CLIMATE ACTION PLAN

2022 – 2030+

NOUVEAU MONDE GRAPHITE

OUR CLIMATE ACTIONS AT THE FOREFRONT

Carbon neutrality yesterday, today and tomorrow

Powered by renewable energy

Committed to fully electrifying our operations

- **On track to becoming the 1st all-electric open-pit mine**

CULTURE OF CONTINUOUS IMPROVEMENT

Reduction at the source and R&D

TRANSPARENCY AND ACCOUNTABILITY

GHG emission monitoring, disclosure and verification

NET ZERO BY 2030

- Support reductions, accelerate sequestration
- Develop a portfolio of offset projects
- Emphasize nature-based solutions
- Build partnerships with our local communities
- Invest in developing countries

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DISCUSSION WITH OUR LEADERSHIP

Arne H Frandsen, Chair of the Board of Directors, and Eric Desaulniers, Founder, President and CEO, discuss their vision and NMG's climate strategy.

ARNE H FRANDSEN
Chair of the Board of Directors

ERIC DESAULNIERS
Founder, President and CEO

What ignited your interest and personal investment in the battery materials sector?

ERIC: As a geophysicist, I ventured to explore new territories overlooked by the mining industry. There was a "New World" waiting to be discovered thanks to new technologies. About 20,000 km^2 of aerial surveys and ground checks led me to Saint-Michel-des-Saints, where long ago nature had sprung a world-class graphite deposit.

Since that discovery in 2015, I have worked tirelessly to develop this resource and maximize the scope of our company's action. Graphite is an important mineral to support global electrification and deploy renewable energies. Contrary to the mineral's zero-emission applications, its extraction and processing have traditionally been a lot less green. This is what drives our development today: to provide manufacturers with advanced graphite materials that are more environmentally friendly and have a carbon-neutral footprint, for a sustainable world.

ARNE: Over ten years ago, we at Pallinghurst saw an incredible opportunity in the battery materials market. The minerals required for the energy transition were known. Growth curves were drawn. Leaders like Tesla were starting to position themselves. However, the upstream supply of raw materials was clearly being neglected. After evaluating and visiting mining projects around the world, we chose Québec as the preferred playing field for our investment strategy focused on battery materials. Eric and the NMG team have shown that our aspiration to support the energy transition can be done in an ethical, sustainable and profitable way.

Where does NMG's electrical ambition come from?

ERIC: From exploration to commercial operations, developing a mining project is quite an adventure. I knew that if we could secure the capital and business agreements to power this venture, then the electric revolution would truly be in motion. The logical next step was for us to lead the way in the mining sector with a fully electric concept, which is a world first for an open-pit operation. Although many heavy equipment manufacturers and technical consultants thought we were eccentric at the time, I was convinced that this was the path of the future and the best way to fully reflect our sustainable development values.

Eric and Arne discuss a visit at the Matawinie Graphite Mine.

AT NMG, CARBON NEUTRALITY IS AN INSEPARABLE PART OF OUR ACTIVITIES AND DECISION-MAKING.

Whether through access to clean and renewable energy, state-of-the-art industrial infrastructure, the R&D ecosystem, or our advanced environmental regulations, Québec has the assets we need to make our ambition a reality and make a difference on a global scale by playing an important role in the electric economy of the future.

Why did you commit to becoming carbon-neutral?

ARNE : Doing so was a logical leap given the solid foundation that the NMG team had laid to develop its mining and industrial projects. While most companies are working overtime to review and rebuild their business models to meet Net-Zero targets by 2050, NMG has an advantage because it incorporated these principles into the design of its operations, the technological development of its proprietary processes, and its choice of equipment. This final step was therefore a natural one to take.

Carbon neutrality is not a marketing concept or a corporate trend. It's a tangible way to tackle the climate emergency. At NMG, this belief is an inseparable part of our activities and decision-making. It shows our employees, communities, and government partners that we are fulfilling our commitment of responsible development. This approach also gives us a preferential market position with potential customers who want to reduce their Scope 3 emissions, ensure their supply sources comply with increasingly stringent regulations, and meet consumer expectations for products with a low carbon footprint. Finally, our shareholders and portfolio managers recognize our good governance practices and resilience to climate risks.

What are NMG's main opportunities in a world that is decarbonizing?

ERIC : Booming growth in lithium-ion battery production and efforts by Western governments to develop local supply chains are obviously a springboard for us. Our strategic location between the U.S. and European markets, our carbon-neutral products, and our effort in the industry to stimulate responsible production are aspects that put us in a leading position to capitalize on the global decarbonization effort.

R&D is the bedrock on which to build the future. While everyone applauds the adoption of clean technologies, we have to recognize that they are very mineral- and energy-intensive. Together, we have to enhance the properties of materials, optimize tech solutions, reduce manufacturing footprints, improve product life cycles, and recycle components in a circular model. These opportunities will further differentiate us in the market, and we are working on seizing them!

Climate awareness is spreading to all sectors, including finance. What does the capital market expect from NMG?

ARNE : The amount of money invested in sustainable funds is at an all-time high. This general trend is directing funding into major energy transition enablers, like that of NMG. Capital is therefore available, but portfolio managers and shareholders have expectations, as they justifiably want to see not only financial growth but also social and environmental benefits.

Today, performance has to be multifaceted and measurable. NMG has already incorporated these factors into our governance. We have a concerted action, follow-up and disclosure processes to ensure accountability and provide transparency to our shareholders. Plus, we have aligned ourselves with the internationally recognized frameworks of the United Nations' Sustainable Development Goals ("SDG"), Global Reporting Initiative ("GRI"), and Sustainability Accounting Standards Board ("SABS"). We are also using the release of our climate action plan as an opportunity to publicly endorse the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"), which will strengthen our approach in anticipation of our commercial operations.

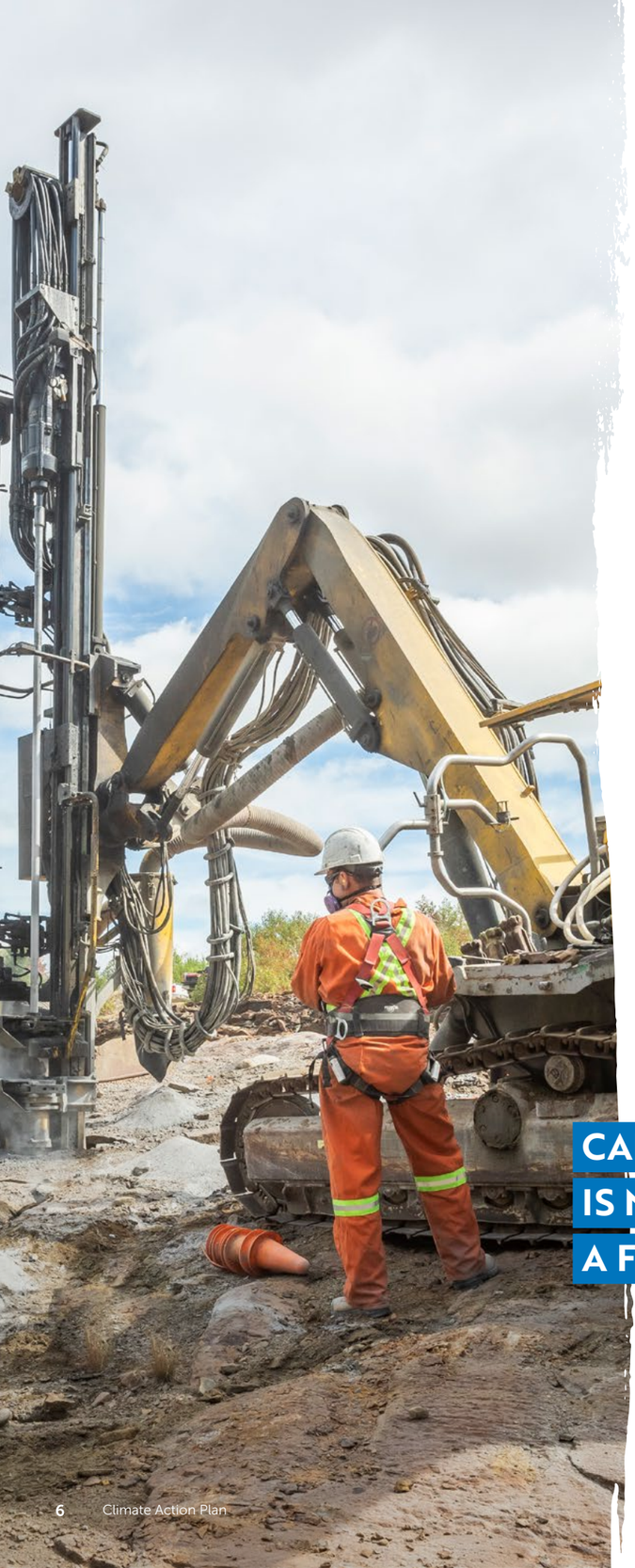
What are the main components of NMG's climate strategy?

ERIC : This is exactly what we invite you to learn about in this action plan! Although NMG is already carbon neutral, we have incredible opportunities on the road to becoming Net-Zero and as we continue to grow and contribute to the global decarbonization effort.

We are taking action by proactively managing the carbon footprint of our operations and products, designing infrastructure with carbon sequestration potential, developing our offsets portfolio, and making long-term efforts within our industry. Our goal is to be Net-Zero by 2030 with direct investments in nature-based solutions, projects in our local communities, and support for climate change action in emerging economies.

Our climate strategy is also an opportunity to engage in dialogue with our stakeholders and adjust our approach to the changing context.

ARNE : Our value proposition is clear. At all levels, from our Board of Directors to our operators in the field, we are engaged in this process to go from zero to Net-Zero. The path is laid out, and we are taking the steps down this road on our way to a sustainable future.



NOUVEAU MONDE GRAPHITE

Graphite is used for countless applications in renewable energy and clean technologies. We feel privileged to extract and transform this non-renewable resource and develop a business model around our vision of a cleaner future.

We are Nouveau Monde Graphite ("NMG," the "Company," "we"); a new avenue to promoting sustainable development through advanced materials.

CARBON NEUTRALITY IS NOT A GOAL BUT A FOUNDATION.

Our business model

NMG is positioning itself as a key contributor to the energy revolution. The Company is developing a fully integrated source of environmentally friendly battery anode material in Québec, Canada, for the growing fuel-cell and lithium-ion battery markets. With its low-cost operations and enviable environmental, social and governance ("ESG") standards, NMG aspires to become a strategic supplier to the world's leading battery and vehicle manufacturers by offering advanced materials that are efficient and reliable while promoting supply-chain sustainability and traceability.

VISION

Drive the transition to a green future with sustainable zero-carbon solutions.

MISSION

Produce the most environmentally friendly advanced graphite materials with a zero-carbon footprint for a sustainable world.

VALUES

Security, responsibility, openness, integrity, entrepreneurial spirit.

FROM THE MINE TO BATTERY MATERIALS

The Company's activities are focused on the Matawinie Mine and the Bécancour Battery Materials Plant, both of which are progressing towards full-scale commercial operations. These projects are capitalizing on the world-class Matawinie graphite deposit, our proprietary technologies, and clean hydroelectricity that powers our operations.

+ Matawinie Mine

Located approximately 120 km north of Montreal, the Matawinie Graphite Mine is expected to become the largest natural graphite operation in North America with a targeted production of 100,000 tonnes per annum ("tpa") of high-purity graphite concentrate. The project shows exceptional potential thanks to our large reserves of high-grade minerals and low-cost operating model. A skilled workforce, high-quality infrastructure that includes paved roads and hydroelectricity, and a vibrant regional business ecosystem also provide a solid foundation for our business model.

As part of our electrification strategy, we are committed to using an all-electric fleet of equipment for our mining operations, ore concentration, and processing activities. This initiative would make Matawinie the world's first all-electric open-pit mine.

+ Bécancour Battery Materials Plant

To reach the optimal physical properties and performance to be used as anode material, graphite must go through three beneficiation steps: shaping, purification, and coating. NMG will use its production from the Matawinie Mine as feedstock for its value-added transformation activities.

Our advanced manufacturing operations will be in Bécancour, Québec, which is approximately 150 km northeast of Montréal along the St. Lawrence River. Robust local infrastructure provide us with a direct source of needed chemicals in addition to affordable hydroelectricity, a qualified workforce, and a multi-modal logistics base that includes a major international port close to the U.S. and European markets.

Our Phase-1 capacity target is 2,000 tpa of anode material, with the potential to significantly expand up to 42,000 tpa in Phase 2 to help meet the demand of battery manufacturers looking for environmentally friendly and locally sourced materials.

+ Phase-1 modules

Our gradual approach to each stage in our process and product development has reduced the risks of our projects while accelerating our planned commercialization and supporting our advancement to full-scale facilities.

The Phase-1 modules that NMG operates include a concentrator since 2018, a shaping line since 2020, and a purification facility since 2021. The last module will be the coating unit, which should start production in 2022.

+ GHG emissions forecasting

In light of the progressive development and commissioning of its Phase-1 and Phase-2 operations (Matawinie Mine in 2024 and Bécancour Battery Materials Plant in 2025), NMG projects that its greenhouse gas ("GHG") emissions will significantly increase over the next five years before reaching operational stabilization.

These GHG calculations and forecasts cover NMG's operations, all of which are located in Québec, Canada, as well as its corporate activities, which are mainly located in this same territory but also include a sales office in Europe.

Given that it operates in Québec, which has had a carbon market since 2013 that has been linked with the California market as part of the Western Climate Initiative ("WCI"), NMG has aligned its activities in parallel to this GHG emission cap-and-trade system even though it is not subject to this program since its emissions are below the thresholds.

Projected emissions curve as our operations are deployed

The projected emissions in this plan are expressed in tonnes of CO_2 equivalent based on the Global Warming Potentials ("GWP") in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change ("IPCC"). The breakdown by greenhouse gas type will be made available for Scope 1 emissions starting in 2025, when the Company's Phase-2 operations are expected to be commissioned.

NMG calculates and reports its Scope 2 emissions using a location-based methodology from its electricity consumption data and official emission factors of the province's sole provincial electricity generator and distributor, Hydro-Québec.[1]

[1] Hydro-Québec, "GHG emissions and Hydro-Québec electricity," https://www.hydroquebec.com/sustainable-development/specialized-documentation/ghg-emissions.html

IMPROVING THE BATTERY VALUE CHAIN

The international community is increasingly combining efforts and investments to transition to Net Zero by 2050. With the global push toward electrification, batteries will be a key piece of the new energy economy and the largest source of demand for critical minerals.

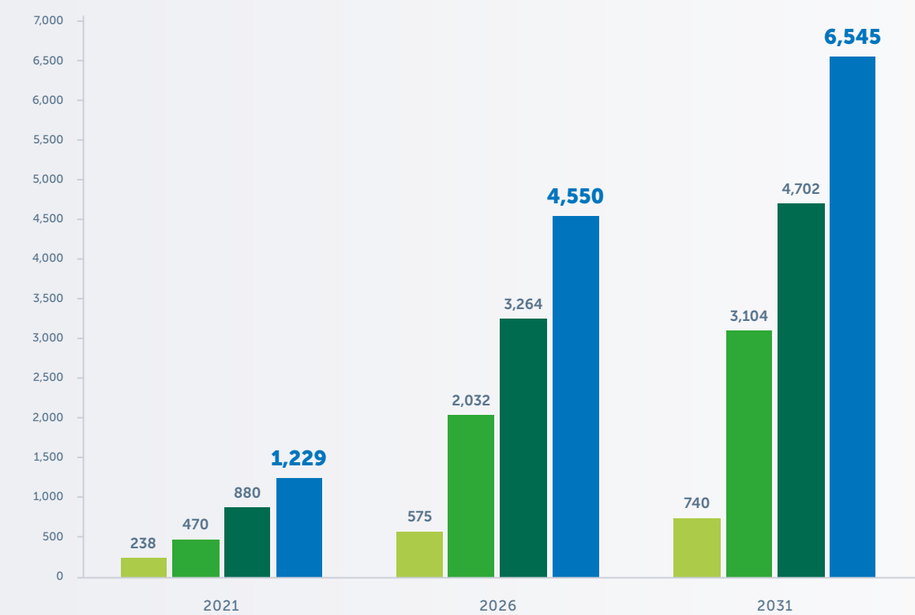
Graphite is essential for the lithium-ion batteries and fuel-cell technologies that will pave the way to a decarbonized future. In lithium-ion batteries, which is the main technology for electric vehicles and portable electronics, graphite makes up over 95% of the anode (or the negative electrode) no matter the chemical composition of the battery. Each kWh of energy capacity requires 1.2 kg of graphite.

+ Demand and market

Graphite is the most controlled mineral of all battery materials, with China currently producing more than 95% of the global spherical graphite supply. With lithium-ion battery production capacity projected to reach 5,135 GWh by 2031, demand for graphite is expected to increase by 500%, which is the highest growth for all key raw battery materials.[2]

[2] *Benchmark Mineral Intelligence*, February 2022

Growth in demand for battery materials (KT)[2]



The sourcing of materials, the securing of long-term contracts, and the transportation of different components across continents and oceans are all factors that have strained supply chains in a world turned upside down by COVID and its aftermath. Logistics disruptions and surging transportation costs have caused governments and manufacturers to rethink their strategic value chains and production.

Ideally located at the intersection of North America and Europe, NMG can offer a local alternative for Western markets, which would significantly reduce transportation and the associated emissions.

+ Industrial practices

From mining to beneficiation, graphite production is energy-intensive. Existing purification processes use a lot of energy and require large amounts of chemicals, including hydrofluoric acid, which can have a negative impact on the natural and human environment.

A recent lifecycle analysis of graphite production by an independent consulting firm in mining and metals sustainability demonstrated that emerging technologies are essential for reducing the footprint and GWP of value-added graphite transformation. According to the report, "there are significant opportunities to reduce the environmental impact of anode production by utilizing low-carbon or renewable energy sources, exploring new production routes, minimizing waste products or identifying new material or reagent suppliers."[3]

NMG HAS TAKEN HEED OF THESE OBSERVATIONS AND SEES THE DEVELOPMENT OF ITS PROJECTS AND TECHNOLOGIES AS AN OPPORTUNITY TO POWER AN ETHICAL, ECOLOGICAL, AND SUSTAINABLE ENERGY REVOLUTION.

From our concentrator's grinding and flotation circuits to our proprietary thermochemical purification technology that uses high temperatures instead of hydrofluoric acid and the addition of a chlorine-based reagent, we have invested in developing clean processes and reducing our products' environmental footprint as a key part of our development.

On track to becoming North America's largest and most advanced natural graphite operation, NMG is implementing its progressive, low-risk development plan to create a local, turnkey and carbon-neutral alternative to Chinese supply. Our portfolio of materials extracted and produced with a carbon-neutral footprint is contributing to the adoption of clean technologies and the amelioration of the battery value chain.

[3] Minviro, July 2021

Our manifesto

Through our value proposition and ESG principles, NMG aspires to support the transition to a sustainable and decarbonized world. For the energy transition to be clean and sustainable, the minerals that power it must also be extracted and processed responsibly.

NMG acknowledges that the emissions associated with its past, present, and future activities will add to global anthropogenic emissions and increase the pressure on our climate. Inherently, mining and advanced industrial manufacturing require a great deal of energy.

We are therefore taking swift action to become a change agent and a leader in providing the market with high-quality products with a carbon-neutral footprint while meeting our customers' needs. This action plan defines all commitments that form the core of our operational strategy for our next phase of growth.

We are committed to meeting – and exceeding wherever possible – the sustainability standards and provisions set out in the applicable legal, industrial and ESG frameworks.

We have also officially adhered to the:

- **United Nations' Sustainable Development Goals**
- **Paris Agreement of the United Nations Framework Convention on Climate Change**
- **Global Battery Alliance of the World Economic Forum**
- **Mining Association of Canada's Towards Sustainable Mining Program**
- **Recommendations of the TCFD**

Our business strategy is grounded in a sustainable development approach based on three pillars.

Creating shared value

Powering a greener future

Accelerating the wheel of change

NMG has developed a plan to progressively generate positive returns as it grows, including through the following sustainability goals that intersect with our climate actions:

Advance zero-harm standards within the Company and with construction and business partners through robust governance and exemplary practices in relation to health, safety, and environment.

Attain carbon neutrality for past and current operations, **with a plan for future activities.**

Elevate the environmental and ethical DNA of the Company's products.

Establish a first-class approach to **ESG and transparent disclosure.**

Invest in training, research, and leadership initiatives to advance our global sustainability agenda.

Promote and call for sustainability throughout our value chain, business ecosystem, and community.

It is important to note that we are developing our projects closely with our stakeholders, who include our employees, our business partners, our communities, Indigenous peoples, governments, and our clients. The materiality analysis conducted in 2021 confirmed the great importance of climate issues on our ability to create, preserve or grow economic, environmental, and social value for NMG, our stakeholders, and society in general[4].

[4] NMG Annual Report, May 2021.

Over the past ten years, from the Company's founding until now, NMG has built a mining and industrial company anchored in sustainable development principles; a zero-harm philosophy for our environment, our employees and our communities; and business practices aligned with global decarbonization efforts.

NMG firmly believes that its extraction and transformation operations as well as corporate activities can contribute to the common effort to limit global warming to 1.5 °C by 2050, as agreed to in the Paris Agreement.

NMG IS BLAZING A TRAIL BY ESTABLISHING AN AMBITIOUS AND TRANSPARENT CLIMATE ACTION PLAN THAT REFLECTS EXPECTATIONS AND DIALOGUE WITH OUR STAKEHOLDERS AHEAD OF OUR COMMERCIAL ACTIVITIES.

Our goal to become the largest producer of natural graphite anode material in North America will expectedly lead to increased GHG emissions in the coming years. Regardless of our growth and the commissioning of new facilities, we are committed to reducing and controlling our emissions while increasing our effectiveness and efficiency. However, using a previous reference year (as is generally recommended for setting targets and an action plan) is not feasible in our context as our historical carbon balance is already neutral thanks to our commitments and actions.

This climate action plan therefore aims to transition us to our Net-Zero target and reduce the use and financial risk associated with emissions offsets through source reduction strategies and the development of compensation projects.

On the other hand, the simultaneous development of NMG's business model is a source of multiple opportunities. In contrast to other more established mining and manufacturing companies, we can already examine best practices for low-emission operations and transformation and design our processes and Phase-2 facilities to optimize their environmental performance.

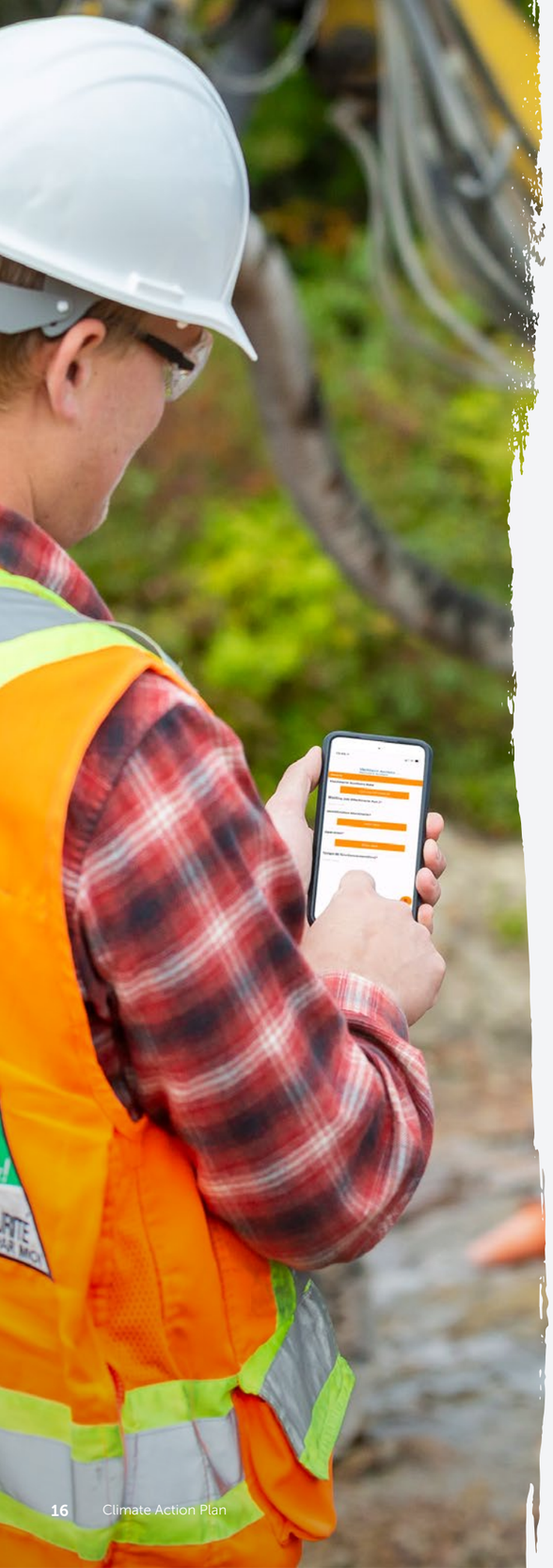
Our climate action plan targets this opportunity to build on a number of commitments and minimize, as much as possible, our impact and that of our industry on climate change and the associated risks. These commitments will be an inherent part of the projects' different operational phases, i.e. process development through Phase-1 operations, construction of our Phase-2 infrastructure, and the start-up of full-capacity commercial production. They will also guide our potential growth beyond these phases.

THE RIGHT ACTIONS, RIGHT NOW

The climate crisis is accelerating around the world, and actions to mitigate these risks must be taken now. Electrification is gaining momentum in the decarbonization effort and creating great pressure on the battery sector.

In this context, NMG is pursuing its diligent development to serve this growing market with carbon-neutral battery materials. The right technological solutions and associated economic activities must be quickly deployed if we are to improve the global carbon balance.

Our commitments aim fundamentally at not only reducing the Company's embedded emissions as quickly as possible but also internalizing the costs for each past, present, and future tonne of CO_2 emitted into the atmosphere.



Transparent and recognized reporting

The first step in any climate action is to identify sources of emissions and report them using reliable and recognized data. NMG has implemented a transparent and proven reporting process as its first commitment.

All emissions are reported using recognized protocols (ISO:14 064) in our corporate reports and on the Company's website by no later than March 31 following every yearly reporting period. Activities under the Company's financial control are included and consist of, but are not limited to, all Scope 1, Scope 2, and some Scope 3 emissions,[5] including business travel, direct emissions associated with the site construction, tree clearing related to the Company's direct operations, and the transportation of goods between sites.

We plan to include an external audit of our GHG data starting in 2025 – when our Phase-2 operations should be in production – to assure our customers, our shareholders, governments, and our other stakeholders of the accuracy of our tracking and reporting mechanisms.

With the acknowledgement that our carbon footprint is an important factor in our environmental performance and commercialization strategy, NMG includes this data in its annual ESG report to disclose this information as per the recognized SDG, GRI and SABS frameworks.

These statements let our stakeholders consult and compare our performance while establishing an accountability structure that drives continuous improvement and ensures that offsets are well correlated.

[5] The Scope 3 reporting commitment is reserved for the items mentioned due to the current complexity of future reporting and their proportion of the Company's total.

Reducing our climate impact

To actively prepare for a low-carbon future, NMG is positioning itself now to reduce the intensity of its operations and evaluate all current opportunities for the start-up of its future commercial operations. As a result, intensity targets could be established for our products once our commercial operations are deployed. Until then, reduction and mitigation measures are already in place for Phase-1 operations and are planned for Phase 2 in addition to exploratory initiatives that show reduction potential.

TO ACHIEVE NET ZERO, OUR FIRST PRIORITY IS TO REDUCE EMISSIONS WITHIN THE COMPANY THROUGH ALL APPLICABLE TECHNOLOGICAL OPTIONS.

RESPONSIBLE MINING

Mining is the foundation of our business model. We have applied innovative environmental initiatives to limit the footprint of the Matawinie Mine on the natural environment.

Through its design and operation choices, NMG is planning to minimize tree clearing from the industrial site construction, develop forest products from harvesting, optimize mining infrastructure through the co-disposal of tailings and waste rock, progressively backfill the pit starting in year 5 of operations, progressively rehabilitate the site by revegetating the stockpile and pit, compensate for the loss of (and even improve where possible) any tracts of wetland, and electrify our mining fleet and concentrator operations.

In line with industry best practices, all of these measures promote vegetation cover and wildlife ecosystems that naturally sequester CO_2 and reduce GHG emissions at the source.

CLEAN ENERGY

Québec's clean, affordable, and abundant hydroelectricity is an exceptional lynchpin in the implementation of our climate strategy. Electrifying our production is NMG's central mechanism for decarbonizing its operations and products. We are committed to adopting clean energy sources and technologies in every area of our operations as they become available.

+ Electrifying our mobile fleet

Given that a significant amount of mining emissions come directly from the use of fossil fuels by industrial machinery, we must evaluate the best strategy available to reduce these emissions as much as possible.

Since the release of the bankable feasibility study for the Matawinie Mine, NMG has committed to electrifying its mining assets, fleet and equipment and is on track to becoming the world's first all-electric open-pit mine. In this regard, we have entered into an agreement with Caterpillar to develop, test and supply mining equipment to extract and transport ore for the Matawinie Mine. Once the fleet becomes fully electric by 2028, this will result in an annual recurring reduction of 7,515 metric tonnes of CO_2 equivalent compared to a conventional mining operation that uses diesel equipment.

In addition to reducing our direct emissions at the source and improving the lifecycle of our products through low-carbon-intensive graphite extraction, NMG is directly contributing to the technological development of zero-emission heavy vehicles and to the mining industry's transition to environmentally responsible practices.

NMG mandated Hydro-Québec – the government corporation that produces, transmits, and distributes electricity in Québec – to design, build, and operate a 120-kV electrical line to supply the Matawinie Mine site. The goal is to connect the Matawinie mining infrastructure and concentrator to Hydro-Québec's hydroelectric network via a dedicated line in order to fully electrify our operations. Our Bécancour operations are also supplied by the Hydro-Québec network through existing infrastructure.

HYDRO-QUÉBEC GENERATES OVER 99% OF ITS ELECTRICITY FROM RENEWABLE ENERGY SOURCES THAT MAINLY COME FROM HYDROELECTRIC GENERATING STATIONS.

NMG also intends to have all its mobile equipment – from forklifts to pickup trucks – go electric, as these technologies become available, to have zero Scope-1 combustion emissions from our mobile equipment. As is already the case at our head office, NMG will set up electric charging stations at all of its operating sites to encourage the use of electric vehicles by its employees, contractors, and visitors.

+ Improving our practices through energy efficiency

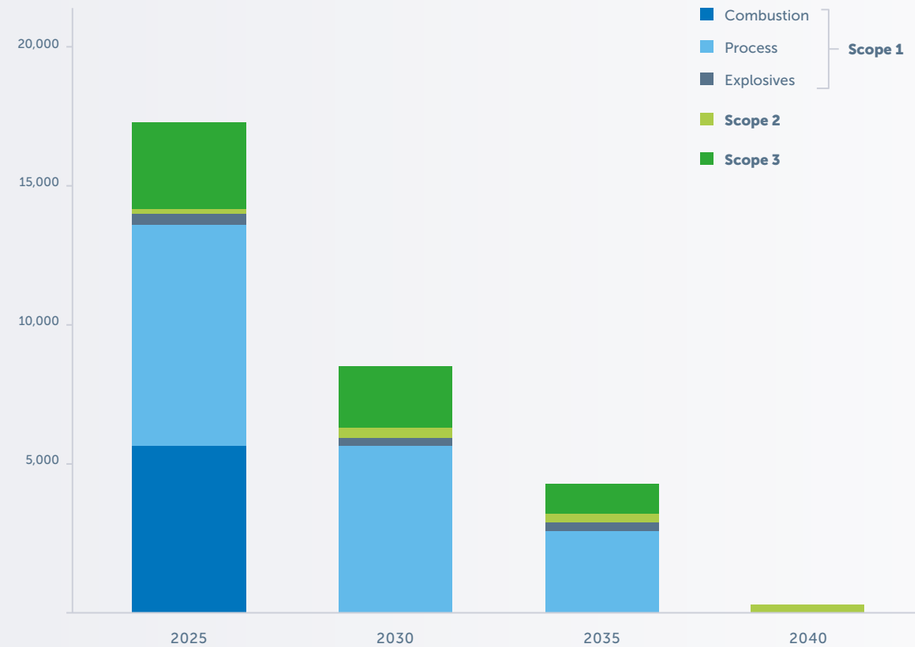
While we are committed to adopting clean and renewable energy sources primarily through our direct hydroelectric supply, we are continually evaluating opportunities to reduce our energy consumption. NMG is already working on programs and certifications that demonstrate the energy efficiency of our operations and infrastructure, such as the Mining Association of Canada's *Towards Sustainable Mining* initiative. Energy efficiency experts are closely involved in our projects to evaluate different ways to reduce our energy consumption both by our processes and in our buildings.

REDUCING PROCESS EMISSIONS

Once all our mining equipment has been electrified, 95% of our Scope 1 emissions will come from our concentration and secondary transformation processes. These emissions are associated with the use of carbon-based products due to their physical and chemical properties and not from their energy output through combustion. These emissions – which are of course much more complex to reduce – require analyses and technological developments to identify alternative solutions to preserve and/or improve the products' technical specifications and adhere to operational efficiency parameters.

NMG is looking to substitute carbon-based materials with non-carbon-based ones with similar properties. Another solution consists of partially or completely replacing the fossil fuels in our processes with conditioned forest biomass. By incorporating these two approaches into our process development, our goal is to generate gradual emissions reductions as we deploy these technologies at our production sites. Our target is to reduce our Scope 1 emissions by 30% by 2030, 65% by 2035 and 100% by 2040 over our first year of Phase-2 operations.

Emissions profile as projects are operationalized and reductions achieved



GHG emissions (Mt CO_2 eq) for each project phase

LIFECYCLE ANALYSIS OF OUR PRODUCTS

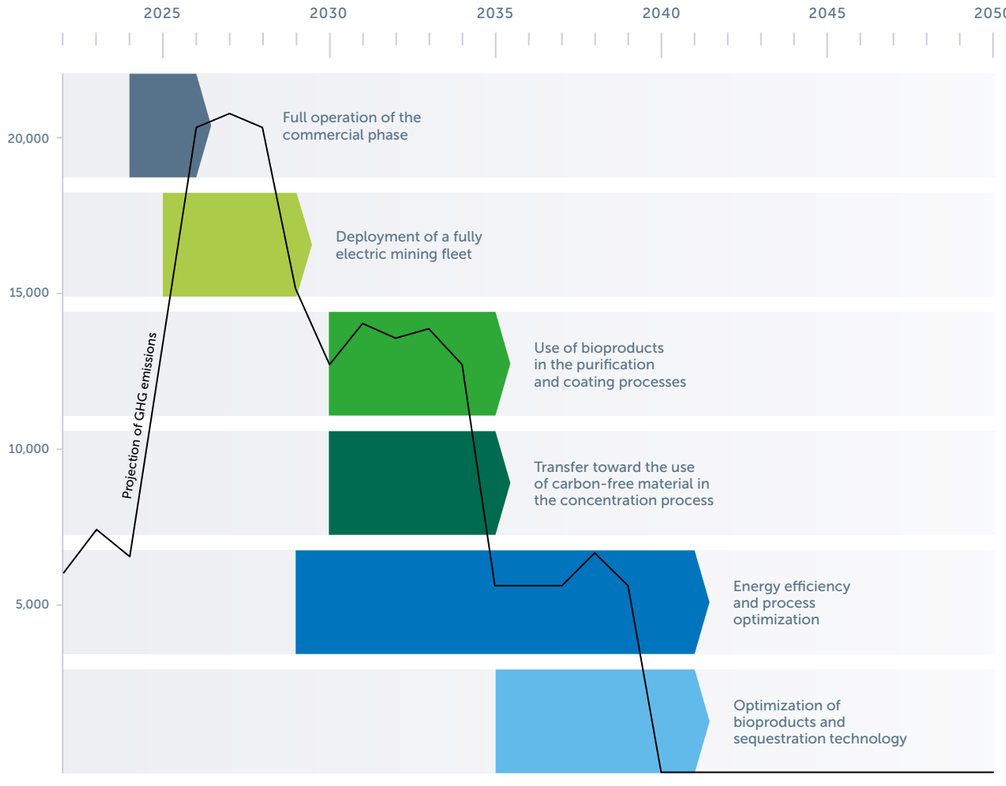
NMG is conducting a global environmental assessment of its products through a lifecycle assessment (“LCA”), a stringent process that evaluates the potential environmental and social impacts of a product at all stages of its life, from ore extraction to its processing, manufacturing, distribution, use, repair, maintenance and disposal/recycling. The study will also establish a more complete profile of our Scope 3 emissions and allow NMG to expand our actions to reduce these emissions.

LEADING BY EXAMPLE AS A CORPORATE CITIZEN

We are using our Sustainability Policy as a guide as we progressively roll out initiatives that engage our employees in our climate strategy, in particular through our continuous improvement culture, training activities, and workplace policies.

Since NMG was founded, we have implemented a hybrid work model, with some jobs carried out in-person at operating sites and others done remotely. This practice is supported by initiatives to attract employees from other regions and encourage them to put down local roots. NMG also encourages carpooling and/or the use of low-emission vehicles for employees who need to travel to NMG sites.

Emission-reduction curve



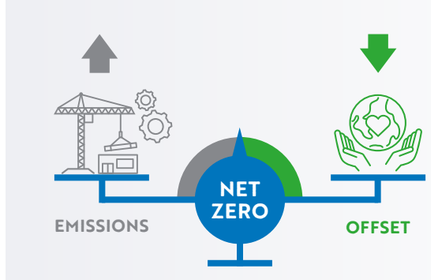
Carbon neutrality and transition to Net Zero

We have put carbon neutrality at the heart of our business strategy. While our ability to maintain a carbon-neutral balance and market Net-Zero products is critical for our market segment, we must also proactively manage the social acceptability of our operations, our ability to attract and retain human capital, climate risks, and existing and future regulatory requirements.

Although NMG is not subject to Québec’s carbon pricing system, we have developed a strategy to internalize the carbon cost by offsetting emissions from all of our projects that cannot be reduced. This alignment helps us prioritize reduction projects within the Company in anticipation of and then during the operation of our sites.

CARBON NEUTRALITY, FROM YESTERDAY TO TODAY

In 2021, NMG laid the foundation for its climate strategy first by tracking its historical emissions from the initial phases of its mining exploration and offsetting this carbon footprint, and then by subsequently committing to prevent, reduce and fully compensate its GHG emissions as the Company develops.



As part of its carbon-neutral approach, NMG strives to make annual offsets for all emissions calculated according to the defined boundary. Offsetting involves purchasing voluntary offsets verified by recognized standards so that the Company’s total carbon footprint is zero.

With the gradual commissioning of our commercial operations starting in 2024-2025, NMG will begin a major transformation of its business profile through the deployment of optimized equipment, processes, and technologies. Carbon neutrality will remain a core part of our commitments with our vision of transitioning to Net Zero.

TOWARD NET ZERO

Carbon markets and climate solutions are developing at a rapid pace. Offset compensation parameters are growing in tandem; however, they are not all equivalent. “Net Zero” is when anthropogenic GHG emissions have been fully negated through the implementation of all possible efficient reduction methods. The global Net Zero goal is critical to ending global warming in line with the goals of the Paris Agreement, since emission reductions alone will not achieve these goals.

BEYOND BEING CARBON-NEUTRAL THROUGH EMISSION-REDUCTION TRANSFER STRATEGIES, NET ZERO AIMS FOR CARBON SEQUESTRATION SO THAT THE NET CARBON BALANCE IS ZERO.

NMG is committed to a Net Zero approach. Out of a concern for climate risk management and with the goal of continuously improving our environmental performance, the Company

will prioritize offsets using verified and permanent sequestration credits, with the aim of having our entire operations becoming fully Net Zero by 2030.

BOUNDARY AND COMPENSATION METHOD

NMG includes all Scope 1 and Scope 2 emissions in its offsets as well as emissions from the construction of its plants, i.e. all emissions from the on-site combustion of petroleum products and from the loss of carbon reservoirs due to tree clearing for its activities. A number of Scope 3 emissions that fall under the Company's financial control are also included in the offset; these include, but are not limited to, emissions from transporting ore and graphite concentrate between sites and emissions from our employees' business travel.

To internalize costs and provide accountability for our emissions, we are also committed to partnering with sequestration projects, which, thanks to the integration of offsetting into the corporate model itself, is a pioneering initiative.

When emissions cannot be eliminated, NMG intends to offset them by generating verified credits with its portfolio of sequestration projects through nature-based solutions and the purchase of verified sequestration credits.

+ Progressive targets

With its vision of transitioning to Net Zero, NMG's target offset structure will consist of at least 50% sequestration credits between 2022 and 2025 (Phase 1 of our operations), 75% between 2025 and 2030 (Phase 2 for commercial production), and 100% starting in 2030.

BY 2030, NMG PLANS TO OFFSET ITS CARBON EXCLUSIVELY THROUGH VERIFIED CARBON SEQUESTRATION CREDITS.

This is the recommended offsetting model to limit warming and prevent temperatures from rising over 1.5 °C above pre-industrial levels. NMG is committed to using a scientific approach targeting nature-based credits that increase global carbon sinks and reservoirs. We will also watch out for technological opportunities to sequester carbon and assess the relevance of these credits in future offsets.

As a complementary initiative, NMG aspires to create opportunities and shared value in its communities. We therefore want to incorporate credits from local projects, i.e. within 250 km of our operations, into our offset structure so that they represent 50% of our offsets by 2030.

NMG also recognizes that the climate crisis affects the entire planet and that sequestration initiatives have a global impact. Given that we operate in an international market, we believe that it is our corporate responsibility to support developing countries by investing in local climate solutions, with a target of reaching 25% by 2030.

In order to provide sound financial management and reduce risks associated with the carbon market's volatility and limited supply, NMG intends to gradually develop its portfolio of offset projects to reach 50% of its offset structure by 2030.

Progressive offsetting strategy

To stay on track toward our offset commitments and goals, our Carbon Neutrality Program Manager continually assesses our emissions and researches compensation solutions to ensure that the number of credits meets objectives at the end of each target period. This period-based offset strategy is similar to what has been done in the regulatory market in Québec and provides greater flexibility while achieving the same result at the end of the period as what would be achieved with annual recurring offsets.

As part of our commitment to transparent reporting, all emissions for each year will be posted on our website, and an offset tracker will be included so that each credit used can be consulted.

R&D into low-carbon-footprint activities and materials

Because NMG operates in a fast-paced industry where technological developments and market dynamics are constantly evolving, the Company is actively engaged in R&D to stay on the cutting edge of technology and develop the next generation of battery materials.

NMG MAINTAINS A PORTFOLIO OF R&D PROJECTS TO REFINE ITS LINE OF SPECIALIZED PRODUCTS IN RESPONSE TO FUTURE MARKET DEMANDS AND ENVIRONMENTAL INNOVATIONS.

Cutting-edge research and close collaboration with universities, governments, technology transfer centres and industry partners complement our internal R&D efforts to enhance our environmental practices, manufacturing techniques, and product offerings.

We also support an internal culture of continuous improvement and are exploring new methods, processes, components, and equipment to optimize our production and reduce our products' environmental footprint. The Phase-1 plants represent a true R&D incubator, as they allow us to test these avenues for technological optimization and train our employees to then improve performance at our commercial plants.

+ Research committee

NMG assembled a research committee of leaders in the battery, carbon and materials engineering sectors that supports our R&D team. This committee evaluates ways for NMG to reduce the GHG associated with our technological processes and also pushes R&D with partners and via pilot projects to reduce the use of carbon-based materials in our process.

Be an influential player throughout the value chain

NMG's goal is to supply the global battery market with its carbon-neutral anode material. This material is a strategic input in the value chain of electric vehicles and energy storage solutions. To responsibly contribute to the energy transition, we are committed to providing carbon-neutral and traceable anode material whose mining and transformation have transparent and limited environmental impacts.

Although market conditions are putting significant pressure on producers of graphite and anode materials, we must maintain environmental excellence when it comes to the lifecycle of decarbonization solutions. As a stakeholder in this transformation of the graphite industry, we transparently inform our customers of our commitments, targets, and performance indicators in relation to our climate performance or other ESG areas.

INDUSTRIAL SYNERGY

Our approach based on a circular economy and industrial synergies aims in particular to reduce heat loss, water discharges, and industrial waste and to promote loop circuits within NMG's own operations or with other companies. NMG intends to continue taking advantage of industrial symbiotic partnerships thanks to our advantageous location in the Port of Bécancour Industrial Park and participation in the Québec battery and electrification cluster. Our goal is to maximize the beneficiation of both our inputs and outputs for all our facilities.

Our agreement with Olin Corporation – one of the world's largest chemical companies – will supply us with piped chemicals and technical services associated with our proprietary purification process. This synergy between neighbouring industries will avoid transportation and the associated emissions while potentially allowing us to recover products initially meant for the landfill or treatment.

NMG is working with different partners, such as local communities, business groups, industry associations, research centres and business partners, to share data and best practices, explore collaboration opportunities, and develop innovative solutions that can reduce GHG and the Company's overall environmental footprint.

+ Global Batterie Alliance

An initiative of the World Economic Forum, the Global Battery Alliance ("GBA") is striving to establish a circular and sustainable battery value chain through leadership and public-private partnerships.

In 2021, NMG became an active member of the GBA and was one of the first battery material producers to actively participate in this association. We have joined battery manufacturers, automakers, technology companies, governments, and international organizations in a concerted effort to advance the GBA's flagship initiatives and working groups to sustainably develop the battery ecosystem.

Since 2020, NMG has been working with Propulsion Québec, OPTEL Group, and the International Reference Center for the Lifecycle of Products, Processes and Services (“CIRAIG”) to establish the traceability of minerals and battery materials. Thanks to a grant from the Québec government, this project is affiliated with the GBA to inform Battery Passport requirements and disclosure criteria for sustainable and transparent battery production.

THE BATTERY PASSPORT IS EXPECTED TO BECOME THE DOMINANT STANDARD FOR DEMONSTRATING ENVIRONMENTAL AND SOCIAL COMPLIANCE OF A BATTERY THROUGHOUT ITS VALUE CHAIN.

NMG is committed to developing and implementing the GBA’s Battery Passport principles to ensure that our strategic minerals are traceable and sustainable.

SUPPLIER TRAINING AND AWARENESS

NMG acknowledges that its GHG emissions come not only from our operations and electricity production but also from the upstream and downstream activities of our transformation chain (Scope 3 emissions). NMG therefore intends to gradually implement procurement practices and selection criteria that make our suppliers aware of the need for transparency about the carbon footprint of their product or service.

We are also developing strategies with our suppliers to get as much information as possible to broaden the GHG calculation of our Scope 3 activities and identify avenues for reduction or substitution.

Transportation from our activities, which we will more fully define and forecast once our Phase-2 operations enter commercial production, will be the focus of targeted efforts to reduce our carbon footprint through zero-emission or hybrid fleets, modal optimization, bagging and packaging solutions, and/or other efficiency opportunities.

As per its current practices, NMG first uses local suppliers, products, and materials to maximize benefits for its communities and reduce transportation-related emissions. NMG prioritizes supply starting from the municipality where we operate a production site and extends this concentrically to the administrative region, the province and finally the country.

NMG’s integrated carbone profile

IN TUNE WITH OUR ENVIRONMENT

To uphold the spirit of our actions and commitments since our founding, NMG aims for openness and transparency as it grows and develops its projects.

We do this first by recruiting an efficient, engaged, and diverse team to execute our plans and reach our targets. Our employees drive NMG's vision to enhance our environmental practices and our portfolio of carbon-neutral products. Through collaboration and communication platforms, we want to stimulate their performance; transparently discuss their challenges, opportunities, ideas, and concerns; and cultivate innovation.

We also maintain an open dialogue with all our stakeholders to communicate our actions and understand expectations along with key issues and opportunities in our communities, our industry, and capital markets. This dialogue guides us as we review and align our climate efforts.

More specifically, we are constantly reviewing our actions, targets, and risks in light of our business discussions, government policies and regulatory changes. We can also measure our impact on our natural and business ecosystem to generate positive spin-offs.

This approach instills sensitivity, resilience, and ambition in our business strategy to support our long-term climate performance. We are closely monitoring the global warming curve and, starting in 2025, intend to develop a scenario analysis aligned with TCFD recommendations once our Phase-2 operations are in commercial production.

ABOUT THIS CLIMATE ACTION PLAN

NMG's climate action plan details the Company's GHG emissions reduction and offset strategy on a forward-looking basis, given the current status of its corporate development, current regulations, technologies and products available on the market, etc. The plan extends beyond 2030, but given the dynamic changes in the Company's business environment, NMG plans to update its climate strategy and targets in 2025.

NMG continuously communicates progress about its climate initiatives and carbon footprint through its financial and ESG reports, market press releases, website, and social media.

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Questions and comments about this climate action plan and NMG's Net Zero efforts are welcome. Contact Julie Paquet, Vice President, Communications and ESG Strategy, at jpaquet@nmg.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

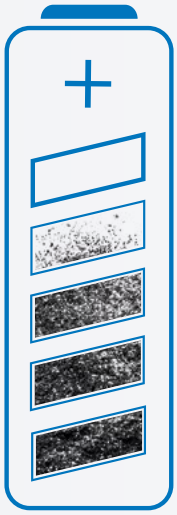
All statements, other than statements of historical fact, contained in this climate action plan including, but not limited to, those relating to (i) the Company's objectives, plans, aspirations and strategies to achieve these objectives, including priorities and plans for the establishment and achievement of certain environmental and sustainability targets for reductions in and compensation of greenhouse gas emissions and related matters, (ii) business opportunities that could result from climate change and the potential positive impact thereof on the Company, (iii) expected financial and operational impacts on the Company of various climate-related events (iv) trends in electrification and the various energy storage markets (v) the Company's Net Zero objective and its intended results, including the intended results of the Company's electrification strategy, (vi) the development plans and timeline of the Company's projects, (vii) graphite demand and trends, (vii) capacity and output of the Company's projects, (viii) the nature of the relationships with stakeholders such as local communities, governments and regulatory authorities, (ix) greenhouse gas emissions, and (x) any information as to the future plans and outlook for the Company, constitute "forward-looking information'' or "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation, and are based on expectations, estimates and projections as of the time of this report. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect. Moreover, these forward-looking statements are based upon various underlying factors and assumptions, including current technological trends, the business relationship between the Company and its stakeholders, the ability to operate in a safe and effective manner, the timely delivery and installation of the equipment supporting the production, the Company's business prospects and opportunities and estimates of the operational performance of the equipment, and such statements are not guarantees of future performance.

The words "plans", "intend", "scheduled", "estimates", "forecasts", "guide", "initiative", "outlook", "continue", "strive", "seek", "aspire", "committed", "potential", "projected", "pursue", "strategy", "study", "reach", "aim", "develop", "become", "generate", "believe" or "target", or variations of or similar such words and phrases or statements that certain actions, events or results "may", "could", "would", or "should", "might", or "way forward", "will be taken", "will occur" or "will be achieved'' and similar expressions identify forward-looking statements.

Forward-looking statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Risk factors that could cause actual results or events to differ materially from current expectations include, among others, delays in the scheduled delivery times of the equipment, the ability of the Company to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the availability of financing or financing on favorable terms for the Company, the dependence on commodity prices, the impact of inflation on costs, the risks of obtaining the necessary permits, the operating performance of the Company's assets and businesses, competitive factors in the graphite mining and production industry, changes in laws and regulations affecting the Company's businesses, political and social acceptability risk, environmental regulation risk, currency and exchange rate risk, technological developments, the impacts of the global COVID-19 pandemic and the governments' responses thereto, and general economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. Unpredictable or unknown factors not discussed in this cautionary statement could also have material adverse effects on forward-looking statements.

The above list is non-exhaustive and non-exclusive. Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. Readers are cautioned not to place undue reliance on these forward-looking statements as a number of important risk factors and future events could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, assumptions and intentions expressed in such forward-looking statements. Readers are further cautioned to review the full description of risks, uncertainties and management's assumptions in NMG'S most recent Annual Information Form available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

The Company disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.



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