

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

A copy of this preliminary prospectus has been filed with the securities regulatory authorities in British Columbia, and Alberta but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority in British Columbia and Alberta.

This preliminary 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, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly in the United States of America, its territories or possessions. See "Plan of Distribution".

NEW ISSUE

May 11, 2017

GRAPHITE ENERGY CORP.

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OFFERING:

1,674,500 Common Shares on Exercise of 1,674,500 Outstanding Special Warrants

This prospectus (the "**Prospectus**") qualifies the distribution of 1,674,500 common shares (each, a "**Special Warrant Share**") of Graphite Energy Corp (the "**Company**") to be distributed, without additional payment, upon the exercise or deemed exercise of 1,674,500 issued and outstanding special warrants (each, a "**Special Warrant**") of the Company.

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the securities under this Prospectus upon the exercise or deemed exercise of the Special Warrants.

The Special Warrants were issued by the Company on a private placement basis (the "**Special Warrant Private Placement**") on February 28, 2017 (the "**Closing Date**"). Each Special Warrant was issued with one-half (1/2) of one share purchase warrant, with each whole warrant entitling the holder thereof to acquire one additional common share of the Company at an exercise price of \$0.20 per share, for a period of 18 months from issuance. The Company received gross proceeds of \$167,450 and net proceeds of \$157,450 from the sale of the Special Warrants. The Company issued an aggregate of 1,674,500 Special Warrants. Upon exercise or deemed exercise of the Special Warrants, and without additional payment therefor, the Company will issue 1,674,500 Special Warrant Shares.

	Price	Net Proceeds to the Company⁽¹⁾
Per Special Warrant	\$0.10	\$0.09675
Total	\$167,450	\$157,450

⁽¹⁾ Before deducting the legal, accounting and administrative expenses of the Company in connection with the Special Warrant Private Placement, estimated at approximately \$10,000.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted on any stock exchange or quotation service.

Concurrently with the filing of this Prospectus, the Company intends to apply to list its issued and outstanding Common Shares, the Special Warrant Shares qualified under this Prospectus and all other Common Shares issuable as described in this Prospectus on the Canadian Securities Exchange (the "Exchange").

There is currently no market through which any of the securities being distributed under this Prospectus, may be sold, and purchasers may not be able to resell such securities acquired hereunder. This may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information".

An investment in securities of the Company involves a high degree of risk and must be considered speculative due to the nature of the Company's business and the present stage of exploration of its mineral property. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by investors in connection with an investment in the Company's securities. See "Risk Factors".

Notwithstanding that this Prospectus is being filed to qualify the distribution of all securities issuable upon the exercise or deemed exercise of the Special Warrants, in the event that a holder of Special Warrants exercises such securities prior to the date that the Receipt is received by the Company, the securities issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by applicable securities laws.

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. The information contained in the Prospectus is accurate only as of the date of this Prospectus.

The Company's head office is located at 700 West Pender Street, Suite 610, Vancouver, British Columbia, Canada, V6C 1G8. The Company's registered office is located at Suite 409, 221 West Esplanade, North Vancouver, British Columbia V7M 3J3.

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GLOSSARY OF NON-TECHNICAL TERMS

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the financial statements of the Company may be defined separately and the terms defined below may not be used therein.

"**Author**" means Martin Either, P.Eng the author of the Technical Report;

"**Board**" means the Board of Directors of the Company;

"**Closing**" means the closing of the Special Warrant Private Placement;

"**Closing Date**" means February 28, 2017;

"**Common Shares**" means the common shares in the capital of the Company and "Common Share" means any one of them;

"**Company**" means Graphite Energy Corp.;

"**Escrow Agent**" means Computershare Investor Services Inc.;

"**Escrow Agreement**" means the NP 46-201 escrow agreement dated May 8, 2017, among the Company, the Escrow Agent and various Principals and shareholders of the Company;

"**Exchange**" means the Canadian Securities Exchange;

"**Lac Aux Bouleaux (or LAB) Graphite Property**" means the property consisting of 14 continuous mineral claims (758.12 hectares) near the town of Mont-Laurier in Southern Quebec;

"**Listing Date**" means the date on which the Common Shares of the Company are listed for trading on the Exchange;

"**Named Executive Officers**" means the following individuals:

- (a) the Company's Chief Executive Officer;
- (b) the Company's Chief Financial Officer (CFO);
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose individual total compensation exceeds \$150,000 for that financial year; and
- (d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year;

"**NI 41-101**" means National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators;

"**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure for Mineral Properties* of the Canadian Securities Administrators;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators;

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators;

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings* of the Canadian Securities Administrators;

"**NP 58-201**" means National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators;

"**NSR**" means the 3% net smelter returns royalty interest from the sale of mineral products from the Lac Aux Bouleaux Graphite Property following the commencement of commercial production less allowable deductions, to Geomap Exploration, Inc. and Nathan Rotstein, collectively;

"**Offering**" means the offering of 1,674,500 Special Warrant Shares of the Company as described in this Prospectus;

"**Offering Price**" means \$0.10 per Special Warrant;

"**Option Plan**" means the Company's stock option plan adopted on May 3, 2017, by the Board, and providing for the granting of incentive options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange;

"**Principal**" of an issuer means:

- (a) a person or company who acted as a promoter of the issuer within two years before the prospectus;
- (b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus;
- (c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering; or
- (d) a 10% holder – a person or company that:
 - (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering, and
 - (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries;

"**Private Placements**" means the non-brokered private placement financings by the Company conducted in October 2016 and November 2016, and consisting, respectively, of an aggregate of: 3,000,000 Common Shares at a price of \$0.005 per Share (October 15, 2016); 6,500,000 units at a price of \$0.02 per unit, with each unit consisting of one Common Share and ½ of one share purchase warrant, with each whole warrant exercisable at \$0.10 per additional Common Share for 18 months (October 31, 2016); 2,600,000 units at a price of \$0.05 per unit with each unit consisting of one Common Share and ½ of one share purchase warrant, with each whole warrant exercisable at \$0.10 per additional Common Share for 18 months (November 15, 2016); and the Special Warrant Price Placement;

"**Prospectus**" means this preliminary prospectus dated May 11, 2017;

"**Qualified Person**" means an individual who:

- (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these;
- (b) has experience relevant to the subject matter of the Lac Aux Bouleaux Graphite Property and of the Technical Report; and

- (c) is in good standing with a professional association and, in the case of a foreign association listed in Appendix A of NI 43-101, has the corresponding designation in Appendix A of NI 43-101;

"Securities Commission" means the British Columbia Securities Commission;

"Special Warrant" means a special warrant issued by us entitling the holder the right to acquire, without additional payment, one Common Share for each special warrant held, the issuance of which Common Shares are qualified for issuance under this Prospectus;

"Special Warrant Private Placement" means the private placement closed by us for 1,674,500 Special Warrants at a price of \$0.10 per Special Warrant for total gross proceeds of \$167,450. Each Special Warrant had issued with it ½ of one share purchase warrant, with each whole warrant exercisable at \$0.20 per additional Common Share for 18 months. Each Special Warrant entitles the holder to acquire, without further payment, one Common Share as described below:

The Special Warrants will automatically convert on the earlier of: (a) the first business day following the day on which a receipt for a (final) prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Provinces of British Columbia and Alberta; and (b) four months from the date of issuance of the Special Warrants;

"Special Warrant Shares" means the 1,674,500 Common Shares of the Company issued on exercise or deemed exercise of the Special Warrants, qualified under this Prospectus;

"Technical Report" means the report on the Lac Aux Bouleaux Graphite Property entitled "Lac Aux Bouleaux Graphite Property" prepared for the Company by the Author, in accordance with NI 43-101.

GLOSSARY OF TECHNICAL TERMS

Alluvium	Sediment deposited by flowing water, as in a riverbed, flood plain, or delta
Allochthonous	Geological material, deposits, terrane, that have been transported and then accumulates elsewhere (opposite of autochthonous)
Anomaly, Anomalous	A deviation from a normal value, suggestive of buried mineralization
Anticline	An arched fold of stratified rock from whose central axis the strata slope downward in opposite directions
Argillite	A highly compacted sedimentary or slightly metamorphosed sedimentary rock consisting primarily of particles of clay or silt
Arsenopyrite	A silvery grey metallic mineral consisting of a sulphide of iron and arsenic, FeAsS ₂ ; a mineral commonly associated with gold mineralization
Autochthonous	Rocks, deposits, etc. found where they and their constituents were formed (opposite of allochthonous)
Back arc basin	Back-arc basins are geologic features, submarine basins associated with island arcs and subduction zones. They are found at some convergent plate boundaries, presently concentrated in the Western Pacific ocean.
Barite	A mineral consisting of barium sulfate (BaSO ₄)
Basalt	A common extrusive volcanic rock, fine grained, grey to black in colour, formed from the rapid cooling of basaltic lava
Breccia	A rock composed of broken fragments of minerals or rock cemented together by a fine-grained matrix, that can be either similar to or different from the composition of the fragments
Chalcopyrite	A mineral consisting of copper, iron and sulfur (Cu ₂ FeS ₄)
Chlorite, Chloritized	A group of usually greenish, soft minerals, (Mg,Al,Fe)(Si,Al)O(OH), that break into thin, flexible, mica like sheets and are usually found in metamorphic rocks
cm	Centimetre, one hundredth of a metre, which is the International System of Units (SI) base unit of length
Conglomerate	A sedimentary rock consisting of individual rounded fragments within a finer-grained matrix that have become cemented together
Conductor	Term used to describe a group of anomalously high conductivity results from electromagnetic surveys, measured in units of Siemens or milli Siemens
Craton	The term craton is used to distinguish the stable portion of the continental crust from regions that are more geologically active and unstable.
Cretaceous	A geologic period and system from about 145 to 66 million years (Ma) ago
Cryptodome	A lava dome is a roughly circular mound-shaped protrusion resulting from the slow extrusion of viscous lava from a volcano.
Dacite	A fine grained light gray volcanic rock containing a mixture of plagioclase and other crystalline minerals
Diamond Drilling	Rotary drilling using diamond-set or diamond-impregnated bits, to produce a solid continuous core of rock sample
Dip	The angle that a structural surface, a bedding or fault plane, makes with the horizontal, measured perpendicular to the strike of the structure
Dike, dyke	A sheet of rock that formed in a crack in a pre-existing rock body. It is a type of tabular or sheet intrusion, that either cuts across layers in a planar wall rock structures, or into a layer or unlayered mass of rock.
EM, Electromagnetic Survey	Measurement of the apparent conductivity or resistivity of the sub-surface by recording the response of a secondary electrical field induced by the pulsing of a current through a fixed or mobile loop
Fault	A surface or zone of rock fracture along which there has been displacement

Facies	Facies refers to a body of rock with specified characteristics. Ideally, a facies is a distinctive rock unit that forms under certain conditions of sedimentation, reflecting a particular process or environment.
Feldspar	A group of rock-forming tectosilicate minerals that make up as much as 60% of the Earth's crust, comprised of potassium, calcium, aluminum, silicon and oxygen.
Felsic	Refers to igneous rocks that are relatively rich in elements that form feldspar and quartz
Flow dome	In volcanology, a roughly circular mound-shaped protrusion resulting from the slow extrusion of viscous lava from a volcano. The characteristic dome shape is attributed to high viscosity that prevents the lava from flowing very far.
Footwall	The two sides of a non-vertical fault or vein are known as the hanging wall and footwall. By definition, the hanging wall occurs above the fault plane and the footwall occurs below the fault or vein.
Formation	A distinct layer of sedimentary rock of similar composition
g/t	1 gram per (metric) tonne = 1 ppm = 1000 ppb = 0.0292 troy ounce per short ton
Galena	A mineral consisting of lead and sulfur (PbS)
Geochemical	The distribution and amounts of the chemical elements in minerals, ores, rocks, solids, water, and the atmosphere
Geophysical	The mechanical, electrical, gravitational and magnetic properties of the earth's crust
Geophysical Surveys	Survey methods used primarily in the mining industry as an exploration tools, applying the methods of physics and engineering to the earth's surface
Granite	A common, coarse-grained, light-colored, hard igneous rock consisting chiefly of quartz, orthoclase or microcline, and mica
Greenstone	Any of various altered basic igneous rocks colored green by chlorite, hornblende, or epidote
Greywacke	Any dark sandstone or grit having a matrix of clay minerals
Hanging wall	The two sides of a non-vertical fault or vein are known as the hanging wall and footwall. By definition, the hanging wall occurs above the fault plane and the footwall occurs below the fault or vein.
Host Rock	The rock in which a mineral or an ore body may be contained
Hyaloclastite	A hydrated tuff-like breccia rich in black volcanic glass, formed during volcanic eruptions under water, under ice or where subaerial flows reach the sea or other bodies of water. It has the appearance of angular flat fragments sized between a millimeter to few centimeters. The fragmentation occurs by the force of the volcanic explosion, or by thermal shock during rapid cooling.
Hydrothermal	The products of the actions of heated water, such as a mineral deposit precipitated from a hot solution
Igneous	Rocks that have solidified from magma
IP	Induced Polarization – to map anomalous ground chargeability which is often related to disseminated type sulphide deposits
Isocline	A geologic fold that has two parallel limbs
ISO 9001	ISO 9001:2008 sets out the criteria for a quality management system and is the only standard in the family that can be certified to (although this is not a requirement). It can be used by any organization, large or small, regardless of its field of activity. In fact ISO 9001:2008 is implemented by over one million companies and organizations in over 170 countries.
Jurassic	A geologic period and system that extends from 201.3 Ma (million years ago) to 145 Ma
km	Kilometre
Lapilli	Small rounded or irregularly shaped pieces of lava between the size of a pea and a walnut, ejected together with volcanic bombs and ash during volcanic eruptions

Lithosphere	The brittle uppermost shell of the earth, broken into a number of tectonic plates. The lithosphere consists of the heavy oceanic and lighter continental crusts, and the uppermost portion of the mantle.
Lithostratigraphic	Stratigraphy based on the physical and petrographic properties of rocks
m	Metre; 1 metre is equal to 1000 mm (millimetre), or 1000000 μm (micrometre)
M	Million
Ma	Million years
Mafic	Containing or relating to a group of dark-colored minerals, composed chiefly of magnesium and iron, which occur in igneous rocks
Magnetic Survey	One of the tools used by exploration geophysicists in their search for mineral-bearing ore bodies; the essential feature is the measurement of the magnetic-field intensity. Geologists and geophysicists also routinely use it to tell them where certain rock types change and to map fault patterns.
Magmatism	The formation of igneous rock from magma
Mesozonal	Zone of development of mineralization or magmatism at moderate depth (7-16 km) in the earth's crust
Metamorphic, metamorphism	Change in structure or composition of a rock as a result of heat and pressure
μm	A micrometre, μm is an SI unit of length equal to one millionth of a metre, or about a tenth of the size of a droplet of mist or fog.
Mineral	A naturally occurring inorganic crystalline material having a definite chemical composition
Mineralization	A natural accumulation or concentration in rocks or soil of one or more potentially economic minerals, also the process by which minerals are introduced or concentrated in a rock
mm	Millimetre, one thousandth of a metre, the International System of Units (SI) base unit of length
National Instrument 43-101 or NI 43-101	Standards of disclosure for mineral projects prescribed by the Canadian Securities Administration
Nugget effect	The often complex, erratic, and localized nature of gold is a common feature of many vein-style gold deposits. This style of mineralization is often referred to as being nuggety or possessing a high-nugget effect.
Ore	Mineral bearing rock that can be mined and treated profitably under current or immediately foreseeable economic conditions
Ore body	A mostly solid and fairly continuous mass of mineralization estimated to be economically mineable
Orogenic	The formation of mountain ranges by intense upward displacement of the earth's crust, usually associated with folding, thrust faulting, and other compressional processes
Pelite, pelitic	A sediment or sedimentary rock composed of fine fragments, as of clay or mud
Peperite	A sediment or sedimentary rock composed of fine fragments, as of clay or mud
Phyllite	A compact lustrous metamorphic rock, rich in mica, derived from a shale or other clay-rich rock
Plutonic	Pertaining to igneous rocks derived from magma that has cooled and solidified below the surface of the earth
ppb	Parts per billion, a measurement of concentration
ppm	Parts per million, a measurement of concentration. 1 ppm = 1000 ppb = 1 gram per tonne

Porphyry, porphyritic, phytic	The texture of a rock in which relatively large phenocrysts with regular crystal faces are set in a generally fine-grained groundmass
Pumice	A volcanic glass formed by the solidification of lava that is permeated with gas bubbles. Usually found at the surface of a lava flow, it is colorless or light gray and has the general appearance of a rock froth.
Pyrite	A mineral composed of iron and sulfur (FeS ₂)
Pyroclastic	Pyroclastic flow, turbulent, fluidized mixture of rock, volcanic ash, and hot gas that moves like an avalanche away from a volcanic eruption
QA/QC	Quality Assurance/Quality Control is the process of controlling and assuring data quality for assays and other exploration and mining data
Qualified Person	The term “qualified person” refers to an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, has experience relevant to the subject matter of the mineral project and the technical report and is a member in good standing of a recognized professional association.
Resistivity	The inverse of a conductivity, expressed in units of ohm metres
Rhyolite	A fine-grained light-colored acidic volcanic rock. Rhyolite is chemically the equivalent of granite, and is thus composed primarily of quartz and orthoclase feldspar with subordinate amounts of plagioclase feldspar, biotite mica, amphiboles, and pyroxenes.
Rock	Indurated naturally occurring mineral matter of various compositions
RTP	Reduction to pole. The simplification of the interpretation of magnetic anomalies by modifying the anomaly pattern to that which it would be in a vertical field, i.e. if the locality were at the north (or south) magnetic pole; induced magnetic effects would then be symmetrical.
Sericite, sericitization	A variety of white mica, usually muscovite, KAl ₂ [AlSi ₃ O ₁₀](OH) ₂ ; a hydrothermal or metamorphic process involving the introduction of or replacement by sericite
Shale	A fine-grained laminated or fissile sedimentary rock made up of silt- or clay-size particles
Silicification	Introduction of, or replacement by, silica (SiO ₂ naturally occurring silicon dioxide)
Sill	A sill is a tabular sheet intrusion that has intruded between older layers of sedimentary rock, beds of volcanic lava or tuff, or even along the direction of foliation in metamorphic rock.
Sphalerite	A mineral composed of zinc, iron and sulfur ([Zn,Fe]S)
Stockwork	A mineral deposit in the form of a network of veinlets diffused in the country rock
Strike	The direction or trend that a structural surface, e.g. a bedding or fault plane, takes as it intersects the horizontal
Subduction	Subduction is the process that takes place at convergent boundaries by which one tectonic plate moves under another tectonic plate and sinks into the mantle as the plates converge.
Sulfide, sulphide	A mineral including sulfur (S) and iron (Fe) as well as other elements
Tectonic	Relating to the forces that produce movement and deformation of the Earth's crust
Tectonostratigraphic	Relating to the correlation of rock formations with each other in terms of their connection with a tectonic event
Terrane	A terrane in geology is a shorthand term for a tectonostratigraphic terrane, which is a fragment of crustal material formed on, or broken off from, one tectonic plate and accreted or "sutured" to crust lying on another plate.
Triassic	A geologic period and system that extends from about 250 to 200 Ma (252.2 ± 0.5 to 201.3 ± 0.2 million years ago).
Tuff	A type of rock consisting of consolidated volcanic ash ejected from vents during a volcanic eruption.

Tonne	Metric ton = 1000 kilograms = 1.102311 tons (short)
Turbidite	A sedimentary deposit formed by a turbidity current
Vein	A thin, sheet-like crosscutting body of hydrothermal mineralization, principally quartz
Volcanic Arc	A usually arc-shaped chain of volcanoes located on the margin of the overriding plate at a convergent plate boundary
Volcaniclastic	Clastic rock containing volcanic material in any proportion
VMS, VHMS	Volcanogenic massive sulphide; Volcanic hosted massive sulphide. A type of metal sulfide ore deposit, mainly Cu-Zn associated with and created by volcanic-associated hydrothermal events in submarine environments.
VTEM	A proprietary deep sensing airborne geophysical survey system that identifies electrical conductivity of rock units

CURRENCY

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to \$ are to Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "forward looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to commodity prices, mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates, the timing and amount of future production, the timing of construction of any proposed mine and process facilities, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Prospectus contains forward-looking statements pertaining to the following:

- Proposed expenditures for exploration work, and general and administrative expenses (see "Property Description and Location" and "Use of Proceeds" for further details);
- Expectations generally regarding completion of this Offering and the ability to raise further capital for corporate purposes; and
- Treatment under applicable governmental regimes for permitting and approvals (see "Risk Factors").

Such forward-looking statements are based on a number of material factors and assumptions, and include the ultimate determination of mineral reserves, if any, the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop and operate any proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, availability of a qualified work force, and the ultimate ability to mine, process and sell mineral products on economically favourable terms. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See "Risk Factors". Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any forward looking information to reflect, among other things, new information or future events.

Following the closing of the Offering and the listing on the Exchange, the Company intends to discuss in its quarterly and annual reports referred to as the Company's Management's Discussion & Analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in the Prospectus. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Investors are cautioned against placing undue reliance on forward-looking statements.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

Principal Business of the Company: The Company is currently engaged in the business of exploration of mineral properties in Canada. The Company holds a right to acquire a 100% interest in and to the Lac Aux Bouleaux Graphite Property described herein, subject to certain royalties. The Company's objective is to explore and, if warranted, develop the Lac Aux Bouleaux Graphite Property. See "Description of the Business".

Management, Directors & Officers:

Afzaal Pirzada	President, Chief Executive Officer and Director
Sheri Rempel	Chief Financial Officer and Director
Bonnie Kagna	Director

See "Directors and Executive Officers".

The Property: The Lac Aux Bouleaux Graphite Property is an exploration stage property that consists of 14 mineral claims located near Mont-Laurier in Southern Quebec. See "Property Description and Location".

Special Warrants: This Prospectus is being filed to qualify the distribution in British Columbia and Alberta of 1,674,500 Shares issuable to the holders of a total of 1,674,500 issued Special Warrants, upon the automatic exercise of the Special Warrants giving each holder thereof the right to acquire, without additional payment, one Share for each Special Warrant held by them. The Special Warrants will automatically convert on the earlier of: (a) the first business day following the day on which a receipt for a final prospectus has been issued by a provincial securities commission; and (b) four months and a day from the date of issuance of the Special Warrants. Each Special Warrant was acquired by the holder for \$0.10 per Special Warrant for net proceeds of \$167,450 consisting of cash, and there will be no proceeds to us from the exercise of the Special Warrants.

Listing: The Company intends to apply to have its Common Shares listed on the Exchange. Listing is subject to the Company fulfilling all of the requirements of the Exchange, including minimum public distribution requirements. See "Plan of Distribution".

Use of Proceeds: The Company anticipates that total funds available to the Company, consisting of an estimated working capital of \$421,712 as at March 31, 2017, which will be used as follows:

- To pay for certain aspects the Phase I exploration program expenditures on the Lac Aux Bouleaux Graphite Property ⁽¹⁾	\$197,717
- To provide funding sufficient to meet administrative, legal, audit and office overhead costs for 12 months	\$50,000
- To pay for Prospectus costs and Exchange listing fees and expenses	\$50,000
- Unallocated working capital	<u>\$123,995</u>
TOTAL:	<u><u>\$421,712</u></u>

(1) See "Property Description and Location – Exploration and Development".

The Company intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. See "Use of Proceeds".

Risk Factors:

An investment in the Common Shares of the Company should be considered highly speculative and investors may incur a loss on their investment. The Company has no history of earnings. Resource exploration is a speculative business, characterized by a number of significant risks, including among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. If the Company loses its interest in the Lac Aux Bouleaux Graphite Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. The Lac Aux Bouleaux Graphite Property is in the exploration stage only and is without a known body of commercial ore. The Company and its assets may become subject to uninsurable risks. The Company's future operations may require permits which may not be granted to the Company. Additional Common Shares may be issued which will cause dilution to the ownership interests of the Company's shareholders. Environmental laws and regulations may affect the operations of the Company. The Company does not maintain key person insurance on any of its directors or officers. There is also no guarantee of the Company's title to the Lac Aux Bouleaux Graphite Property. The Lac Aux Bouleaux Graphite Property may in the future be the subject of First Nations land claims and claims by the underlying property owners. The Company holds a right to acquire a 100% interest in the Lac Aux Bouleaux Graphite Property and failure to keep its property interest in good standing could result in the partial or total loss of the Company's interest in the Lac Aux Bouleaux Graphite Property. The economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. The Company competes with other companies with greater financial resources and technical facilities. The Company is currently largely dependent on the performance of its directors and there is no assurance the Company can maintain their services. There is no assurance that additional funding will be available to the Company. There is currently no market for the Company's Common Shares and there can be no assurance that an active market will develop or be sustained after this Offering. Furthermore, in recent years, the price of publicly traded securities prices has fluctuated widely. Situations may arise where directors and officers who are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, will be in direct competition with the Company. See "Risk Factors".

**Summary
of Financial
Information:**

The following selected financial information is subject to and more fully explained in the detailed information contained in the financial statements of the Company and notes thereto incorporated into this Prospectus. The selected financial information is derived from the audited financial statements of the Company. The Company has established March 31 as its fiscal year end.

Statement of Operations, Comprehensive Loss and Deficit Data

	Period from Incorporation until March 31, 2017 (\$) (audited)
Revenue	Nil
Total Expenses	17,522
Net income (loss) for the period	(17,522)
Income (loss) per share (basic and diluted)	(0.00)

Balance Sheet Data

	As at March 31, 2017 (\$) (audited)
Current Assets	427,745
Total Assets	427,745
Current Liabilities	6,033
Long Term Debt	Nil
Shareholders' Equity	421,712

See "Selected Financial Information" and "Management's Discussion and Analysis".

CORPORATE STRUCTURE

Name and Incorporation

Graphite Energy Corp. was incorporated under the *Business Corporations Act* (British Columbia) on October 14, 2016. The Company's registered and records office is located at Suite 409 – 221 W. Esplanade, North Vancouver, BC V7M 3J3. The Company's head office is located at 700 West Pender Street, Suite 610, Vancouver, British Columbia, Canada, V6C 1G8.

Inter-corporate Relationships

The Company has no subsidiaries.

DESCRIPTION OF THE BUSINESS

The Company is engaged in the business of mineral exploration in Canada and its objective is to locate and, if warranted, develop economic mineral properties.

The Company holds a right to acquire a 100% interest, subject to a royalty interest to Geomap Exploration, Inc. and Nathan Rotstein, collectively, and a tonnage royalty to Gold Port Resources Ltd. (the "**Vendor**"), in 14 mineral claims comprising the Lac Aux Bouleaux Graphite Property. The Lac Aux Bouleaux Graphite Property is located near the town of Mont-Laurier in Southern Quebec. The Lac Aux Bouleaux Graphite Property consists of 14 claims covering an area of 738.12 hectares. The Lac Aux Bouleaux Graphite Property is the sole material property of the Company at this time, and the Company seeks to list its Common Shares on the Exchange with the Lac Aux Bouleaux Graphite Property as its qualifying property.

The Vendor is a party to a previous "Purchase Option Agreement", dated for reference March 20, 2015 (the "**Underlying Option Agreement**"), as initially entered into between Codrington Resource Corporation (and subsequently assigned to the Vendor, and amended on March 25, 2017) and Gold Port Resources Ltd. and Nathan Rotstein (collectively, the "**Underlying Property Owner**", pursuant to which the Vendor acquired from the Underlying Property Owner an exclusive option (the "**Underlying Option**") to acquire a 100% legal, beneficial and registerable interest, free and clear of all liens, charges, encumbrances, claims, rights or interests of others, in and to certain mineral property claims comprising the Lac Aux Bouleaux Graphite Property, subject to the NSR.

Stated Business Objectives

The Company's property, the Lac Aux Bouleaux Graphite Property, is in the exploration stage. The Company intends to use the net proceeds raised under the Offering to carry out the data compilation, resource estimation and ground exploration portions of the Phase I exploration program for the Lac Aux Bouleaux Graphite Property, which is budgeted for \$197,717. See "Property Description and Location" and "Use of Proceeds".

The exploration, and if warranted, development of the Lac Aux Bouleaux Graphite Property may depend on specialized skills and knowledge possessed by directors and officers of the Company that are applicable to the mining industry. As at the most recent financial year, the Company did not have any employees. Afzaal Pirzada, Chief Executive Officer, President and Director and Sheri Rempel, Chief Financial Officer and Director are consultants to the Company. The mineral exploration and development industry is very competitive. As an emerging issuer, the Company is subject to numerous competitive conditions such as need for additional capital and commercial viability of the Lac Aux Bouleaux Graphite Property.

THREE-YEAR HISTORY

Following incorporation, the Company was capitalized by completing the four Private Placement financings. The first financing raised \$15,000, the second financing raised \$130,000, the third financing also raised \$130,000 and the fourth financing, which was the Special Warrant Private Placement, raised \$167,450, which funds have been used for the acquisition of the Lac Aux Bouleaux Graphite Property and for exploration activities and for general working capital.

PROPERTY DESCRIPTION AND LOCATION

The Lac Aux Bouleaux Graphite Property

The information in this Prospectus with respect to the Lac Aux Bouleaux Graphite Property is derived from a National Instrument 43-101 compliant report entitled "Technical Report on the Lac Aux Bouleaux Graphite Property" prepared by Martin Either, P. Geo, dated April 19, 2017 (the "Technical Report"). Mr. Either is an independent and "Qualified Person" for purposes of National Instrument 43-101. The full text of the Technical Report is available for review at the registered office of the Company at Suite 409 – 221 W. Esplanade, North Vancouver, BC V7M 3J3, and may also be accessed online, under the Company's SEDAR profile at www.sedar.com.

The Lac Aux Bouleaux Graphite Property consists of 14 mineral claims in a contiguous block totalling 738.12 hectares land, on NTS sheet 31J05, near the town of Mont-Laurier in southern Québec. Nine claims (500.68 hectares) covering the historical graphite deposit, graphite showings, and electromagnetic conductors have been granted, while application for five claims (237 hectares) in the surrounding area is still pending.

The Property was optioned by the Company through an option agreement with the Vendor under which, the Company can earn 100% interest in the Lac Aux Bouleaux Graphite Property by issuing an aggregate of 5 million shares, making cash payments of \$180,000, and carrying out exploration and development work of \$120,000, as follows:

- a. Payments of CDN\$60,000 successively on each of April 28, 2017; the date on which the Company's Common Shares commence trading on the Exchange; and six months after such initial trading date.
- b. The issuance to the Vendor of 5,000,000 Common Shares, subject to escrow conditions and additional contractual transfer and trading restrictions.
- c. The Company granting the Vendor a tonnage royalty equal to CDN\$2.00 per tonne of material removed for processing from the Lac Aux Bouleaux Graphite Property.
- d. The Company shall incur CDN\$120,000 in qualified exploration expenses on the Lac Aux Bouleaux Graphite Property in 2017.

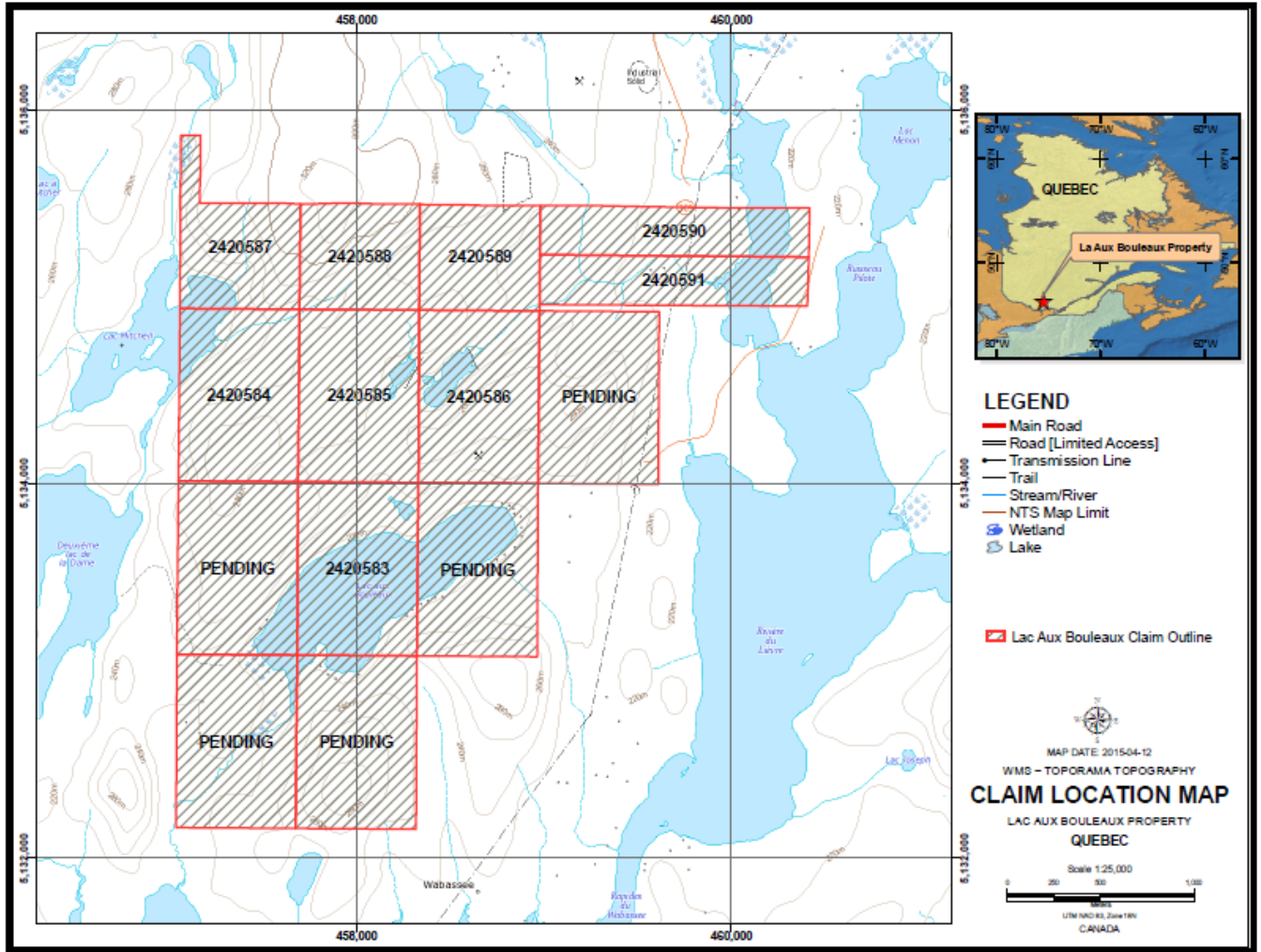
The Vendor is a party to a "Purchase Option Agreement", dated for reference March 20, 2015 (the "**Underlying Option Agreement**"), as initially entered into between Codrington Resource Corporation (and subsequently assigned to the Vendor, and amended on March 25, 2017) and Gold Port Resources Ltd. and Nathan Rothstein (collectively, the "**Underlying Property Owner**", pursuant to which the Vendor acquired from the Underlying Property Owner an exclusive option (the "**Underlying Option**") to acquire a 100% legal, beneficial and registerable interest, free and clear of all liens, charges, encumbrances, claims, rights or interests of others, in and to certain mineral property claims comprising the Lac Aux Bouleaux Graphite Property, subject to the NSR.

The property location is shown on Figure 1 and the claim location is shown on Figure 2.

Figure 1: Regional Property Location



Figure 2: Claim Location and Physiographic Map



Lac Aux Bouleaux Graphite Property Claim Status

A list of claims is provided in Table 1.

NTS Sheet	Area (Ha)	Title No	Status	Date of Registration	Expiry Date	Required Work (\$)	Required Fees (\$)	Titleholder(s) (Name, Number and Percentage)*
NTS 31J05	59,37	2420583	Active	29/12/2014	28/12/2018	\$1,200	\$55.25	Afzaal Pirzada (90960) 100 % (responsible)
NTS 31J05	59,36	2420584	Active	29/12/2014	28/12/2018	\$1,200	\$55.25	Afzaal Pirzada (90960) 100 % (responsible)
NTS 31J05	59,36	2420585	Active	29/12/2014	28/12/2018	\$1,200	\$55.25	Afzaal Pirzada (90960) 100 % (responsible)

NTS Sheet	Area (Ha)	Title No	Status	Date of Registration	Expiry Date	Required Work (\$)	Required Fees (\$)	Titleholder(s) (Name, Number and Percentage)*
NTS 31J05	59,36	2420586	Active	29/12/2014	28/12/2018	\$1,200	\$55.25	Afzaal Pirzada (90960) 100 % (responsible)
NTS 31J05	39,93	2420587	Active	29/12/2014	28/12/2018	\$1,200	\$55.25	Afzaal Pirzada (90960) 100 % (responsible)
NTS 31J05	36,22	2420588	Active	29/12/2014	28/12/2018	\$1,200	\$55.25	Afzaal Pirzada (90960) 100 % (responsible)
NTS 31J05	36,04	2420589	Active	29/12/2014	28/12/2018	\$1,200	\$55.25	Afzaal Pirzada (90960) 100 % (responsible)
NTS 31J05	37,7	2420590	Active	29/12/2014	28/12/2018	\$1,200	\$55.25	Afzaal Pirzada (90960) 100 % (responsible)
NTS 31J05	37,78	2420591	Active	29/12/2014	28/12/2018	\$1,200	\$55.25	Afzaal Pirzada (90960) 100 % (responsible)

* Mr. Pirzada holds the claims in trust to the benefit of the Company.

In Quebec, map designation is the main method of acquiring a mineral claim. To acquire a claim (or cell) by map designation, the applicant must complete the form "Notice of map designation" and pay the required fees. The title is granted on a first come, first served basis. Once the map designation notice is accepted, the Registrar makes an entry in the registry and issues a registration certificate for the claim. The holder is required to carry out assessment work prior to the 60th day preceding the second annual anniversary of the registration (Table 2). The LAB Graphite property claims were staked online using the above mentioned procedure outlined by the Quebec Ministry of Energy and Mines. Claims expiry dates are shown in Table 1 and the company is required to spend \$16,800 (\$1,200.00 per claim) in assessment work credits to maintain the claims in good standing for another term of two years as shown in Table 2.

Several property claims are located on private lands and the Company is required to negotiate with the surface right owner to gain access for mineral exploration work. Claims covering the historical deposit are on Crown Lands. The Company will require an exploration work permit on Crown Lands.

Nature and Extent of Company's Title

The Company holds a right to acquire a 100% interest, subject to a royalty interest to Geomap Exploration, Inc. and Nathan Rotstein, and a tonnage royalty to Gold Port Resources Ltd., in 14 contiguous mineral claims comprising the Lac Aux Bouleaux Graphite Property.

Royalties, Agreements and Encumbrances

The Lac Aux Bouleaux Graphite Property is subject to the NSR and a tonnage royalty. The NSR grants a 3% net smelter returns royalty interest from the sale of mineral products from the Lac Aux Bouleaux Graphite Property following the commencement of commercial production, to Geomap Exploration, Inc. and Nathan Rotstein, collectively. The tonnage royalty is equal to CDN\$2.00 per tonne of material removed for processing from the property.

Environmental Liabilities

Management is not aware of any environmental liabilities, which may have effect on the Company. The Company intends to fully comply with all environmental regulations.

Accessibility, Climate, Local Resources Infrastructure and Physiography

The Property is road accessible through a provincial highway (Route 117) from Montréal, and then following secondary roads 309 and 311. Various tertiary / forest roads provide access to different claims on the Property. The town of Mont-Laurier is located about 20 kilometres to the north, Montréal 150 kilometres to the southeast, and Ottawa 125 kilometres to the south of the Property. Mon-Laurier is also connected to Montreal via rail. The access has to be negotiated with the surface land owners before starting any exploration work on mineral claims located on private lands. The exploration programs on private lands in Quebec are generally run through negotiations and payment of standard reclamation costs for cutting trees, making access roads and movement of a drill rig. It must be noted that only a small portion of the LAB graphite property is under private lands, the majority of the claims, including the historical deposits are located within crown lands.

The Mont-Laurier area has a continental temperate climate with warm humid summers, cold and snowy winters, particularly in January. There are wide temperature variations in each season. The average winter temperature in the area ranges from $-4C^0$ to $-17C^0$, and the average summer temperature varies between $10C^0$ to $27C^0$ (Figure 3) Except for geological mapping and surface sampling which is only possible when there is no snow cover on the ground, the exploration work can be carried out throughout the year.

Mont-Laurier is the nearest town from the property, located 20 kilometres to the north on the banks of the Rivière du Lièvre, a tributary of the Ottawa River. According to the Canada 2006 Census, the population of Mont-Laurier is 13,405. It is one of the largest municipalities in Quebec in terms of area. The local economy is based on agriculture, farming, mining, forestry and tourism. Various industries and related service providers are present in the area. Specialized exploration services such as drilling and airborne geophysical survey companies provide their own personnel. Several lakes located on the property are a good source of water for exploration and mining work. Hydro Quebec power lines are located near the Property. The Property size is sufficient for future exploration and mining work. It is within 20 kilometres of the nearest railhead and Ottawa and Montreal international airports are located 125 and 150 kilometres away respectively. TIMCAL's Lac des Iles graphite open pit mine and onsite plant which is in operation since 1989 is located adjacent to the north of the Property.

Regionally the topography of the area is typical of "the Laurentian", representing an eroded plateau dissected into numerous ranges of hills that follow no apparent pattern. Between the hills are lakes of irregular shape and size, as well as alluvial plains which are generally narrow, long, and in many cases very sinuous. These plains are filled in with glacial, fluvial, or muskeg deposits. The property area is mostly covered by these quaternary glacio-fluvial deposits with few rock outcrops some of which have been exposed through exploratory trenching. General topographic elevation is in the range of 150 to 215 metres above sea level. There are several lakes which can be a source of water for exploration activities, out of which Lac Aux Bouleaux is prominent. The Lièvre River (Rivière du Lièvre in French) is the main drainage in the area. The river flows south from the Mitchinamécus reservoir and empties into the Ottawa River at Masson-Angers. It is 330 km in length and drains an area of 10,400 km². There are a number of hydroelectric plants on the river. The majority of the Property area is forested, with some farmlands near lakes and the river. The forests are mainly comprised of hard wood (white and yellow birch, ash, elm, beech, etc.) and fine groves of hemlock. At places, the hard wood is replaced by balsam, spruce, and cedar.

Large mammals include moose, caribou, and black bear. Small fur bearing animals include wolf, fox, lynx, mink, marten, and beaver, among others. The numerous lakes have abundant trout populations.

History

The LAB graphite mineralization was discovered in 1957 by two prospectors, a Mr. Phraz Arbic and Dr. L.J. LaRue. Subsequently, a mining company was formed and was named Italia Copper which carried out some stripping, diamond drilling, bulk sampling and identified a certain tonnage of large flake graphite within a deposit. Metallurgical test work was conducted at that time on bulk samples of the graphite material by three laboratories with favourable results. Due to financial problems, the property lapsed and was eventually acquired by the M.H.M. Syndicate which carried out more testing and arranged marketing outlets with firms in the United Kingdom. The firms were much impressed with the grade and quality of the flakes which surpassed other sources then on the market. The property

was allowed to lapse again due to financial problems; and in 1981 was staked by C. Gordon Awde and purchased by Orrwell Energy Corporation Ltd. ("Orrwell"). The property claims were held by TIMCAL until November 2014, were allowed to lapse and immediately staked by Geomap Exploration Inc., the current property owner.

The Quebec Ministry of Energy and Mines (MRNF) maintains records of past exploration and development work carried out on mineral claims. A review of the historical exploration work on the property is summarized below.

Orrwell acquired 539 hectares ground in 12 surveyed parcels (within the current claim block) and completed an exploration work program consisting of a ground electromagnetic geophysical survey, 79 diamond core drill holes totalling 19,550 feet (5,958 metres) drilling, and resource estimation work.

Orrwell completed three types of ground geophysical surveys on the property; the first was electromagnetic 16 (EM 16), the second a Max Min horizontal loop electromagnetic survey (HLEM), and the third a magnetic survey.

The EM 16 survey was made over the central and northern part of the claim group and indicated 11 major trends and 14 minor anomalies. This survey was not considered very useful for generating drill targets. The magnetometer survey was performed with a geometric Proton Magnetometer G-816 having one gamma sensitivity with readings taken at 50 feet intervals along the east-west grid lines. This survey was also not very effective for exploratory drill planning. Horizontal Loop Electromagnetic (HLEM) was conducted at 50 feet intervals. This survey not only proved very productive for the 1981-82 drill campaign but also identified five other potential graphite exploration zones.

NRG Metals Inc./GPPL completed an airborne geophysical survey, flown with a Eurocopter EC120B helicopter towing a ProspectorTEM time-domain electromagnetic transmitter and receiver and a Geometrics G-822A airborne magnetometer. A total of 281 kilometers were flown at an average altitude above ground of 90 metres with traverses every 50 metres oriented N115 and perpendicular control lines every 500 metres. Final contoured cell size for the data was 10 metres.

Geological Setting

Regional Geological Setting

Regionally, the area is underlain by Precambrian metamorphic and intrusive rocks. The oldest rocks belong to the Grenville series and are metasedimentary rocks including quartzite, biotite gneiss, quartzofeldspathic rocks, limestone/marble, and locally pegmatitic quartzofeldspathic rocks. These are cut by intrusive rocks, chiefly granites and syenites, more rarely diorites, and in places gabbro and ultrabasic dykes. The youngest rocks of Pleistocene age are represented by unconsolidated superficial deposits that are especially widespread in the region. In general, their thickness is in the range of 15-18 metres but is thicker locally in some of the old lake basins.

Local/Property Geology

The Property area is underlain by Precambrian age rocks of the Grenville Series comprised of quartzofeldspathic, garnetiferous paragneiss and limestone / marble beds. Quartzites are the least abundant of rocks in this Series. The igneous rocks which have invaded the metasedimentary sequence consist of gabbros, monzonites, anorthosites and diabase.

The majority of the property area is covered by limestone / marble and paragneiss. Marble is found as thin beds up to 1.5 metre thick and is generally medium grained crystalline limestone. It contains impurities such as phlogopite, graphite or serpentine.

Paragneiss is generally fine to medium grained with a variety of compositions such as, quartzo-feldspathic gneiss, biotite gneiss, biotite-garnet gneiss, biotite-garnet-sillimnite gneiss and biotite-hornblende gneiss. All compositional varieties contain some graphite. Narrow (30 cm) beds of quartzite are found interbedded with biotite-garnet gneiss at places.

Quartzite found as thin beds contains impurities such as feldspar/ microcline, biotite, hornblende, garnet, graphite), which define its color which can be white, grey, blue-grey, or pink-grey.

Gneissic bands of amphibolite are also found in paragneiss which are mainly composed of black or green hornblende, biotite and plagioclase. These are mostly medium grained rocks and exhibit a “salt and pepper” texture.

Gabbroic rocks are found in the southern parts of the Property and are mainly comprised of feldspar and hornblende.

Post Grenville lithologies on the Property are mainly east-west trending diabase dykes which are dark grey to dark greenish grey intruding into paragneiss rocks.

Deposit Types and Classification

Graphite is a soft, crystalline form of carbon under standard conditions and can be considered the highest grade of coal, though it is not normally used as fuel because it is difficult to ignite. It is gray to black, opaque, and has a metallic lustre. Graphite occurs naturally in metamorphic rocks such as marble, schist, and gneiss. It can also be found in veins and pegmatites.

Graphite is a good electrical conductor. There are three principal types of natural graphite each occurring in different types of deposits. These deposit types include crystalline flake graphite, amorphous graphite and lump graphite, also known as vein graphite.

Amorphous graphite is the lowest quality and most abundant. Amorphous refers to its very small crystal size and not to a lack of crystal structure. Amorphous is used for lower value graphite products and is the lowest priced graphite. Large amorphous graphite deposits are found in China, Europe, Mexico, and the United States.

The flake or crystalline form of graphite consists of many graphene sheets stacked together and is less common and higher quality than amorphous. Flake graphite occurs as separate flakes that crystallized in metamorphic rock and can be up to four times the price of amorphous. Good quality flakes can be processed into expandable graphite for many uses, such as flame retardants. The best known graphite flake deposits are found in Austria, Brazil, Canada, China, Germany, and Madagascar. Vein or lump graphite is the rarest, most valuable, and highest quality type of natural graphite. It occurs in veins along intrusive contacts in solid lumps, and it is only commercially mined in Sri Lanka.

The classification scheme most widely accepted for graphite deposits was introduced by Cameron (1960). It classifies known graphite deposits into five categories reflecting different types of graphite.

The five types of deposits are:

1. Disseminated flake graphite in silica-rich meta-sediments;
2. Disseminated flake graphite in marbles;
3. Metamorphosed coal seams;
4. Vein deposits; and,
5. Contact metasomatic or hydrothermal deposits in metamorphosed calcareous sediments or marble.

The geology of each type is different. Deposits of category 1 or 2 are usually disseminated flake graphite and those of category 3 and 5 consist of micro crystalline or amorphous graphite. The mineralization at Lac Aux Bouleaux is similar to categories 1 and 2. At the Property, graphite mineralization is associated with gneissic rocks in contact with limestone / marble in a shear zone. Other controls of mineralization apparent in the trenches are the presence of diabase dykes and pegmatitic texture of marble and paragneiss. Graphite occurs as crystalline large flaky texture with a shiny metallic luster; flake size ranging from 1 to 3 millimeter (mm) and sometime up to 5 mm.

Mineralization

The LAB Graphite Property lies within the same geological environment as TIMCAL’s Lac des Iles mine. Graphite is commonly found in the Grenville Province rocks throughout this region and has been commercially mined from a number of deposits located between Mont-Laurier in the north to the Ottawa River in the south.

Large flake graphite mineralization on the property is commonly associated with paragneiss in a regular banding, conforming to the beds. The paragneisses strike N10°E and dip about 70° to the east, with thickening and thinning of beds, drag-folding, minor faulting as common structural features. The mineralization exposed to the surface is quite rusty in appearance due to weathered decomposition of pyrite which occurs associated with graphite. Graphite is also located in shear zones at the contact of gneisses and marble where the graphite content usually ranges from 2% to 13% Cg exhibiting flakes up to 3 millimetres (mm) in diameter. Large flake graphite is generally considered as 0.2 mm and above.

The graphite is considered to be introduced into these rocks by quartz-graphite injection from a deeper source and redistributed through fractured incompetent beds of limestone creating graphite mineralization channels. Alternatively, another theory believes graphite mineralization was derived from algae or through decomposition of the calcium carbonate molecule liberating the carbon atom through metamorphic reactions. Slow cooling of the mineralized material has produced crystalline large flake graphite.

EXPLORATION

No exploration work has yet been conducted by the Company on the Lac Aux Bouleaux Graphite Property, other than the geophysical surveys.

Mineral Processing and Metallurgical Testing

A total of 68 kilograms of rock samples were obtained from the project, including graphite grab samples and country rock. The coarse rocks were received as 10 separate samples. Each sample was weighed and crushed to -6 mesh and submitted for head assays. Six of the graphite mineralized samples were blended to make a 42 kg Master Composite for testing. The main objective of this testing was to produce a concentrates with a graphitic carbon grade of 95% or greater. The flotation testing consisted of several stages of grinding, screening and flotation producing three concentrates at +48 mesh, +100 mesh and -100 mesh, with the overall combined concentration a sum of all three. Test work F1 produced the three sized concentrates with grades of 94.7% C(g) in the +48 mesh concentrate (jumbo flake), 95.3% C(g) (large flake) in the +100 mesh concentrate and 86% C(g) in the -100 mesh concentrate (small flake). The combined concentrate had an overall graphite recovery of 89.6% at a grade of 91.0% C(g). Test F2 was performed to improve the graphite grade by increasing the regrind times in all three regrind stages. The three sized concentrates had grades of 95.3% C(g) (jumbo flake) in the +48 mesh concentrate, 94% C(g) in the +100 mesh concentrate (large flake) and 81.2% C(g) in the -100 mesh concentrate. The combined concentrate had an overall graphite recovery of 96.2% at grade of 88.3% C(g). In both tests, 30% of the total graphite was recovered in the +48 mesh concentrate (jumbo flake) and 21 to 24% recovered in the +100 mesh concentrates (large flake) with combined over 50% of jumbo and large flake concentrate. Both large and jumbo flake graphite is targeted for a premium market price.

Drilling

There has been no drilling carried out on the Property by the Company to date.

Sample Preparation Analysis and Security

During the May 27-29, 2015, property visit, a total of 10 samples were obtained, out of which six samples were from potential graphite mineralized boulders and outcrops and four samples were from the country rock to check background graphite content. The samples were bagged and tagged using best practices, and shipped to SGS Canada Inc., an ISO Certified laboratory located in Burnaby B.C. Six samples, weighing about 60 kilograms were retained for metallurgical testing.

All assays graphitic carbon were analyzed at SGS Lakefield using the SGS combustion and Infrared detection by LECO instrumentation method; however, some of the high graphite samples, >90% C(g), were additionally assayed using the total ash content method (ASTM C561, Ash).

Results from six mineralized samples returned high carbon graphite (% Cg) values of 23.8%, 18.4%, 16.6%, 16.0%, 15.9%, and 13% Cg with an average grade of 17.2% Cg. The four Country rock samples assayed 1.53%, 0.55%, 0.26% and .02 % for an average of 0.59% Cg.

All samples were under the care and control of the Author. The assay work was completed by SGS Canada Inc. laboratories, which is an independent ISO certified laboratory and has its own quality assurance and quality control protocols (QA/QC).

The samples from 1980's drill program of Orwell were analyzed at Assayers Ontario Limited Laboratories and were tested for total carbon, carbonate carbon and non-carbonate carbon (graphitic carbon). The samples from 1961 metallurgical testing were processed and analyzed at Quebec Department of Mines Laboratories.

All these laboratories are independent of the Company and the property vendors.

Data Verification

The Author visited the Property on May 1, 27-29, 2015, and on August 19, 2016. The geological work performed in order to verify the existing data consisted of visiting approachable graphite outcrops, historical exploration and development work on the Property. Large flake graphite showings located on the property were confirmed with flake size in the range of 0.5 to 2 millimetres, typically present in shear zones at the contact of gneisses and marbles where the graphite content usually ranges from 2% to 20%.

The Timcal mine entrance gate is located on the property, just at the edge of northern claims. An onsite mill structure from the early 1990's, a tailing dam facility, and a historical open mining pit was confirmed during the property visit. Based on the size of the pit it was estimated that over 100,000 tonnes of rock was removed for processing at the mill facility. The existing tailing dam facility was observed to be in good condition. Drill hole casings and drill locations from historical exploration work were also located on the property, out of which two drill hole locations were from 2012 drilling by Timcal which owned the Lac Aux Bouleaux claims until November 2014.

The data quoted from other sources is considered reliable because it was taken from various geological and engineering reports and technical papers published on the area and the work was done by professional engineers or geologists. The Author was unaware of any environmental liabilities associated on the LAB Graphite Property.

ADJACENT PROPERTIES

The property area is heavily staked to cover the majority of the historical graphite occurrences by individuals and mining companies. It is located in a very active graphite exploration and production area, adjacent to the south of TIMCAL's Lac des Iles graphite mine in Quebec which is a world class deposit producing 25,000 tonnes of graphite annually. There are several graphite showings and past producing mines in its vicinity, including a historic deposit located on the property.

- **TIMCAL Graphite Mine**

TIMCAL's Lac des Iles graphite mine in Quebec is a world class deposit producing 25,000 tonnes of graphite annually. The open pit mine in operation since 1989 with an onsite plant ranked 5th in the world production of graphite. The mine is operated by TIMCAL Graphite & Carbon which is a subsidiary of Imerys S.A., a French multinational company. The mine has an average grade of 7.5% Cg (graphite carbon) and has been producing 50 different graphite products for various graphite end users around the globe.

- **Lac Des Iles West Property**

Canada Strategic Metals Inc. holds the Lac des Iles West property which consists of 1 large contiguous block of 104 mineral claims totaling 5,601.30 hectares (56.01 km²) that borders the western limit of the Timcal Lac Des Îles graphite mine close to the town of Mont-Laurier, 150 km northwest of Montréal in southern Québec.

The Timcal Lac des Îles Graphite Mine is the larger of two Canadian graphite producers, has been in production for over 25 years and produces graphite products of various sizes and purities. The Lac des Îles West property is dominantly covered by the same geological sequence of marble, paragneiss, quartzite and amphibolite in which the Lac des Îles Mine is found and major NNW structures that control graphite mineralization in the area are observed in the Lac des Îles West property, including the possible extension of the Lac des Îles Mine structure. The property is easily accessible from a major secondary road; numerous tertiary/forest roads transect the property. In February 2015, Canada Strategic sought to divest itself of graphite assets and Lomiko Metals Inc. optioned 80% of the Lac Des Illes Property West property.

ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

The Company and property will be subject to the mine permit regulations of Quebec. A permit will be required for any bulk sampling and proposed drilling. There has been considerable forest logging activity in the area with the associated land disturbance and road building. Any exploration programs proposed by the company will be subject to review by the Quebec Ministry of Mines and Energy and Quebec Ministry of Forests, Lands and Natural Resources.

Other Relevant Data and Information

Several property claims are located on private lands and the Company is required to negotiate with the surface right owner to gain access for mineral exploration work. The Company will require exploration work permit on Crown lands.

There are no outstanding environmental problems associated with the claims.

Interpretation and Conclusions

In the opinion of the Author, the character of the Lac Aux Bouleaux Graphite Property is sufficient to merit a follow-up work program. This can be accomplished through a two phase exploration and development program, where each phase is contingent upon the results of the previous phase.

Recommended Plan of Exploration and Development

A modest Phase I program is recommended to further evaluate the NSS Lac Aux Bouleaux Graphite Property.

Phase 1 – Data Compilation and Exploration Work

This work includes two stages; the first stage comprises compilation of all the historical geological, geophysical and exploratory drilling data available on the Property, and putting it into a database to generate several layers of maps in GIS format for further interpretation. A resource estimation consultant should review the data to see the possibility of bringing historical resource to current status, and to recommend confirmatory drill holes on the existing historical resource deposit area. In the second stage, the field exploration work will be carried out. This program includes the following tasks:

- Reconnaissance level prospecting, sampling and limited geological mapping of the area of historical exploration work, geophysical surveys, and graphite showings on the property;
- Detailed sampling of historical trenching areas to expose mineralized areas;
- Ground / airborne geophysical survey including Very Low Frequency (VLF) and horizontal loop electromagnetic (HLEM) surveys to verify the location of five electromagnetic conductors reported on the property;

- Drilling 1,500 metres diamond core drilling to confirm 30% of the historical drill holes; and,
- NI 43-101 resource estimation based on the recommended and historical exploration data.

The estimated budget for this phase is \$450,717, and the details are provided in the following table.

Table 1: Phase 1 Budget

ITEM	TOTAL
Data Compilation and Resource Estimation	
Preparation of Drill Hole Database	\$5,000
GIS work	\$6,000
Add Drill and Trench Data to 3D Model	\$4,800
Resource Calculations	\$11,700
Report Writing	\$12,800
Site Visit by Geologist	\$1,950
Transportation (air plus ground)	\$2,400
Boarding and Lodging	\$1,250
Project Management	\$9,750
Sub Total	\$55,650
Ground Exploration	
Field Prospecting 2 Person Crew	\$8,000
Geological Mapping	\$6,500
Trenching and Channel Sampling	\$37,500
Ground / Airborne Geophysical Survey	\$37,500
Sample Assays	\$10,000
Supplies - Geological	\$5,000
Travel road	\$5,000
Travel air	\$2,800
Boarding and lodging	\$12,500
Report Writing and Claim Management	\$10,000
Filing fees	\$767
Project Management	\$6,500
Sub Total	\$142,067
Exploratory Drilling	
Exploratory Drilling	\$120,000
Core Logging	\$7,500
Surface Owners Negotiation and Compensation	\$10,000
Core Shack	\$5,000

Core Cutting and Packing	\$12,500
Accommodations and Meals	\$12,500
Supplies	\$15,000
Sample Assays and Metallurgy	\$50,000
Transportation Air	\$4,000
Transportation Road	\$10,000
Project Management	\$6,500
Sub Total	\$228,000
Total Phase 1 Budget	\$450,717

USE OF PROCEEDS

Funds Available and Principal Purposes

As the Company had working capital of \$421,712 as at March 31, 2017, the Company anticipates there will be total available funds of approximately \$421,712 after the Offering. The Company expects to use the total funds available set forth above for the purposes described below:

	Offering
Complete recommended Data Compilation, Resource Estimation and Ground Exploration Phase 1 exploration program on the Lac Aux Bouleaux Graphite Property ⁽¹⁾	\$197,717
General and administrative costs for next 12 months ⁽²⁾	\$50,000
To pay for Prospectus costs and Exchange listing fees and expenses	\$50,000
Unallocated working capital	\$123,995
TOTAL:	<u>\$421,712</u>

Notes:

- (1) See "Property Description and Location – Exploration and Development."
(2) Please see the table below for a description of the estimated administrative costs of the Company for the next 12 month period.

Upon completion of the Offering, the Company estimates that its working capital will be sufficient to meet its administrative costs and exploration expenditures for the 12 month period following the Closing Date. Administrative costs for the 12 month period following the Closing Date are comprised of the following:

General and Administrative Costs for 12 Month Period Following the Closing Date	(\$)
Transfer Agent, Listing, Filing and Legal Fees	\$20,000
Accounting and Auditing	\$5,000
Office and Miscellaneous	\$15,000
Travel	\$10,000
TOTAL:	<u>\$50,000</u>

Business Objectives and Milestones

The Company's sole intended business objective and milestone following the Offering is to complete the Phase 1 exploration program on the Lac Aux Bouleaux Graphite Property. Based upon the recommendations of the Author in the Technical Report, the Company intends to carry out the initial aspects of the Phase 1 exploration program with respect to the Lac Aux Bouleaux Graphite Property as set out below.

Data Compilation and Resource Estimation	
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Preparation of Drill Hole Database	\$5,000
GIS work	\$6,000
Add Drill and Trench Data to 3D Model	\$4,800
Resource Calculations	\$11,700
Report Writing	\$12,800
Site Visit by Geologist	\$1,950
Transportation (air plus ground)	\$2,400
Boarding and Lodging	\$1,250
Project Management	\$9,750
Sub Total	\$55,650
Ground Exploration	
Field Prospecting 2 Person Crew	\$8,000
Geological Mapping	\$6,500
Trenching and Channel Sampling	\$37,500
Ground / Airborne Geophysical Survey	\$37,500
Sample Assays	\$10,000
Supplies - Geological	\$5,000
Travel road	\$5,000
Travel air	\$2,800
boarding and lodging	\$12,500
Report Writing and Claim Management	\$10,000
Filing fees	\$767
Project Management	\$6,500
Sub Total	\$142,067

The Company intends to spend a significant portion of the funds available to it for the Lac Aux Bouleaux Graphite Property, as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. The Company intends to complete the above portions of the Phase 1 exploration program by the end of the calendar year.

DIVIDENDS OR DISTRIBUTIONS

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion of the operating results and financial position of the Company should be read in conjunction with the audited financial statements and related notes as at and for the period ending March 31, 2017, forming part of this Prospectus. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards. The information below is as at March 31, 2017 (unless otherwise specified below).

Overview

The Company is engaged in the business of mineral exploration in Canada and its objective is to locate and, if warranted, develop economic mineral properties. The Company owns 100% interest in the Lac Aux Bouleaux Graphite Property located near Harrison Lake British Columbia. The Property consists of 14 claims covering 738.12 hectares. The Lac Aux Bouleaux Graphite Property is the sole property of the Company at this time, and the Company seeks to list its Common Shares on the Exchange.

Overall Performance

Following incorporation on October 14, 2016, the Company capitalized itself through the issuance of securities on a private placement basis. The Company raised an aggregate of \$442,550 through the issuance of its securities and incurred approximately \$3,609 in expenditures with respect to the investigation of the Lac Aux Bouleaux Graphite Property. The Company holds a right to acquire a 100% interest on the Lac Aux Bouleaux Graphite Property, an exploration stage property, and has not generated revenues to date. Management anticipates that it will incur considerably more expenses following the listing of the Common Shares on the Exchange. These funds will include increased professional fees necessary to comply with applicable securities rules and increased exploration costs as the Company carries out expenditures on the Lac Aux Bouleaux Graphite Property.

Selected Financial Information

The following table sets out selected financial information for the Company for the fiscal period ended March 31, 2017. The selected financial information should only be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus.

Statement of Operations, Comprehensive Loss and Deficit Data

	Period from incorporation until March 31, 2017 (\$) (audited)
Revenue	Ø
Total Expenses	(17,522)
Net income (loss) for the period	(17,522)
Income (loss) per share (basic and diluted)	(0.00)

Balance Sheet Data

	As at March 31, 2017 (\$) (audited)
Current Assets	427,745
Total Assets	427,745
Current Liabilities	6,033
Long Term Debt	Ø
Shareholders' Equity	421,712

As an exploration stage company, the Company has not generated revenue from its property interest and does not anticipate it will do so for the foreseeable future. The Company currently owns only one mineral property. Management anticipates that expenses related to mineral exploration and administration of the Company will

materially increase following closing of the Offering. Management anticipates that such expenses will include increased exploration expenditures with respect to the Lac Aux Bouleaux Graphite Property and increased professional fees, and other costs associated with compliance with applicable securities laws following closing of the Offering.

Results of Operations

For period from incorporation (October 14, 2016) to March 31, 2017

During the period from incorporation (October 14, 2016) to March 31, 2017, the Company generated no revenues and incurred total expenses of \$17,522. During the period from incorporation (October 14, 2016) to March 31, 2017, the Company spent \$3,609 in property investigation costs. Expenses consisted of professional fees of \$10,544, and office, miscellaneous and management fees of \$3,369. The net loss for the period from incorporation (October 14, 2016) to March 31, 2017 was \$17,522. There were no management fees. Management anticipates that expenses will materially increase following the Listing Date including mineral exploration costs, administration costs and professional fees. Following the Listing Date, the Company intends to carry out the Phase 1 exploration program as set out in the Technical Report, incur increased administrative costs as set out in the heading "Use of Proceeds" and incur increased professional fees as the Company complies with applicable securities laws.

Fiscal Year Ended March 31, 2017

Liquidity

As at March 31, 2017, the Company had current assets of \$427,745 and current liabilities of \$6,033. Working capital of \$421,712 at March 31, 2017. Equity at March 31, 2017 was \$421,712.

At March 31, 2017, there were 12,100,000 issued and fully paid common shares, consisting of:

- On October 15, 2016, the Company issued 3,000,000 common shares at \$0.005 per share for proceeds of \$15,000.
- On October 31, 2016, the Company issued a total of 6,500,000 units at \$0.02 per unit, for gross proceeds of \$130,000. Each Unit consists of one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company for a period of 18 months from closing of the private placement, at an exercise price of \$0.10 per share.
- On November 15, 2016, the Company issued a total of 2,600,000 units at \$0.05 per unit, for gross proceeds of \$130,000. Each Unit consists of one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company for a period of 18 months from closing of the private placement, at an exercise price of \$0.10 per share.

The Company incurred share issuance costs of \$1,816 in relation to the above share issuances.

As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis. This has permitted the Company to carry out limited exploration on its Lac Aux Bouleaux Graphite Property and address preliminary costs associated with the Offering. The Company anticipates that its cash on hand of \$427,112 will be sufficient to satisfy the Company's cash requirements during the next 12 month period.

Capital Resources

As set out under the heading "Use of Proceeds", the Company anticipates spending \$197,717 to carry out certain aspects the Phase 1 exploration program on the Lac Aux Bouleaux Graphite Property, \$50,000 to cover anticipated administrative costs for the next 12 month period and approximately \$173,995 for unallocated general working capital. The Company cannot offer any assurance that expenses will not exceed management's expectations. The Company

will require additional funds and will be dependent upon its ability to secure equity and/or debt financing, the availability of which cannot be assured.

Although the Company currently has limited capital resources, management currently believes that, the Company will not have to rely upon the sale of its equity and/or debt securities for cash required to fund operations for the next 12 month period, other than as disclosed in this Prospectus. The Company is required to incur an additional \$120,000 of exploration expenditures on or prior to December 31, 2017, in order to keep its property option agreement in good standing.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Significant Accounting Policies

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the financial statements included in and forming part of this Prospectus.

Future Changes in Accounting Standards

Standards, Amendments, and Interpretations Not Yet Effective

The International Accounting Standards Board has issued new and amended standards and interpretations which have not yet been adopted by the Company. The Company has not yet begun the process of assessing the impact that the new and amended standards and interpretations will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new and amended standards and interpretations:

IFRS 9 – ‘Financial Instruments’

The effective date of this standard is for annual periods beginning on or after January 1, 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value. To be classified and measured at amortized cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognized in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any ‘recycling’ of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity’s own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Estimates have been applied in the following areas

Rehabilitation Provisions

No rehabilitation provisions have been created based on the Company’s activity to date. Based upon the prevailing economic environment, assumptions will be made which management believes are reasonable upon which to estimate the future liability. These estimates will take into account any material changes to the assumptions that occur when

reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

The areas in which the Company has exercised critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure has been capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to the profit or loss in the period the new information becomes available.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Financial Instruments and Other Instruments

Financial instruments of the Company consist of cash, accounts payable. Unless otherwise noted, management believes that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying amounts of cash, due to/from a related party, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments.

Disclosure of Outstanding Security Data

Common Shares

As at April 30, 2017 and the date of this Prospectus, the Company had 19,100,000 Common Shares issued and outstanding.

Stock Options

The Company has not granted any stock options as at the date of this Prospectus.

Share Purchase Warrants

As at the date of this Prospectus, the Company had the following share purchase warrants outstanding:

- 3,250,000 share purchase warrants with an exercise price of \$0.10 per warrant, expiring 18 months from their issuance on October 31, 2016.
- 1,300,000 share purchase warrants with an exercise price of \$0.10 per warrant, expiring 18 months from their issuance on November 15, 2016.
- 837,250 share purchase warrants with an exercise price of \$0.20 per warrant, expiring 18 months from their issuance on February 28, 2017, as part of the Special Warrant Private Placement.

Additional Disclosure for Junior Issuers

The Company anticipates that its estimated working capital of \$421,712 as at March 31, 2017 will fund operations for the next 12 -month period. Management estimates that the total operating costs necessary for the Company to achieve its stated business objective during the next 12-month period will be \$247,717 leaving unallocated working capital of \$123,995. The operating costs necessary for the Company to achieve its stated business objectives consist of \$197,717 to carry out aspects of the Phase 1 exploration program on the Lac Aux Bouleaux Graphite Property, \$50,000 to cover Prospectus costs and Exchange listing fees and expenses, and \$50,000 to cover anticipated administrative costs for the next 12 month period. Other than the costs stated above the Company does not anticipate incurring any other material capital expenditures during the next 12 month period.

DESCRIPTION OF SECURITIES DISTRIBUTED

Shares

Our authorized capital consists of an unlimited number of Shares, of which 19,100,000 are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Holders of the Shares are entitled to vote at all meetings of the holders of our common shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Shares, to participate ratably in any distribution of our property or assets upon liquidation or wind-up.

The Board is authorized to issue additional Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

Special Warrants

On February 28, 2017, we closed the Special Warrant Private Placement and issued 1,674,500 Special Warrants.

We have provided to each Special Warrant holder a contractual right of rescission of the prospectus exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a Special Warrant holder who acquires another of our securities on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation, then:

- (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the Special Warrant, and
- (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

Upon conversion of the Special Warrants into common shares, holders of the common shares shall be entitled to vote at all meetings of the holders of our common shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate ratably in any distribution of our property or assets upon liquidation or winding-up.

Options

The Board has approved a Stock Option Plan, designed for our selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward our long-term goals, and to encourage such individuals to acquire Shares as long-term investments. Our Stock Option Plan is administered by the Board and authorizes the issuance of stock options not to exceed a total of 10% of the number of Shares issued and outstanding from time to time. The terms of any award are determined by the Board, provided that no options may be granted at less than the fair market value of Shares as of the date of the grant. As of the date of this Prospectus, there are no outstanding options to purchase Shares under the Stock Option Plan. See “Options to Purchase Securities”.

CONSOLIDATED CAPITALIZATION

The following table sets out the share capitalization of the Company as at the dates specified below.

Description	Authorized	Outstanding as at March 31, 2017	Outstanding as at the date of this Prospectus ⁽¹⁾⁽²⁾
Common Shares	Unlimited	12,100,000	19,100,000

Notes:

- (1) See "Prior Sales".
(2) On an undiluted basis.

Fully Diluted Share Capitalization

Common Shares		
	Amount of Securities	Percentage of Total
Issued and outstanding as at the date of this Prospectus	19,100,000	73.0%
Common Shares reserved for issuance upon the exercise of the Special Warrants	1,674,500	6.4%
Common Shares reserved for issuance upon the exercise of share purchase warrants	5,387,250	20.6%
Common Shares reserved for issuance upon exercise of the options	Nil	Nil
Total Fully Diluted Share Capitalization after the Offering	26,161,750	

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table summarizes the options of the Company that will be outstanding as of the Listing Date.

Name of Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise price per Common Share	Expiry Date
Executive officers of the Company as a group (2 persons)	Common Shares	Nil	\$N/A	N/A
Directors of the Company who are not also executive officers as a group (1 person)	Common Shares	Nil	\$N/A	N/A
TOTAL:		Nil		

The Option Plan was adopted by the Company's board of directors on May 3, 2017. The purpose of the Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its stock. The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (including all options granted by the Company to date). The number of Common Shares which may be reserved in any 12-month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company at the time of the grant. The number of Common Shares which may be reserved in any 12-month period for issuance to any one consultant may not exceed 2% of the issued and outstanding Common Shares and the maximum number of Common Shares which may be reserved in any 12-month period for issuance to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding Common Shares of the Company. The Option Plan provides that options granted to any person engaged in investor relations activities will vest in stages over 12 months with no more than ¼ of the stock options vesting in any three-month period.

The Option Plan will be administered by the Board or a special committee of directors, either of which will have full and final authority with respect to the granting of all stock options thereunder. Stock options may be granted under the Option Plan to such directors, officers, employees or consultants of the Company, as the board of directors may from time to time designate.

The exercise price of any stock options granted under the Option Plan shall be determined by the Board, but may not be less than the market price of the Common Shares on the Exchange on the date of the grant (less any discount permissible under Exchange rules). The term of any stock options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any stock options granted under the Option Plan may not exceed ten years. Options granted under the Option Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options granted to such director or officer under the Option Plan will expire 90 days after such director or officer ceases to hold office.

Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Company, stock options granted to such employee, consultant or management company employee under the Option Plan will expire 30 days after such individual or entity ceases to act in that capacity in relation to the Company.

Stock options granted to optionees engaged in investor relations activities on behalf of the Company expire 30 days after such optionees cease to perform such investor relations activities for the Company. In the event of death of an option holder, options granted under the Option Plan expire the earlier of one year from the date of the death of the option holder and the expiry of the term of the option.

PRIOR SALES

The following table summarizes all sales of securities of the Company since the date of incorporation:

Date of Issue	Price per Security	Number of Securities
October 15, 2016	\$0.005	3,000,000 common shares
October 31, 2016	\$0.02	6,500,000 units ⁽¹⁾
November 15, 2016	\$0.05	2,600,000 units ⁽¹⁾
February 28, 2017	\$0.10	1,674,500 Special Warrants ⁽²⁾
May 11, 2017	\$0.10	5,000,000 common shares ⁽³⁾
May 11, 2017	\$.10	2,000,000 common shares ⁽⁴⁾

(1) Each unit consisted of one common share and ½ of one share purchase warrant.

(2) Comprised the Special Warrant Private Placement.

(3) Issued pursuant to property purchase option agreement for the Lac Aux Bouleaux Graphite Property.

(4) Issued to the Company's President, Afzaal Pirzada.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this Prospectus, the Common Shares subject to contractual restriction and escrow are as shown in the following table:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	10,201,500 ⁽¹⁾	53.4 ⁽²⁾

Notes:

- (1) An aggregate of 10,201,500 of these Common Shares are held under the Escrow Agreement in accordance with NP 46-201. The Escrow Agent is Computershare Services Inc.
- (2) Based on 19,100,000 Common Shares issued and outstanding as at the date of this Prospectus.

Escrow Agreement

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering. Also certain shareholders have entered into the escrow agreement.

At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. As the Company anticipates that its Common Shares will be listed on the Exchange, it will be classified as an "emerging issuer". As such, the following automatic timed releases will apply to the securities held by its Principals:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities

30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter.

The automatic timed release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each Principal's and shareholder's escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over eighteen months. If, within eighteen months of the Listing Date, the Company meets the "established issuer" criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed release provisions for established issuers, with all escrowed securities being released eighteen months from the Listing Date.

Pursuant to the terms of the Escrow Agreement, 1,020,150 Common Shares will be released from escrow on the Listing Date.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Common Shares except for the following:

Name	Number of Common Shares Held and Type of Ownership	Percentage of Common Shares Held ⁽¹⁾
Gold Port Resources Ltd.	5,000,000	26.2%
Afzaal Pirzada	2,000,000	10.5%

Notes:

(1) Based on 19,100,000 Common Shares issued and outstanding on the date of this Prospectus.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly ⁽¹⁾
Afzaal Pirzada ⁽²⁾ Vancouver, B.C. <i>Chief Executive Officer, President, and Director</i>	October 31, 2016	Geoscientist	2,000,000 (Direct) 10.5%

Name and Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly ⁽¹⁾
Sheri Rempel ⁽²⁾ Vancouver, B.C. Canada <i>Chief Financial Officer and Director</i>	October 31, 2016	Accountant	8,000 (Direct) 0.04%
Bonnie Kagna ⁽²⁾⁽³⁾ Vancouver, B.C. Canada <i>Director</i>	October 31, 2016	Merchandiser	193,500 (Direct) 1.0%

Notes:

- (1) Percentage is based on 19,100,000 Common Shares issued and outstanding as of the date of this Prospectus and does not include Options to purchase Common Shares held by directors and executive officers. See "Options to Purchase Securities".
- (2) Denotes a member of the Audit Committee of the Company.
- (3) Denotes an independent director.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Company's directors. None of the Company's directors or executive officers have entered into non-competition or non-disclosure agreements with the Company.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 2,201,500 Common Shares of the Company, which is equal to 11.5% of the Common Shares issued and outstanding as at the date hereof.

Background

The following is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

Afzaal Pirzada – Director, President, and Chief Executive Officer, 62 years old. Afzaal Pirzada is a professional geoscientist with over 30 years' experience in mineral exploration and mining with expertise in graphite, lithium and rare metals, PGE and uranium. Throughout his career, he has managed multiple exploration projects in various jurisdictions across Canada, USA and internationally. He has worked as Project Geologist, VP Exploration, Director and CEO of various mining companies. He has discovered one graphite deposit in Quebec, and successfully developed a lithium project in Ontario from early stage exploration to advanced exploration. He is registered as a professional geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia, Canada, authored several NI 43-101 technical and exploration work assessment reports, and has worked as a "Qualified Person" person on mineral exploration projects. He has been involved in graphite exploration since 2009.

As the Chief Executive Officer of the Company, Mr. Pirzada is responsible for the day-to-day operations, outside contractors and service providers, acquisitions and project development, and of the financial operations of the Company in conjunction with the Chief Financial Officer and with outside accounting, tax and auditing firms. Mr. Pirzada anticipates devoting approximately 50% of his working time for the benefit of the Company. Mr. Pirzada is not an employee but is an independent consultant.

Sheri Rempel – Chief Financial Officer, 49 years old – Ms. Rempel has more than 25 years of accounting and financial management experience. She joined Serengeti in the role of Controller in 2007. Ms. Rempel started her career with public companies in 2001 and currently provides senior financial and advisory services to Canadian private and public corporations, acting in officer or Controller capacities.

As the Chief Financial Officer of the Company, Ms. Rempel is responsible for coordination of the financial operations of the Company in conjunction with the President and with outside accounting, tax and auditing firms. Ms. Rempel will devote the time necessary to fulfill his function. Ms. Rempel is not an employee but is an independent consultant of the Company.

Bonnie Kagna – Director, 73 years old.

From Nov. 1995 to November 2004 Ms. Kagna was Vice President of Finance and Secretary of Terraco Gold Corp., a TSXV listed gold royalty and exploration company focused in the western United States. Ms. Kagna was a director of Terraco Gold Corp from Nov. 1995 to March 2005. Ms Kagna was a director of Sama Resources Inc./Resources Sama Inc., a TSXV listed base metals company focussed in West Africa, from July 2006 to Oct. 2012.

As a director of the Company, Mrs. Kagna will advise the officers and the Board of Directors with regard to the corporate development of the Company. Mrs. Kagna anticipates devoting approximately 20% of her working time for the benefit of the Company.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director or executive officer of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any company, including the Company, that:

- (i) was subject to a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (ii) was subject to an a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

Penalties or Sanctions

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Bankruptcies

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (i) is, as at the date of this Prospectus, or has been within the ten years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted

any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (ii) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. In particular, Mr. Pirzada will be devoting 50% of his time to the affairs of the Company and the remaining directors and officers will be devoting 20% of their respective time to the affairs of the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

EXECUTIVE COMPENSATION

The Company was not a reporting issuer at any time during the fiscal year ended March 31, 2017, the Company's most recently completed financial year. Accordingly, and in accordance with Form 51-102F6 *Statement of Executive Compensation* ("**Form 51-102F6**"), the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers as at the end of the Corporation's most recently completed financial year ended March 31, 2017, and whose total salary and bonus exceeds \$150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year.

Compensation Discussion and Analysis

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors. With a view to minimizing its cash expenditures not directed at the exploration of the Lac Aux Bouleaux Graphite Property, the emphasis in compensating the Named Executive Officers

will be the grant of incentive stock options with the exception of a monthly payment of \$2,500 to the Company's President, Afzaal Pirzada, to commence on the Company's date of listing on the Exchange. The type and amount of future compensation to be paid to NEOs and directors has not been determined.

Option Based Awards

On May 3, 2017, the Company implemented the Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. The Company has no equity incentive plans other than the Option Plan. The size of stock option grants is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

During the fiscal year ended March 31, 2017, the Company did not grant any Options to its NEOs. See "Options to Purchase Securities".

Defined Benefit Plans

The Company does not have any defined benefit or actuarial plan.

Termination And Change Of Control Benefits

The Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in an NEOs responsibilities.

Director Compensation

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Company.

During the fiscal year ended March 31, 2017, the Company did not grant any Options to directors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

Other than as disclosed herein and other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5 *Information Circular* ("Form 51-102F5"), no directors, executive officers and employees and no former directors, executive officers and employees of the Company are or were indebted to the Company in connection with a purchase of securities and all other indebtedness as at the date of this Prospectus.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Other than as disclosed herein, or other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5, no directors or executive officers of the Company, and associates of such directors or executive officers are or were indebted to the Company as at the date of this Prospectus.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F2 require the Company, as an IPO venture issuer, to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Prospectus.

Composition of Audit Committee

The members of the Company's Audit Committee are:

Afzaal Pirzada	Not Independent ⁽¹⁾	Financially literate ⁽²⁾
Sheri Rempel	Not Independent ⁽¹⁾	Financially literate ⁽²⁾
Bonnie Kagna	Independent ⁽¹⁾	Financially literate ⁽²⁾

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Mr. Pirzada and Ms. Rempel are not independent, as Mr. Pirzada is the CEO and President and Ms. Rempel is the Chief Financial Officer of the Company.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See "Directors and Executive Officers" for further details.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) are as follows:

Financial Year End	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All other Fees ⁽³⁾
March 31, 2017	\$4,500	Nil	Nil	Nil

Notes:

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as an IPO Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of three (3) directors: Afzaal Pirzada, Sheri Rempel and Bonnie Kagna. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Mr. Pirzada is not independent as he is the Chief Executive Officer and President of the Company. Ms. Rempel is not independent as she is the Chief Financial Officer of the Company. Mrs. Kagna is independent.

Directorships

Currently, the following directors are also directors of the following other reporting issuers:

Sheri Rempel	Fantasy 6 Sports Inc. Lanebury Growth Capital Ltd. Norsemont Capital Inc.
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Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and any public disclosure filings by the Company, as may be applicable. Board meetings are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

The Board has no committees, other than the Audit Committee.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of 1,674,500 Special Warrant Shares to be distributed, without additional payment, upon the exercise or deemed exercise of 1,674,500 Special Warrants.

Pursuant to the Special Warrant Private Placement, the Company sold the Special Warrants at a price of \$0.10 per Special Warrant. The Special Warrant Price was determined by negotiation between the Company and the investors. The Company completed the Special Warrant Private Placement on the Closing Date pursuant to exemptions from the prospectus requirements of applicable securities laws in accordance with subscription agreements between the Company and the purchasers of the Special Warrant. The gross proceeds of the Special Warrant Private Placement was \$167,450.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities qualified for distribution hereunder within the United States or to U.S. persons (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended).

The securities offered under this Prospectus have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States.

Listing of Common Shares

Concurrently with the filing of this Prospectus, the Company intends to apply to list its issued and outstanding Common Shares, under this Prospectus and all other Common Shares issuable as described in this Prospectus on the Exchange. Listing of the Company's Common Shares will be subject to the Company fulfilling all of the listing requirements of the Exchange. The Warrants will not be listed on the Exchange.

IPO Venture Issuer

As at the date of the Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America. See "Risk Factors".

RISK FACTORS

General

The Company is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavor. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers 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 securities offered hereunder should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective Subscribers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities offered hereunder.

Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties optioned by the Company. The purpose of the Offering is to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties optioned by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

Speculative Nature of Mineral Exploration

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Acquisition Of Additional Mineral Properties

If the Company loses or abandons its interest in the Lac Aux Bouleaux Graphite Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Commercial Ore Deposits

The Lac Aux Bouleaux Graphite Property is in the exploration stage only and is without a known body of commercial ore. Development of this property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Permits And Government Regulations

The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Lac Aux Bouleaux Graphite Property.

Environmental And Safety Regulations And Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current

and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Mineral Titles

The Lac Aux Bouleaux Graphite Property claims are owned 100% by the Company. The Company may face challenges to subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Company's business plan.

First Nations Land Claims

The Lac Aux Bouleaux Graphite Property or other properties owned or optioned by the Company may in the future be the subject of First Nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the properties optioned or owned by the Company cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties optioned or purchased by the Company are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with First Nations in order to facilitate exploration and development work on the properties optioned or owned by the Company.

Loss of Interest In Properties

The Company's ability to maintain an interest in the properties optioned or owned by the Company will be dependent on its ability to raise additional funds by equity financing. The value of exploration and development required to maintain a mineral claim in Quebec is:

Validity	Area of claim		
	Less than 25 ha	25 to 100 ha	Over 100 ha
1 to 3 years	\$500	\$1,200	\$1,800
4 to 6 years	\$750	\$1,800	\$2,700
7 years and over	\$1,000	\$2,500	\$3,600

Failure to obtain additional financing may result in the Company being unable to complete the required work required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the Lac Aux Bouleaux Graphite Property.

Fluctuating Mineral Prices

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

Competition

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

Management

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

Financing Risks

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by the Company, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Resale of Common Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility. There is no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the Offering. The initial public offering price of the Common Shares has been

determined by the Company and this price will not necessarily reflect the prevailing market price of the Common Shares following the Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia *Business Corporations Act*. Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

- Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

Dividends

The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

PROMOTER

Sheri Rempel may be considered to be the Promoter of the Company in that she took the initiative in organizing the business of the Company.

Other than as disclosed above, no person who was a Promoter of the Company:

1. received anything of value directly or indirectly from the Company;
2. sold or otherwise transferred any asset to the Company within the last 2 years;
3. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;
4. is at of the date hereof, or was within 10 years before the date hereof, a director, CEO or CFO of any person or company that was the subject of a cease trade order or similar order or an order that denied the relevant person or company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the person ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in the capacity as director, CEO or CFO;

5. is at of the date hereof, or was within 10 years before the date hereof, a director or executive officer of any person or company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
6. has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person;
7. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
8. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
9. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS

Legal Proceedings

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings, which are material to its business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

Regulatory Actions

From incorporation to the date of this Prospectus, management knows of no:

- (i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;
- (ii) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and
- (iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as noted in this Prospectus, from incorporation on October 14, 2016, to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company:

- (a) any director or executive officer of the Company;
- (b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and
- (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

As noted in the sections entitled "Material Contracts" and "Directors and Executive Officers", the directors and executive officers have entered into subscription agreements and stock option agreements with respect to the issuance of Common Shares and Options, respectively. See "Material Contracts".

RELATIONSHIP BETWEEN THE COMPANY AND THE SELLING AGENTS

The Company is neither a "connected issuer" nor "related issuer" to the Selling Agents, as such terms are defined in National Instrument 33-105 *Underwriting Conflicts* of the Canadian Securities Administrators.

AUDITORS

The auditor of the Company is Dale Matheson Carr-Hilton LaBonte, LLP, Chartered Accountants, at Suite 1500, 1140 West Pender Street, Vancouver, British Columbia V6E 4G1.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Computershare Investor Services at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company from incorporation on October 14, 2016, to the date of this Prospectus which are currently in effect and considered to be currently material:

1. The Registrar and Transfer Agent Agreement dated May 5, 2017;
2. The Escrow Agreement dated May 8, 2017; and
3. Purchase Option Agreement dated March 30, 2017, with Gold Port Resources Ltd.

A copy of any material contract and the Technical Report may be inspected during normal business hours at the Company's registered offices at Suite 409, 221 West Esplanade, North Vancouver, British Columbia V7M 3J3.

EXPERTS

Names of Experts

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this Prospectus as having prepared or certified a report, valuation, statement or opinion in this Prospectus:

The Technical Report on the Lac Aux Bouleaux Graphite Property was prepared by Martin Ethier, P.Eng, of Ontario. Mr. Ethier has no interest in the Company, the Company's securities or the Lac Aux Bouleaux Graphite Property.

Dale Matheson Carr-Hilton LaBonte, LLP, Chartered Accountantss, auditor of the Company, who prepared the independent auditor's report on the Company's audited financial statements included in and forming part of this Prospectus, and have informed the Company that it is independent of the Company within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of British Columbia (ICABC).

Interests of Experts

Other than as disclosed herein, none of the persons set out under the heading "Experts – Names of Experts" have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person prepared the report, valuation, statement or opinion aforementioned or thereafter.

OTHER MATERIAL FACTS

Other than as disclosed in this Prospectus, there are no other material facts about the securities being distributed pursuant to this Offering that are not disclosed under any other items and are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares to be distributed.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the Province of British Columbia 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 some provinces, the securities legislation further provides a purchaser with remedies for rescission, revisions of the price, or damages if this Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. 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.

FINANCIAL STATEMENTS

Audited financial statements of the Company for each of the three fiscal period ended March 31, 2017, are included in this Prospectus.

Graphite Energy Corp.
Financial Statements
March 31, 2017
(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Graphite Energy Corp.:

We have audited the accompanying financial statements of Graphite Energy Corp., which comprise the statement of financial position as at March 31, 2017, and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the period from inception on October 14, 2016 to March 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position Graphite Energy Corp. as at March 31, 2017 and its financial performance and its cash flows for the period from inception on October 14, 2016 to March 31, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Graphite Energy Corp.'s ability to continue as a going concern.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
May __, 2017

An independent firm associated with
Moore Stephens International Limited

MOORE STEPHENS

Graphite Energy Corp.
Statement of Financial Position
(Expressed in Canadian dollars)

	Note	March 31, 2017
ASSETS		
Current assets		
Cash		\$ 427,112
GST receivable		633
TOTAL ASSETS		\$ 427,745
LIABILITIES		
Current liabilities		
Trade payables and accrued liabilities	4	\$ 6,033
TOTAL LIABILITIES		6,033
SHAREHOLDERS' EQUITY		
Share capital	5	273,184
Special warrants	5	166,050
Deficit		(17,522)
SHAREHOLDERS' EQUITY		421,712
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 427,745

Nature of operations and going concern (Note 1)

Subsequent event (Note 9)

Approved and authorized on behalf of the Board on April _____, 2017:

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

Graphite Energy Corp.
Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Note	Period from October 14, 2016 (Inception) to March 31, 2017
Expenses		
General and administration		\$ 368
Management fees	7	3,001
Professional fees	7	10,544
Property investigation costs		3,609
Net and comprehensive loss		\$ (17,522)
Basic and diluted loss per share		\$ (0.00)
Weighted average shares outstanding		5,030,411

The accompanying notes are an integral part of these financial statements.

Graphite Energy Corp.
Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Note	Share capital		Special warrants	Deficit	Total Equity
		Number of shares	Amount			
Balance at inception		-	\$ -	\$ -	\$ -	\$ -
Shares issued, net of share issuance costs	5	12,100,000	273,184	-	-	273,184
Special warrants	5	-	-	166,050	-	166,050
Net and comprehensive loss		-	-	-	(17,522)	(17,522)
Balance at March 31, 2017		12,100,000	\$ 273,184	\$ 166,050	\$ (17,522)	\$ 421,712

The accompanying notes are an integral part of these financial statements.

Graphite Energy Corp.
Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Period from October 14, 2016 (Inception) to March 31, 2017
<hr/>	
Operating activities	
Net loss for period	\$ (17,522)
Changes in non-cash working capital items:	
Receivables	(633)
Trade payables and accrued liabilities	6,033
Net cash flows used in operating activities	(12,122)
<hr/>	
Financing activities	
Shares issued, net of share issuance costs	273,184
Special warrants	166,050
Net cash flows from financing activities	439,234
<hr/>	
Increase in cash	427,112
Cash, beginning	-
<hr/>	
Cash, ending	\$ 427,112
<hr/>	

The accompanying notes are an integral part of these financial statements.

1. Nature of operations and going concern

Graphite Energy Corp. (the “Company”) was incorporated on October 14, 2016 under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada.

The head office and principal address of the Company is located at 700 West Pender Street, Suite 610, Vancouver, British Columbia, Canada, V6C 1G8. The Company’s registered and records office address is 221 West Esplanade, Suite 409, North Vancouver, British Columbia, Canada, V7M 3J3.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At March 31, 2017, the Company had not achieved profitable operations, had a net loss and an accumulated deficit of \$17,522, and had not advanced its mineral property to commercial production and expects to incur further losses in the development of its business, all of which indicate a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

2. Significant accounting policies and basis of preparation

These financial statements were authorized for issue by the directors of the Company on May 9, 2017.

Statement of compliance with International Financial Reporting Standards

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of preparation

These financial statements of the Company have been prepared on a historical cost basis except for certain financial assets measured at fair value. These financial statements are presented in Canadian dollars unless otherwise specified.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during this year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based payments, and recognition of deferred tax amounts.

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting judgments, estimates and assumptions (cont'd)

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

- i) **Going concern**
Management has determined that the Company will continue as a going concern for the next year.
- ii) **Economic recoverability and probability of future benefits of exploration and evaluation costs.**
Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Foreign currency translation

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the period-end exchange rate. Non-monetary assets and liabilities measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exploration and evaluation assets

Exploration and evaluation expenditures relating to mineral properties include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

2. Significant accounting policies and basis of preparation (cont'd)

Exploration and evaluation assets (cont'd)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Vesting is determined by the Board of Directors.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Fair value through profit or loss

Financial assets are classified at fair value through profit or loss (“FVTPL”) when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company’s intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Financial liabilities

Financial liabilities are classified at FVTPL when they comprise derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with the changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities

Other financial liabilities are non-derivative financial liabilities initially measured at fair value and subsequently measured at amortized cost. Transaction costs incurred upon the issuance of debt instruments or modification of a financial liability are deducted from the financial liability and are amortized using the effective interest method over the expected life of the related liability.

The Company has classified its cash at fair value through profit or loss. Trade payables are classified as other financial liabilities.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Impairment of assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. Significant accounting policies and basis of preparation (cont'd)

Impairment of assets (cont'd)

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and short-term highly liquid investments and bank overdrafts.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred tax is accounted for using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of the assets or liabilities that affect neither accounting nor taxable profit nor investments in subsidiaries, associates and interests in joint ventures to the extent it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner and expected date of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable amounts will be available against which the asset can be utilized.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercise were used to acquire common shares at the average market price during the reporting period.

2. Significant accounting policies and basis of preparation (cont'd)

Restoration and environmental obligations

The Company recognizes liabilities for legal and constructive obligations associated with the retirement of mineral properties. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in the regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

The Company did not have any restoration provisions at March 31, 2017.

New accounting standards not yet adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

IFRS 9 Financial Instruments

IFRS 9 replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities to only two classification categories: amortized cost and fair value. This standard has a proposed effective date of January 1, 2018. The Company has not completed its assessment of the effects of adopting this new standard.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Exploration and evaluation assets

Lac Aux Bouleaux Graphite Project – Quebec, Canada

On December 20, 2016, as amended March 30, 2017, the Company entered into a purchase option agreement ("agreement") with Gold Port Resources Ltd ("GPRL") to earn a 100% interest in the Lac Aux Bouleaux Graphite Project ("LAB Project"). The LAB Project is a contiguous set of 14 claims located in the Province of Quebec. To earn its interest in the project, the Company must pay GPRL \$60,000 on or before April 28, 2017, a second payment of \$60,000 on closing date (date on which the shares of the Company trade on a stock exchange) and a final payment of \$60,000 six months from the closing date. Additionally, the Company must issue 5,000,000 common shares to GPRL upon signing of the agreement (not yet issued), which shall be subject to a one year trading restriction from the closing date in addition to any trading restrictions imposed by the British Columbia Securities Commission. These shares shall remain in the possession of the Company until April 28, 2017, and if the payment due on April 28, 2017 does not occur, the shares will be returned to treasury.

4. Trade payables and accrued liabilities

	March 31, 2017
Trade payables	\$ -
Amounts due to related parties (Note 7)	1,533
Accrued liabilities	4,500
	\$ 6,033

5. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At March 31, 2017 there were 12,100,000 issued and fully paid common shares.

On October 15, 2016 the Company issued 3,000,000 common shares at \$0.005 per share for proceeds of \$15,000.

On October 31, 2016, the Company issued a total of 6,500,000 units at \$0.02 per unit, for gross proceeds of \$130,000. Each Unit consists of one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company for a period of 18 months from closing of the private placement, at an exercise price of \$0.10 per share.

On November 15, 2016, the Company issued a total of 2,600,000 units at \$0.05 per unit, for gross proceeds of \$130,000. Each Unit consists of one common share and one-half of one share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company for a period of 18 months from closing of the private placement, at an exercise price of \$0.10 per share.

The Company incurred share issuance costs of \$1,816 in relation to the above share issuances.

Warrants

On February 28, 2017, the Company issued 1,660,500 special warrants ("Special Warrant") for gross proceeds of \$166,050 pursuant to a private placement. Each Special Warrant entitles the holder to acquire one unit ("Unit") of the Company. Each Unit consists of one common share and one-half of one share purchase warrant ("Regular Warrant"). Each full Regular Warrant entitles the holder to purchase one additional common share of the Company for a period of 18 months at an exercise price of \$0.20 per share.

The Special Warrants will automatically convert to common shares of the Company on the earlier of: (a) the first business day following the day on which a receipt for a final prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia or such other jurisdictions as may be determined by the Company qualifying the distribution of the common shares; and (b) four months and a day from the date of the issuance of the Special Warrants.

5. Share capital and reserves (cont'd)

The following table summarizes information about the issued and outstanding warrants as at March 31, 2017:

	Special Warrants		Warrants	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning	-	\$ -	-	\$ -
Issued	1,660,500	-	4,550,000	0.10
Outstanding, ending	1,660,500	\$ -	4,550,000	\$ 0.10

The weighted average remaining life of the regular warrants is 1.09 years and the special warrants is 1.92 years.

Regular warrants and special warrants are as follows:

Issuance date	Number of warrants	Exercise price	Expiry date
October 31, 2016	3,250,000	\$ 0.10	April 30, 2018
November 15, 2016	1,300,000	\$ 0.10	May 15, 2018

6. Income tax

A reconciliation of income taxes at statutory rates with the reported income taxes is as follows:

	March 31, 2017
Net loss	\$ (17,522)
Statutory tax rate	26%
Expected income tax recovery	(4,555)
Other	(472)
Change in unrecognized deductible temporary differences	5,028
Total income tax expense (recovery)	\$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	March 31, 2017
Unrecognized deferred tax assets:	
Share issue costs	\$ 378
Non-capital losses	3,712
Resource pool	938
Total unrecognized deferred tax assets	\$ 5,028

7. Related party transactions

The following amounts due to related parties are included in trade payables and accrued liabilities, and have arisen from the unpaid portion of certain fees disclosed below as well as amounts owing for expense reimbursements. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	March 31, 2017
Directors and officers of the Company (Note 4)	\$ 1,533

During the year ended March 31, 2017, the Company paid \$3,451 to a company controlled by a director for accounting and corporate secretarial services.

8. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. As at March 31, 2017, there are no financial assets and liabilities denominated in a currency other than the functional currency of the entity holding the financial asset or liability.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

8. Financial risk and capital management (Cont'd)

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements.

Fair value

The Company's financial instruments consist of cash and trade payables. The fair value of these financial instruments approximates their carrying values due to the short term nature of these investments. Cash is measured at fair value using Level 1 inputs.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

9. Subsequent event

Subsequent to March 31, 2017, the Company issued 15,000 Units for gross proceeds of \$1,500 pursuant to a private placement. Each Unit consists of special warrant ("Special Warrant") and one-half of one share purchase warrant ("Regular Warrant"). Each Special Warrant entitles the holder the right to acquire, without additional payment, one common share of the Company. Each full Regular Warrant entitles the holder to purchase one additional common share of the Company for a period of 24 months from closing of the private placement, at an exercise price of \$0.20 per share. Also 1,000 units were cancelled and \$100 was returned to the investors.

Subsequent to March 31, 2017, the Company issued 5,000,000 shares as option payments for the LAB project and issued 2,000,000 shares to an officer of the Company as share-based compensation.

Schedule "A"

Audit Committee Charter

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of Graphite Energy Corp. (the "Company")

Mandate

The primary function of the audit committee (the "Committee") is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- review and update this Audit Committee Charter annually; and
- review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
- obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
- review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
- at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
 - such services were not recognized by the Company at the time of the engagement to be non-audit services, and
 - such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

- consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- review certification process;
- establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- review any related-party transactions;
- engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- to set and pay compensation for any independent counsel and other advisors employed by the Committee.

CERTIFICATE OF THE COMPANY AND PROMOTER

Date: May 11, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia and Alberta.

/s/ Afzaal Pirzada

Afzaal Pirzada
President, Chief Executive Officer

/s/ Sheri Rempel

Sheri Rempel
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ Bonnie Kagna

Bonnie Kagna
Director

/s/ Afzaal Pirzada

Afzaal Pirzada
Director

PROMOTERS

/s/ Sheri Rempel

Sheri Rempel