

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Northern Graphite Corporation (“**Northern**” or the “**Company**”)
1000 Innovation Drive, Suite 500
Ottawa, Ontario
K2K 3E7

2. Date of Material Change

November 29, 2023

3. News Release

A news release was disseminated on November 29, 2023 via Newsfile Corp.

4. Summary of Material Change

On November 29, 2023, the Company completed a financing consisting of US\$1 million in secured debt and US\$2 million in royalty financing provided by funds managed by Sprott Resource Streaming and Royalty Corp. (collectively, “**Sprott**”). The financing was completed through amendments to the Company’s senior secured credit agreement and royalty agreement entered into with Sprott in April 2022 in connection with the financing for the Company’s acquisitions of the Lac des Iles graphite mine (“**LDI**”) in Quebec and the Okanjande graphite mine in Namibia.

5. Full Description of Material Change

5.1 Full Description of Material Change

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Under the amendments to the senior secured credit agreement, the Company has obtained a senior secured loan from Sprott in the amount of US\$1 million, in addition to the US\$12 million senior secured loan previously made by Sprott to the Company in April 2022. In addition, the Company has exercised options under the agreement to capitalize the cash interest payments due on the loan up until December 31, 2023 and add it to the principal amount of the loan, which will result in the principal amount of the loan being approximately US\$14.6 million after giving effect to the capitalization of the interest. The Company has paid an interest payment option fee to Sprott in the amount of US\$50,000 for the capitalization of interest up to June 30, 2023 and will pay Sprott an additional interest payment option fee for the capitalization of the interest up to December 31, 2023 in an amount equal to 10 percent of the accrued and unpaid interest due on such date for the period between June 30, 2023 and December 31, 2023. The principal amount of the loan bears interest at nine percent plus the greater of an adjusted three-month term SOFR and 1 percent and matures on April 29, 2026.

Under the amendments to the royalty agreement, the Company has sold an additional royalty on gross sales revenue (“**GRR**”) from LDI to Sprott for US\$2 million, in addition to the nine percent GRR from LDI previously sold to Sprott for US\$4 million in April 2022. The additional GRR is for four percent of graphite concentrate sales revenue from LDI up until it has been paid on sales of 45,000 tonnes of graphite concentrate, after which it will be reduced to 0.25 percent for the remaining life-of-mine at LDI.

The proceeds from the financing will be used for working capital of the Company’s Canadian operations including mining and processing operations at LDI.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

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

Not Applicable.

7. Omitted Information

Not Applicable.

8. Executive Officer

For further information, please contact Guillaume Jacq, Chief Financial Officer of the Company at (613) 271-2124.

9. Date of Report

December 8, 2023