

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States. Accordingly, except as permitted by the Underwriting Agreement (as defined herein), the securities offered hereby may not be offered or sold, directly or indirectly, within the United States (as defined in Regulation S under the U.S. Securities Act) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) or persons in the United States, absent an exemption from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. See "Plan of Distribution".

**Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Graphene Manufacturing Group Ltd. at its head office and principal place of business at Unit 5, 848 Boundary Road, Richlands, QLD 4077, Australia (Telephone: (617) 3040-5716) and copies are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

New Issue

November 24, 2022



### GRAPHENE MANUFACTURING GROUP LTD.

C\$5,002,250

1,819,000 Units

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Price: C\$2.75 per Unit

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Graphene Manufacturing Group Ltd. (the "**Company**" or "**GMG**") is filing this short form prospectus ("**Prospectus**") to qualify the distribution (the "**Offering**") of 1,819,000 units (the "**Units**") of the Company at a price of C\$2.75 per Unit (the "**Offering Price**") for aggregate gross proceeds of up to C\$5,002,250.

Each Unit consists of one ordinary share in the capital of the Company (an "**Offered Share**") and one ordinary share purchase warrant (a "**Warrant**"). Each Warrant will be exercisable to purchase one ordinary share in the capital of the Company (a "**Warrant Share**") at an exercise price of C\$3.35 per Warrant Share for a period of 48 months from the Closing Date (defined below), subject to adjustment events. The Offered Shares and Warrants comprising the Units will separate immediately upon closing of the Offering.

The Units are being sold pursuant to an underwriting agreement dated as of November 14, 2022 (the "**Underwriting Agreement**") among the Company, Eight Capital (the "**Lead Underwriter**"), as lead underwriter and sole bookrunner, Raymond James Ltd., H.C. Wainwright & Co., LLC, Leede Jones Gable Inc., PI Financial Corp., and Research Capital Corporation (collectively with the Lead Underwriter, the "**Underwriters**"). H.C. Wainwright & Co., LLC is not registered as a dealer in any Canadian jurisdiction and, accordingly, will only sell Offered Shares in the United States and will not, directly or indirectly, solicit offers to purchase or sell the Offered Shares in Canada. The terms of the Offering, including the Offering Price, were determined by negotiation between the Company and the Lead Underwriter.

The issued and outstanding ordinary shares of the Company (the "**Ordinary Shares**") are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the trading symbol "GMG". On November 8, 2022, the last trading day prior to the announcement of the Offering, the closing price of the Ordinary Shares on the TSXV was C\$3.25. On November 23, 2022, the last trading day prior to the filing of this Prospectus, the closing price of the Ordinary Shares on the TSXV was C\$2.90. The Company has applied to list the Offered Shares, the Warrant Shares and the Ordinary Shares issuable upon exercise of the Broker Warrants (as defined below) on the TSXV. Such listing will be subject to acceptance by the TSXV upon the Company fulfilling all of the listing requirements of the TSXV.

	<b>Price to the Public</b>	<b>Underwriters' Commission<sup>(1)</sup></b>	<b>Net Proceeds to the Company<sup>(2)</sup></b>
Per Unit	C\$2.75	C\$0.165	C\$2.585
Total <sup>(3)</sup>	C\$5,002,250	C\$300,135	C\$4,702,115

**Notes:**

- (1) The Company has agreed to pay the Underwriters a cash commission (the "**Underwriters' Commission**") equal to 6.0% of the gross proceeds of the Offering. In addition, the Company has agreed to issue to the Underwriters, on the Closing Date, such number of broker warrants of the Company (the "**Broker Warrants**") as is equal to 3.0% of the aggregate number of Units issued under the Offering (including the Additional Units (defined below)). Each Broker Warrant shall entitle the holder to acquire one Unit at the Offering Price at any time on or before the date that is 24 months from the Closing Date. The Underwriters' Commission and Broker Warrants will be payable on the total gross proceeds of the Offering and the total number of Units issued, respectively, including any Additional Units (as defined below) issued upon exercise of the Over-Allotment Option (as defined below). The Company has also agreed to reimburse the Underwriters for their reasonable expenses in connection with the Offering. See "Plan of Distribution".
- (2) After deducting the Underwriters' Commission, but before deducting expenses of the Offering, including expenses in connection with the preparation and filing of this Prospectus, which are estimated to be C\$200,000 and which will be paid by the Company from the proceeds of the Offering.
- (3) The Company has agreed to grant the Underwriters an over-allotment option (the "**Over-Allotment Option**") exercisable, in whole or in part, at the Underwriters' sole discretion, to purchase up to an additional 272,850 Units (representing 15% of the number of the Units sold pursuant to the base Offering) (the "**Additional Units**") at a price equal to the Offering Price, to cover over-allocations, if any, and for market stabilization purposes. The grant of the Over-Allotment Option and the Additional Units issuable upon exercise of the Over-Allotment Option, and the Broker Warrants and the securities underlying the Broker Warrants, are hereby qualified for distribution under this Prospectus. A purchaser who acquires Units, Offered Shares or Warrants forming part of the Underwriters' over-allocation position acquires these securities under this Prospectus regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public, the Underwriters' Commission and the net proceeds to the Company (but before deducting the expenses of the Offering which are estimated to be C\$200,000) will be C\$5,752,587.50, C\$345,155.25 and C\$5,407,432.25, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Additional Units issued or sold pursuant to the exercise of the Over-Allotment Option. See "*Plan of Distribution*".

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

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

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

<b>Underwriters' Position</b>	<b>Maximum Size or Number of Securities Available</b>	<b>Exercise Period</b>	<b>Exercise Price</b>
Over-Allotment Option	Up to 272,850 Additional Units	At any time, but not later than 30 days following the Closing Date	C\$2.75 per Additional Unit
Broker Warrants	54,570 Broker Warrants (up to 62,756 if the Over-Allotment Option is exercised in full)	At any time, but not later than the date that is 24 months following the Closing Date	C\$2.75 per Broker Warrant

The Units will be offered in each of the provinces of British Columbia, Alberta, Ontario and Saskatchewan. The Units may be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws. Subject to applicable law, the Units may be offered in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters, provided that no prospectus filing, registration statement or comparable obligation arises in such jurisdictions. See "*Plan of Distribution*".

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

**The Underwriters propose to initially offer the Units at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Units at the Offering Price, the Underwriters may subsequently reduce the selling price of the Units to purchasers. If the selling price is reduced, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Units is less than the gross proceeds paid by the Underwriters to the Company. See "*Plan of Distribution*".**

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

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will take place on or about November 29, 2022, or such other date as may be agreed upon by the Company and the Underwriters (the "**Closing Date**"), but in any event, not later than 42 days after the date of the receipt for the (final) short form prospectus.

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

The Warrants will be created and issued pursuant to the terms of a warrant indenture to be dated the Closing Date (the **"Warrant Indenture"**) between the Company and Computershare Investor Services Inc., as warrant agent (the **"Warrant Agent"**). **There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants comprising part of the Units that are purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulations. See "Plan of Distribution", "Description of Securities Distributed – Warrants" and "Risk Factors".**

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

Investors should rely only on the information contained in this Prospectus and the documents incorporated by reference herein. The Company has not authorized anyone to provide investors with information different from that contained in this Prospectus. Subject to the Company's obligations under applicable securities laws, the information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Units.

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

The Company is incorporated under the laws of Australia. Prospective investors under the Offering are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada even if the party has appointed an agent for service of process.

The Company presents its financial statements in Australian dollars. Unless otherwise indicated, in this Prospectus all references to (i) "\$" or "AUD" are to Australian dollars; (ii) "US\$" and "USD" are to United States dollars; (iii) and "C\$" are to Canadian dollars. The Canadian dollar rates of exchange on November 23, 2022 were:

United States Dollar <sup>(1)</sup>	Australian Dollar <sup>(1)</sup>
C\$1.00=US\$0.7467	C\$1.00=AUD\$1.1140

**Note:**

(1) Bank of Canada average exchange rate for November 23, 2022 as reported on the Bank of Canada website.

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

The Company's head and registered office is located at Unit 5, 848 Boundary Road, Richlands, QLD 4077, Australia.

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## ELIGIBILITY FOR INVESTMENT

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

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

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

Based on proposed amendments to the Tax Act released by the Minister of Finance (Canada) on November 3, 2022 (the "**November 2022 Tax Proposals**"), it is expected that upon such amendments coming into force (which, under the November 2022 Tax Proposals, would occur on April 1, 2023), (a) the Offered Shares, Warrants and Warrant Shares would, provided they are qualified investments for Plans as described above, also be qualified investments for trusts governed by a first home savings account (an "**FHSA**"), and (b) holders of FHSAs would also be subject to the prohibited investment rules described above. **Prospective purchasers that intend to hold Offered Shares, Warrants or Warrant Shares in an FHSA are advised to consult their personal tax advisors as to the tax treatment under the November 2022 Tax Proposals.**

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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



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

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

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

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

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

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

#### **IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS**

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

#### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or other similar authorities in British Columbia, Alberta, Ontario and Saskatchewan.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at Unit 5, 848 Boundary Road, Richlands, QLD 4077, Australia (Telephone: (617) 3040-5716). In addition, copies of the documents incorporated herein by reference may be obtained under the profile of

the Company through the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed online at [www.sedar.com](http://www.sedar.com).

The following documents ("**documents incorporated by reference**" or "**documents incorporated herein by reference**") are specifically incorporated by reference into, and form an integral part of, this Prospectus:

1. the annual information form of the Company dated October 18, 2022 for the year ended June 30, 2022 (the "**Annual Information Form**" or "**AIF**");
2. the audited consolidated financial statements of the Company for the years ended June 30, 2022 and 2021 together with the report of the independent auditor thereon and the notes thereto, filed on SEDAR on September 29, 2022 as amended and refiled on November 23, 2022 (the "**Annual Financial Statements**");
3. the Company's management's discussion and analysis of the financial condition and results of operations for the year ended June 30, 2022, filed on SEDAR on September 29, 2022 as amended and refiled on November 23, 2022 (the "**Annual MD&A**");
4. the material change report dated July 28, 2022 in connection with the Company's announcement of the appointment of Frederick Kotzee as Chief Financial Officer;
5. the material change report dated August 26, 2022 in connection with the Company's announcement of the appointment of Frederick Kotzee to the Company's board of directors and the appointment of Anjana Reddy as a Company Secretary;
6. the material change report dated November 14, 2022 in connection with the Company's announcement of: (i) the Offering and (ii) the size and pricing of the Offering;
7. the management information circular of the Company dated October 18, 2022, prepared in connection with the Company's annual and special meeting of shareholders held on November 24, 2022, filed on SEDAR on October 26, 2022; and
8. the "template version" (as such term is defined National Instrument 41-101 – *General Prospectus Requirements*) of the term sheet, dated November 8, 2022 in respect of the Offering (the "**Marketing Materials**").

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

**Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein is not incorporated by reference to the extent that any such statement is modified or superseded by a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein. Any such modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or**

**superseded shall not be considered in its unmodified or superseded form to constitute part of this Prospectus; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus.**

## MARKETING MATERIALS

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

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

## BUSINESS OF THE COMPANY

### What is Graphene?

Graphene, a 2-dimensional allotrope of carbon is one atom thick, and it forms the fundamental building block for few layered and multilayered graphene. Isolated in 2004 by Andre Geim and Konstantin Novoselov, the discovery led to the Nobel Prize in Physics in 2010<sup>1</sup>. The Company believes that graphene is one of the strongest and thinnest known materials, and it is an extraordinary conductor of heat and electricity.<sup>2</sup> As of December 2018, over 53,000 graphene technology patents have been filed by various parties.<sup>3</sup> As of September 2022, a search on Google Patents revealed over 135,000 patents that involve graphene. Research has indicated that graphene-based materials are promising materials for a myriad of applications.<sup>4, 5</sup>

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

### Overview

The Company is a clean-technology focused company which aims to offer energy saving products and solutions and energy storage products, enabled by graphene manufactured in-house via a proprietary production process. In 2017 and 2018, the Company developed and proved its proprietary production process to decompose natural gas (i.e. methane) into its elements, carbon (including as graphene) and hydrogen (and some residual hydrocarbon gases). This process produces high quality, low input costs, scalable, tuneable and low contaminant graphene suitable for use in clean-technology applications<sup>6</sup>. While GMG graphene may be suitable for a wide range of industries, the Company's initial focus has been developing applications for energy savings and energy storage.<sup>7</sup>

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

<sup>2</sup> <https://www.forbes.com/sites/startswithabang/2019/06/18/there-are-6-strongest-materials-on-earth-that-are-harder-than-diamonds/?sh=47d84e3b3412>

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

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

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

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

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

In the energy savings segment, the Company has focused on graphene enhanced heating, ventilating, and air conditioning ("HVAC") coatings, lubricants and fluids. The Company and some of its potential customers have successfully demonstrated HVAC coating projects, offering customers improvement in the efficiency of space cooling (air-conditioning) and coolant units. Also, the Company is developing lubricants which aim to reduce friction in engines. Both these offerings have the potential to enable lower energy consumption, reducing both cost and emissions.

In the energy storage segment, the Company and UQ entered into a research agreement and a license agreement dated as of February 26, 2021, pursuant to which they are working collaboratively with financial support from the Australian Government to progress research and development ("R&D"), and ultimately explore the commercialization of Graphene Aluminium-ion batteries ("G+AI Batteries"). Aluminum-ion batteries have the potential to have better energy density than lithium-ion batteries ("LI Batteries"). G+AI Batteries may eliminate many disadvantages of LI Batteries, including risk of overheating/fire and performance degradation. Management believes that successful further development of early stage positive testing results in the Company's Battery Development Centre and successful commercialization pursuant thereto of current prototypes into G+AI Batteries would result in a superior substitute to LI Batteries in targeted applications, however Management notes that the potential or theoretical advantages of its battery prototypes, including potential energy density of such prototypes, are not necessarily indicative of realized advantages in commercial applications of the G+AI Batteries, and the timeline to further develop and commercialise is uncertain as it is still a newly developed early stage new technology that requires further research and development work.

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

The Company's core customer offerings are enhanced with the Company's graphene. To keep its proprietary graphene production process strictly confidential, the Company has maintained it as a 'trade secret' rather than filing a patent which would require mandatory disclosure. The Company has also adopted a strategy of building exclusivity and intellectual property around graphene-enhanced products and solutions. For example, the HVAC coating product was developed by one of the Company's customers, OzKem, an Australian coatings technology company that specializes in coatings for the HVAC industry, in collaboration with the Company (the "**TXR Supplier**"), using the Company's graphene. The Company entered into the Distribution Agreement with the TXR Supplier on November 11, 2020 and the Supply Agreement with the TXR Supplier on November 12, 2020 (the Distribution Agreement and the Supply Agreement, together, are referred to herein as the "**TXR Agreements**").

On August 13, 2022, the TXR Agreements were replaced by a new 5 year agreement with the TXR Supplier (the "**Assignment License and Supply Agreement**") which facilitated the transfer of the intellectual property relating to the blending of graphene into the base coating manufactured by Ozkem to GMG. Under the Assignment License and Supply Agreement, Ozkem will supply the base coating used to formulate Thermal XR to GMG who will conduct the final step of blending graphene into the base coating creating the final Thermal XR coating. In addition to this intellectual property, GMG acquired the global rights to the Thermal XR brand. This new Assignment License and Supply Agreement will enable GMG to control and grow the intellectual property as the products are further refined and the product range is extended to service other applications in wider industry. On September 28, 2022, the Company announced that it had completed its acquisition of the manufacturing intellectual property and brand rights of Ozkem's Thermal XR coating products under the Assignment License and Supply Agreement. OzKem developed the Thermal XR coating system products using GMG graphene together with OzKem's base HVAC coating. GMG paid OzKem an initial AUD\$1 million cash (exclusive of tax) and issued 125,207 Ordinary Shares to OzKem upon

receipt of certain deliverables and equipment from OzKem on August 19, 2022 and September 8, 2022 respectively. GMG will issue an additional 125,206 Ordinary Shares to OzKem, conditional on a successful commercial batch blend of the Thermal XR product being completed by GMG.

The Company has a strong R&D focus. R&D has been carried out in-house and in collaboration with third parties for other downstream applications such as Thermal XR and G+AI Batteries, for which distribution and license agreements, respectively, have been signed. Success in these and other R&D initiatives may provide opportunity for improvements and future expansion of the Company's business and operations.

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

### CONSOLIDATED CAPITALIZATION

Since June 30, 2022, the date of the Audited Financial Statements, which are incorporated by reference in this Prospectus, there has been no material change to the share and loan capital of the Company on a consolidated basis, other than:

Date of Issuance	Securities	Amount	Issue Price/Exercise Price
July 11, 2022	Ordinary Shares <sup>(1)</sup>	50,000	C\$1.00
July 14, 2022	Ordinary Shares <sup>(2)</sup>	40,050	C\$0.65
July 15, 2022	Stock Options <sup>(3)</sup>	(76,868)	AUD\$0.82
July 18, 2022	Ordinary Shares <sup>(1)</sup>	25,000	C\$1.00
August 11, 2022	Ordinary Shares <sup>(1)</sup>	2,000	C\$2.60
September 1, 2022	Ordinary Shares <sup>(4)</sup>	37,348	AUD\$0.61
September 6, 2022	Ordinary Shares <sup>(1)</sup>	15,385	C\$1.00
September 8, 2022	Ordinary Shares <sup>(5)</sup>	125,207	N/A
September 14, 2022	RSUs <sup>(6)</sup>	453,847	N/A
September 20, 2022	Ordinary Shares <sup>(1)</sup>	14,992	C\$1.00
September 20, 2022	RSUs <sup>(6)</sup>	253,651	N/A
September 20, 2022	Ordinary Shares <sup>(2)</sup>	2,538	C\$2.05
September 20, 2022	Ordinary Shares <sup>(8)</sup>	1,269	C\$2.60
September 23, 2022	Stock Options <sup>(3)</sup>	(14,652)	AUD\$0.94
September 28, 2022	Ordinary Shares <sup>(1)</sup>	25,000	C\$1.00
October 4, 2022	Ordinary Shares <sup>(1)</sup>	75,000	C\$1.00
October 7, 2022	Ordinary Shares <sup>(1)</sup>	77,500	C\$1.00
October 12, 2022	RSUs <sup>(6)</sup>	36,186	N/A
October 13, 2022	Ordinary Shares <sup>(1)</sup>	338,500	C\$1.00
October 14, 2022	RSUs <sup>(6)</sup>	4,017	N/A
October 20, 2022	RSUs <sup>(6)</sup>	193,348	N/A
October 20, 2022	Ordinary Shares <sup>(7)</sup>	33,173	N/A
October 21, 2022	RSUs <sup>(6)</sup>	20,952	N/A
October 27, 2022	PSUs <sup>(6)</sup>	34,508	N/A
October 28, 2022	Ordinary Shares <sup>(7)</sup>	12,107	N/A
November 3, 2022	Ordinary Shares <sup>(2)</sup>	60,012	C\$2.60

**Notes:**

- (1) Issued upon the exercise of Warrants (as defined below).
- (2) Issued upon the exercise of 2021 Broker Warrants (as defined below).
- (3) Incentive stock options forfeited upon ending employment with the Company.
- (4) Issued upon the exercise of incentive stock options.
- (5) Issued pursuant to Assignment License and Supply Agreement with Ozkem. See "Description of the Business – Overview".
- (6) Issued pursuant to the Company's share incentive plan, of which a nil exercise price applies.
- (7) Issued upon the exercise of RSUs.
- (8) Issued upon the exercise of Underlying 2021 Broker Warrants (as defined below).

The following table sets forth the consolidated capitalization of the Company as at June 30, 2022, as at the date hereof, as well as at the date after giving effect to the Offering. This table should be read in conjunction with the Annual Financial Statements and the Annual MD&A, which are incorporated by reference in this Prospectus.

Designation of security	Outstanding as at June 30, 2022	Outstanding as at the date of the Prospectus	Outstanding after giving effect to the Offering <sup>(1)</sup>
Ordinary Shares	78,764,797	79,699,878	81,518,878
Preference Shares	Nil	Nil	Nil
Warrants	2,804,977	2,181,600	4,000,600
2021 Broker Warrants <sup>(2)</sup>	126,875	24,275	24,275
Stock Options	4,627,427	4,498,559	4,498,559
Broker Warrants	Nil	Nil	54,570 <sup>(3)</sup>
Restricted Share Units	197,622	1,114,343	1,114,343
Performance Share Units	77,359	111,867	111,867
Loan Capital	Nil	Nil	Nil

**Notes:**

- (1) Assuming the Over-Allotment Option is not exercised.
- (2) These warrants were issued under the Company's overnight marketed offering, which closed on September 2, 2021 (the "**2021 Broker Warrants**"). Each 2021 Broker Warrant entitled the holder to acquire one unit of the Company (a "**2021 Broker Unit**") at an exercise price of \$2.05 per 2021 Broker Unit for a period of 36 months from the date of issuance. Each Broker Unit consisted of one Ordinary Share and one-half of one warrant (each full warrant, a "**2021 Underlying Broker Warrant**"). Each 2021 Underlying Broker Warrant entitled the holder to one Ordinary Share at a price of at an exercise price of C\$2.60 for a period of 36 months from the date of issuance of the 2021 Broker Warrants.
- (3) Broker Warrants issued under the Offering.

**USE OF PROCEEDS**

The net proceeds to the Company from the Offering (assuming no portion of the Over-Allotment Option has been exercised) is expected to be C\$4,502,115 after deducting the Underwriters' Commission of C\$300,135 (calculated on the basis that the exercise of the Over-Allotment Option is not exercised) and the estimated expenses of the Offering of approximately C\$200,000. If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering are estimated to be approximately C\$5,207,432 after deducting the Underwriters' Commission of C\$345,155 (calculated on the basis that the exercise of the Over-Allotment Option is exercised in full) and the estimated expenses of the Offering of approximately C\$200,000.

The Company's working capital (unaudited) as at October 31, 2022, being the most recent month end prior to the date of this Prospectus, was approximately C\$3,530,921 (with cash and cash equivalents of approximately C\$7,029,611).

## Principal Purposes

The net proceeds of the Offering (assuming no portion of the Over-Allotment Option has been exercised) are expected to be used primarily to further strengthen the Company's financial position and provide sufficient liquidity to finance ongoing operations, including in particular the Company's expenses incurred, and expected to be incurred, in connection with the Company's research and development objectives, as further detailed below:

Use of Net Proceeds	Estimated Expenditure (C\$)
Research and development costs to develop a commercial coin cell and /or pouch G+AI Battery prototype	C\$2,500,000 <sup>(1)</sup>
Further optimize, enhance, and expand graphene powder production capability, and increase graphene powder manufacturing plant reliability.	C\$1,300,000 <sup>(2)</sup>
Unallocated working capital	C\$702,115
<b>Total</b>	<b>C\$4,502,115</b>

### Notes:

- (1) The Company currently anticipates incurring between C\$1,500,000 and \$2,500,000 for such research and development costs. The Company expects such estimated expenditures to consist of the following: salaries for staff and consultants (\$1,750,000); equipment (\$500,000); and operating costs (\$250,000).
- (2) The Company expects such estimated expenditures to consist of the following: expansion of Graphene production equipment (\$660,000); infrastructure costs (\$270,000); staffing and services costs (\$350,000); and commissioning, quality assurance and miscellaneous costs (\$20,000).

## Research and Development

A portion of the proceeds from the Offering will be used in connection with the intended development of a commercial coin and-/or pouch cell G+AI Battery prototype and building on performance results achieved in initial early-stage laboratory testing of pre-commercial prototypes developed in GMG's Battery Development Centre. The Company anticipates conducting these research and development activities using a combination of the Company's employees and in co-operation with UQ under a G+AI Batteries research agreement. The Company has targeted completion of this milestone in 2023 (see "*Business Objectives and Milestones*" below). The major components of this program that will be funded using the proceeds of the Offering are currently being studied.

## Business Objectives and Milestones

Set forth below are the business objectives that the Company expects to accomplish using the net proceeds of the Offering (assuming no portion of the Over-Allotment Option has been exercised) over the next 12-month period:

- Develop a commercial coin and/or pouch cell G+AI Battery prototype, building on performance results achieved in initial early-stage laboratory testing of pre-commercial prototypes developed in GMG's Battery Development Centre.
- Further optimize, enhance and expand graphene powder production capability, and increase graphene powder manufacturing plant reliability.

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



The Company had negative cash flow for the twelve months ended June 30, 2022 and the three and nine months ended March 31, 2022. If the Company continues to generate negative cash flow in the future, net proceeds from the Offering may need to be allocated to funding the negative cash flow in addition to the expenditures listed above. See "*Risk Factors – Historical Negative Cash Flow from Operations*".

The Company expects that the use of proceeds will advance its overall objectives described above and the AIF incorporated by reference herein. Other than standard research and development procedures associated with the Company's prototype development, no additional milestones need to occur for the Company to meet the above-noted business objectives, which remain subject to the normal risks and uncertainties that prevail in the industry in which the Company is engaged. See "*Cautionary Note Regarding Forward-Looking Information and Statements*" and "*Risks Factors*" herein and the AIF.

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

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

## **DESCRIPTION OF SECURITIES DISTRIBUTED**

### **Units**

Each Unit will be comprised of one Offered Share and one Warrant. Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances in accordance with the terms of the Warrant Indenture, one Warrant Share, at an exercise price of C\$3.35 for a period of 48 months from the Closing Date. The Units will separate into Offered Shares and Warrants immediately upon issue.

### **Offered Shares**

The Offered Shares will have all of the characteristics, rights and restrictions of the Ordinary Shares. The authorized share capital of the Company consists of an unlimited number of Ordinary Shares. As of the date hereof there are an aggregate of 79,699,878 Ordinary Shares issued and outstanding (on a non-diluted basis) as fully paid and non-assessable ordinary shares in the capital of the Company.

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

### **Preference Shares**

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

## **Warrants**

The Warrants will be issued under the Warrant Indenture) to be entered into between the Company and the Warrant Agent. The Company will appoint the principal transfer offices of the Warrant Agent in Toronto as the location at which the Warrants may be surrendered for exercise, transfer or exchange.

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

Each Warrant will entitle the holder to purchase one Warrant Share at a price of C\$3.35. The exercise price and the number of Warrant Shares issuable upon exercise are both subject to adjustment in certain circumstances as more fully described below. Each Warrant will be exercisable at any time for a period of 48 months from the Closing Date, after which time the Warrants will expire and become null and void.

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

- a subdivision of the Ordinary Shares into a greater number of Ordinary Shares or a consolidation of the Ordinary Shares into a lesser number of Ordinary Shares;
- the issuance of Ordinary Shares or securities exchangeable or convertible into Ordinary Shares to all or substantially all the holders of Ordinary Shares by way of a stock dividend or other distribution;
- the issuance to all or substantially all of the holders of the Ordinary Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Ordinary Shares, or securities exchangeable for or convertible into Ordinary Shares, at a price per Ordinary Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, of Ordinary Shares on such record date; and/or
- subject to certain exceptions, a distribution by the Company to all or substantially all the holders of the Ordinary Shares, of securities of any class (whether of the Company or any other corporation) other than Ordinary Shares, rights, options or warrants, evidence of indebtedness, or cash, securities, or other property or assets.

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

- a reclassification of the Ordinary Shares;
- the amalgamation, plan of arrangement or merger of the Company with or into another entity (other than an amalgamation, plan of arrangement or merger which does not result in any reclassification of the Ordinary Shares or a change of the Ordinary Shares into other shares); and/or
- a transfer (other than to one of the Company's subsidiaries) of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or the number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least one percent (1%) in the exercise price or the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Ordinary Share, as the case may be.

The Company also expects to covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Company will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

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

From time to time, the Company and the Warrant Agent may, without the consent of or notice to the holders of Warrants, amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which is expected to be defined in the Warrant Indenture as a resolution either (i) passed at a meeting of the holders of Warrants at which there are present in person or represented by proxy, registered holders of Warrants representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on such resolution, or (ii) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all then outstanding Warrants.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants comprising part of the Units that are purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulations. See "*Plan of Distribution*" and "*Risk Factors*".

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

**The foregoing summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture, which will be made available electronically under the Company's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com) promptly following execution thereof.**

#### **Broker Warrants**

As additional consideration for the services being rendered in connection with the Offering, the Company has agreed to issue the Underwriters such number of Broker Warrants as is equal to 3.0% of the aggregate number of Units sold under the Offering (including any Additional Units). Each Broker Warrant shall entitle the holder to acquire one Unit at the Offering Price at any time on or before the date that is 24 months from the Closing Date.

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

- a subdivision of the Ordinary Shares into a greater number of Ordinary Shares or a consolidation of the Ordinary Shares into a lesser number of Ordinary Shares;
- the issuance of Ordinary Shares or securities exchangeable or convertible into Ordinary Shares to all or substantially all the holders of Ordinary Shares by way of a stock dividend or other distribution;
- the issuance to all or substantially all of the holders of the Ordinary Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Ordinary Shares, or securities exchangeable for or convertible into Ordinary Shares, at a price per Ordinary Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price" of Ordinary Shares on such record date; and/or
- subject to certain exceptions, a distribution by the Company to all or substantially all the holders of the Ordinary Shares, of securities of any class (whether of the Company or any other corporation) other than Ordinary Shares, rights, options or warrants, evidence of indebtedness, or cash, securities, or other property or assets.

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

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

#### **PLAN OF DISTRIBUTION**

Pursuant to the Underwriting Agreement dated November 14, 2022 among the Company and the Underwriters, the Company has agreed to sell, and the Underwriters have agreed severally, and not jointly nor jointly and severally, to purchase, as principals, on the Closing Date, an aggregate of 1,819,000 Units at the Offering Price for aggregate gross proceeds of up to C\$5,002,250 payable in cash to the Company against delivery of the Units, subject to compliance with all of the necessary legal requirements and to the conditions contained in the Underwriting Agreement. The obligations of the Underwriters are several and not joint and not joint and several and may be terminated at the Underwriters' discretion upon the occurrence of certain events, including "disaster out", "material change or change in material fact out", and "breach out". The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement. The Offering Price and other terms of the Offering were determined by arms' length negotiation among the Company and the Lead Underwriter, on its own behalf and on behalf of the Underwriters.

The Company has agreed to grant to the Underwriters the Over-Allotment Option, exercisable in whole or in part, at the Underwriters' sole discretion, to purchase up to 272,850 Additional Units (representing up to 15% of the Units sold pursuant to the base Offering) at the Offering Price, to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, at any time or times during the 30 day period immediately following the Closing Date. The grant of the Over-Allotment Option and the Additional Securities issuable upon exercise of the Over-Allotment Option are qualified for distribution under this Prospectus. A purchaser who acquires Units forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay certain reasonable expenses incurred by the Underwriters in connection with the Offering. The Company has also agreed pursuant to the terms of the Underwriting Agreement to indemnify the Underwriters, their subsidiaries and affiliates, and each of their

respective directors, officers, employees, consultants, shareholders and agents against certain liabilities and expenses and to contribute to payments that the Underwriters may be required to make in respect thereof.

The total gross proceeds payable in cash to the Company against delivery of Units is expected to be C\$5,002,250 (assuming no portion of the Over-Allotment Option has been exercised). In consideration for the services provided by the Underwriters in connection with the Offering and pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters, the Underwriters' Commission, equal to 6.0% of the aggregate gross proceeds of the Offering (including any gross proceeds raised on the exercise of the Over-Allotment Option). The Company has also agreed to grant to the Underwriter such number of Broker Warrants as is equal to 3.0% of the Units sold under the Offering (including the Additional Units). Each Broker Warrant shall entitle the holder to acquire one Unit at the Offering Price at any time on or before the date that is 24 months from the Closing Date.

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

The Units will be offered in the provinces of Alberta, British Columbia, Ontario and Saskatchewan through the Underwriters or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. The Units may also be offered for sale in the United States under certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws. Subject to applicable law, the Units may be offered in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters, provided that no prospectus filing, registration statement or comparable obligation arises in such jurisdictions.

H.C. Wainwright & Co., LLC is not registered as a dealer in any Canadian jurisdiction and, accordingly, will only sell Offered Shares in the United States and will not, directly or indirectly, solicit offers to purchase or sell the Offered Shares in Canada.

It is expected that the closing of the Offering will occur on or about November 29, 2022, or such other date as may be mutually agreed to by the Company and the Underwriters, but in any event, not later than 42 days after the date of the receipt for the (final) short form prospectus. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is anticipated that the Units (other than in respect of Units issued to a limited number of purchasers) will be delivered under the book-based system through CDS or its nominee and deposited in electronic form with CDS on the Closing Date. A purchaser of Units which have been deposited in electronic form with CDS will receive only a customer confirmation from the registered dealer, broker, bank or other financial institution (each a "**CDS Participant**") through which the Units are purchased. Certificates evidencing the Units or Warrants comprising the Units may be issued to purchasers under the Offering only in certain limited circumstances. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. Other than in certain limited circumstances, no purchaser of Units will receive a certificate or other instrument from the Company, the Underwriters or CDS evidencing that person's interest in or ownership of any Units, or will be shown on the records maintained by CDS, except through an agent that is a CDS Participant.

The Underwriters propose to offer the Units initially at the Offering Price. After the Underwriters have made reasonable efforts to sell all of the Units at such price, the Offering Price may be decreased, and may be further changed from time to time, to an amount not greater than the Offering Price and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds to be paid by the Underwriters to the Company. Notwithstanding any reduction in the Offering Price, the Company will still receive a net price of C\$2.585 per Unit purchased by the Underwriters under this Prospectus.

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

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

Each Underwriter has agreed that, except as agreed to between the Company and the Underwriters and as expressly permitted by applicable laws of the United States, it will not offer or sell the Units at any time within the United States or to or for the account or benefit of a U.S. Person as part of its distribution. The Underwriters, acting through their United States broker-dealer affiliate, are permitted to re-offer and re-sell the Units that they have acquired pursuant to the Underwriting Agreement in the United States and to, or for the account or benefit of, U.S. Persons that are "qualified institutional buyers" in accordance with Rule 144A under the U.S. Securities Act, and pursuant to similar exemptions under applicable state securities laws. Moreover, the Underwriters will otherwise offer and sell the Units outside the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Units that are sold in the United States or to or for the account or benefit of a U.S. Person will be "restricted securities" within the meaning of Rule 144 of the U.S. Securities Act and will be subject to restrictions to the effect that such securities have not been registered under the U.S. Securities Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units and in the United States or to, or for the account or benefit of, U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act and similar exemptions under applicable state securities laws.

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

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

## Notice to Certain Prospective Investors Outside of North America

### *European Economic Area*

This Prospectus has been prepared on the basis that all offers of the Units, if any, will be made in any member state (a “**Member State**”) of the European Economic Area pursuant to an exemption under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**EAA Prospectus Regulation**”), from the requirement to produce a prospectus for offers of the Units. Accordingly, any person making or intending to make any offer within any Member State of the Units should only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to produce a prospectus for such offer. Neither we nor any Underwriter has authorized, nor do we or they authorize, the making of any offer of the Units through any financial intermediary, other than offers made by the Underwriters, which constitute the final placement of the Units contemplated in this Prospectus.

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

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

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

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

### *United Kingdom*

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

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

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

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

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

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

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

#### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

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

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

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



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

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

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

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

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

#### ***Currency Conversion***

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

#### ***Allocation of Cost***

A Holder who acquires Units pursuant to the Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Offered Share and the Warrant comprising each Unit in order to determine their respective costs to such Holder for the purposes of the Tax Act. Holders should consult their own tax advisors in this regard.

The cost of each Offered Share comprising a part of a Unit acquired by a Holder pursuant to the Offering will be averaged with the adjusted cost base to such Holder of all other Ordinary Shares (if any) held by the Holder as capital property immediately prior to the acquisition for purposes of determining the adjusted cost base to a Holder of an Offered Share immediately following its acquisition.

### ***Exercise of Warrants***

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

### ***Taxation of Dividends***

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

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

### ***Disposition of Shares and Warrants***

Upon a disposition or a deemed disposition of a Share or Warrant (other than on the exercise of a Warrant), a Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security to the Holder. Generally, the expiry of an unexercised Warrant will give rise to a capital loss equal to the adjusted cost base to the Holder of such expired Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

### ***Capital Gains and Capital Losses***

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

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

### ***Additional Refundable Tax on Canadian-Controlled Private Corporations and Substantive CCPCs***

A Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act) for the year, including certain amounts in respect of net taxable capital gains, dividends and interest. The Tax Proposals released on August 9, 2022 extend this additional tax and

refund mechanism in respect of "aggregate investment income" to "substantive CCPCs" as defined in the Tax Proposals. Holders should consult their own advisors with respect to the application of the Tax Proposals.

### ***Minimum Tax***

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

### ***Foreign Property Information Reporting***

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

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

## **CERTAIN AUSTRALIAN INCOME TAX CONSIDERATIONS**

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

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

**This summary assumes that:**

- **the Company is a resident of Australia for income tax purposes; and**
- **all securities issued by the Company are "equity" for the purpose of Australian Tax Law.**

It is general in nature and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective security holder of the Company. No representations with respect to the income tax consequences for any prospective purchaser or holder are made. All purchasers or prospective purchasers of the Company's securities should consult their own tax advisor in relation to the taxation consequences of acquiring and holding securities, based on their particular circumstances, including but not limited to their country of tax residence.

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

### ***Dividends Paid on Ordinary Shares***

Australia's tax system includes a dividend imputation regime, whereby a company may impute a credit for underlying Australian income tax it has paid to its shareholders when a dividend is paid (also referred to as a franked dividend).

Regarding Australian dividend withholding tax:

- to the extent unfranked dividends are paid to non-resident shareholders, dividend withholding tax at a rate of 30% ordinarily applies;
- however, where there is an applicable Double Tax Agreement ("DTA") in place between Australia and the shareholder's country of tax residence, the withholding tax rate on an unfranked dividend may be limited to 15% (or lower for certain jurisdictions); and
- to the extent they are franked, dividends paid by an Australian resident company to non-resident shareholders should not be subject to dividend withholding tax.

Where dividend withholding tax applies, the Company is required to deduct and remit the appropriate amount of withholding tax to the ATO prior to paying the residual (net) dividend amount to the security holder.

Depending on the relevant law in the security holder's country of tax residence, a foreign tax credit for Australian dividend withholding tax paid may be available to the security holder.

### ***Dividends Received by Canadian Resident Shareholders***

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

- 5% where the dividend is fully franked, and the security holder is a company that holds at least a 10% interest (non-portfolio interest) in the Australian resident company<sup>8</sup>; or
- 15% of the dividend in all other cases.

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

### ***Dividends Received by Shareholders residing outside of Canada***

Any purchaser or potential purchaser of securities under this Prospectus should obtain independent taxation advice on the relevant considerations and implications of holding the Company's securities, including for example:

- the tax treatment of any dividends received based on the relevant law in the Purchaser's country of tax residence;
- whether a DTA exists between Australia and Purchaser's country of tax residence; and
- the applicable Australian dividend withholding tax rate which may apply to dividends declared and paid by the Company in the future.

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<sup>8</sup> Certain holding period rules may also apply, which require the securities in question to be held for a minimum of one year.

### **Conduit Foreign Income**

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

Based on its current legal structure and business operations, the Company is not currently expected to declare dividends as CFI.

### **Disposition of Ordinary Shares**

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

- the non-resident holds at least a 10% interest (non-portfolio interest) in the Australian resident company; and
- the value of Taxable Australian Property<sup>9</sup> (“TARP”) held by the above company exceeds the value of its non-TARP assets.

As previously mentioned, Canadian security holders will be subject to the provisions of the Canadian DTA. Article 13 of the Canadian DTA provides that, where the Company wholly or principally holds assets situated in Australia that are classified as real property<sup>10</sup>, the Canadian DTA will not limit Australia’s right to tax any gain on a disposal of securities in the Company by a Canadian tax resident.

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

### **PRIOR SALES**

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

<b>Date of Issuance</b>	<b>Securities</b>	<b>Amount</b>	<b>Issue Price/Exercise Price</b>
July 11, 2022	Ordinary Shares <sup>(1)</sup>	50,000	C\$1.00
July 14, 2022	Ordinary Shares <sup>(2)</sup>	40,050	C\$0.65
July 18, 2022	Ordinary Shares <sup>(1)</sup>	25,000	C\$1.00
August 11, 2022	Ordinary Shares <sup>(1)</sup>	2,000	C\$2.60
September 1, 2022	Ordinary Shares <sup>(3)</sup>	37,348	AUD\$0.61
September 6, 2022	Ordinary Shares <sup>(1)</sup>	15,385	C\$1.00
September 8, 2022	Ordinary Shares <sup>(4)</sup>	125,207	N/A
September 14, 2022	RSUs <sup>(5)</sup>	453,847	N/A
September 20, 2022	Ordinary Shares <sup>(1)</sup>	14,992	C\$1.00
September 20, 2022	RSUs <sup>(5)</sup>	253,651	N/A
September 20, 2022	Ordinary Shares <sup>(2)</sup>	2,538	C\$2.05
September 20, 2022	Ordinary Shares <sup>(7)</sup>	1,269	C\$2.60
September 28, 2022	Ordinary Shares <sup>(1)</sup>	25,000	C\$1.00
October 4, 2022	Ordinary Shares <sup>(1)</sup>	75,000	C\$1.00
October 7, 2022	Ordinary Shares <sup>(1)</sup>	77,500	C\$1.00

<sup>9</sup> TARP is generally real property situated in Australia, as well as mining, quarrying or prospecting rights.

<sup>10</sup> Applies where this test is satisfied at any time in the twelve months prior to the disposal date.

October 12, 2022	RSUs <sup>(5)</sup>	36,186	N/A
October 13, 2022	Ordinary Shares <sup>(1)</sup>	338,500	C\$1.00
October 14, 2022	RSUs <sup>(5)</sup>	4,017	N/A
October 20, 2022	RSUs <sup>(5)</sup>	193,348	N/A
October 20, 2022	Ordinary Shares <sup>(6)</sup>	33,173	N/A
October 21, 2022	RSUs <sup>(5)</sup>	20,952	N/A
October 27, 2022	PSUs <sup>(5)</sup>	34,508	N/A
October 28, 2022	Ordinary Shares <sup>(6)</sup>	12,107	N/A
November 3, 2022	Ordinary Shares <sup>(2)</sup>	60,012	C\$2.60

**Notes:**

- (1) Issued upon the exercise of Warrants.
- (2) Issued upon the exercise of 2021 Broker Warrants.
- (3) Issued upon the exercise of incentive stock options.
- (4) Issued pursuant to Assignment License and Supply Agreement with Ozkem. See "Description of the Business – Overview".
- (5) Issued pursuant to the Company's share incentive plan, of which a nil exercise price applies.
- (6) Issued upon the exercise of RSUs.
- (7) Issued upon the exercise of Underlying 2021 Broker Warrants.

**TRADING PRICE AND VOLUME**

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

Month Ended	High (C\$)	Low (C\$)	Volume (# of Ordinary Shares)
October 31, 2021	\$3.35	\$1.88	5,309,736
November 30, 2021	\$7.25	\$3.48	16,017,630
December 31, 2021	\$5.95	\$4.79	5,102,856
January 31, 2022	\$5.83	\$2.95	5,698,101
February 28, 2022	\$4.61	\$3.00	3,266,489
March 31, 2022	\$5.00	\$2.57	2,988,613
April 30, 2022	\$4.70	\$3.55	1,642,048
May 31, 2022	\$4.30	\$2.90	2,608,443
June 30, 2022	\$3.75	\$2.68	2,088,706
July 31, 2022	\$4.16	\$2.65	1,826,807
August 31, 2022	\$4.01	\$3.23	1,748,936
September 30, 2022	\$3.80	\$2.83	1,215,264
October 31, 2022	\$3.70	\$2.91	1,875,044
November 1 to 23	\$3.87	\$2.79	2,250,134

**RISK FACTORS**

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

## **Risks Related to the Business**

### *COVID-19 Public Health Crisis*

The ongoing management of the COVID-19 pandemic globally could adversely affect the Company, in particular, it could materially and adversely impact the Company's business, including without limitation, employee health, workforce availability and productivity, limitations on travel, supply chain disruptions, increased insurance premiums, and restrictions to the Company's ability to conduct its business. While the Company does not currently generate revenue from operations, future revenues and cash resources may be negatively affected and demand for the Company's products may decrease as partners and potential customers defer expenditure. Any such disruptions or closures could have a material adverse effect on the Company's business. In addition, parties with whom the Company does business or on whom the Company is reliant may also be adversely impacted by the COVID-19 pandemic which may in turn cause further disruption to the Company's business. Any long-term closures or suspensions may also result in the loss of personnel or the workforce in general as employees seek employment elsewhere.

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

### *Global Economic Factors*

Global events such as the COVID-19 pandemic and the conflict in Ukraine have led to significant global economic volatility, including an inflationary environment and rapid increases in the costs of labour, consumables and equipment. As a result of this higher capital and operating cost environment, the Company will potentially face increased costs in connection with its business and operations. This could, in turn, impede the Company's ability to develop its graphene manufacturing projects and related technologies, or to achieve estimated production, revenue or cost levels, or to receive an adequate return on invested capital, any which could have a material adverse effect on its business, results of operations and financial condition.

### *Performance and Scalability*

In order to achieve its stated objectives, the Company will have to successfully scale its graphene production and internally developed or co-developed products and solutions, while ensuring quality and reliability. As a consequence, there is a risk that the Company may not continue to maintain or continue to demonstrate product quality. For example, energy savings resulting from the Company's TXR customer offering may not continue to provide customers with substantial energy savings in future.

In addition, there is a risk that the Company may produce a high-quality prototype, but may not be able to develop a scalable production process or seek a suitable licensee. For example, the groundwork done on the G+AI Batteries in partnership with UQ has yielded superior performance results such as high energy density. Despite these results and the research project that has commenced with UQ, GMG may be unable to build a methodology for continuous commercial production of cathode materials for the G+AI Battery. Thus, even if a high-performance technology is developed, there may be challenges associated with scaling production of cathodes or cathode material and commercialising the product. Even if GMG develops a high-quality product, which can be produced on a large scale, the Company may not be able to satisfy the specification requirements of prospective customers. For example, if GMG successfully develops a G+AI battery, or cathode or cell which is a component of such a battery, it may not satisfy certain requirements of the electric vehicle industry or other target industries. The occurrence of any of the foregoing circumstances could have a material adverse effect on its business, results of operations and financial condition.

### *Product Development and Technological Change*

Given that the Company does not have a sustained history of successful use of the Company's graphene powder and graphene-enhanced products in commercial applications, there can be no assurance that broad successful commercial applications may be technically feasible. A significant portion of the scientific and engineering data related to the Company's products has been generated by the Company's own laboratories or laboratory environments at our customers or third-parties, like universities and national laboratories, and results are accordingly subject to the well known risk that laboratory data is not always representative in commercial applications.

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

### *Technology May Not Be Effectively Commercialized*

Most of the Company's products and solutions are currently in the research and development and commercialization phases, at various stages of progression. Accordingly, there is a risk that the Company's technology and the Company's products will not perform as expected (e.g. lubricants, coolants, and G+AI Batteries) in certain applications and therefore, the Company may encounter delays to commercialization or may run the risk that the technologies will never be successfully commercialized. As a result, the Company may never receive revenues or an economic return on its investments in research and development activities.

## **Risks Related to the Offering**

### *Completion of the Offering*

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

### *Use of Proceeds of the Offering*

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

### *Loss of Investment*

There is no guarantee that an investment in the Units, including the Unit Shares and Warrants comprised thereof, will earn any positive return in the short term or long term. An investment in such securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the Units is suitable only for those investors who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. An investment in the securities of the Company is appropriate only for investors who have the capacity to absorb a loss of their entire investment.



### *Historical Negative Cash Flow from Operations*

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

### *Dilution*

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

### *Forward-Looking Statements May Prove Inaccurate*

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

### *Volatility Market Price of Ordinary Shares*

There can be no assurance that an active market for the Ordinary Shares will be sustained. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, such as the COVID-19 pandemic, could adversely affect the market price for the Ordinary Shares.

### *Shareholder Rights*

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

such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes in the powers or rights of Ordinary Shares that result from such amendment.

#### *Additional Financing*

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

#### *No Market for Warrants*

There is currently no market through which the Warrants may be sold and purchasers may not be able to sell the Warrants purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. There can be no assurance that a secondary market for the Warrants will develop or be sustained after the Closing Date. Even if a market develops for the Warrants, there can be no assurance that it will be liquid. In the event the market price of the Ordinary Shares does not exceed the exercise price of the Warrants during the period when the Warrants are exercisable, the Warrants may not have any value. Warrant holders will have no rights as shareholders of the Company until they exercise the Warrants in accordance with their terms. Upon exercise of the Warrants, holders of the Warrant Shares deliverable on the exercise of such Warrants will be entitled to exercise the rights of a shareholder in respect of such Warrant Shares only in respect of matters for which the record date occurs after the exercise date.

### **INTEREST OF EXPERTS**

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

Certain legal matters relating to the Offering and this Prospectus will be passed upon by DuMoulin Black LLP and Thorsteinssons LLP, on behalf of the Company, and by Bennett Jones LLP on behalf of the Underwriters. Based on security holdings as of November 23, 2022, the designated professionals of DuMoulin Black LLP, as a group, the designated professionals of Thorsteinssons LLP, as a group, and the designated professionals of Bennett Jones LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding Ordinary Shares. In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

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

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

### **LEGAL PROCEEDINGS**

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

### **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering involving Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

**CERTIFICATE OF THE COMPANY**

November 24, 2022

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta, Ontario and Saskatchewan.

*"Craig Nicol"*

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Craig Nicol  
**Chief Executive Officer**

*"Frederick Kotzee"*

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Frederick Kotzee  
**Chief Financial Officer**

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"Guy Outen"*

\_\_\_\_\_  
Guy Outen  
**Director**

*"William Ollerhead"*

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William Ollerhead  
**Director**

**CERTIFICATE OF THE PROMOTER**

November 24, 2022

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta, Ontario and Saskatchewan.

*"Craig Nicol"*

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Craig Nicol

**Promoter**

**CERTIFICATE OF THE UNDERWRITERS**

November 24, 2022

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta, Ontario and Saskatchewan.

**EIGHT CAPITAL**

*"John Sutherland"*

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John Sutherland  
Principal, Managing Director

**RAYMOND JAMES LTD.**

*"Jimmy Leung"*

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Jimmy Leung  
Managing Director, Head of Sustainability Investment Banking

**LEEDE JONES GABLE INC.**

*"Michael Lorimer"*

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Michael Lorimer  
Managing Director

**PI FINANCIAL CORP.**

*"Vay Tham"*

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Vay Tham  
Managing Director

**RESEARCH CAPITAL CORPORATION**

*"David Keating"*

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David Keating  
Managing Director