject to a four-month hold period commencing on the particular date of grant of the option, and the option certificate and the share certificate, if applicable, shall bear a restrictive legend setting out any such applicable hold period.

In accordance with TSX-V Policy 3.3, any grant or amendment of an option to an insider or a person performing investor relations activities shall be disclosed to the public on the day the option is granted or amended. The news release shall include the terms of the options under the grant and any subsequent shareholder and TSX-V approvals that may be required.

The Board's authority to amend the terms of the Stock Option Plan or any option without obtaining the approval of shareholders in relation to a change to the vesting provisions of any option or the Stock Option Plan is subject to the qualification that no such changes shall result in an acceleration of the quarterly vesting provisions required for persons performing investor relations activities. Further, the Board no longer has the authority to amend the terms of the Stock Option Plan, or any option, to add a cashless exercise feature.

### Summary Compensation Table

The following table sets forth information concerning compensation earned for services rendered by the Named Executive Officers for the years ended December 31, 2020, 2019 and 2018.

Summary Compensation Table								
Name and Principal Position	Year	Salary	Share-Based Awards	Option-Based Awards <sup>(1)</sup>	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total Compensation
Gregory Bowes <sup>(2)(3)</sup> Chief Executive Officer and Former Interim Chief Financial Officer	2020	\$180,000	Nil	\$64,167	Nil	Nil	Nil	\$244,167
	2019	\$180,000	Nil	Nil	Nil	Nil	Nil	\$180,000
	2018	\$250,000	Nil	\$33,200	Nil	Nil	Nil	\$283,200
John McNeice <sup>(4)(5)</sup> Chief Financial Officer	2020	\$39,690	Nil	\$25,667	Nil	Nil	Nil	\$65,357
	2019	\$51,604	Nil	Nil	Nil	Nil	Nil	\$51,604
	2018	\$55,283	Nil	\$66,400	Nil	Nil	Nil	\$121,683

Notes:

- (1) Grant date fair values of stock option awards were determined utilizing the Black-Scholes option pricing model. Assumptions utilized are disclosed in note 7 to the Corporation's financial statements for the year ended December 31, 2020.
- (2) Effective January 1, 2019, Mr. Bowes' salary was voluntarily reduced to \$180,000.
- (3) On January 12, 2018, Mr. Bowes was granted 100,000 stock options with an exercise price of \$0.50 expiring on January 12, 2023. On July 22, 2020, Mr. Bowes was granted 500,000 stock options with an exercise price of \$0.20 expiring on July 23, 2025. Subsequent to year end, on April 16, 2021, Mr. Bowes was granted 1,550,000 stock options with an exercise price of \$0.50 expiring on April 15, 2026.
- (4) Mr. McNeice's services to the Corporation are provided by 6905498 Canada Inc., an external management company, of which Mr. McNeice is a principal.
- (5) On January 12, 2018, Mr. McNeice was granted 200,000 stock options with an exercise price of \$0.50 expiring on January 12, 2023. On July 22, 2020, Mr. McNeice was granted 200,000 stock options with an exercise price of \$0.20 expiring on July 23, 2025. Subsequent to year end, on April 16, 2021, Mr. McNeice was granted 100,000 stock options with an exercise price of \$0.50 expiring on April 15, 2026.

For a description of the agreements or arrangements that are in place with respect to the Named Executive Officers, see "Compensation Discussion and Analysis" and "Termination and Change of Control Benefits".

### Long-Term Incentive Plan Awards and Stock Appreciation Rights

The Corporation does not maintain any long-term incentive plans and does not grant stock appreciation rights.

### Incentive Plan Awards

#### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth the details regarding the incentive awards for each NEO outstanding as of December 31, 2020, including awards granted before the most recently completed financial year.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$) <sup>(1)</sup>	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid or Distributed (\$)
Gregory Bowes Chief Executive Officer	500,000 100,000 1,450,000	\$0.20 \$0.50 \$0.50	July 23, 2025 January 12, 2023 April 27, 2021	\$42,500 Nil Nil	N/A	N/A	N/A
John McNeice Chief Financial Officer	200,000 200,000	\$0.20 \$0.50	July 23, 2025 January 12, 2023	\$17,000 Nil	N/A	N/A	N/A

Notes:

(1) The market price of the Common Shares on December 31, 2020 was \$0.285.

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

The following table sets forth the details regarding the value vested or earned of incentive plan awards for each Named Executive Officer for the financial year ended December 31, 2020.

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Gregory Bowes Chief Executive Officer	\$64,167	Nil	Nil
John McNeice Chief Financial Officer	\$25,667	Nil	Nil

Notes:

(1) Grant date fair values of stock option awards were determined utilizing the Black-Scholes option pricing model. Assumptions utilized are disclosed in note 7 to the Corporation's financial statements for the year ended December 31, 2020.

#### **Pension Plan Benefits**

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

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

The Corporation has entered into an employment agreement with Mr. Bowes effective May 1, 2011 pursuant to which he provides his services as Chief Executive Officer to the Corporation. Pursuant to the terms of the agreement, Mr. Bowes earned a minimum base salary of \$250,000 per annum in fiscal year 2014 and his salary for 2015 was reduced by way of a voluntary reduction to \$200,000 in order to preserve the Corporation's financial resources. As of January 1, 2016, Mr. Bowes' salary was voluntarily reduced to \$120,000 to continue to preserve the Corporation's financial resources. During 2017, Mr. Bowes' base salary was re-instated to an annual amount of \$250,000. Effective January 1, 2019, Mr. Bowes' salary was voluntarily reduced to \$180,000. Mr. Bowes' base salary is subject to annual review by the Board of Directors. The Corporation may terminate the agreement for cause at any time with no further obligation to Mr. Bowes. The Corporation may terminate the agreement without cause at any time by providing a lump sum payment equal to one month of salary for each year of service from May 1, 2011, such lump sum not to be less than 18 months and not greater than 24 months of Mr. Bowes' salary of \$250,000 (the salary in place before voluntary reductions were made). Mr. Bowes may terminate the agreement at any time upon providing two months' notice, subject to certain terms. If Mr. Bowes is terminated by the Corporation within 60 days before, or within 180 days after, a change in control of the Corporation, or Mr. Bowes' duties are changed and are no longer reflective of his status and qualifications prior to the change in control, or Mr. Bowes is asked to relocate as the result of a change in control, then he is entitled to receive a lump sum payment equal to two times his annual salary of \$250,000 before the voluntary reductions. If the agreement is terminated by the Corporation without cause, the estimated minimum payment would be \$375,000, payable in one lump-sum payment. If the agreement is terminated after a change of

control, the estimated payment would be \$500,000. In addition, all of the stock options granted to Mr. Bowes under any stock option plan of the Corporation shall become immediately exercisable and vested and shall remain exercisable for a period of one year from the date of termination of Mr. Bowes if there is a change of control. The agreement includes typical non-disclosure covenants in favour of the Corporation.

Effective January 11, 2018, the Corporation entered into a consulting agreement with 6905498 Canada Inc., an external management company of which Mr. McNeice is a principal, for the services of Mr. John McNeice as Chief Financial Officer and Corporate Secretary of the Corporation. Compensation payable under the consulting agreement is at an hourly rate of \$135.00. The Corporation may terminate the agreement for cause at any time with no further obligation to Mr. McNeice. The Corporation may terminate the agreement without cause at any time by providing 90 days notice. If the effective date of such termination is less than 90 days following the date of giving of such notice, Mr. McNeice shall receive a cash payment for the balance of the 90 day period based on his average daily compensation for the 6 month period preceding the effective date of termination. In the event of a change of control where the consulting agreement is terminated by the Corporation within 60 days before or within 180 days after a change of control of the Corporation, or Mr. McNeice's duties are changed and are no longer reflective of his status and qualifications prior to the change of control, or Mr. McNeice is asked to relocate as the result of a change of control, then Mr. McNeice shall be entitled to receive a lump sum payment equal to 12 months compensation at the time of termination. For the purpose of this section, a month's compensation will be considered to be the average monthly compensation of the 6 months preceding the effective date of termination. All of the stock options granted to Mr. McNeice under any stock option plan of the Corporation shall become immediately exercisable and vested and shall remain exercisable for a period of one year from the date of termination of the consultant if there is a change of control.

### Director Compensation

The following table sets forth information concerning compensation earned for services rendered by the Directors for the year ended December 31, 2020, the most recently completed financial year, excluding Gregory Bowes who is a NEO.

Summary Compensation Table								
Name	Year	Fees Earned	Share-Based Awards	Option-Based Awards <sup>(1)</sup>	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total Compensation
W. Campbell Birge <sup>(2)(4)(5)</sup>	2020	\$15,000	Nil	\$25,667	Nil	Nil	Nil	\$40,667
Donald Christie <sup>(2)(3)(5)</sup>	2020	\$15,000	Nil	\$25,667	Nil	Nil	Nil	\$40,667
K. Sethu Raman <sup>(2)(3)(4)(5)</sup>	2020	\$15,000	Nil	\$25,667	Nil	Nil	Nil	\$40,667
Iain Scarr <sup>(3)(4)(5)</sup>	2020	\$15,000	Nil	\$25,667	Nil	Nil	Nil	\$40,667

Notes:

- (1) Grant date fair values of stock option awards were determined utilizing the Black-Scholes option pricing model. Assumptions utilized are disclosed in note 7 to the Corporation's financial statements for the year ended December 31, 2020.
- (2) Member of Audit Committee.
- (3) Member of Compensation and Nomination Committee.
- (4) Member of Corporate Governance Committee.
- (5) On July 22, 2020, Mr. Birge, Mr. Christie, Dr. Raman and Mr. Scarr were each granted 200,000 stock options exercisable at \$0.20 per share with an expiry date of July 23, 2025.

### Narrative Discussion

Directors are paid a quarterly retainer for their service as directors. The Corporation also reimburses directors for out-of-pocket expenses related to their attendance at meetings.

*Directors Share-Based Awards and Option-Based Awards*

The following table sets forth the details regarding the incentive plan awards for each non-executive director of the Corporation outstanding as of December 31, 2020.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$) <sup>(1)</sup>	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
W. Campbell Birge	200,000 150,000 200,000	\$0.20 \$0.25 \$0.50	July 23, 2025 January 21, 2024 November 27, 2022	\$17,000 \$5,250 Nil	N/A	N/A
Donald Christie	200,000 250,000 100,000	\$0.20 \$0.50 \$0.50	July 23, 2025 April 27, 2021 January 12, 2023	\$17,000 Nil Nil	N/A	N/A
K. Sethu Raman	200,000 250,000 100,000	\$0.20 \$0.50 \$0.50	July 23, 2025 April 27, 2021 January 12, 2023	\$17,000 Nil Nil	N/A	N/A
Iain Scarr	200,000 250,000 100,000	\$0.20 \$0.50 \$0.50	July 23, 2025 April 27, 2021 January 12, 2023	\$17,000 Nil Nil	N/A	N/A

Notes:

(1) The market price of the Common Shares on December 31, 2020 was \$0.285.

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

The following table sets forth the details regarding the value vested or earned of incentive plan awards for each non-executive director of the Corporation for the financial year ended December 31, 2020.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
W. Campbell Birge	\$25,667	Nil	15,000
Donald Christie	\$25,667	Nil	15,000
K. Sethu Raman	\$25,667	Nil	15,000
Iain Scarr	\$25,667	Nil	15,000

Dated at Ottawa, Ontario, July 2, 2021

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Gregory B. Bowes”*

Gregory B. Bowes  
Chief Executive Officer