

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended **December 31, 2015**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-34048

NEXT GRAPHITE, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

90-0911609

(IRS Employer
Identification No.)

**318 North Carson Street, Suite 208
Carson City, NV 89701 USA**

(Address of principal executive offices)

Issuer's telephone number, including area code: **(949) 397-2522**

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value \$0.0001 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was Required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. (as defined in Rule 12b-2 of the Exchange Act). Check one:

Large accelerated filer ☐
Accelerated Filer ☐

Non-accelerated filer ☐
Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of June 30, 2015, the last day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's voting and none-voting common stock held by non-affiliates of the registrant was approximately: \$1,000,228.54 at \$0.02 per share, based on the closing price on the OTCQB.

As of April 11, 2016, there were outstanding 50,411,443 shares of the registrant's common stock, \$.0001 par value.

Documents incorporated by reference: None.

Next Graphite, Inc.

Form 10-K

Table of Contents

	Page
<u>PART I</u>	
<u>Item 1. Business</u>	1
<u>Item 1A. Risk Factors</u>	14
<u>Item 2. Properties</u>	19
<u>Item 3. Legal Proceedings</u>	19
<u>Item 4. Mine Safety Disclosures</u>	19
<u>PART II</u>	
<u>Item 5. Market for Registrant's Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	20
<u>Item 6. Selected Financial Data</u>	23
<u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23
<u>Item 8. Financial Statements and Supplementary Data</u>	24
<u>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	25
<u>Item 9A. Controls and Procedures</u>	25
<u>Item 9B. Other Information</u>	26
<u>PART III</u>	
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	27
<u>Item 11. Executive Compensation</u>	28
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	30
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u>	31
<u>Item 14. Principal Accountant Fees and Services</u>	32
<u>PART IV</u>	
<u>Item 15. Exhibits</u>	33
<u>Signatures</u>	35
<u>Financial Statements</u>	F-1

PART I

ITEM 1. BUSINESS

Corporate History

Next Graphite, Inc. (the “Company”) was incorporated under the name Zewar Jewellery, Inc. on September 26, 2012 in the State of Nevada. The business plan of the Company was originally to operate as an on-line imitation jewelry retailer. Immediately after the completion of the Share Exchange, as such term is defined below, the Company discontinued its on-line imitation jewelry business and changed its business plan to exploration and development of the area under Exclusive Prospecting License 3895 in the Bethanien District Namibia. Effective December 16, 2013, the Company changed its name to Next Graphite, Inc.

Share Exchange Agreement

On November 14, 2013, we consummated transactions (the “Share Exchange”) pursuant to a Share Exchange Agreement (the “Share Exchange Agreement”) dated November 14, 2013 by and among the Company and the stockholders of African Graphite, Inc., a private Nevada corporation (“AGI” and the “AGI Stockholders”), whereby AGI Stockholders transferred 100% of the outstanding shares of common stock of AGI held by them, in exchange for an aggregate of 8,980,046 newly issued shares of the Company’s common stock, par value \$.0001 per share (“Common Stock”).

Stock Purchase Option Agreement

On November 14, 2013, AGI entered into a Stock Purchase Option Agreement (the “Option Agreement”) with NMC Corp., a corporation organized under the laws of the Province of Ontario, Canada (“NMC”), whereby NMC granted to AGI an option to purchase 90 ordinary shares, par value one Namibian dollar per share, of Gazania Investments Two Hundred and Forty Two (Proprietary) Limited, a corporation organized under the laws of the Republic of Namibia (“Gazania”), representing 90% of the issued and outstanding shares of Gazania, for \$240,000. NMC had entered into an option agreement dated March 29, 2013, as amended on November 4, 2013 (the “Centre Agreement”), with Centre for Geoscience Research CC (formerly known as “Industrial Minerals and Rock Research Centre CC”), a company organized under the laws of the Republic of Namibia (“Centre”), whereby Centre agreed to transfer to Gazania 100% undivided interest in the Exclusive Prospecting License No. 3895 known as AUKAM originally issued to Centre by the government of the Republic of Namibia on April 4, 2011 and renewed on April 4, 2013 (the “License”). The License grants the right to conduct prospecting operations, bulk sampling and pilot production in the license area called AUKAM located in southern Namibia in the Karas Region within the Bethanien district. The License area covers about 96,000 acres. AUKAM is the only mine in Namibia that has produced graphite and is situated in the license area. The ore body lies on the eastern slope of a prominent range of hills, which rises 120 to 150 meters above the level of the surrounding alluvial-covered valleys. The country rock consists almost entirely of grayish, medium-to-coarse grained granite and gneissic rocks of the Namaqualand Metamorphic Complex. The License applies to “base and rare metals” and “industrial minerals” and Gazania is the only party licensed to conduct mining operations of this type in the area. The transfer of the License to Gazania was approved by the Ministry of Mines and Energy of the Republic of Namibia on February 25, 2014.

Under the Option Agreement, AGI was required to pay to NMC \$90,000 as an advance payment to be credited towards the purchase price of the Gazania shares. The Company made the advance payment on November 14, 2013. The balance of the purchase price in the amount of \$150,000 was paid by AGI upon exercise of the Option that was completed on March 14, 2014. As a result, Gazania became a direct 90% owned subsidiary of AGI and an indirect subsidiary of the Company.

On November 14, 2013, the Company issued 12,600,003 shares of Common Stock to NMC in connection with the Option grant closing under the Option Agreement. In connection with the issuance of 12,600,003 shares of Common Stock, NMC entered into a Stock Escrow Agreement and a Lock-Up Agreement with the Company. Pursuant to the Stock Escrow Agreement, NMC delivered to the escrow agent the shares of Common Stock issued to it to be held by the escrow agent pending the closing of the Option exercise to purchase shares of Gazania by AGI under the Option Agreement in which case such 12,600,003 shares of Common Stock will be released by the escrow agent to NMC. The shares were released from escrow following the closing of the option exercise on March 14, 2013.

Under the Option Agreement, we undertook to provide at least \$260,000 of working capital to or for the benefit of Gazania from the option grant closing date to June 30, 2014. The \$260,000 of working capital was provided prior to June 30, 2014.

Under the Lockup Agreement executed on November 14, 2013, NMC agreed not to offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, sell short, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any shares of Common Stock, or enter into any swap or other arrangement that transfers any economic consequences of ownership of Common Stock until 12 months after the date therein.

Private Placement of Common Stock

From November 2013 to November 2014, the Company entered into and consummated transactions pursuant to a series of the Subscription Agreements (the "Subscription Agreements") with certain accredited investors whereby the Company issued and sold to the investors for \$1.00 per share an aggregate of 1,501,402 shares of the Company's Common Stock for an aggregate purchase price of \$1,501,400 (the "Private Placement").

The Subscription Agreements contain representations and warranties by the Company and the investors which are customary for transactions of this type such as, with respect to the Company: organization, good standing and qualification to do business; capitalization; subsidiaries, authorization and enforceability of the transaction and transaction documents; valid issuance of stock, consents being obtained or not required to consummate the transaction; litigation; compliance with securities laws; and no brokers used, and with respect to the investors: authorization, accredited investor status and investment intent.

Stock Split

On December 16, 2013, a 7.8-for-1 forward stock split of the Company's issued and outstanding Common Stock was effected (the "Stock Split"). As a result of the Stock Split, 9,602,569 shares of common stock issued and outstanding immediately before the Forward Split increased automatically, and without any further action from the Company's stockholders, to 74,900,039 shares of common stock. The authorized number and par value of common stock were unchanged.

Issuance of Common Stock

On January 1, 2015, the Company issued 300,004 shares of its Common Stock to a service provider in exchange for services pursuant to a board consent dated April 5, 2015.

Private Placement of Secured Convertible Notes

On October 2, 2014, the Company sold and issued to an accredited investor a secured convertible promissory note in the principal amount of \$100,000 (the "2014 Note"), which was due and payable on December 31, 2015 and accrued interest at the rate of 5% per annum and has a default interest rate of 7%. In addition, all or any outstanding amount of the 2014 Note was convertible one year from the date of this Note at the Holder's discretion into the Company's Common Stock at a 25% discount to the market price of the Company's Common Stock at the time of conversion. This note has not been converted. Although the note has passed its maturity date, the lender has agreed for the note to continue accruing interest at the annual rate until the note is paid in full.

The foregoing descriptions of the 2014 Note are qualified in their entirety by reference to the provisions of the 2014 Note, which is included as Exhibit 4.2 to this Report and are incorporated by reference herein.

On June 10, 2015, the Company issued a convertible note payable with an interest rate of 8.0% per annum in the amount of \$28,000. The outstanding balance and any accrued interest was due on March 13, 2016. The note was convertible at the holder's discretion into shares of the Company's Common Stock at the date of exercise using three days lowest stock price average times 61 percent discount. On December 11, 2015, the note was paid in full and retired.

Issuance of Non-Convertible Notes

On February 10, 2015, the Company issued a secured promissory note with a principal amount of \$24,000 to Iron Grid Ltd. This note had a maturity date of July 31, 2015 and accrued interest at 5% per annum. This note is secured by the assets of the Company and has a default interest rate of 7%. Although the note has passed its maturity date, the lender has agreed for the note to continue accruing interest at the annual rate until the note is paid in full.

On March 31, 2015, the Company issued a secured promissory note with a principal amount of \$10,000 to Pacific Seaboard Investments Ltd. This note had a maturity date of September 30, 2015 and accrued interest at 5% per annum. This note is secured by the assets of the Company and has a default interest rate of 7%. Although the note has passed its maturity date, the lender has agreed for the note to continue accruing interest at the annual rate until the note is paid in full.

On July 8, 2015, the Company issued an unsecured promissory note with a principal amount of \$2,500 to Charles C. Bream, our Chief Executive Officer. This note had a maturity date of September 18, 2015 and accrued interest at 7% per annum and has a default interest rate of 8%. Although the note has passed its maturity date, the lender has agreed for the note to continue accruing interest at the annual rate until the note is paid in full.

On July 8, 2015, the Company issued an unsecured promissory note with a principal amount of \$2,500 to Michael Doron, the Chairman of our Board of Directors. This note had a maturity date of September 18, 2015 and accrued interest at 7% per annum and has a default interest rate of 8%. Although the note has passed its maturity date, the lender has agreed for the note to continue accruing interest at the annual rate until the note is paid in full.

On August 24, 2015, the Company issued an unsecured promissory note with a principal amount of \$1,500 to Charles C. Bream. This note had a maturity date of November 24, 2015 and accrued interest at 7% per annum and has a default interest rate of 8%. Although the note has passed its maturity date, the lender has agreed for the note to continue accruing interest at the annual rate until the note is paid in full.

Issuance of Warrants

On May 28, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 150,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years.

On May 28, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 125,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years.

On May 28, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 25,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years.

On May 28, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 200,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years.

On May 28, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 2,255,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years.

On June 16, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 2,000,000 shares of the Company's Common Stock with an exercise price of \$0.008 and a term of five years.

On July 8, 2015, the Company issued a warrant to purchase 25,000 shares of its Common Stock with a five year term and an exercise price of \$.005, to a service provider in connection with an unsecured promissory note issued by the Company to our Chief Executive Officer in the amount of \$2,500 on July 8, 2015.

On July 8, 2015, the Company issued a warrant to purchase 25,000 shares of its Common Stock with a five year term and an exercise price of \$.005, to a service provider in connection with an unsecured promissory note issued by the Company to our Chairman in the amount of \$2,500 on July 8, 2015.

On August 24, 2015, the Company issued a warrant to purchase 10,000 shares of its Common Stock to a service provider in connection with an unsecured promissory note issued by the Company to our Chief Executive Officer in the amount of \$1,000 on August 24, 2015. The warrant has an exercise price of \$.011 and a term of five years.

Company's Corporate Structure

Gazania Investments Two Hundred and Forty Two (Proprietary) Limited is now a 100% wholly-owned Namibia subsidiary of African Graphite, Inc. AGI is a 100% wholly-owned Nevada subsidiary Next Graphite, Inc., also a Nevada corporation.

Going concern

The Company's financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. However, it has \$15,563 in cash, has losses and an accumulated deficit, and a working capital deficiency. The Company does not currently have any revenue generating operations. These conditions, among others, raise substantial doubt about the ability of the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to, meets its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

Management believes they will have sufficient funds to support their business based on the following: (a) the joint venture agreement signed in June 2015 which calls for our joint venture partner to provide cash payments to the Company, cover certain operating expenses, and build a processing facility; (b) revenues derived from purchase orders called for in a non-binding letter of intent with an off taker signed by our joint venture partner in March 2016; and (c) the ability to raise additional funds needed to support our business plan. Management intends to seek new capital from owners and related parties to provide needed funds, as necessary. However, there can be no assurance that the Company can raise any additional funds, or if it can, that such funds will be on terms acceptable to the Company.

Aukam Processing & Preliminary Economic Report

On February 18, 2015, an outside geologist consultant prepared and issued a preliminary report that addresses the building requirements for an overall processing circuit facility on site that would adequately accommodate the processing of Aukam graphite, initially its tailing heaps. The report states that there are conceptual resources of about 4 million tonnes of graphite from hydrothermal source on the site. As reported by the Company in August of 2014, its 500 tonne bulk sampling program extracted from on site mine dumps a total of 150 tonnes of high grade lumps, at a 3:1 lump to waste ratio with an average grade of 42% graphite. The majority of the graphitic lumps ranged in purity from 40-80% graphite, and a residual 350 tonnes of lesser grade material graded an average of 34% graphite. In December 2014, the Company reported additional testing at Gecko Laboratories, Namibia, including industry –standard flotation tests that reported the flotation characteristics of its lump graphite that influenced the Company’s plant design. The tests were conducted on 1,763 pounds of composite samples drawn from the 150 tonnes of pre-screened graphitic lump, residual and waste material. Flotation tests carried out on samples and then tested for purity and grade demonstrated a 212-micron grind was the optimal size for flotation, and delivered a result of 97.1 % pure graphite after a single, rough float. An average of 96.2 % graphite was recorded in the concentrates across all samples including waste material.

Below is a brief summary of the biographical information of our geologist consultant, Mr. Flint, is set forth below:

Mr. Ian Flint holds a PhD in Mining and Mineral Processing Engineering from the University of British Columbia, and a Master of Science degree in Metallurgical Engineering and Bachelor of Science degree in Geological Engineering, both from the University of Toronto. He has 24 years of graphite experience, including geology, test work, pilot plants, circuit design, mine development, purchasing, management, marketing and service as a public company corporate director. Mr. Flint is currently on a project for Elcora Resources Corp. (TSXV: ERA), and he has previously worked on projects for companies such as the Graphene Corporation, Dalhousie, Integrated Carbonics, Quinto, Bissett Creek, Mount Cameron Minerals, Worldwide Graphite (Superior), Farrell, Crystal Graphite, Victoria Graphite, CalGraphite. Mr. Flint has served on the Board or Advisor to several mining and graphite companies including; The Graphene Corporation, Dalhousie, Integrated Carbonics, Quinto, Bissett Creek, Mount Cameron Minerals, Worldwide Graphite (Superior), Farrell, Crystal Graphite, Victoria Graphite, CalGraphite.

New Business Relationships

In June 2015 the Company entered into a Joint Venture Agreement (“JVA”) with CKR Carbon Corporation (“CKR”; which acquired the Company’s original JV partner, Micron Investments Pty. Ltd]. It requires our joint venture partner to provide the Company with \$180,000 in cash, to spend \$1.1 million dollars towards building a graphite processing plant, and to cover all plant operational expenses for the first five months of commercial operations. In exchange, our partner will receive, upon achievement of certain milestones, up to a 63% interest in the mining and mineral rights held by the Company.

In March 2016, our JV partner signed a Letter of Intent for the joint venture to supply 5,000 tonnes of unrefined graphite from our Aukam site, with first shipment of 2,000 - 3,000 tonnes targeted for July 2016. Discussions with other off takers are taking place for additional sales. Revenues will be split on a fully farmed-out basis (63% CKR / 37% Next), as the joint venture partner will be putting up the required capital.

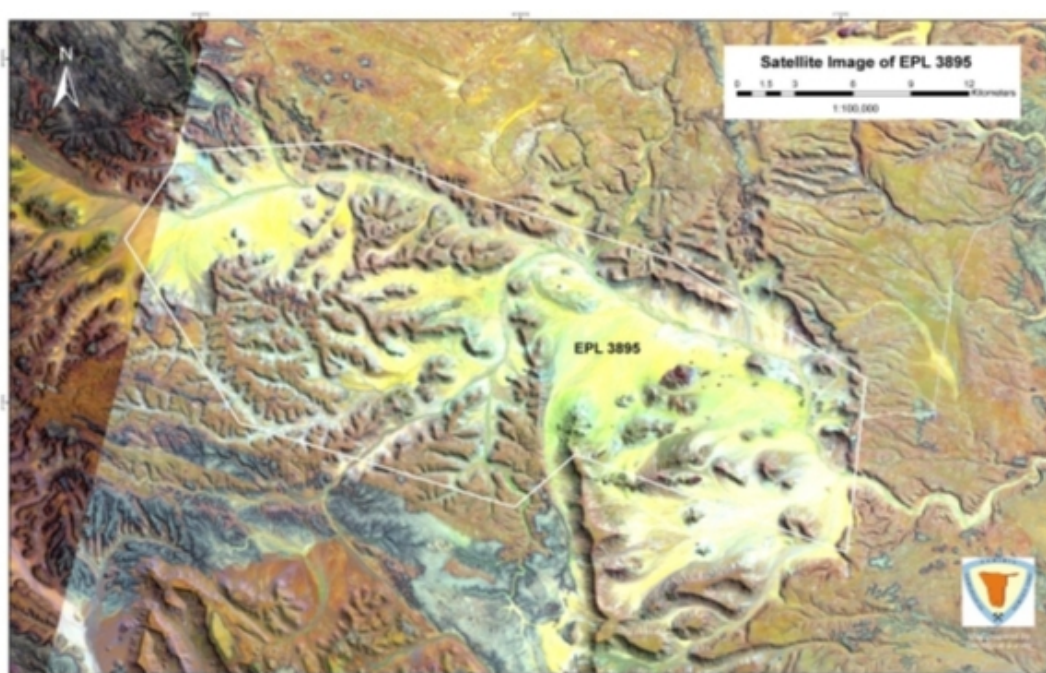
Our Business

Next Graphite, Inc. is an exploration development stage company targeting the growing global graphite production industry with the Company's 96,000-acre African-based Aukam Graphite Project. The Aukam Graphite Mine was established in 1940 in the current Republic of Namibia, and has produced USD \$30 million of graphite at today's prices. The Aukam property is estimated to still contain a significant amount of high grade, vein type graphitic material. Global graphite demand is being driven by the development of new markets for clean and efficient energy alternatives, smart grid infrastructure and military capabilities. Next Graphite has immediately available, surface dumps, which contains large quantities of high-grade graphite lumps. The Company also believes that it can offer competitive projected mining and processing costs.

Location of the Project and Infrastructure

The Aukam Graphite Mine is located in southern Namibia in the Karas region within the Betanie district 169 km from the port of Luderitz. The nearest town of Aus is some 87 km away by road. The license area spurns about 96,000-acre stratiform base metal that form part of the Namaqualand meta-sedimentary sequence.

The infrastructure in the area is good with access to the site possible throughout the year. The Aukam Graphite deposit is relatively close to a main tar road and well graded so the only construction required would be an approximately 2 km long access road to the site. There is a national power grid that passes right by the property. Water is available in large amounts from underground aquifers. The nearest rail link is located next to the main highway (some 70 km from the site).

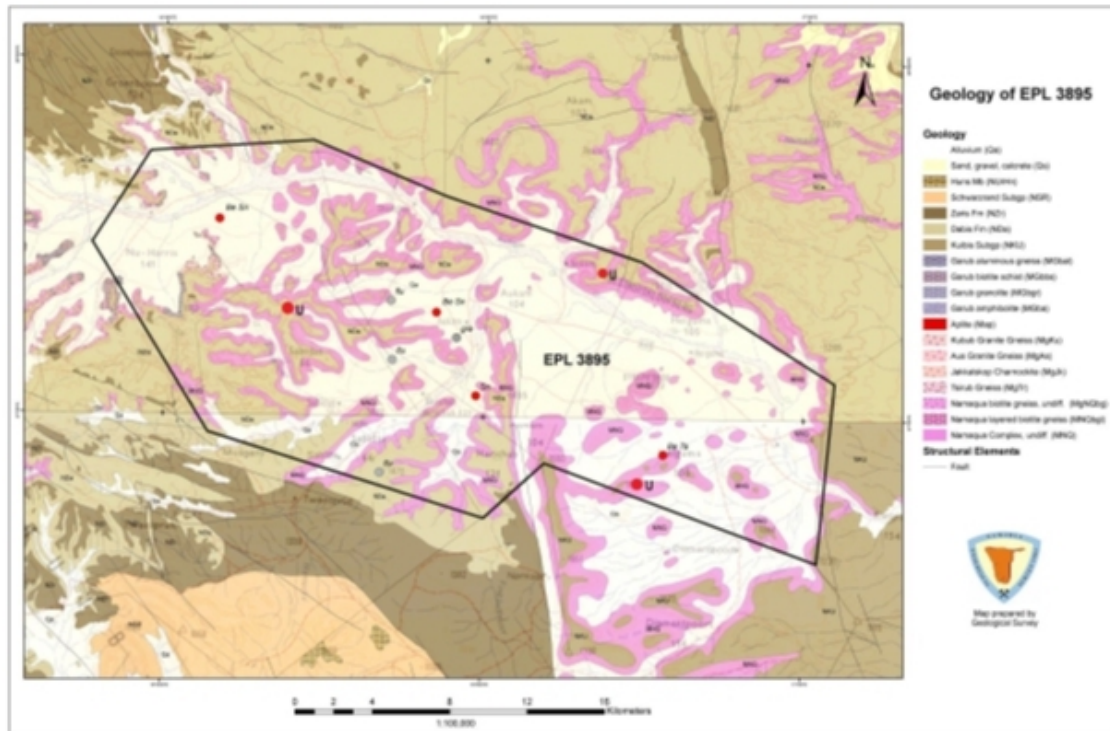


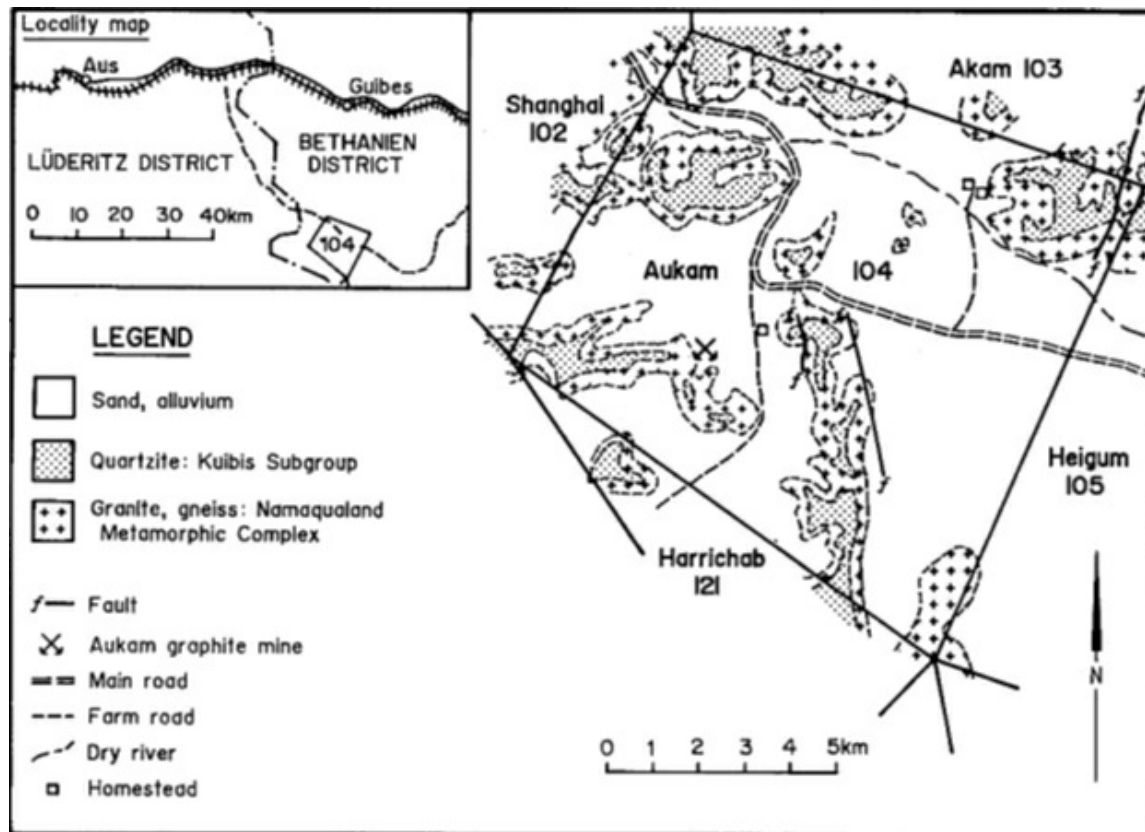
Climate

The Aukam Graphite Mine deposit is located in an unusual area of southern Namibia with both summer and winter rainfall. In the austral summer, day-time temperature peak in the mid 40° Celsius, while in winter temperatures can go as low as freezing. Rainfall in winter is generally light drizzle with occasional harder falls and sometimes flurries. In summer, the rainfall is associated with occasional thunderstorms and is of short duration, but can be of very high intensity. All of the streams within the area are ephemeral and can flow very strongly after summer rainfall. Average annual rainfall is 50-150 mm.

Geology

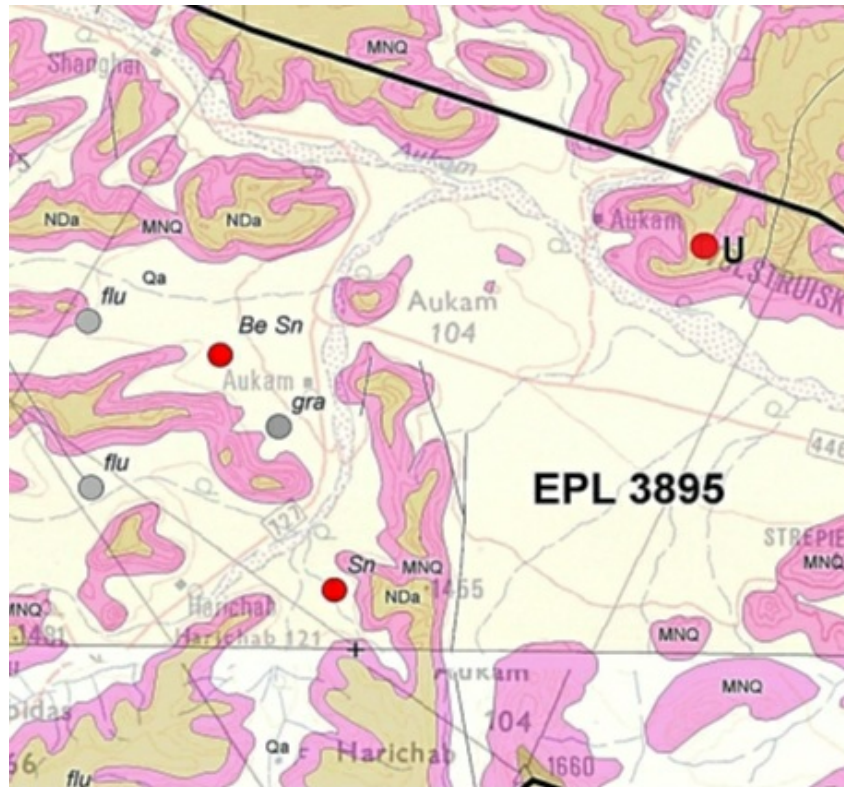
The Aukam Graphite Mine is the only mine in Namibia that has produced graphite. The ore body lies on the eastern slope of a prominent range of hills which rises 120 to 150 meters above the level of the surrounding sand covered valleys. The country rock consists almost entirely of grayish, medium- to coarse grained granite and gneissic rocks of the Namaqualand Metamorphic Complex.





The graphite-bearing shear zone, which strikes east-west, is about 50-150 m wide and is traceable over a distance of some 350 m. The graphite, which is of the fine-flaky to lumpy type, usually contains malachite specks, while sulphur occurs along cracks. The graphite veins are flanked by a pale green, highly epidotized and kaolinized granite that is soft and highly decomposed. Parallel stringers of ferruginous and micaceous talcose material are associated with the veins.

Graphite deposit in the Aukam Graphite Mine



- The best quality graphite is located in the central lode and was initially worked by opencast mining along the slope, as the softness of the rocks in this area greatly facilitated mining operations. The excavation, which now measures 45 by 35 m, was later supplemented by two adits sited further downhill along the same lode, and a third was developed above the opencast pit. The lowermost tunnel is about 120 m long. Large-scale sloping from these adits yielded several thousand tons of graphite. The deposits were mined from 1940 to 1956 when the workings were interrupted by fire. Production was resumed in 1964 and ceased in 1974.

Graphite occurs as veins and lenses in the East-West striking vertical zone, 10m wide and 350m long. At the bottom of the hill it disappears underneath the sand cover, whereas near the summit it tapers out. The zone comprises three parallel lodes. Veins, lenses and pockets of ore, several meters wide, dip 70° to 90° to the south. There are nine major vein lodes on the site, all which have characteristics of being well-mineralized.

The Industry

The global graphite market was valued at \$15.06 billion in 2014 and it is expected to grow at a CAGR of 4% during the period 2015 - 2020. The major drivers behind the growth of the graphite market include increasing use of high-end graphite in batteries, the growing demand of graphite in the steel industry, and increasing use of graphite in the automotive industry. At the same time, increase in electric vehicle ownership is expected to propel the lithium-ion market. The commercial acceptance of graphene is anticipated to provide further opportunities for the graphite market in near future.

There is no shortage of generic graphite and lower quality forms of graphite. The mineral is common and exposed in rocks covering hundreds of square kilometers in many areas of the world. Unlike the graphite at the Company's site, generic graphite has limited uses.

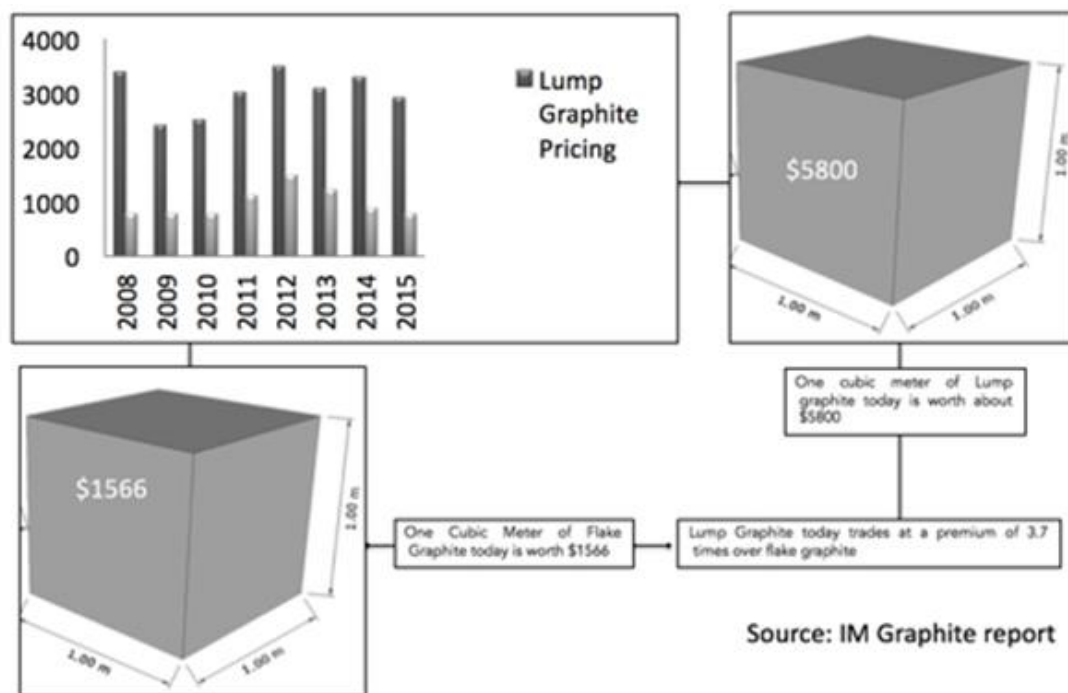
High-End Lump Graphite

Next Graphite's Aukam site contains a rare mixing of geothermal waters providing naturally precipitated graphite as solid carbon with a highly perfect crystallinity. The result is a special form of graphite known as "lump" or vein.

Aukam's high-end, clean Lump Graphite with a low sulphur content is available in only a few locations worldwide, including our Aukam site in Namibia, and in Sri Lanka.

Lump Graphite Prices, Supply and Demand

The Lump Graphite market is extremely illiquid. In 2015 a total of 8,000 tonnes of lump graphite was produced and sold into the market. Lump Graphite production has declined significantly from 34,000 tonnes in 1935 to 8,000 tonnes today. This has made this type of graphite extremely valuable to end users that desire this type of graphite for their value added manufacturing supply chain. The price of Lump Graphite has been relatively stable in 2015 depending on the purity and flake size distribution and has ranged between USD \$2,200 / tonne - USD \$3,500 / tonne.



The statements made in this section, “The Industry,” reflect management opinions and beliefs based on the information obtained from a variety of sector and industry sources. These include but are not limited to: IM Graphite Report, Angel Publishing, Industrial Minerals Magazine, RR Market Research, and the U.S. Geological Survey of Mineral Commodity Summaries.

Our Strategy

As mentioned, the Company has entered into a Joint Venture to re-launch mining production and on-site processing at an estimated cost, from inception through plant completion, of approximately \$3,000,000, with almost \$1,300,000 of that now coming from our Joint Venture partner. The completed, re-opened mine will initially be targeting an estimated 5,000 tonnes of annual production of processed-graphite. This will be preceded by the sale of unprocessed graphite to generate necessary pre-plant revenues.

In 2014, we conducted the following pre-production activities: the transfer of the mining license to Next Graphite Inc.; (i) initial testing of the Aukam Graphite Mine samples and the compilation of its initial geological report; (ii) process testing of surface graphite samples from on-site tailings; preparation of an Environmental Impact Assessment report; (iii) application for a Mining License for extraction; (iv) preliminary drilling and advanced product testing; preliminary economic analysis based on our findings and a scoping study that details the engineering for production, mining design, flowchart and operations and (v) construction planning for a small-scale processing facility; and continuing public company governance, overhead & professional services.

In 2015 we conducted the following additional pre-production activities: (i) concluded a 25-tonne Underground Bulk Sampling Program; (ii) delivered 1,000kg lower adit samples for testing, processing and customer review; (iii) reported up to 96% natural, lump, vein graphite grade from our aforementioned bulk sampling program. Favorable testing results indicated: (a) that the average grade of samples is 35.6% carbon as graphite (Cg); (b) that this graphite is upgradeable to approximately 50% by screening and sorting; (c) that it is further upgradeable to commercial grade (+96%) by dual flotation and mild acid wash and (d) that even further optimization is possible. As a result of this testing, the Company believes it is the only site for high-grade lump, crystalline vein graphite outside of Sri Lanka.

Recent Developments

In February of 2016, the Company received a Conditional Renewal of its exclusive prospecting license from the Namibian Ministry of Mines and Energy. As set forth above, our Joint Venture Partner Signed a non-binding Letter of Intent in March of 2016 to supply 5,000 tonnes of unrefined graphite from our Aukam site, with the first shipment of 2,000 - 3,000 tonnes targeted for July of 2016.

Market, Customers and Distribution Methods

Although there can be no assurance, large and well-capitalized markets are readily available for all industrial minerals, metals and precious metals throughout the world. A very sophisticated futures market for the pricing and delivery of future production also exists. The price for metals and minerals is affected by a number of global factors, including economic strength and resultant demand for metals and minerals for production, fluctuating supplies, mining activities and production by others in the industry, and new and or reduced uses for subject metals and minerals.

The mining industry is highly speculative and of a very high-risk nature. As such, mining activities involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Few mining projects actually become operating mines. The mining industry is subject to a number of factors, including intense industry competition, high susceptibility to economic conditions (such as the price of metal, foreign currency exchange rates, and capital and operating costs), and political conditions (which could affect such things as import and export regulations, foreign ownership restrictions). Furthermore, the mining activities are subject to all hazards incidental to mineral exploration, development and production, as well as risk of damage from earthquakes, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. Hazards such as unusual or unexpected geological formations and other conditions are also involved in mineral exploration and development.

Our methods of distributing our mined graphite will in part be dictated by what our initial drilling activities indicate relative to quality, quantity, concentration and cost of extraction. We plan to market our graphite via off-takes, to graphite distributors, traders and other companies that market graphite from more than one mining company.

The Company's costs of operation will also be largely influenced by the factors noted above such as quality, quantity, concentration, and cost of extraction. Based on our initial planned small-scale operation, the cost to build our processing plant are estimated to be approximately \$1,100,000 and is planned to be provided by our Joint Venture partner. We anticipate the Company's on-going costs of operation will be relatively low given our low Namibian labor costs and low extraction costs based on testing to date.

Intellectual Property

The Company does not have any Intellectual Property at this time.

Competition

The mineral exploration industry is highly competitive. We are a new exploration stage company and have a weak competitive position in the industry. We compete with junior and senior mineral exploration companies, independent producers and institutional and individual investors who are actively seeking to acquire mineral exploration properties throughout the world together with the equipment, labor and materials required to operate on those properties. Competition for the acquisition of mineral exploration interests is intense with many mineral exploration leases or claims available in a competitive bidding process in which we may lack the technological information or expertise available to other bidders.

Many of the mineral exploration companies with which we compete for financing and for the acquisition of mineral exploration properties have greater financial and technical resources than those available to us. Accordingly, these competitors may be able to spend greater amounts on acquiring mineral exploration interests of merit or on exploring or developing their mineral exploration properties. This advantage could enable our competitors to acquire mineral exploration properties of greater quality and interest to prospective investors who may choose to finance their additional exploration and development. Such competition could adversely impact our ability to attain the financing necessary for us to acquire further mineral exploration interests or explore and develop our current or future mineral exploration properties.

We also compete with other junior mineral exploration companies for financing from a limited number of investors that are prepared to invest in such companies. The presence of competing junior mineral exploration companies may impact our ability to raise additional capital in order to fund our acquisition or exploration programs if investors perceive that investments in our competitors are more attractive based on the merit of their mineral exploration properties or the price of the investment opportunity. In addition, we compete with both junior and senior mineral exploration companies for available resources, including, but not limited to, professional geologists, land specialists, engineers, camp staff, helicopters, float planes, mineral exploration supplies and drill rigs.

General competitive conditions may be substantially affected by various forms of energy legislation and/or regulation introduced from time to time by the governments of the United States and other countries, as well as factors beyond our control, including international political conditions, overall levels of supply and demand for mineral exploration. In the face of competition, we may not be successful in acquiring, exploring or developing profitable mineral properties or interests, and we cannot give any assurance that suitable oil and gas properties or interests will be available for our acquisition, exploration or development. Despite this, we hope to compete successfully in the mineral exploration industry by:

- keeping our costs low;
- relying on the strength of our management's contacts; and
- using our size and experience to our advantage by adapting quickly to changing market conditions or responding swiftly to potential opportunities.

Government Regulation

In Namibia, all mineral rights are vested in the state. The Minerals (Prospecting and Mining) Act of 1992 regulates the mining industry in the country. The Ministry of Mines and Energy is responsible for mining. Licenses and permits are authorized by the Minister on recommendation of the Mining Commissioner. Namibia's mining industry is also regulated by the Minerals Development Fund of Namibia Act of 1996 and the Diamond Act of 1999. Several types of mining and prospecting licenses exist as follows:

- Non-Exclusive Prospecting Licenses, valid for 12 months, permit prospecting non-exclusively in any open group not restricted by other mineral rights.
- Reconnaissance Licenses allow regional remote sensing techniques, and are valid for 6 months (renewable under special circumstances) and can be made exclusive in some instances.
- Exclusive Prospecting Licenses can cover areas not exceeding 1000 square kilometers and are valid for 3 years, with two renewals of 2 years each and discretionary renewals thereafter. Two or more EPLs can be issued for more than one mineral in the same area.
- Mineral Deposit Retention Licenses (MDRLs) allow successful prospectors to retain rights to mineral deposits which are uneconomical to exploit immediately. MDRLs are valid for up to 5 years and can be renewed subject to limited work and expenditure obligations.
- Mining Licenses can be awarded to Namibian citizens and companies registered in Namibia. They are valid for an initial 25 years, renewable up to 15 years at a time.
- There is no requirement that the Government should hold equity participation in mining ventures.

The Company has an Exclusive Prospecting License. We will be required to comply with the foregoing government regulations. An Environmental Impact Analysis was prepared and accepted by the Namibia Ministry of Environment and Tourism on September 22, 2014. In February 2016 Next Graphite received a Conditional Renewal of its exclusive prospecting license from the Namibian Ministry of Mines and Energy; The final step in obtaining Formal Renewal is for the Ministry to give approval to Next Graphite's "Proposal for Fulfilling Ministry of Mines and Energy Conditions of Renewal of EPL 3895". We believe this approval will be given by June 2016. The Company will then be issued the formal renewal of its EPL 3895 license. However, there can be no assurance that the issuance of the approval will occur as anticipated or at all.

Additional approvals and authorizations may be required from other government agencies, depending upon the nature and scope of the proposed exploration program. The amount of these costs is not known as we do not know the size, quality of any resource or reserve at this time. It is impossible to assess the impact of any capital expenditures on earnings or our competitive position.

Environmental Regulations

Our exploration activities are also subject to laws and regulations of Namibia governing protection of the environment. These laws are continually changing and, as a general matter, are becoming more restrictive. Our policy is to conduct business in a way that safeguards public health and the environment and in material compliance with applicable environmental laws and regulations. Changes to current laws and regulations in the jurisdictions where we operate could require additional capital expenditures and increased operating costs. Although we are unable to predict what additional legislation and the associated costs of such legislation, if any, might be proposed or enacted, additional regulatory requirements could render certain exploration activities uneconomic.

Employees

As of December 31, 2015, the Company and its subsidiaries had no employees. The Company utilizes the services of consultants and advisors. These include its principal executive officer, chief financial officer, geological personnel, accountants, and attorneys. Some of these positions, especially those of a technical nature, may be converted to employment if and when the Company's business requires and resources permit.

Emerging Growth Company

The Company is an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"), and may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of section 404(b) of the Sarbanes-Oxley Act, and exemptions from the requirements of Sections 14A(a) and (b) of the Securities Exchange Act of 1934 to hold a nonbinding advisory vote of shareholders on executive compensation and any golden parachute payments not previously approved.

The Company has elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(1) of the JOBS Act. This election allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

We will remain an "emerging growth company" until the earliest of (1) the last day of the fiscal year during which our revenues exceed \$1 billion, (2) the date on which we issue more than \$1 billion in non-convertible debt in a three year period, (3) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common equity securities pursuant to an effective registration statement filed pursuant to the Securities Act of 1933, as amended, or (4) when the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter.

To the extent that we continue to qualify as a "smaller reporting company", as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, after we cease to qualify as an emerging growth company, certain of the exemptions available to us as an emerging growth company may continue to be available to us as a smaller reporting company, including: (1) not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes Oxley Act; (2) scaled executive compensation disclosures; and (3) the requirement to provide only two years of audited financial statements, instead of three years.

ITEM 1A. RISK FACTORS

An investment in the Company is subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or operating results of the Company. Prospective investors should carefully consider the information presented in this report, including the following risk factors, which are not an exhaustive list of all risk factors associated with an investment in the Company or the Company's shares or in connection with the operations of the Company:

The Company has a limited history of operations and Aukam Graphite Project is the Company's sole asset. There can be no assurance that any of the Company's planned exploration and development activities on the Aukam Graphite Project will ever lead to the re-launch of graphite production from it.

The Company has a limited history of operations and is in the early stage of development. The Company is engaged in the business of exploring, resuming production and developing a single asset, the Aukam Graphite Project, in the hope of ultimately, at some future point, placing the Aukam Graphite Project back into production. The Aukam Graphite Project will be for the foreseeable future the Company's sole asset. Although management believes the Aukam Graphite Project has sufficient merit to justify focusing all the Company's limited resources upon it, the Company will in consequence be exposed to some heightened degree of risk due to the lack of property diversification. The Aukam Graphite Project is assumed to still host graphitic material that has been historically mined. However, there are no guarantees that the re-launched production of these potentially indicated and inferred resources will ever be demonstrated, in whole or in part, to be profitable to mine. Development of the Aukam Graphite Project will only follow upon obtaining satisfactory results from the recommended multi-phase testing, exploration and development program and any subsequent work and studies that may be required. There can be no assurance that any of the Company's planned exploration and development activities on the Aukam Graphite Project will ever lead to the re-launch of graphite production from it.

There is no guarantee that the mineral deposit contained in the Aukam Graphite Project will be commercially viable.

The exploration and development of mineral projects is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not reduce or eliminate. The Aukam Graphite Project will constitute the Company's sole asset. However, there are no guarantees that there will ever be a profitable mining operation on the Aukam Graphite Project. The proposed multi-phase exploration and development program on the Aukam Graphite Project is subject to a significant degree of risk. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access, flake size distribution, contaminants, and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties (both product and monetary), land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

The Company has no history of mineral production.

Even though the Aukam Graphite Project has produced graphite historically, the Company has never had an interest in a mineral-producing property. There is no assurance that commercial quantities of minerals will be discovered at any future properties, nor is there any assurance that any future exploration programs of the Company on the Aukam Graphite Project or any future properties will yield any positive results. Even where commercial properties of minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where mineral reserves can be profitably produced thereon. Factors that may limit the ability of the Company to produce mineral resources from its property include, but are not limited to, the price of mineral resources are explored, availability of additional capital and financing and the nature of any mineral deposits.

The Company's operations will be subject to all of the hazards and risks normally encountered in mineral exploration and development. The Company does not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or acceptable terms.

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all of the hazards and risks normally encountered in mineral exploration and development. Such risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows, fires and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labor disputes, political unrest and theft. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. The Company does not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or acceptable terms. The potential costs associated with losses or liabilities not covered by insurance coverage may have a material adverse effect upon the Company's financial condition.

The Company has a limited operating history and financial resources.

The Company has a limited operating history, has no operating revenues and is unlikely to generate any revenues from operations in the immediate future. Its existing cash resources are not sufficient to cover its projected funding requirements for the ensuing year. If its phased exploration and development program is successful, additional funds will be required to bring the Aukam Graphite Project back into production. The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill its obligations or for further exploration and development on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to reduce or terminate its operations.

If we cease to continue as a going concern, due to lack of funding or otherwise, you may lose your entire investment in the Company.

Our current plans indicate that we will need substantial additional capital to implement our plan of operations before we have any anticipated revenues. When we require additional funds, general market conditions or the then-current market price of our common stock may not support capital raising transactions such as additional public or private offerings of our common stock. If we require additional funds and we are unable to obtain them on a timely basis or on terms favorable to us, we may be required to scale back our development of new products, sell or license some or all of our technology or assets, or curtail or cease operations.

The Company is subject to Namibian government regulation of its mining operations. Although the Company believes that the Aukam Graphite Project is in substantial compliance with all material laws and regulations that currently apply to its activities, there can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on plans to explore and develop the Aukam Graphite Project.

The future operations of the Company, including exploration and development activities and the commencement and continuation of commercial production, require licenses, permits or other approvals from various federal, provincial and local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, exports, taxes, labor standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters. The Company believes that the Aukam Graphite Project is in substantial compliance with all material laws and regulations that currently apply to its activities. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on plans to explore and develop the Aukam Graphite Project. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay on the Company's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The initial property report was based on production data generated from the Namibian Ministry of Mines and Energy and from prior exploration work. There is no guarantee in reliability of such data.

In preparing the initial property report, The Aukam Property Geological Report of February 16, 2014, the authors of that report from Element 12 Consulting relied upon certain data generated on production from the government-mining ministry, and by exploration work carried out by geologists employed by others. There is no guarantee that data generated from government records or by prior exploration work is 100% reliable and discrepancies in such data not discovered by the Company may exist. Such errors and/or discrepancies, if they exist, could have impact on the accuracy of the subject report.

If we lose the services of key management personnel and are unable to attract and retain highly skilled employees, we may not be able to execute our business strategy effectively.

The success of the Company will be largely dependent upon the performance of its senior management and directors. Due to the relative small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly skilled employees may adversely affect its business and future operations. The Company has not purchased any “key-man” insurance nor has it entered into any non-competition or non-disclosure agreements with any of its directors, officers or key employees and has no current plans to do so.

While our executive officers and directors are highly experienced in business, they do not come from the mining industry and rely on Company managers and consultants for specific mining expertise. The Company has hired and may continue to rely upon consultants and others for geological and technical expertise. The Company’s current personnel may not include persons with sufficient technical expertise to carry out the future development of the Company’s properties. There is no assurance that suitably qualified personnel can be retained or will be hired for such development.

The Company faces increased competition for equipment and experienced personnel from competitors with greater financial and technical resources.

The mineral exploration and mining business is competitive in all of its phases. The mining industry is facing a shortage of equipment and skilled personnel and there is intense competition for experienced geologists, field personnel, contractors and management, including from competitors with greater financial resources. There is no assurance that the Company will be able to compete successfully with others in acquiring such equipment or personnel.

There is no guarantee that the Company will be successful in its competition for productive mineral properties and financing with competitors possessing greater financial and technological resources.

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Company competes with a number of other entities in the search for and acquisition of productive mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources than the Company, the Company may be unable to acquire attractive properties in the future on terms it considers acceptable. The Company also competes for financing with other resources companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

There can be no assurance that the Company will be able to secure the renewal of the prospecting license or grant of a mining license on terms satisfactory to it, or that governments having jurisdiction over the Aukam Graphite Project will not revoke or significantly alter such license or other tenures or that such license and tenures will not be challenged or impugned.

The Company possesses the license to the Aukam Graphite Project allowing for prospecting operations, bulk sampling and pilot production (subject to ministry approval) in the license area, which expired on April 3, 2015. We submitted our application for an extension to our current Exploratory License on March 13, 2015 and are confident of it being renewed, given that on February 4 2016, the Company received a Conditional Renewal of its exclusive prospecting license from the Namibian Ministry of Mines and Energy. The exploration license will be followed by a mining license, which cost is dependent on a number of variables that the Namibian Ministry of Mines will determine. We do not expect that the mining license will exceed \$20,000 in annual cost. While the Namibian government has an interest in the license area being developed and the Company believes that it will be able to obtain necessary extensions on the prospecting license and grant of a mining license required to recommence mining operations, there can be no assurance that the Company will be able to secure the renewal of the prospecting license or grant of a mining license on terms satisfactory to it, or that governments having jurisdiction over the Aukam Graphite Project will not revoke or significantly alter such license or other tenures or that such license and tenures will not be challenged or impugned.

If environmental hazards are identified on the Aukam Graphite Project, it may have the potential to negatively impact on the Company's exploration and development plans for the Aukam Graphite Project.

All phases of the Company's operations will be subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation and provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the viability or profitability of operations of the Company. The Aukam Graphite Project has in the past been subject to an environmental study. Additional environmental studies will, however, be required as the Company's anticipated exploration and development programs unfold. It is always possible that, as work proceeds, environmental hazards may be identified on the Aukam Graphite Project which are at present unknown to the Company and which may have the potential to negatively impact on the Company's exploration and development plans for the Aukam Graphite Project.

The price of the Company's securities, its financial results and its exploration, development and mining activities may be significantly adversely affected by declines in the price of graphite.

The price of the Company's securities, its financial results and its exploration, development and mining activities may be significantly adversely affected by declines in the price of graphite. Industrial mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of industrial minerals by various dealers, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, the degree to which a dominant producer uses its market strength to bring supply into equilibrium with demand, and international political and economic trends, conditions and events. The prices of industrial minerals have fluctuated widely in recent years, and future price declines could cause continued exploration and development of the Aukam Graphite Project to be impracticable. Further, reserve calculations and life-of-mine plans using significantly lower industrial mineral prices could result in material write-downs of the Company's investment in the Aukam Graphite Project and increased amortization, reclamation and closure charges. In addition to adversely affecting reserve estimates and the Company's financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

As our business grows, we will need to hire highly skilled personnel and, if we are unable to retain or motivate hire additional qualified personnel, we may not be able to grow effectively.

Although no assurance can be given, the Company contemplates that growth will occur as the Company implements its business strategies. The Company expects the expansion of its business to place a significant strain on its limited managerial, operational, and financial resources. The Company will be required to expand its operational and financial systems significantly and to expand, train, and manage its work force in order to manage the expansion of its operations. The Company's failure to fully integrate new employees into its operations could have a material adverse effect on its business, prospects, financial condition, and results of operations. The Company's ability to attract and retain highly skilled personnel in connection with its growth is critical to its operations and expansion. The Company faces competition for these types of personnel from other mining companies and more established organizations, many of which have significantly larger operations and greater financial, marketing, human, and other resources than does the Company. The Company may not be successful in attracting and retaining qualified personnel on a timely basis, on competitive terms, or at all. If the Company is not successful in attracting and retaining these personnel, its business, prospects, financial condition, and results of operations will be materially adversely affected.

The market price of the common stock may fluctuate significantly.

There was no quotation for the Company common stock until March 6, 2014. An active public market for the Company's common stock may not be sustained. The market price of the common stock may fluctuate significantly in response to factors, some of which are beyond the Company's control, such as product liability claims or other litigation, the announcement of new pharmaceuticals or pharmaceutical enhancements by the Company's competitors, developments concerning intellectual property rights and regulatory approvals, quarterly variations in competitors' results of operations, changes in earnings estimates or recommendations by securities analysts, developments in our industry, and general market conditions and other factors, including factors unrelated to our operating performance.

Issuance of additional shares of common stock or securities convertible into common stock may substantially dilute the ownership interests of our existing stockholders.

We may in the future issue our previously authorized and unissued securities, resulting in the dilution of the ownership interests of our common stockholders. We are currently authorized to issue one hundred million shares of common stock and ten million shares of preferred stock with such designations, preferences and rights as determined by our board of directors. Issuance of additional shares of common stock may substantially dilute the ownership interests of our existing stockholders. We may also issue additional shares of our common stock or other securities that are convertible into or exercisable for common stock in connection with the hiring of personnel, future acquisitions, future public or private placements of our securities for capital raising purposes, or for other business purposes. Any such issuance would further dilute the interests of our existing stockholders.

The outcomes of any legal action may have a material adverse effect on the financial results of the Company.

From time to time, the Company may be involved in lawsuits. The outcomes of any such legal actions may have a material adverse effect on the financial results of the Company on an individual or aggregate basis.

The Company does not anticipate paying any dividends on its common stock.

The Company has no earnings or dividend record and does not anticipate paying any dividends on its common shares in the foreseeable future.

Our common stock is considered a "penny stock" and, as a result, it may affect the ability of investors to sell their shares.

The SEC has adopted regulations that generally define "penny stock" to be an equity security that has a market or exercise price of less than \$5.00 per share, subject to specific exemptions. The market price of the Company's common stock may be below \$5.00 per share and therefore may be designated as a "penny stock" according to SEC rules. This designation requires any broker or dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules may restrict the ability of brokers or dealers to sell such shares and may affect the ability of investors to sell their shares. In addition, since the Company's common stock is currently quoted on the OTCQB, investors may find it difficult to obtain accurate quotations of the stock and may find few buyers to purchase the stock or a lack of market makers to support the stock price.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could prevent the Company from producing reliable financial reports or identifying fraud. In addition, current and potential stockholders could lose confidence in the Company's financial reporting, which could have an adverse effect on the Company's stock price.

Effective internal controls are necessary for the Company to provide reliable financial reports and effectively prevent fraud, and a lack of effective controls could preclude the Company from accomplishing these critical functions. We are required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), which requires annual management assessments of the effectiveness of the Company's internal controls over financial reporting.

If we fail to maintain the adequacy of our internal accounting controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404. Failure to achieve and maintain an effective internal control environment could cause investors to lose confidence in our reported financial information, which could have an adverse effect on our stock price.

Under the JOBS Act we have elected to use an extended period for complying with new or revised accounting standards.

We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(1), which allows us to delay adoption of new or revised accounting standards that have different effective dates for public and private until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates.

ITEM 2. PROPERTIES

The Company's direct 100% owned subsidiary Gazania owns a 100% undivided interest in the exclusive prospecting license No. 3895 known as AUKAM originally issued to Centre by the government of the Republic of Namibia on April 4, 2011 and renewed on April 4, 2013 (the "License"). The License grants the right to conduct prospecting operations, bulk sampling and pilot production in the license area called AUKAM located in southern Namibia in the Karas Region within the Betaine district. The license area covers 96,000 acres. In February 2016, Next Graphite received a Conditional Renewal of its exclusive prospecting license from the Namibian Ministry of Mines and Energy; The final step in obtaining Formal Renewal is for the Ministry to give approval to Next Graphite's "Proposal for fulfilling Ministry of Mines and Energy conditions of renewal of EPL 3895." We believe this approval will be given by May of 2016. The Company then expects to be issued the formal renewal of its license EPL 3895. However, there can be no assurance that the issuance of the approval will occur by May, 2016 or at all.

In June 2015, Next acquired the remaining 10% ownership rights of the 96,000 acre Aukam property and graphite mine from the Centre for Geoscience Research CC pursuant to a purchase agreement (the "Purchase Agreement") with Gazania Investments Two Hundred and Forty Two Ltd., and Centre for Geosciences Research Close Corporation, dated August 6, 2015. As a result of this acquisition, the Company now has 100% ownership rights to the prospecting license to the Aukam property. A copy of the Purchase Agreement is filed herewith as Exhibit 10.6.

The property is named after the Aukam Farm where it is located. A land use and royalty agreement was reached with the landowner on July 15, 2014, inclusive of land lease, boring and trenching and water usage compensation, and gross royalties once mining commences. Under the laws of Namibia, the grant of a mining license guarantees access to the land where a mineral deposit is located.

The Company entered into a leasehold interest to the land covering the Aukam graphite project with what it considers to be financially sound terms. An unrelated party, with whom the Company has a leasehold interest, owns the land lot on which the Aukam Graphite project is located. The leasehold makes provisions for the Company to conduct its operations. Under the laws of Namibia, the grant of a mining license guarantees access to the land where a mineral deposit is located. The financial terms of such access are, and have been negotiated directly with the landowner.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

On August 25, 2014, the Company filed a complaint in the Supreme Court of the State of New York in Nassau County against Wall Street Relations, Inc. ("WSR"). On March 20, 2014, the Company entered into a consulting agreement (the "Consulting Agreement") with WSR, which was filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on March 20, 2014. Under the Consulting Agreement, WSR agreed to provide to the Company public relations, communications, advisory and consulting services for fees of \$500,000 (the "Fees"). For the services to be rendered under the Consulting Agreement, the Company paid to WSR \$500,000 in cash. On June 20, 2014, the Company terminated the Consulting Agreement because the Company believed that WSR failed to perform its obligations under the Consulting Agreement. The Company therefore terminated the Consulting Agreement and demanded WSR's repayment of the Fees but to no avail. The Company's claim against WSR seeks, among other things, monetary damages of \$500,000 and interests, costs and attorney's fees. The Company's attorney's handling this case have recently resigned on March 23, 2016, and the Company is in the process of entering into an engagement with a new firm to pursue this lawsuit. There has been no activity since the lawsuit was filed. The Company intends to vigorously prosecute its claims against WSR.

Other than the foregoing, we are currently not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Common Stock, \$.0001 par value, is quoted on the OTC Market Group's OTCQB Marketplace under the symbol "GPNE." There were no reported quotations for our common stock during the fiscal year 2013 and through March 5, 2014. Trading in stocks quoted on the OTCQB is often thin and is characterized by wide fluctuations in trading prices due to many factors that may have little to do with a company's operations or business prospects. OTCQB securities are not listed or traded on the floor of an organized national or regional stock exchange. Instead, OTCQB securities transactions are conducted through a telephone and computer network connecting dealers in stocks.

For the periods indicated, the following table sets forth the high and low bid prices per share of Common Stock. The following quotations reflect the high and low bids for our shares of common stock based on inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions. There were no reported quotations for our common stock during the fiscal year 2013. The Company's Common Stock did not trade until March 6, 2014.

Fiscal Year 2015	High	Low
First Quarter	\$ 0.08	\$ 0.02
Second Quarter	\$ 0.08	\$ 0.004
Third Quarter	\$ 0.01	\$ 0.004
Fourth Quarter	\$ 0.01	\$ 0.002

As of April 5, 2016, the last sale price reported on the OTCQB for the Company's Common Stock was \$0.05 per share.

As of April 5, 2016, we had approximately 62 shareholders of record. The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

Transfer Agent and Registrar

Our transfer agent is Globex Transfer, LLC at the address of 780 Deltona Blvd., Suite 202, Deltona, FL 32725.

Description of Common Stock

Our authorized capital stock consists of 100,000,000 shares of Common Stock, par value \$.0001 per share, and 25,000,000 shares of preferred stock, par value \$.0001 per share. The following description of our Common Stock is intended as a summary only and is qualified in its entirety by reference to our Articles of Incorporation, as amended, and By-laws. Subject to a special voting rights or restrictions attached to a class of shares, each shareholder shall be entitled to one vote for each share of stock in his or her own name on the books of the corporation, whether represented in person or by proxy.

No business, other than the election of the chairman or the adjournment of the meeting, will be transacted at an annual or special meeting unless a quorum of shareholders, entitled to attend and vote, is present at the commencement of the meeting, but the quorum need not be present throughout the meeting. The holders of at least one third of the outstanding voting shares of stock shall constitute a quorum at a meeting of stockholders for the transaction of any business. Unless otherwise provided by law, any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting, without prior notice and without a vote if written consents are signed by shareholders representing a majority of the shares entitled to vote at such a meeting, except however, if a different proportion of voting power is required by law, the Articles of Incorporation or these Bylaws, than that proportion of written consents is required. Such written consents must be filed with the minutes of the proceedings of the shareholders of the Corporation.

According to the Articles of Incorporation and the By-laws of the Company, the holders of Common Stock have neither preemptive rights nor cumulative voting rights. Dividends may be declared and paid out of any funds available therefor, as often, in such amounts, and at such time or times as the Board of Directors may determine and shares may be issued pro rata and without consideration to the Corporation's shareholders or to the shareholders of one or more classes or series. Shares of one class or series may not be issued as a share dividend to shareholders of another class or series unless such issuance is in accordance with the Articles of Incorporation and: a majority of the current shareholders of the class or series to be issued approve the issue; or there are no outstanding shares of the class or series of shares that are authorized to be issued as a dividend.

Dividends

Since our inception, we have not declared nor paid any cash dividends on our capital stock and we do not anticipate paying any cash dividends in the foreseeable future. Our current policy is to retain any earnings in order to finance our operations. Our Board of Directors will determine future declarations and payments of dividends, if any, in light of the then-current conditions it deems relevant and in accordance with applicable corporate law.

Securities Authorized for Issuance under Equity Compensation Plans

We have no existing equity compensation plan.

Unregistered Sales of Equity Securities

Issuance of Common Stock

On January 1, 2015, the Company issued 300,004 shares of its Common Stock to a service provider in exchange for services pursuant to a board consent dated April 5, 2015.

Issuance of Convertible Notes

On October 2, 2014, the Company consummated a private placement of a secured convertible note of \$100,000, which accrued interest at the annual rate of 5% and was due on December 31, 2015. This note has not been converted. Although the note has passed its maturity date, the lender has agreed for the note to continue accruing interest at the annual rate until the note is paid in full.

On June 10, 2015, the Company issued a convertible note payable with an interest rate of 8.0% per annum in the amount of \$28,000. The outstanding balance and any accrued interest was due on March 13, 2016. The note was convertible at the holder's discretion into shares of the Company's Common Stock at the date of exercise using three days lowest stock price average times 61 percent discount. On December 11, 2015, that note was paid in full and retired.

Issuance of Warrants

On May 28, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 150,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years.

On May 28, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 125,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years.

On May 28, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 25,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years.

On May 28, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 200,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years.

On May 28, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 2,255,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years.

On June 16, 2015, the Company issued a warrant to a service provider in exchange for services to purchase 2,000,000 shares of the Company's Common Stock with an exercise price of \$0.008 and a term of five years.

On July 8, 2015, the Company issued a warrant to purchase 25,000 shares of its Common Stock with a five year term and an exercise price of \$.005, to a service provider in connection with an unsecured promissory note issued by the Company to our Chief Executive Officer in the amount of \$2,500 on July 8, 2015.

On July 8, 2015, the Company issued a warrant to purchase 25,000 shares of its Common Stock with a five year term and an exercise price of \$.005, to a service provider in connection with an unsecured promissory note issued by the Company to our Chairman in the amount of \$2,500 on July 8, 2015.

On July 8, 2015, the Company issued a warrant to purchase 25,000 shares of its Common Stock to a service provider in connection with an unsecured promissory note issued by the Company to our Chairman in the amount of \$2,500 on July 8, 2015.

On August 24, 2015, the Company issued a warrant to purchase 10,000 shares of its Common Stock to a service provider in connection with an unsecured promissory note issued by the Company to our Chief Executive Officer in the amount of \$1,000 on August 24, 2015. The warrant has an exercise price of \$.011 and a term of five years.

On August 24, 2015, the Company issued a warrant to purchase 10,000 shares of its Common Stock to a service provider in connection with an unsecured promissory note issued by the Company to our Chief Executive Officer in the amount of \$1,000 on August 24, 2015.

The foregoing issuances of the Company's securities described herein were effectuated pursuant to the exemption from the registration requirements of the 1933 Act provided by Section 4(2) of the Act and Rule 506(b) of Regulation D promulgated thereunder.

Purchases of Equity Securities by the Registrant and Affiliated Purchasers

We have not repurchased any shares of our common stock during the fiscal years ended December 31, 2015 and 2014.

Penny Stock Regulations

The Securities and Exchange Commission has adopted regulations that generally define "penny stock" to be an equity security that has a market price of less than \$5.00 per share. Our Common Stock, when and if a trading market develops, may fall within the definition of penny stock and be subject to rules that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of \$1,000,000, or annual incomes exceeding \$200,000 individually, or \$300,000, together with their spouse).

For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's prior written consent to the transaction. Additionally, for any transaction, other than exempt transactions, involving a penny stock, the rules require the delivery, prior to the transaction, of a risk disclosure document mandated by the Securities and Exchange Commission relating to the penny stock market. The broker-dealer must also make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. In addition, the broker-dealer must disclose the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Consequently, the "penny stock" rules may restrict the ability of broker-dealers to sell our Common Stock and may affect the ability of investors to sell their Common Stock in the secondary market.

In addition to the "penny stock" rules promulgated by the Securities and Exchange Commission, the Financial Industry Regulatory Authority ("FINRA") has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit the investors' ability to buy and sell our stock.

ITEM 6. SELECTED FINANCIAL DATA

Disclosure in response to this item is not required of a smaller reporting company.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

SPECIAL NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS

CERTAIN STATEMENTS IN THIS REPORT, INCLUDING STATEMENTS IN THE FOLLOWING DISCUSSION, ARE WHAT ARE KNOWN AS "FORWARD-LOOKING STATEMENTS", WHICH ARE BASICALLY STATEMENTS ABOUT THE FUTURE. FOR THAT REASON, THESE STATEMENTS INVOLVE RISK AND UNCERTAINTY SINCE NO ONE CAN ACCURATELY PREDICT THE FUTURE. WORDS SUCH AS "PLANS", "INTENDS", "WILL", "HOPES", "SEEKS", "ANTICIPATES", "EXPECTS" AND THE LIKE OFTEN IDENTIFY SUCH FORWARD-LOOKING STATEMENTS, BUT ARE NOT THE ONLY INDICATION THAT A STATEMENT IS A FORWARD-LOOKING STATEMENT. SUCH FORWARD-LOOKING STATEMENTS INCLUDE STATEMENTS CONCERNING OUR PLANS AND OBJECTIVES WITH RESPECT TO THE PRESENT AND FUTURE OPERATIONS OF THE COMPANY, AND STATEMENTS WHICH EXPRESS OR IMPLY THAT SUCH PRESENT AND FUTURE OPERATIONS WILL OR MAY PRODUCE REVENUES, INCOME OR PROFITS. NUMEROUS FACTORS AND FUTURE EVENTS COULD CAUSE THE COMPANY TO CHANGE SUCH PLANS AND OBJECTIVES OR FAIL TO SUCCESSFULLY IMPLEMENT SUCH PLANS OR ACHIEVE SUCH OBJECTIVES, OR CAUSE SUCH PRESENT AND FUTURE OPERATIONS TO FAIL TO PRODUCE REVENUES, INCOME OR PROFITS. THEREFORE, THE READER IS ADVISED THAT THE FOLLOWING DISCUSSION SHOULD BE CONSIDERED IN LIGHT OF THE DISCUSSION OF RISKS AND OTHER FACTORS CONTAINED IN THIS REPORT ON FORM 10-K AND IN THE COMPANY'S OTHER FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION. NO STATEMENTS CONTAINED IN THE FOLLOWING DISCUSSION SHOULD BE CONSTRUED AS A GUARANTEE OR ASSURANCE OF FUTURE PERFORMANCE OR FUTURE RESULTS.

Plan of Operations

The Company entered into a Joint Venture Agreement ("JVA") with Micron Investments Pty. Ltd. a private company based in Namibia ("Micron") on June 8, 2015, which was subsequently amended on July 10 and July 17, 2015, as set forth under Item 1 above. Pursuant to the JVA, as amended, the Company and Micron agreed to enter into a Farm-Out Agreement, which the Company anticipates to be executed by June 2016. The JVA and Farm-Out Agreement require Micron to pay the Company \$180,000 cash by the end of the Farm-Out period, and to pay \$1.1 million to build and operate a graphite processing plant on the Company's Aukam site, and to cover all related operational costs until 5 months after completion of the plant. In exchange, Micron will receive, upon achievement of certain milestones, up to a 63% interest in the mining and mineral rights held by the Company at its Aukam site. The Company plans to retain a minimum of 37% interest in the mining and mineral rights held by the Company its Aukam site, after having purchased the 10% interest held by its local partner. In June 2015, Next acquired the remaining 10% ownership rights of the 96,000 acre Aukam property and graphite mine from the Centre for Geoscience Research CC pursuant to a purchase agreement (the "Purchase Agreement") with Gazania Investments Two Hundred and Forty Two Ltd., and Centre for Geosciences Research Close Corporation, dated August 6, 2015. As a result of this acquisition, the Company now has 100% ownership rights to the prospecting license to the Aukam property. A copy of the Purchase Agreement is filed herewith as Exhibit 10.6.

In July of 2015 Micron was acquired by CKR Carbon Corporation, a Canadian based corporation, formerly known as Caribou King Resources, Ltd. ("CKR").

Construction of the processing facility is contingent on the Company obtaining final approval of the Namibian government to renew its EPL 3895 exploration license. Conditional Renewal was received in February 2016 and formal renewal is anticipated to occur by June 2016. Although the Company anticipates that formal renewal will occur as indicated there can be no assurance of this, and if not obtained the Company will not be able to proceed with the construction of the planned processing facility.

The JVA calls for CKR and the Company to begin processing immediately available surface dumps, which contain large quantities of high-grade graphite lumps, and develop its three existing adits as well as other locations on the Company's 96,000 acre Aukam site. Favorable laboratory results were realized in 2015 and engineering and research continue on the adits and will be expanded elsewhere on the property.

The JVA also calls for the plant to process up to 5,000 tonnes of graphite tailings per year. Initial production is anticipated to commence in the first fiscal quarter of 2017. Moreover, the Company's JV partner, CKR, signed an LOI in early 2016 with an off-taker to buy some of its unrefined graphite over the course of the next year.

Prior to entering into the JVA, the Company was constrained by a lack of working capital. That situation could continue until the Company generates its first revenues. The Company anticipates that it will need to raise additional capital until then. There can be no assurance that such capital will be available to the Company when needed.

In 2015 we conducted the following additional pre-production activities: (i) Concluded a 25-tonne Underground Bulk Sampling Program; (ii) delivered 1,000 kg lower adit samples for testing, processing and customer review and (iii) reported up to 96% natural, lump, vein graphite grade from our aforementioned bulk sampling program. Favorable testing results indicated: (a) an average grade of samples is 35.6% carbon as graphite (Cg); (b) that this graphite is upgradeable to approximately 50% by screening and sorting; (c) it is further upgradeable to commercial grade (+96%) by dual flotation and mild acid wash; and (d) that even further optimization is possible. These results validate that the Company has the only site for high-grade crystalline vein graphite outside of Sri Lanka.

Recent Developments

In February 2016, the Company received a Conditional Renewal of its exclusive prospecting license from the Namibian Ministry of Mines and Energy. As set forth above, our Joint Venture Partner Signed a non-binding Letter of Intent in March of 2016 to supply 5,000 tonnes of unrefined graphite from our Aukam site, with the first shipment of 2,000 - 3,000 tonnes targeted for July of 2016.

The Company was constrained by a lack of working capital in 2015. However, it believes that sales orders commencing in July of 2016 for 2,000 – 3,000 tonnes, along with financial commitments of our JV partner, CKR, will provide the funding necessary for the Company to (a) build our initial 5,000 tonne/year processing facility, which the Company believes should be operational in the first fiscal quarter of 2017, (b) allow mining operations to commence in earnest, and (c) provide the Company with adequate working capital to sustain and build operations. However, there are no assurances that purchase orders will commence in July of 2016 or ever, or that plant construction will be completed on schedule, if at all.

Results of Operations

We did not have any revenues since inception. We realized a net loss of \$420,543 and \$1,646,269 for the years ended December 31, 2015 and 2014. Our operating expenses primarily consist of professional fees paid to outside consultants and interest expenses related to various notes payable and convertible debt for the years ended December 31, 2015 and 2014.

Liquidity and Capital Resources

As of December 31, 2015 and 2014, we had \$15,563 and \$17,878, respectively, in cash.

The Company does not currently have sufficient resources to cover ongoing expenses and expansion. Since August 29, 2013 (inception) to December 31, 2015, we consummated various private placements of our securities and convertible notes to assist in funding its working capital needs. We plan on raising additional funds from investors to implement our business model. In the event we are unsuccessful, this will have a negative impact on our operations.

If the Company cannot find sources of additional financing to fund its working capital needs, the Company will be unable to obtain sufficient capital resources to operate our business. We cannot assure you that we will be able to access any financing in sufficient amounts or at all when needed. Our inability to obtain sufficient working capital funding will have an immediate material adverse effect upon our financial condition and our business.

Critical Accounting Policies

Going concern

The Company's financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. We have \$15,563 in cash with losses, an accumulated deficit, and a working capital deficiency. The Company does not currently have any revenue generating operations. These conditions, among others, raise substantial doubt about the ability of the Company to continue as a going concern.

In view of these matters, continuation as a going concern is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to, meets its financial requirements, raise additional capital, and the success of its future operations. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

Management believes they can raise the appropriate funds needed to support their business plan and acquire an operating company with positive cash flow. Management intends to seek new capital from owners and related parties to provide needed funds.

Off-Balance Sheet Arrangements

We do not have off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities" (SPEs).

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Company's consolidated audited financial statements for the fiscal years ended December 31, 2015 and 2014, together with the report of the independent certified public accounting firm thereon and the notes thereto, are presented beginning at page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Securities and Exchange Commission defines the term “disclosure controls and procedures” to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The Company maintains such a system of controls and procedures in an effort to ensure that all information which it is required to disclose in the reports it files under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified under the SEC’s rules and forms and that information required to be disclosed is accumulated and communicated to principal executive and principal financial officers to allow timely decisions regarding disclosure.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the (i) effectiveness and efficiency of operations, (ii) reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and (iii) compliance with applicable laws and regulations.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of the end of the period covered by this report. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework. Based on our assessment, we determined that, as of the end of the period covered by this report; our internal control over financial reporting was not effective based on those criteria.

During our assessment of the effectiveness of internal control over financial reporting as of the end of the period covered by this report, management identified the following material weaknesses:

1. Lack of Internal Audit Function – We lack qualified resources to perform the internal audit functions properly as well as oversight of recording and reporting of information. In addition, the scope and effectiveness of the internal audit function are yet to be developed.
2. Review of Financial Information and Financial Reporting – We do not have adequate levels of review of financial information necessary to ascertain the accounting for complex transactions as well as review of financial information presented.
3. Lack of Segregation of Duties – We do not have segregation of duties between recording, authorizing and testing.

Remediation Initiative

We are developing a plan to ensure that all information will be recorded, processed, summarized and reported accurately, and as of the date of this report, we have taken the following steps to address the above-referenced material weakness in our internal control over financial reporting:

1. We will continue to educate our management personnel to increase its ability to comply with the disclosure requirements and financial reporting controls; and
2. We will increase management oversight of accounting and reporting functions in the future; and
3. As soon as we can raise sufficient capital or our operations generate sufficient cash flow, we will hire additional personnel to handle our accounting and reporting functions.

While the first two steps of our remediation process are ongoing, we do not expect to remediate the weaknesses in our internal controls over financial reporting until the time when we start to commercialize our products (and, therefore, may have sufficient cash flow for hiring sufficient personnel to handle our accounting and reporting functions).

A material weakness (within the meaning of PCAOB Auditing Standard No. 5) is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm because as a smaller reporting company we are not subject to Section 404(b) of the Sarbanes-Oxley Act of 2002.

Changes in Internal Controls over Financial Reporting

No change in our system of internal control over financial reporting occurred during the fourth quarter of the fiscal year ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following table sets forth certain information as of April 14, 2016 concerning our directors and executive officers:

Name	Age	Position
Michael Doron	54	Chairman, Director and Secretary
Charles C. Bream	71	Director, President & Chief Executive Officer, Chief Financial Officer and Treasurer

Michael Doron, age 54, is an accomplished corporate leader with executive level experience in the financing of small to mid-cap private and public companies. Currently based in Stockholm, Sweden, he is also Managing Partner at DDR & Associates, a business development firm specializing in pre-IPO companies. Previously Mr. Doron was Co-Founder and a Partner in Evolution Capital, a private firm working in conjunction with DDR, and specializing in providing capital to publicly held companies using various debt instruments. He serves on the Board of Directors of MusclePharm Corp (NASDAQ: MSLP), and GASE Energy, Inc. (OTCQB: GASE). We believe that Mr. Doron's qualifications and his extensive experience with emerging public companies provide a unique perspective for our board.

Charles C. Bream, age 71, is a seasoned executive, turnaround expert, and investor with over 30 years of experience leading companies in the telecommunications, computer, office products, and packaged goods sectors. He has managed public and private companies as president/CEO, has served as a senior executive at Fortune 500 corporations, and has worked in environments ranging in revenue from \$1 million to over \$15 billion. Mr. Bream was appointed President and CEO of Next Graphite, Inc. in November 2013. Prior to this he served as Senior Managing Director at a national specialty financial advisory services firm, and as Senior Managing Director at a turnaround and restructuring firm. Mr. Bream holds a B.S. in Electrical Engineering from the United States Naval Academy and earned an MBA from the Wharton School of Business, University of Pennsylvania. We believe that Mr. Bream's qualifications and his extensive business experience position him well as our director and President/CEO.

Our directors hold their positions on the board until our next annual meeting of the shareholders, and until their successors have been qualified after being elected or appointed. Officers serve at the discretion of the board of directors.

There are no family relationships among our directors and executive officers. There is no arrangement or understanding between or among our executive officers and directors pursuant to which any director or officer was or is to be selected as a director or officer, and there is no arrangement, plan or understanding as to whether non-management shareholders will exercise their voting rights to continue to elect the current board of directors.

Our directors and executive officers have not, during the past ten years:

- had any bankruptcy petition filed by or against any business of which was a general partner or executive officer, either at the time of the bankruptcy or within two years prior to that time,
- been convicted in a criminal proceeding and is not subject to a pending criminal proceeding,
- been subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, futures, commodities or banking activities; or
- been found by a court of competent jurisdiction (in a civil action), the Securities Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacate

Board Committees

We currently do not have standing audit, nominating or compensation committees. Currently, our entire board of directors is responsible for the functions that would otherwise be handled by these committees. We intend, however, to establish an audit committee, a nominating committee and a compensation committee of the board of directors as soon as practicable. We envision that the audit committee will be primarily responsible for reviewing the services performed by our independent auditors, evaluating our accounting policies and our system of internal controls. The nominating committee would be primarily responsible for nominating directors and setting policies and procedures for the nomination of directors. The nominating committee would also be responsible for overseeing the creation and implementation of our corporate governance policies and procedures. The compensation committee will be primarily responsible for reviewing and approving our salary and benefit policies (including stock options), including compensation of executive officers.

Audit Committee Financial Expert

The Board of Directors does not currently have Audit Committee financial expert, as defined under Item 407(d)(5)(i) of Regulation S-K.

Code of Ethics

We do not have a code of ethics but intend to adopt one in the near future.

Board Leadership Structure

Charles C. Bream is our Chief Executive Officer. Michael Doron is the Chairman of our Board of Directors. We believe a board leadership structure involving one person serving as chairman and another as chief executive officer is best for our company and our stockholders. Further, we believe this separation improves the Board's oversight of management, provides greater accountability of management to stockholders, and allows the chief executive officer to focus on managing our business operations, while allowing the chairman to focus on more effectively leading the Board and overseeing our general strategic direction and extraordinary transactions.

Potential Conflict of Interest

Since we do not have an audit or compensation committee comprised of independent Directors, the functions that would have been performed by such committees are performed by our Board of Directors. Thus, there is a potential conflict of interest in that our Directors have the authority to determine issues concerning management compensation, in essence their own, and audit issues that may affect management decisions. We are not aware of any other conflicts of interest with any of our executives or Directors.

Board's Role in Risk Oversight

The Board assesses on an ongoing basis the risks faced by the Company. These risks include financial, technological, competitive, and operational risks. The Board dedicates time at each of its meetings to review and consider the relevant risks faced by the Company at that time. In addition, since the Company does not have an Audit Committee, the Board is also responsible for the assessment and oversight of the Company's financial risk exposures.

Compliance with Section 16(a) of the Act

Section 16(a) of the Exchange Act requires our officers and directors, and persons who own more than ten percent (10%) of our shares of common stock, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten percent (10%) stockholders are required by regulations promulgated by the SEC to furnish us with copies of all Section 16(a) forms that they file.

Below is the information with respect to failures of directors, officers and/or beneficial owners of more than ten percent of any class of equity securities of the Company to timely file reports under Section 16(a) during fiscal year 2015:

Name	Form Type	Date of Reporting Event	Required Filing Date
Charles C. Bream III	Form 4	05/28/2015	05/30/2015
Charles C. Bream III	Form 4	06/16/2015	06/18/2015
Charles C. Bream III	Form 4	08/24/2015	08/26/2015
Charles C. Bream III	Form 4	07/8/2015	07/10/2015
Michael Doron	Form 4	05/28/2015	05/30/2015

ITEM 11. EXECUTIVE COMPENSATION

The following is a summary of the compensation we paid to our executive officers, for the two fiscal years ended December 31, 2015 and 2014.

Summary Compensation Table

Name and Position	Year	Salary (\$)	Stock Awards (\$)	Option Awards	All Other Compensation	Total (\$)
Charles C. Bream(1)	2015	\$ 28,500	\$ 385	-	-	\$ 28,885
CEO, CFO and Director of the Company	2014	\$ 51,500	\$ 180,000	-	-	\$ 231,500

(1) Mr. Bream was appointed as the President/Chief Executive Officer, Chief Financial Officer and Director of the Company on November 14, 2013.

Compensation Discussion and Analysis

Overview

We intend to provide our named executive officers (as defined in Item 402 of Regulation S-K) with a competitive base salary that is in line with their roles and responsibilities when compared to peer companies of comparable size in similar locations.

Consultant Agreements

On September 2, 2013, AGI and 360 Partners, LLC (the “Consultant”) entered into an independent consultant agreement for the service of Mr. Charles C. Bream, the principal of the Consultant as AGI’s President/Chief Executive Officer, Chief Financial Officer, Director and Treasurer for a term of six months. On November 14, 2013 he was appointed to the same positions at the Company. The agreement is automatically renewable for additional six months unless either party notifies the other at least 30 days prior to the end of the term of an intention to terminate. Under the original agreement, the Consultant was originally compensated with a monthly cash compensation of US\$3,000, payable in arrears. The Consultant also received 38,462 shares of AGI’s common stock that were exchanged for approximately 300,004 shares of the Company’s common stock on November 14, 2013, which are not subject to any vesting conditions or subject to forfeiture which he deferred most of in 2015. The Consultant received an aggregate of \$28,500 in cash as compensation pursuant to the aforementioned agreement and resolution.

On September 27, 2013 AGI and Michael Doron entered into an independent consultant agreement as AGI’s Chairman and Director for a term of six months. On November 14, 2013 he was appointed to the same positions at the Company. The agreement is automatically renewable for additional six months unless either party notifies the other at least 30 days prior to the end of the term of an intention to terminate. Under the agreement, Mr. Doron is compensated with a monthly cash compensation of US\$1,000, payable in arrears. Mr. Doron also received 12,821 shares of AGI’s common stock that were exchanged for approximately 100,012 shares of the Company’s common stock on November 14, 2013, which are not subject to any vesting conditions or subject to forfeiture. Mr. Doron’s monthly cash compensation was increased to \$1,500 effective May 1, 2014, per board resolution. He has deferred that compensation in 2015. In the fiscal year of 2014, Mr. Doron received an aggregate of approximately \$15,500 in cash as compensation pursuant to the aforementioned agreement.

Outstanding Equity Awards at Fiscal Year End

None.

Additional Narrative Disclosure

We have no plans that provide for the payment of retirement benefits, or benefits that will be paid primarily following retirement, including, but not limited to, tax qualified defined benefit plans, supplemental executive retirement plans, tax qualified defined contribution plans and non-qualified defined contribution plans.

Director Compensation

The following table reflects the compensation of the directors (other than the named executive officers) including director fees and consulting fees for the Company’s fiscal years ended December 31, 2015 and 2014:

Name and Position	Year	Fees Earned or Paid in Cash	Stock Awards	Option Awards	All Other Compensation	Total
		(\$)	\$(1)			(\$)
Michael Doron(2)	2015	\$ 15,500	\$ 250	\$ -	-	\$ 15,750
	2014	\$ 10,223	\$ 22,500	\$ -	-	\$ 32,723

(1) The amounts in these columns represent the compensation cost of stock awards granted during the fiscal year ended December 31, 2015 and 2014, except that these amounts do not include any estimate of forfeitures. The amount recognized for these awards was calculated based on the value of the stock awards at the time of vesting.

(2) Mr. Doron was appointed as our Chairman and Director of the Company on November 14, 2013

The members of the Company’s Board of Directors, Charles C. Bream and Michael Doron, participated in the review, discussions and recommendations with respect to the Compensation Discussion and Analysis.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information regarding beneficial ownership of our common stock as of the date of this report by (i) any person or group with more than 5% of any class of voting securities, (ii) each director, (iii) our chief executive officer and each other executive officer whose cash compensation for the most recent fiscal year exceeded \$100,000, and (iv) all such executive officers and directors as a group. Unless otherwise specified, the address of each of the officers and directors set forth below is in care of the Company, 318 N. Carson Street, Suite 208, Carson City, NV 89701. Except as indicated in the footnotes to this table and subject to applicable community property laws, the persons named in the table to our knowledge have sole voting and investment power with respect to all shares of securities shown as beneficially owned by them.

Name	Office	Shares Beneficially Owned(1)	Percent of Class(2)
Officers and Directors			
Michael Doron(4)	Chairman, Director and Secretary	325,012	*
Charles C. Bream(3)	Director, CEO, CFO and Treasurer	4,590,004	*
All officers and directors as a group (2 persons named above)		4,915,016	*
5% Securities Holders			
None.			

* Less than 1%.

- (1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Beneficial ownership also includes shares of stock subject to options and warrants currently exercisable or exercisable within 60 days of the date of this table. In determining the percent of common stock owned by a person or entity as of the date of this Report, (a) the numerator is the number of shares of the class beneficially owned by such person or entity, including shares which may be acquired within 60 days on exercise of warrants or options and conversion of convertible securities, and (b) the denominator is the sum of (i) the total shares of common stock outstanding on as of the date of this Annual Report 50,411,443, and (ii) the total number of shares that the beneficial owner may acquire upon exercise of the derivative securities. Unless otherwise stated, each beneficial owner has sole power to vote and dispose of its shares.
- (2) Based on 50,411,443 shares of the Company's common stock outstanding.
- (3) Includes 300,004 shares of Common Stock and 4,290,000 shares of Common Stock issuable upon the exercise of warrants held by such holder held by 360 Partners, LLC, an entity in which Charles C. Bream is a Managing Partner.
- (4) Includes 100,012 shares of Common Stock held by Michael Doron and 225,000 shares of Common Stock issuable upon the exercise of warrants held by Alta Nordic, LLC, an entity in which Mr. Doron is the managing director.

Change in Control

As of the date of this report, there were no arrangements that may result in a change in control of the Company.

Securities Authorized for Issuance under Equity Compensation Plan

None.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Transactions with related persons

On March 26, 2014 the Company cancelled the 3,300,000 pre-split shares of the Company's stock acquired under the Stock Purchase Agreement with Mr. Mohsin Mulla, resulting in the current 49,431,443 shares of the Company's common stock outstanding.

On September 2, 2013, AGI and 360 Partners, LLC (the "Consultant") entered into an independent consultant agreement for the service of Mr. Charles C. Bream, the principal of the Consultant as AGI's Chief Executive Officer, Chief Financial Officer, Director and Treasurer for a term of six months. Mr. Bream is the managing partner of 360 Partners, LLC ("360 Partners"). On November 14, 2013, Mr. Bream was appointed to the same positions at the Company. The agreement is automatically renewable for additional six months unless either party notifies the other at least 30 days prior to the end of the term of an intention to terminate. Under the agreement, the Consultant was originally compensated with a monthly cash compensation of US\$ 3,000, payable in arrears. The Consultant also received 38,462 shares of AGI's common stock that were exchanged for approximately 300,004 shares of the Company's common stock on November 14, 2013, which are not subject to any vesting conditions or subject to forfeiture. In the fiscal year of 2014, the Consultant's monthly cash compensation was increased to \$6,500 effective May 1, 2014, per board resolution.

On July 8, 2015, 360 Partners was issued a warrant to purchase 25,000 shares of the Company's Common Stock with a five year term and an exercise price of \$.005. The warrant was issued pursuant to an unsecured promissory note with a principal amount of \$2,500 issued on July 8, 2015 to Charles C. Bream. On August 24, 2015, 360 Partners was issued a warrant to purchase 10,000 shares of the Company's Common Stock with a five-year term and an exercise price of \$0.011. The warrant was issued pursuant to an unsecured promissory note with a principal amount of \$1,000 issued on August 24, 2015 to Charles C. Bream. On June 16, 2015, the Company issued 360 Partners a warrant to purchase 2,000,000 shares of the Company's Common Stock with a five-year term and an exercise price of \$.008. The warrant was issued pursuant to a board consent dated June 16, 2015. On May 28, 2015, the Company issued a warrant to 360 Partners to purchase 2,255,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years. The warrant was issued in exchange for services provided to the Company pursuant to a board consent dated May 28, 2015.

On September 27, 2013 AGI and Michael Doron entered into an independent consultant agreement as AGI's Chairman and Director for a term of six months. On November 14, 2013 he was appointed to the same positions at the Company. The agreement is automatically renewable for additional six months unless either party notifies the other at least 30 days prior to the end of the term of an intention to terminate. Under the agreement, Mr. Doron is compensated with a monthly cash compensation of US\$ 1,000, payable in arrears. Mr. Doron also received 12,821 shares of AGI's common stock that were exchanged for approximately 100,012 shares of the Company's common stock on November 14, 2013, which are not subject to any vesting conditions or subject to forfeiture. Mr. Doron's monthly cash compensation was increased to \$1,500 effective May 1, 2014, per board resolution. On July 8, 2015, Alta Nordic, LLC, an entity in which Mr. Doron is the managing director, was issued a warrant to purchase 25,000 shares of the Company's Common Stock with a five year term and an exercise price of \$.005. The warrant was issued pursuant to an unsecured promissory note with a principal amount of \$2,500 issued on July 8, 2015 to Michael Doron. On May 28, 2015, the Company issued a warrant Alta Nordic, LLC to purchase 200,000 shares of the Company's Common Stock with an exercise price of \$0.011 and a term of five years. The warrant was issued in exchange for services provided to the Company pursuant to a board consent dated May 28, 2015.

Other than the above transactions or as otherwise set forth in this report or in any reports filed by the Company with the SEC, there have been no related party transactions, or any other transactions or relationships required to be disclosed pursuant to Item 404 of Regulation S-K. The Company is currently not a subsidiary of any company.

The Company's Board conducts an appropriate review of and oversees all related party transactions on a continuing basis and reviews potential conflict of interest situations where appropriate. The Board has not adopted formal standards to apply when it reviews, approves or ratifies any related party transaction. However, the Board believes that the related party transactions are fair and reasonable to the Company and on terms comparable to those reasonably expected to be agreed to with independent third parties for the same goods and/or services at the time they are authorized by the Board.

Director Independence

We are not subject to listing requirements of any national securities exchange and, as a result, we are not at this time required to have our board comprised of a majority of "independent Directors." We do not believe that any of our directors currently meets the definition of "independent" as promulgated by the rules and regulations of NASDAQ.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following lists fees billed by the auditors for the Company, for the years ended December 31, 2015 and 2014:

Financial Statements for the Year Ended December 31	Audit Services	Audit Related Fees	Tax Fees	Other Fees
2015	\$ 22,500	-	-	-
2014	\$ 18,720	-	-	-

- *Audit Fees.* Represents fees for professional services provided for the audit of the Company's annual financial statements and review of its quarterly financial statements, and for audit services provided in connection with other statutory or regulatory filings.
- *Audit-Related Fees.* Represents fees for assurance and other services related to the audit of Company's financial statements.
- *Tax Fees.* Represents fees for professional services provided primarily for tax compliance and advice.
- *All Other Fees.* Represents fees for products and services not otherwise included in the categories above.

In the event that we should require substantial non-audit services, the audit committee would pre-approve such services and fees.

PART IV

ITEM 15. EXHIBITS

(a) *Financial Statements and Schedules*

The following financial statements and schedules listed below are included in this Form 10-K.

Audited Financial Statements	F-1
Balance Sheet	F-3
Statement of Operations	F-4
Statement of Stockholders' Deficit	F-5
Statement of Cash Flows	F-6
Notes to Financial Statements	F-7

(b) Exhibits

Number	Description
2.1	Share Exchange Agreement (1)
3.1	Certificate of Incorporation of the Company (2)
3.2	Certificate of Amendment of Certificate of Incorporation of the Company (3)
3.3	By-Laws of the Company (2)
4.1	Specimen of Common Stock Certificate (4)
4.2	Form of Secured Convertible Note dated October 2, 2014(5)
4.3	Form of Secured Convertible Note dated February 10, 2015(5)
10.1	Form of Option Agreement by and between AGI and NMC (1)
10.2	Form of Subscription Agreement by and among the Company and investors (1)
10.3	Stock Purchase Agreement by and between AGI and Mohsin Mulla (1)
10.4	Independent Consultant Agreement by and between AGI and Michael Doron (1)
10.5	Independent Consultant Agreement by and between AGI and 360 Partners, LLC (1)
10.6	Purchase Agreement with Gazania Investments Two Hundred and Forty Two Ltd., and Centre for Geosciences Research Close Corporation, dated August 6, 2015 *
21.1	List of Subsidiaries (4)
31.1	Certifications of Charles C. Bream pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Charles C. Bream pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101	Interactive data files pursuant to Rule 405 of Regulation S-T**

Footnotes:

- (1) Incorporated by reference to our Current Report on Form 8-K filed with the SEC on November 20, 2013.
- (2) Incorporated by reference to our Registration Statement on Form S-1 filed with the SEC on December 5, 2012.
- (3) Incorporated by reference to our Current Report on Form 8-K filed with the SEC on December 18, 2013.
- (4) Incorporated by reference to our Annual Report on Form 10-K filed with the SEC on April 15, 2014.
- (5) Incorporated by reference to our Annual Report on Form 10-K filed with the SEC on April 15, 2014.

* Filed herewith

** Users of this data are advised pursuant to Rule 406T of Regulation S-X that this interactive data file is deemed not filed or part of a registration statement or prospectus for the purpose of section 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Next Graphite, Inc.

Date: April 14, 2016

By: /s/ Charles C. Bream

Name: Charles C. Bream

Title: Chief Executive Officer,
Chief Financial Officer and Director
(Principal Executive Officer,
Principal Financial Officer and Principal
Accounting Officer)

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

<u>Name and Title</u>	<u>Date</u>
<u>/s/ Charles C. Bream</u> Charles C. Bream Chief Executive Officer, Chief Financial Officer and Director (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)	April 14, 2016
<u>/s/ Michael Doron</u> Michael Doron, Chairman and Director	April 14, 2016

Next Graphite, Inc.
Index to Consolidated Financial Statements

	<u>Page</u>
<u>Report of Independent Registered Public Accounting Firm</u>	F-2
<u>Consolidated Balance Sheets as of December 31, 2015 and December 31, 2014</u>	F-3
<u>Consolidated Statements of Operations for the years ending December 31, 2015 and 2014</u>	F-4
<u>Consolidated Statements of Changes in Stockholders' Deficit for the years ending December 31, 2015 and 2014</u>	F-5
<u>Consolidated Statements of Cash Flows for the years ending December 31, 2015 and 2014</u>	F-6
<u>Notes to Consolidated Financial Statements</u>	F-7



CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Next Graphite, Inc.

We have audited the accompanying consolidated balance sheets of Next Graphite, Inc. (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the years then ended. The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Next Graphite, Inc. as of December 31, 2015 and 2014, and the results of its consolidated operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements referred to above have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company's present financial situation raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to this matter are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Anton & Chia, LLP

Newport Beach

April 14, 2016

NEXT GRAPHITE, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2015	2014
ASSETS		
Current assets:		
Cash	\$ 15,563	\$ 17,878
Total current assets:	<u>15,563</u>	<u>17,878</u>
Total assets	<u><u>\$ 15,563</u></u>	<u><u>\$ 17,878</u></u>
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 206,303	\$ 62,579
Accrued interest payable	8,413	1,251
Notes payable	76,167	-
Note payable - related party	6,000	-
Convertible note payable, net of debt discount of \$10,152 and \$52,751, respectively	111,667	47,249
Fair value of derivative liability - beneficial conversion feature	107,690	70,334
Deposits	60,491	-
Total current liabilities	<u>576,731</u>	<u>181,413</u>
Total liabilities	<u>576,731</u>	<u>181,413</u>
Stockholders' deficit:		
Preferred stock authorized 25,000,000 shares, \$.0001 par value, no shares issued and outstanding at December 31, 2015 and December 31, 2014.	-	-
Common stock authorized 100,000,000 shares, \$.0001 par value, 50,411,443 shares issued and outstanding at December 31, 2015 and December 31, 2014.	5,041	5,041
Additional paid-in capital	4,069,826	4,046,916
Accumulated deficit	(4,636,035)	(4,215,492)
Total stockholders' deficit	<u>(561,168)</u>	<u>(163,535)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 15,563</u></u>	<u><u>\$ 17,878</u></u>

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

NEXT GRAPHITE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ending December 31,	
	2015	2014
Net Sales	\$ -	\$ -
Operating expenses:		
Professional fees	248,034	1,085,146
Stock based compensation	22,910	227,740
Selling, general, and administrative	51,243	74,549
Total operating expenses	<u>322,187</u>	<u>1,387,435</u>
Loss from operations	<u>(322,187)</u>	<u>(1,387,435)</u>
Other expenses:		
Changes in fair value of derivative	(6,856)	-
Impairment loss on goodwill and intangible asset	-	(240,000)
Interest expense	(91,500)	(18,834)
Total other expenses, net	<u>(98,356)</u>	<u>(258,834)</u>
Net loss applicable to common shares	<u>\$ (420,543)</u>	<u>\$ (1,646,269)</u>
Net Loss Per Basic and Diluted Shares	<u>\$ (0.00)</u>	<u>\$ (0.03)</u>
Weighted Average Number of Common Shares Outstanding	<u>\$ 73,257,460</u>	<u>\$ 50,016,068</u>

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

NEXT GRAPHITE, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

	Common Stock		Additional	Advance		Total
	Shares	Amount	Paid-in	Subscriptions	Accumulated	Stockholders'
			Capital	from	Deficit	Equity
				Investor		(Deficit)
Balance at December 31, 2013	74,900,039	\$ 7,490	\$ 2,565,327	\$ 40,400	\$ (2,569,223)	\$ 43,994
Common stock issued for cash	1,251,404	125	1,251,275	-	-	1,251,400
Advance subscriptions from investor	-	-	-	(40,400)	-	(40,400)
Cancellation of common stock	(25,740,000)	(2,574)	2,574	-	-	-
Stock compensation expense	-	-	227,740	-	-	227,740
Net loss	-	-	-	-	(1,646,269)	(1,646,269)
Balance at December 31, 2014	50,411,443	5,041	4,046,916	-	(4,215,492)	(163,535)
Stock compensation expense	-	-	22,910	-	-	22,910
Net loss	-	-	-	-	(420,543)	(420,543)
Balance at December 31, 2015	50,411,443	\$ 5,041	\$ 4,069,826	\$ -	\$ (4,636,035)	\$ (561,168)

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

NEXT GRAPHITE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ending December 31,	
	2015	2014
Operating Activities:		
Net loss	\$ (420,543)	(1,646,269)
Adjustments to reconcile net loss to net cash used in operating activities:		
Common shares issued for services	-	227,740
Impairment of goodwill and intangible assets	-	240,000
Stock based compensation	22,910	-
Interest expense - note payable	5,305	-
Interest expense - amortization of convertible note discount	61,775	18,834
Changes in fair value of convertible note	20,856	-
Changes in assets and liabilities:		
Accounts payable and accrued liabilities	143,724	14,123
Net cash used in operating activities	<u>(165,973)</u>	<u>(1,145,572)</u>
Investing Activities:		
Purchase of interest in Gazania	-	(150,000)
Net cash used in investing activities	<u>-</u>	<u>(150,000)</u>
Financing Activities:		
Proceeds from issuance of convertible note	49,000	100,000
Advance subscriptions	-	(40,400)
Payments from retirement of convertible note	(28,000)	-
Proceeds from issuance of common stock	-	1,251,400
Proceed from issuance of note	76,167	-
Proceed from issuance of note to related party	6,000	-
Proceed from deferred license income	60,491	-
Net cash provided by financing activities	<u>163,658</u>	<u>1,311,000</u>
Net (decrease) increase in cash	(2,315)	15,428
Cash, beginning of Year	<u>17,878</u>	<u>2,450</u>
Cash, end of Year	<u>\$ 15,563</u>	<u>\$ 17,878</u>
Supplemental disclosures of cash flow information		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	<u>\$ -</u>	<u>\$ -</u>

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

NEXT GRAPHITE, INC.
Notes to the Consolidated Financial Statements
December 31, 2015 and 2014

NOTE 1 – ORGANIZATION

Next Graphite, Inc. (the “Company”) was incorporated in Nevada on September 26, 2012 under the name Zewar Jewellery, Inc. and is a development-stage entity. The Company's current business plan is to engage in the mining business developing graphite properties located in Namibia. The Company is based in Carson City, Nevada

On November 14, 2013, the Company consummated transactions pursuant to a Share Exchange Agreement (the “Share Exchange Agreement”) dated November 14, 2013 by and among the Company and the stockholders of African Graphite, Inc., a private Nevada corporation (“AGI” and the “AGI Stockholders”) whereby AGI Stockholders transferred 100% of the outstanding shares of common stock of AGI held by them, in exchange for an aggregate of 8,980,047 newly issued shares of the Company’s common stock, par value \$.0001 per share (“Common Stock”).

On November 14, 2013, AGI entered into a Stock Purchase Option Agreement (the “Option Agreement”) with NMC Corp., a corporation organized under the laws of the Province of Ontario, Canada (“NMC”), whereby NMC granted to AGI an option to purchase 90 ordinary shares, par value one Namibian dollar per share, of Gazania Investments Two Hundred and Forty Two (Proprietary) Limited, a corporation organized under the laws of the Republic of Namibia (“Gazania”), representing 90% of the issued and outstanding shares of Gazania, for \$240,000. NMC had entered into an option agreement dated March 29, 2013, as amended on November 4, 2013 (the “Centre Agreement”), with Centre for Geoscience Research CC (formerly known as “Industrial Minerals and Rock Research Centre CC”), a company organized under the laws of the Republic of Namibia (“Centre”), whereby Centre agreed to transfer to Gazania 100% undivided interest in the exclusive prospecting license No. 3895 known as AUKAM originally issued to Centre by the government of the Republic of Namibia on April 4, 2011 and renewed on April 4, 2013 (the “License”). The License grants the right to conduct prospecting operations, bulk sampling and pilot production in the license area called AUKAM located in southern Namibia in the Karas Region within the Betaine district. The license area covers about 49,127 hectares. The only mine in Namibia which has produced graphite is situated in the license area. The transfer of the License to Gazania was approved by the Ministry of Mines and Energy of the Republic of Namibia on February 25, 2014.

Under the Option Agreement, AGI was required to pay to NMC \$90,000 as an advance payment to be credited towards the purchase price of the Gazania shares. The Company made the advance payment on November 14, 2013. The balance of the purchase price in the amount of \$150,000 was paid by AGI upon exercise of the option that was completed on March 14, 2014. As a result, Gazania became a direct 90% owned subsidiary of the Company.

The Company acquired the remaining 10% ownership of Gazania for \$15,000 at third quarter, 2015. As a result, Gazania became a direct 100% owned subsidiary of the Company.

NOTE 2 – GOING CONCERN

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which contemplates continuation of the Company as a going concern. The Company has incurred \$4,563,276 in accumulated deficit since its inception, and has generated no operating revenue, which could raise substantial doubt about the Company’s ability to continue as a going concern.

In view of these matters, realization of the assets of the Company is dependent upon the Company’s ability to meet its financial requirements through equity financing and the success of future operations. These consolidated financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates.

Revenue Recognition, Deferred Revenue and Customer Deposits

The Company recognizes revenue in accordance with ASC 605, “Revenue Recognition,” when persuasive evidence of an arrangement exists, the price is fixed or determinable, collection is reasonably assured and delivery of products has occurred or services have been rendered. The Company did not have product sales for the years ended December 31, 2015 and 2014.

The Company received customer deposit for potential usage of Company’s license in the amount of \$60,491 and \$0 as of December 31, 2015 and 2014.

Common Stock Issued For Other Than Cash

Services purchased and other transactions settled in the Company's common stock are recorded at the estimated fair value of the stock issued if that value is more readily determinable than the fair value of the consideration received.

Income Taxes

Provisions for income taxes are based on taxes payable or refundable and deferred taxes. Deferred taxes are provided on differences between the tax bases of assets and liabilities and their reported amounts in the financial statements and tax operating loss carry forwards. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold based on the technical merits of the positions. Estimated interest and penalties related to uncertain tax positions are included as a component of general and administrative expense.

Basic and Diluted Loss per Common Share

Basic loss per common share amounts are computed by dividing net loss by the weighted-average number of shares of common stock outstanding during each period. Diluted loss per share amounts are computed assuming the issuance of common stock for potentially dilutive common stock equivalents.

Goodwill and Intangible Assets

Goodwill and other intangible assets are accounted for in accordance with ASC 350, "Goodwill and Other Intangible Assets." Goodwill is tested for impairment at least annually and any related impairment losses are recognized in earnings when identified. Based on the impairment analysis, the Company recorded an impairment of \$0 and \$240,000 for the years ended December 31, 2015 and 2014, respectively.

Long-lived Assets

In accordance with ASC 360, "Property, Plant, and Equipment," the Company reviews for impairment of long-lived assets and certain identifiable intangibles whenever events or circumstances indicate that the carrying amount of assets may not be recoverable. The Company considers the carrying value of assets may not be recoverable based upon our review of the following events or changes in circumstances: the asset's ability to continue to generate income from operations and positive cash flow in future periods; loss of legal ownership or title to the assets; significant changes in our strategic business objectives and utilization of the asset; or significant negative industry or economic trends. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset are less than its carrying amount.

The Company is not aware of any events or changes in circumstances during the years ended December 31, 2015 and 2014 that would indicate that the long-lived assets are impaired other than goodwill and intangible assets which were impaired in the amount of \$240,000 for the year ended December 31, 2014.

Fair Value of Financial Instruments

The carrying amounts reported in the balance sheets for accounts payable, and related party payables approximate fair value because of the immediate or short-term maturity of these financial instruments. The carrying amounts reported for convertible notes payable approximate fair value based on the value of the common stock into which the notes are convertible. The carrying amounts reported for notes payable approximate fair value because the underlying instruments are at interest rates that approximate current market rates.

Recent Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board ("FASB") issued a new standard on disclosure of uncertainties about an entity's ability to continue as a going concern. The new standard provides guidance on determining when and how reporting entities must disclose going concern uncertainties in their financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements. Additionally, an entity must provide certain disclosures if there is substantial doubt about the entity's ability to continue as a going concern. The new standard will be effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted. The Company is in the process of evaluating the impact of adoption on the Company's financial statements.

In June 2014, the FASB issued a new standard on accounting for share-based payments. The new standard clarifies that entities should treat performance targets that can be met after the requisite service period of a share-based payment award as performance conditions that affect vesting. As such, the performance target should not be reflected in estimating the grant date fair value of the award. The new standard also clarifies that compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period for which the requisite service has already been rendered. The new standard will be effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The Company is in the process of evaluating the impact of adoption on the Company's financial statements.

In May 2014, the FASB issued a new standard on recognizing revenue in contracts with customers. The new standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The new standard creates a five-step process to recognize revenue that requires entities to exercise judgment when considering contract terms and relevant facts and circumstances. The new standard also requires expanded disclosures surrounding revenue recognition. The new standard will be effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2016. The Company is in the process of evaluating the impact of adoption on the Company's financial statements.

Other recently issued accounting standards are not expected to have a material effect on the Company's financial statements.

NOTE 4 – FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability. ASC 820 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. SC 820 establishes three levels of inputs that may be used to measure fair value:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company holds. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Valuation based on quoted prices in markets that are not active for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Financial instruments include cash, accounts payable and accrued expenses and other current liabilities. The carrying amounts of cash, accounts payable and accrued expenses and other current liabilities approximate their fair value due to the short term maturities of these instruments.

The Company has Level 3 financial instrument, an embedded derivative liability (beneficial conversion feature) that is recorded at fair value on periodic basis. The embedded derivative is evaluated under the hierarchy of ASC 480-10, ASC Paragraph 815-25-1 and ASC Subparagraph 815-10-15-74 addressing embedded derivatives. The fair value of such Level 3 financial instrument is estimated using the Black-Scholes option pricing model. The foregoing Level 3 financial instrument has certain provisions which qualifies to be classified as a liability under ASC 815.

As of December 31, 2015, the following table represents the Company's fair value hierarchy for items that are required to be measured at fair value on a recurring basis:

Description	Level 1	Level 2	Level 3
Embedded derivative liabilities	\$ -	\$ -	\$ 107,690

As of December 31, 2014, the following table represents the Company's fair value hierarchy for items that are required to be measured at fair value on a recurring basis:

Description	Level 1	Level 2	Level 3
Embedded derivative liabilities	\$ -	\$ -	\$ 70,334

NOTE 5 – ACCOUNTS PAYABLE

As of December 31, 2015 and 2014, the Company's accounts payable was primarily made up of professional fees.

NOTE 6 – NOTES PAYABLE

The Company had the following notes payable as of December 31, 2015 and 2014:

Issuance Date	Maturity Date	Interest Rate	Balance at December 31,	
			2015	2014
February 10, 2015	February 9, 2016	5.0%	\$ 24,000	\$ -
March 31, 2015	September 30, 2015	7.0%	10,000	-
December 3, 2015	February 29, 2016	10.0%	29,000	-
December 23, 2015	September 29, 2016	10.0%	20,500	-
Total			\$ 83,500	\$ -
Original issuance discount			(7,333)	-
Total			\$ 76,167	\$ -

The notes payable with the maturity date that has matured at the time the financial statements are issued continued to accrue interest and no default penalties were incurred. Interest expense for notes payable amounted to \$1,625 and \$0 for the years ended December 31, 2015 and 2014, respectively.

NOTE 7 – NOTE PAYABLE – RELATED PARTY

The Company had the following related party notes payable as of December 31, 2015 and 2014:

Description	Issuance Date	Maturity Date	Interest Rate	Balance at December 31,	
				2015	2014
Michael J. Doron	July 8, 2015	September 8, 2015	7.0%	\$ 2,500	\$ -
Charels C. Bream III	July 8, 2015	September 8, 2015	7.0%	2,500	-
Charels C. Bream III	August 24, 2015	November 23, 2015	7.0%	1,000	-
Total				\$ 6,000	\$ -

The notes payable to related parties with the maturity date that has matured at the time the financial statements are issued continued to accrue interest and no default penalties were incurred. Interest expense for notes payable amounted to \$1,625 and \$0 for the years ended December 31, 2015 and 2014, respectively.

Interest expense for notes payable amounted to \$210 and \$0 for the years ended December 31, 2015 and 2014, respectively.

NOTE 8 – CONVERTIBLE NOTES PAYABLE

The Company issued convertible notes payable in 2015 and 2014. The outstanding balance and any accrued interest is due on maturity date. Under the agreement, the note can be convertible at the holder's discretion into common shares of the Company's stock at a 25% discount to the price at the date of exercise.

The Company's convertible notes payable is as follows:

Convertible Note	Issuance Date	Maturity Date	Interest Rate	Original Borrowing	Balance at December 31, 2015
Note 1	October 2, 2014	December 31, 2015	5.0%	\$ 100,000	\$ 100,000
Note 2	June 10, 2015	March 13, 2016	8.0%	\$ 28,000	-
Note 3	December 23, 2015	September 23, 2016	8.0%	21,000	21,000
Total					121,000
Debt Discount					(9,333)
Net balance					\$ 111,667

The convertible note with the maturity date that has matured at the time the financial statements are issued continued to accrue interest and no default penalties were incurred. No convertible notes were converted as of December 31, 2015 and up to the date the financial statements are issued.

The Company adopted the provisions of FASB ASC Topic 815, "Derivatives and Hedging" ("ASC 815") (previously EITF 07-5, "Determining Whether an Instrument (or an Embedded Feature) is Indexed to an Entity's Own Stock"), as the convertible note agreement contained certain provision that the convertible note failed to pass the "fixed for fixed" criteria of ASC815, the conversion feature of the convertible debt should have to be bifurcated and recorded separately until the conversion date.

Based on ASC 815, the Company determined that the convertible debt contained embedded derivatives and full-ratchet provision which the Company valued the embedded derivative using the Black-Scholes method. The following table represents fair value of embedded derivative movement from the date of issuance to December 31, 2015:

<i>Embedded Derivative Liabilities</i>	Fair Value at Date of Issuance	Changes in Fair Value 2015	Fair Value at December 31, 2015
Note 1 – Issued in 2014	\$ 70,334	\$ 5,856	\$ 76,190
Note 2 – Issued in 2015	\$ 20,000	(20,000)	-
Note 3 – Issued in 2015	\$ 10,500	21,000	31,500
Total		\$ 6,856	\$ 107,690

As a result of initial recording of derivative liability of \$30,500 for convertible notes issued in 2015 with proceeds of \$49,000 the Company recorded debt discount of \$30,500 at the date of issuance of convertible note payable for issuances occurred in 2015. The Company accretes debt discount of \$30,500 for convertible notes issued in 2015 and \$70,334 for convertible note issued in 2014 over the life of the convertible note. The Company recorded accretion of \$91,500 for the year ended December 31, 2015 which is recorded as interest expense.

The following table represents fair value of embedded derivative movement from the date of issuance to December 31, 2014:

<i>Description</i>	Fair Value at Date of Issuance	Changes in Fair Value 2014	Fair Value at December 31, 2014
Embedded derivative liabilities	\$ 70,334	\$ -	\$ 70,334

As a result of initial recording of derivative liability of \$70,334 with proceeds of \$100,000 the Company recorded debt discount of \$70,334 at the date of issuance of convertible note payable. The Company accretes debt discount of \$70,334 over the life of the convertible note which is 12 months. The Company recorded accretion of \$17,583 for the year ended December 31, 2014 which is recorded as interest expense.

Interest incurred for the year ended December 31, 2014 was \$1,251 (excluding debt discount accretion of \$17,583 which is also recorded as interest expense).

NOTE 9 – PROVISION FOR INCOME TAXES

The Company recognizes the tax effects of transactions in the year in which such transactions enter into the determination of net income regardless of when reported for tax purposes. Deferred taxes are provided in the financial statements under FASB 740-10-65-1 to give effect to the temporary differences which may arise from differences in the bases of fixed assets, depreciation methods and allowances based on the income taxes expected to be payable in future years. Minimal development stage deferred tax assets arising as a result of net operating loss carry-forwards have been offset completely by a valuation allowance due to the uncertainty of their utilization in future periods.

The Company recognizes interest accrued relative to unrecognized tax benefits in interest expense and penalties in operating expense. During the period from August 28, 2013 (inception) to December 31, 2015 the Company recognized no income tax related interest and penalties. The Company had no accruals for income tax related interest and penalties at December 31, 2015.

NOTE 10 – STOCK BASED COMPENSATION

On May 20, 2014, the Company approved future issuances of performance based restricted common shares to the following employees and outside consultants. The Company accounts the issuances of restricted common shares, as defined by ASC 718, *Compensation—Stock Compensation*, in accordance with ASC 718. The restricted common shares will be issued upon completion of certain tasks or deliverables and contain certain exercise price with no expiration period.

On May 28, 2015, the Company has elected to grant warrants to certain entities and individuals in lieu of restricted common stocks that has not been issued.

A summary of the status of the Company's restricted common shares is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2013	-	-		
Granted	1,760,000	\$ 0.17		
Exercised	-	-		
Forfeited or expired	-	-		
Outstanding at December 31, 2014	<u>1,760,000</u>	<u>\$ 0.17</u>	N/A	<u>\$ 246,400</u>
Granted	-	-		
Exercised	-	-		
Superseded by May 28 Stock Warrants	1,760,000	-		
Outstanding at December 31, 2015	<u>-</u>	<u>\$ -</u>	N/A	<u>\$ -</u>
Vested at December 31, 2015	<u>-</u>	<u>\$ -</u>	N/A	<u>\$ -</u>

The aggregate intrinsic value in the preceding table represents the total pre-tax intrinsic value, based upon the Company's closing stock price of \$0.01 as of December 31, 2015, which would have been received by the share option award holders had all share option award holders exercised their share option awards as of that date.

The stock warrants issued in lieu of restricted common stock granted but not yet issued is presented below:

Date Issued	Exercise Price	Number of Shares	Weighted Average Remaining Contractual Life	Expiration date
May 28, 2015 (Issued in lieu of restricted common stock)	\$ 0.11	2,720,000	4.66 years	May 27, 2020
May 28, 2015	\$ 0.11	25,000	4.66 years	May 27, 2020
June 16, 2015	\$ 0.11	2,000,000	4.72 years	June 15, 2020
July 8, 2015	\$ 0.11	25,000	4.77 years	July 7, 2020
July 8, 2015	\$ 0.11	25,000	4.77 years	July 7, 2020
August 24, 2015	\$ 0.11	10,000	4.90 years	August 23, 2020
Total warrants at December 31, 2015		<u>4,805,000</u>		

The initial fair value of the new warrants issued on for services in 3rd quarter, 2015 was estimated at an aggregate value of \$635. All warrants are vested and exercisable immediately.

NOTE 11 - STOCKHOLDERS' DEFICIT

As of December 31, 2015 and 2014, the Company had (i) 100,000,000 Common shares authorized with a par value of \$.0001 per share, of which 50,411,443 shares were issued and outstanding, and (ii) 25,000,000 shares of preferred stock, par value \$.0001 per share, authorized, none of which was issued and outstanding. 8,980,047 shares of Common Stock have been issued to founders, of which, 400,016 shares were issued to the President and director as part of their consulting agreements.

On November 14, 2013, the Company had the following transactions:

- The Company entered into and consummated transactions pursuant to a Subscription Agreement (the "Subscription Agreement") with certain accredited investors whereby the Company issued and sold to the investors for \$1.00 per share an aggregate of 249,998 shares of the Company's Common Stock for an aggregate purchase price of \$250,000.
- As share-based compensation to employees and non-employees, the Company issued 2,369,991 shares of common stock valued at \$2,369,991, based on the market price of the stock on the date of issuance.
- The Company consummated transactions pursuant to a Share Exchange Agreement dated November 14, 2013 (the "Share Exchange Agreement") by and among the Company and the stockholders of African Graphite, Inc., a Nevada Corporation ("AGI"), whereby the stockholders of AGI transferred 100% of the outstanding shares of common stock of AGI held by them, in exchange for an aggregate of 8,980,047 newly issued shares of the Company's common stock.
- The Company consummated transactions pursuant to a Share Exchange Agreement (the "Share Exchange Agreement") with Zewar Jewellery, Inc. dated November 14, 2013 by and among the Company and the stockholders of the Company whereby the Company's Stockholders transferred 100% of the outstanding shares of common stock of the Company held by them, in exchange for an aggregate of 8,980,047 newly issued shares of the Zewar Jewellery's common stock with a par value \$.0001 per share ("Common Stock").
- The Company issued 12,600,003 shares of Common Stock to NMC in connection with the option grant closing under the Option Agreement.

All shares presented in these financial statements and accompanying footnotes have been retroactively adjusted to reflect the increased number of shares resulting from the seven point eight-to-one forward stock split effective on December 16, 2013.

The Company had the following common stock issuance transactions from January 1, 2014 to December 31, 2014 pursuant to a Subscription Agreement with accredited investors:

Quarter	Date	# of Shares Sold	Per Share Price	Gross Proceeds
Q1 2014	February 3, 2014	271,400	\$ 1.00	\$ 271,400
Q1 2014	March 14, 2014 and March 20, 2014	550,000	\$ 1.00	\$ 550,000
Q1 2014	March 25, 2014	150,000	\$ 1.00	\$ 150,000
Q2 2014	April 29, 2014	50,000	\$ 1.00	\$ 50,000
Q2 2014	June 19, 2014	60,000	\$ 1.00	\$ 60,000
Q3 2014	August 28, 2014	170,000	\$ 1.00	\$ 170,000

On March 21, 2014, the Company cancelled 25,740,000 shares of common stock. The cancellation of the shares decreased the amount of common stock by \$2,574 and increased additional paid in capital by the same amount. The shares were held by African Graphite and were cancelled for internal company restructuring.

On March 14, 2014, AGI exercised its option under the Option Agreement and the Company paid to NMC the balance of the purchase price in the amount of \$150,000 outstanding under the Option Agreement.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

On March 20, 2014, the Company entered into a consulting agreement with Wall Street Relations, Inc. (the “Consultant”). Under the agreement, the Consultant was to provide to the Company public relations, communications, advisory and consulting services. The term of the agreement was 12 months. For the services to be rendered under the agreement, the Company paid to the Consultant an aggregate amount of \$500,000 in cash. On June 20, 2014, the Company terminated the agreement because of the Consultant’s failure to perform its obligations under the agreement. The defendant was served with the complaint in October 2014. The Company also sent a demand letter to the counsel of the Consultant’s President in September 2015 and counsels for both parties entered into discussions. The Company is currently considering all options to obtain reimbursement of the fee paid to the Consultant under the agreement. The Company recorded a write off of prepaid assets of approximately \$320,000 for the year ended December 31, 2014.

The Company is subject to various legal proceedings from time to time as part of its business. As of December 31, 2015, the Company was not currently party to any legal proceedings or threatened legal proceedings, the adverse outcome of which, individually or in the aggregate, it believes would have a material adverse effect on its business, consolidated financial condition and consolidated results of operations.

NOTE 13 –SUBSEQUENT EVENTS

ASC 855, “Subsequent Events. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. During these periods, the Company did not have any material recognizable subsequent events required to be disclosed other than those disclosed in this note to the financial statements as of and for the year ended December 31, 2015.

CENTRE FOR GEOSCIENCES RESEARCH CLOSE CORPORATION

AFRICAN GRAPHITE INC.

GAZANIA INVESTMENTS TWO HUNDRED AND FORTY TWO (PROPRIETARY) LIMITED

**AGREEMENT RELATING TO THE SALE OF SHARES HELD IN GAZANIA
INVESTMENTS TWO HUNDRED AND FORTY TWO (PROPRIETARY)
LIMITED**

A handwritten signature in black ink, appearing to be 'S. D.', is centered on the page.

ENSafrica | Namibia (incorporated as Lorentz Angola Inc.)
3rd Floor, LA Chambers, Ausspenn Plaza, Dr Agostinho Veto Street, Windhoek, Namibia
Tel: +264 61 379 700 | Fax: +264 61 379 701

PARTIES TO THIS AGREEMENT

The Parties to this Agreement are:

- (1) **CENTRE FOR GEOSCIENCES RESEARCH CLOSE CORPORATION**, registration number CC/2007/2804, a close corporation incorporated under the laws of Namibia, having its registered address at 12 Reiherweg, Hochlandpark, Windhoek, Namibia;

(hereinafter referred to as the "**Seller**"),
- (2) **AFRICAN GRAPHITE INC.**, registration number NV20131522646, a company incorporated under the laws of the State of Nevada, having its principal place of business at 318 N. Carson St., Ste. 2018, Carson City, NC 89701;

(hereinafter referred to as the "**Purchaser**" or "**AGI**"); and
- (3) **GAZANIA INVESTMENTS TWO HUNDRED AND FORTY TWO (PROPRIETARY) LIMITED**, registration number 2013/0744 a private company incorporated in terms of the laws of Namibia, having its principal place of business at 2nd Floor, LA Chambers, Dr Agostinho Neto Road, Ausspannplatz, Windhoek (hereinafter referred to as the "**Company**").

AGREEMENT

The Parties hereto agree as follows:

1. Definitions and Interpretation

Definitions

1.1 In this Agreement the following words and expressions shall have the following meanings:

1.1.1 "**Agreement**" means this document, and includes the Schedules;

- 1.1.2 **"Claims"** means any and all rights held by the Seller against the Company on account of their shareholding in the Company, including any shareholder loans;
- 1.1.3 **"Closing"** means the completion of the Transaction pursuant to the provisions of clause 6 of this Agreement;
- 1.1.4 **"Closing Date"** means the date on which Closing takes place in accordance with the provisions of clause 6, which date shall (subject to the Seller and the Purchaser having complied with all their obligations under this Agreement) not be later than 10 (ten) Business Days following the Signature Date;
- 1.1.5 **"Company"** means Gazania Investments Two Hundred and Forty Two (Proprietary) Limited (2013 / 0744), as identified under the heading "Parties to this Agreement" above;
- 1.1.6 **"First Tranche"** means the amount of \$5,000 (five thousand United States dollars) payable, as part of the Purchase Price, in terms of clause 3.1.1 of this Agreement;
- 1.1.7 **"Legal Practitioners"** means ENSafrica I Namibia (incorporated as Lorentz Angola Inc.), Attorneys, Notaries & Conveyancers of 3rd Floor, LA Chambers, Unit 4, Ausspahn Plaza, Dr Agostinho Neto Road, Windhoek;
- 1.1.8 **"Parties"** means all of the Seller, the Purchaser and the Company, or any combination of the aforesaid, as the context may indicate or require, and **"Party"** means any one of them, as the context may indicate or require;
- 1.1.8 **"Purchase Price"** means the amount of \$15,000 (fifteen thousand United States dollars);
- 1.1.10 **"Purchaser"** means AGI, as defined under the heading "Parties to this Agreement";

- 1.1.11 "**Sale Shares**" means all Shares held by the Seller in the issued share capital of the Company, being -
- (a) 10 (ten) Shares held by the Centre for Geosciences Research Close Corporation;
- 1.1.12 "**Schedule**" means, as the case may be -
- (a) **Schedule 1** - Agreed Form Cession;
 - (b) **Schedule 2** - Agreed Form Arbitration Rules;
- 1.1.13 "**Shares**" means ordinary par value shares of N\$ 1,00 (one Namibian Dollar) each in the Company, whether issued at a premium or not;
- 1.1.14 "**Subject Matter**" means the Sale Shares and the Claims;
- 1.1.15 "**Signature Date**" means the date of when the last of the Parties hereto has executed this Agreement by its signature;
- 1.1.16 "**Transaction**" means the sale and transfer of the Subject Matter, as contemplated in clause 2 of this Agreement;
- 1.1.17 "**Warranties**" means the Seller's undertakings in clause 5.1, relating to the Transaction only.

Interpretation

- 1.2 In this Agreement, unless the context indicates otherwise, a reference to:
- 1.2.1 this Agreement, any other agreement or an instrument or any provision of any of them includes any amendment, variation or replacement of that agreement, instrument or provision;
 - 1.2.2 a clause is a reference ,to a clause of this Agreement;
 - 1.2.3 a statute or statutory provision includes a reference to:-
 - (a) the statute or statutory provision as modified or re-enacted or both before or after the date of the Agreement;
and

- (b) any subordinate legislation made under the statute or statutory provision before the date of this Agreement;
- 1.2.4 a person includes a reference to any natural person, firm, body corporate, unincorporated association or partnership, joint venture, trust and unincorporated association, the state or local government or regulatory department, body, instrumentality, agency, minister or the authority having jurisdiction over any of the Parties;
- 1.2.5 a person includes a reference to that person's legal personal representatives, executors, administrators, successors and substitutes (including, but not limited to, persons taking by novation) and permitted assigns;
- 1.2.6 one gender includes all genders;
- 1.2.7 time is a reference to Namibian time as per the *Namibian Time Act, 1994*, and the following construction shall apply to time matters:-
 - (a) if a period of time is specified and the period dates from a given day or the day of an act or event, it is to be calculated exclusive of that day and if a period of time is specified as commencing on a given day or the day of an act or event, it is to be calculated inclusive of that day;
 - (b) if the time for performing an obligation under this Agreement expires on a day that is not a business day, time will be extended until the next business day;
 - (c) a reference to a month is a reference to a calendar month;
 - (d) a reference to a day is a reference to any day;
 - (e) a reference to a "**Business Day**" is a reference to any day other than a Sunday or public holiday in Namibia.
- 1.3 Clause headings appear in this Agreement for reference purposes only and shall not be employed in the construction of the subject matter.

- 1.4 Any provision of this Agreement imposing a restraint, prohibition, or restriction on the Parties shall be so construed that the Parties are not only bound to comply therewith, but are also obliged to procure that the same restraint, prohibition, or restriction is observed by any third party engaged by, or acting under the authority or with the consent of the Parties.
- 1.5 Where any term is defined within the context of any particular clause in this Agreement, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause only, shall bear the same meaning as ascribed to it for all purposes in terms of this Agreement, notwithstanding that that term has not been defined in this clause 1.
- 1.6 Where a word or phrase is specifically defined, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- 1.7 This Agreement shall be construed *in* accordance with the laws of Namibia.

2. Sale and Purchase of Shares

Sale and Purchase

- 2.1. On the terms and the conditions of this Agreement, the Seller hereby sells to the Purchaser, who hereby purchases from the Seller, one indivisible transaction, the Subject Matter. More specifically, the Seller
- 2.1.1 hereby sells 10 (ten) Shares in and all its Claims against the Company,
- to the Purchaser.

Voetstoots

- 2.2 The Parties record that to the extent that the sale of the Subject Matter is or may, in substance, be regarded as a sale of the various stock owned by the Company, such stock is sold as they stand and lie, in its actual condition, *voetstoots*, as found by the Purchaser on the Closing Date.

No Merger Notification

- 2.3 The Parties record that they are satisfied that the threshold for mergers within the meaning of chapter 4 of the *Competition Act, 2003* is not met in that the turnover and/or assets of the Parties as contemplated in the Regulations of the aforementioned legislation are insufficient to trigger the requirement for merger notification.

3. **Purchase Price**

- 3.1 In consideration for the sale and transfer of the Subject Matter, the Purchaser shall pay the Purchase Price to the Seller as follows:

- 3.1.1 \$5,000 (five thousand United States dollars) within 3 (three) business days of the Signature Date;
- 3.1.2 \$5,000 (five thousand United States dollars) within 45 (forty five) days of the Signature Date; and
- 3.1.3 \$5,000 (five thousand United States dollars) within 90 days of the Signature Date.

4. **Risk and Ownership**

- 4.1 All risk in and benefit of and from the Subject Matter shall pass to the Purchaser on the Closing Date.
- 4.2 All rights of beneficial ownership and to the registration of the Sale Shares into the name of the Purchaser shall pass to the Purchaser on the Closing Date.

5. **Further Conditions of Sale**

Representations and Warranties

- 5.1 As on the Closing Date, the Seller represent and warrant the following to the Purchaser:
- 5.1.1 the Seller warrants that it is the only and true lawful holder of the Sale Shares, and that —
- (a) no persons have any right or option to acquire the Sale Shares;
 - (b) none of the Sale Shares are subject to any cession, pledge or any other encumbrance; and
 - (c) it is entitled and able to give free and unencumbered title of the Sale Shares to the Purchaser.
- 5.2 The Seller has disclosed to the Purchaser all facts and circumstances within the Seller's knowledge which are material to the Purchaser or would be reasonably likely to be material to the Purchaser of the Sale Shares.
- 5.3 All information and documents provided to the Purchaser by the Seller prior to the Signature Date in the course of the negotiations leading to the execution of this Agreement was at the time it was so given, and is at the Signature Date, true, accurate and complete.
- 5.4 The Parties record that the Purchaser, in entering into this Agreement, relies upon the truth and accuracy of the representations and Warranties contained in clause 5.1.
- 5.5 Each of the Warranties shall be a separate Warranty. This notwithstanding, the Purchaser shall not be entitled to cancel this Agreement as a consequence of any breach by the Seller of any of the Warranties herein contained unless the breach is material and is incapable of being remedied by payment of compensation.
- 5.6 The Seller shall immediately disclose to the Purchaser any matter or thing which arises or of which any of them becomes aware after the Signature Date which is inconsistent with or a breach of any of the Warranties or which might render any of the Warranties misleading or would be material to the Purchaser as purchaser for value of the Sale Shares.

- 5.7 Any claims under the Warranty shall be made by the Purchaser within 3 (three) months from the Closing Date.
- 5.8 The Seller will indemnify and hold the Purchaser harmless from and against all losses, liabilities, damages, deficiencies, costs and expenses, which find their origin prior to the Signature Date, including but not limited to reasonable attorneys' fees, which the Purchaser or the Company may incur, or for which one or the other becomes liable for, as a result of or in connection with any Seller's misrepresentation or breach by any of the Seller of any of the Warranties contained in this clause 5.

6. Closing Arrangements

- 6.1 Within 3 (three) Business Days of the Signature Date, the Purchaser shall pay the First Tranche of the Purchase Price into the Trust Account of the Legal Practitioners. The Purchase Price shall be held by the Legal Practitioners in trust for the Purchaser until the Closing Date, when the Legal Practitioners shall release and cause the payment of the Purchase Price to the Seller. For the purposes of the payment of the Purchase Price to the Seller, the Seller shall advise the Legal Practitioners in writing of their respective account details.

Pre-Closing Arrangements

- 6.2 Within 3 (three) Business Days from the Signature Date, the Seller shall deliver to the Legal Practitioners —
- 6.2.1 a share transfer form in respect of such Seller's Sale Share,s, in a form acceptable to the Legal Practitioners, executed and signed by the Seller in blank, in terms of which the Seller (as transferor) agrees to transfer and transfers its portion of the Sale Shares to the Purchaser (as transferee);
- 6.2.2 the original share certificates of the Seller in respect of the Sale Shares, for the purposes of the Company cancelling same and re-issuing a new share certificate to the Purchaser;

- 6.2.3 an executed written resolution by the board of directors of the Company approving the sale and transfer of the Sale Shares from the Seller to the Purchaser;
- 6.2.4 written resignation of Mulife Sikalumbu Siyambango as a director of the Company, with effect from the Closing Date;
- 6.2.5 a cession of the Seller's Claims to the Purchaser, in the agreed form as set out in Schedule 1, executed by each of the Seller;
- 6.2.6 such other documents as the Legal Practitioners may reasonably require,

(the "**Seller's Closing Documents**").

- 6.3 The Seller's Closing Documents shall be held by the Legal Practitioners in trust for the Seller until the Closing Date, when the Legal Practitioners shall release and deliver them to the Purchaser. interest earned on the Purchase Price in the Trust Account, if any, shall accrue to the benefit of the Purchaser.

Closing

- 6.4 Closing takes place when the Legal Practitioners deliver the Seller's Closing Documents to the Purchaser or, subject to any instructions by the Purchaser, agree to hold such documents for and on behalf of the Purchaser. Closing shall be recorded in a closing minute to be prepared and executed by the Legal Practitioners.
- 6.5 On or as soon as practically possible after the Closing Date, the Legal Practitioners shall release the Purchase Price to the Seller.

Post Closing Arrangements

- 6.6 The Company shall, within 5 (five) Business Days of the Closing Date:
 - 6.6.1 write up its register of members to reflect the Purchaser as the sole holder of the Sale Shares; and

- 6.6.2 cause the payment of stamp duties on the share transfer form as required by law;
- 6.6.3 cancel the share certificate of the Seller referred to in clause 7.2;
- 6.6.4 issue a new share certificate to the Purchaser.

Closing Agenda

- 6.7 For the purposes of the Closing of the Transaction, the Legal Practitioners may prepare a closing agenda setting out the procedures, documents and further deliverables for Closing (the "**Closing Agenda**"). The Parties bind themselves to comply with all reasonable requests made by the Legal Practitioners pursuant to the Closing Agenda, and to provide the Legal Practitioners with such further information or documents as may reasonably be required by the Legal Practitioners to enable the Closing of the Transaction.

7. Closing Agent

Stipulatio Alteri

- 7.1 To the extent that the Legal Practitioners are not a party to this Agreement, this Agreement constitutes a contract for the benefit of a third party (*stipulatio alteri*) in favour of the Legal Practitioners to act for the Parties for the purposes of Closing, which benefit (and corresponding obligations) the Legal Practitioners may and shall be deemed to having accepted by their conduct of assuming the function as agent for the Closing as contemplated in clause 7 of this Agreement (the "**Closing Agent**").

Independence of Legal Practitioners as Closing Agent

- 7.2 For the purposes of facilitating Closing, and irrespective of any other legal or professional relationship that may exist between the Legal Practitioners and any one or more of the Parties, the duties of the Legal Practitioners are strictly limited to those set out in this Agreement (specifically clause 6). Accordingly, it is agreed that the Legal Practitioners shall —
- 7.2.1 act as a depository for the Purchase Price, the costs for the Transaction and the Seller' Closing Documents;
- 7.2.2 be under no duty to any one of the Parties to take notice of or enquire into the terms and provisions of any agreement (other than this Agreement) or any other legal relationship existing between them;
- 7.2.3 not be regarded as an agent, trustee or fiduciary of any one of the Parties; save to the extent that the Legal Practitioners shall, as recipient of any funds from the Purchaser, be fully accountable to the Purchaser in terms of the provisions of the *Legal Practitioners Act, 1995*.
- 7.3 In the performance of their duties under this Agreement, the Legal Practitioners shall not be required to use or advance any of their own funds or property, or otherwise incur any financial or taxation liability on their part.

Authorisations and Taxes

- 7.4 The Parties shall be required to obtain any and all governmental authorisations and permissions that may be required for the purposes of the transaction contemplated in this Agreement and as to enable the Legal Practitioners to perform their duties under this Agreement.
- 7.5 Each of the Parties shall, without any recourse to each other or the Legal Practitioners, be liable for all their own tax consequences, returns, filings and invoicing obligations (whether in the Republic of Namibia or elsewhere) arising for them on account of the entry into, the implementation of, and the performance of this Agreement.

Notifications to the Legal Practitioners

- 7.6 The Legal Practitioners shall be entitled to rely on any notification from the Parties which the Legal Practitioners in good faith believe to be authentic.

Limitation of Liability

- 7.7 The Legal Practitioners shall not be liable to the Parties for any error of judgment or for any acts done or steps taken by them in good faith in connection with this Agreement, save for the Legal Practitioners' own gross negligence or wilful misconduct.
- 7.8 The Parties agree to indemnify and hold the Legal Practitioners harmless from any costs, losses or damages (including legal fees) which the Legal Practitioners may incur or sustain as a result of their performance as Closing Agent in terms of this Agreement except if such costs, losses or damages are due to the gross negligence or wilful misconduct of the Legal Practitioners.

8. **General**

No Variation

- 8:1 No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the Parties.

Entire Agreement

- 8.2 This Agreement constitutes the full and complete consensus between the Parties in relation to its subject matter and supersedes all prior negotiations, understandings and agreements with respect thereto.

Severability and Unenforceability

- 8.3 If any provisions of this Agreement are found or held to be invalid or unenforceable, the validity of all the remaining provisions of this Agreement will not be affected thereby; the Parties agree to meet and review the matter and if any valid and enforceable means is reasonably available to achieve the same object of the invalid provision, to adopt such means by way of variation of this Agreement

Counterparts

- 8.4 This Agreement may be executed by the Parties in one or more counterparts which together shall constitute one document.

Supervening Legislation

- 8.5 Any present or future legislation which operates to vary an obligation or right, power or remedy of a person in connection with this Agreement is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

No Waiver

- 8.6 The terms and conditions of this Agreement may be waived wholly or in part by the Party benefiting by that Party providing written notice of such waiver. Unless expressly stated otherwise in the notice of waiver, the waiver shall only apply to the particular terms and occasions in question.
- 8.7 The failure to exercise or delay in exercising a right or remedy under this Agreement shall not constitute a waiver of the right or remedy or waiver of any other rights or remedies and no single or partial exercise of any right or remedy under this Agreement shall prevent any further exercise of the right or remedy or the exercise of any other right or remedy.
- 8.8 No waiver on the part of any Party of any rights arising from any breach of any provision of this Agreement shall constitute or be construed as a waiver of rights in respect of any subsequent breach of the same or any other provisions of this Agreement.

No Cession or Assignment

- 8.9 No Party shall cede, assign or transfer or purport to cede, assign or transfer any of its rights or obligations under this Agreement, save where expressly permitted herein.

Remedies Cumulative

- 8.10 Except as expressly provided in this Agreement, the rights and remedies contained in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

Time of the Essence

- 8.11 Any date, time or period referred to in this Agreement shall be of the essence except only to the extent to which the Parties agree in writing to vary any date, time or period in which event the varied date, time or period shall be of the essence.

Third Parties

- 8.12 A person who is not a party to this Agreement shall have no rights to enforce any provision of this Agreement, but this shall not affect any right which exists or is available apart from this Agreement.

Correspondence and Notices

- 8.13 All communications and notices —

- 8.13.1 by the Purchaser to the Seller shall be in writing and be addressed to:

Centre for Geoscience Research Close Corporation

12 Reiherweg
Hochlandpark
Windhoek, Namibia
e-mail: frontier@iway.na
telefax: [.]

8.13.2 by the Seller to the Purchaser shall be in writing and be addressed to:

African Graphite Inc

318 N. Carson St.
Ste. 218, Carson City
NV 89701, USA
e-mail: cliffbream@gmail.com
telefax: [.]

8.14 All communications and notices by the Parties to the Company shall be in writing and addressed to:

Gazania Investments Two Hundred and Forty Two (Proprietary) Limited

c/o L8,13 Commercial Services (Proprietary) Limited
LA Chambers
Dr Agostinho Leto Road
Ausspannplatz
Windhoek
e mail: cliffbream@grmail.com
telefax: +264 61 379 701

- 8.15 The Parties choose the physical addresses referred to in clauses 8.13 and 8.14 as their *domicilium citandi et executandi* for all purposes under this Agreement whether in respect of payment of money, the service or delivery of court or arbitration process, notices or other documents or all other communications.
- 8.16 Any notice or communication required or permitted to be given in terms of this Agreement will be valid and effective only if it is in writing, but, where, in terms of this Agreement, any communication is required to be in writing, the term "*writing*" will include communications by telefax and e-mail.
- 8.17 Any Party may by written notice to the other Party change its telefax number, e-mail address or the address chosen as its *domicilium* address, to another telefax number, address which is not constituted exclusively by a post office box address; such change will become effective on the 5th (fifth) business day from the deemed receipt of the notice by the addressee.

- 8.18 Any notice to a Party sent by prepaid registered post in a correctly addressed envelope to it *at its domicilium* address will be deemed to have been received on the 5th (fifth) business day after posting (unless the contrary is proved).
- 8.19 Any notice to a Party delivered by hand to a responsible person during ordinary business hours at its *domicilium citandi et executandi* will be deemed to have been received on the day of delivery (unless the contrary is proved).
- 8.20 Any notice to a Party sent by telefax to its chosen telefax address or e-mail address, will be deemed to have been provided, unless the contrary is proved at 12h00 noon of the 1st (first) business day following the issuance, by the transmitting telefax machine, of a report confirming correct transmission of all the pages of the document containing the notice.
- 8.21 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a Party will be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium citandi et executandi*.

Obligations of good faith

- 8.22 Each Party is to act in good faith towards the other Party including but not limited to being just and faithful in all activities in dealings with the other Party in relation to the Agreement.
- 8.23 The Parties undertake to co-operate and consult with one another in good faith with regard to the alleviation of any hardship which may be occasioned to either Party as a result of any unforeseen circumstances arising after the Signature Date, and to support each other in the performance of all such actions and to take all such steps as may be reasonably available to them and necessary for the maintenance and the execution and the implementation of this Agreement.

Costs

- 8.24 Except as otherwise provided for in this Agreement, the Parties shall bear their own costs in the negotiation and implementation of this Agreement.

Breach

- 8.25 Should any of the Parties (hereinafter referred to as the "**Defaulting Party**") commit a breach of this Agreement, any of the affected Parties (hereinafter referred to as the "**Affected Party**") may give the Defaulting Party written notice to remedy such material breach.
- 8.26 In the event of the Defaulting Party failing to remedy its breach within 14 (fourteen) days following such written notice, the Affected Party may, at its option, terminate this Agreement.

Dispute Resolution

- 8.27 Any disputes which may arise out of or in connection with this Agreement shall be referred to arbitration to be finally resolved by arbitration, which is subject to the conditions set out hereinafter.
- 8.28 The arbitration shall be held in Windhoek in a summary manner, in accordance with the agreed form Arbitration Rules, set out in Schedule 2.
- 8.29 The arbitration shall be held immediately with a view of being completed within 21 (twenty one) business days after it is demanded.
- 8.30 The arbitration shall be held in terms of the applicable Namibian arbitration laws.
- 8.31 The arbitrator shall be an independent person, and shall be, if the question is:-
- 8.31.1 primarily an accounting matter, an independent practising chartered accountant in Namibia with not less than 10 (ten) years practical experience in private practice;
 - 8.31.2 primarily a legal matter, a legal practitioner in Namibia with not less than 15 (fifteen) years practical experience in private practice;
 - 8.31.3 any other matter, and appropriately qualified independent person agreed upon by the Parties.

- SIGNED at WINSTON-SALEM on 08/06 2015

SIGNED at _____ on _____ 2015

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AFRICAN GRAPHITE INC.

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2. WITNESS

SIGNED at Windhoek on 08/06 — 2015



GAZANIA INVESTMENTS
TWO HUNDRED AND FORTY
TWO (PROPRIETARY) LIMITED

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1. WITNESS

2. WITNESS

SCHEDULE 2

AGREED FORM CESSION

CENTRE FOR GEOSCIENCES RESEARCH CLOSE CORPORATION

AFRICAN GRAPHITE INC.

GAZANIA INVESTMENTS TWO HUNDRED AND FORTY TWO (PROPRIETARY) LIMITED

CESSION OF CLAIMS

A handwritten signature in black ink, appearing to be 'S. D.', is centered on the page.

ENSafrica | Namibia (incorporated as Lorentz Angula Inc.)
3rd Floor. LA Chambers, Ausspann Plaza, Dr Agostinho Neto Street, Windhoek, Namibia
Tel: +264 61 379 700 | Fax: +264 61 379 701

PARTIES TO THIS AGREEMENT

The Parties to this Agreement are:

- (1) **CENTRE FOR GEOSCIENCES RESEARCH CLOSE CORPORATION**, registration number CC/2007/2804, a close corporation incorporated under the laws of Namibia, having its registered address at 12 Reiherweg, Hochlandpark, Windhoek, Namibia;

(hereinafter referred to as the "**Seller**"),
- (2) **AFRICAN GRAPHITE INC.**, registration number NV20131522646, a company incorporated under the laws of the State of Nevada, having its principal place of business at 318 N. Carson St., Ste. 2018, Carson City, NC 89701;

(hereinafter referred to as the "**Purchaser**"); and
- (3) **GAZANIA INVESTMENTS TWO HUNDRED AND FORTY TWO (PROPRIETARY) LIMITED**, registration number 2013/0744 a private company incorporated in terms of the laws of Namibia, having its principal place of business at 2nd Floor LA Chambers, Dr Agostinho Neto Road, Ausspannplatz, Windhoek (hereinafter referred to as the "**Company**").

1. Definitions

- 1.1 In this Agreement, unless the context otherwise indicates
 - 1.1.1 "**Agreement**" means the written agreement termed "*Agreement Relating to the Sale of Shares held in Gazania Investments Two Hundred and Forty Two (Proprietary) Limited*", entered into between the same parties as are parties to this Agreement, on or about [DATE];
 - 1.1.2 "**Claims**" has the same meaning as in the Agreement;
 - 1.1.3 "**Closing Date**" has the same meaning as in the Agreement.

2. Cession and Delegation

- 2.1 Pursuant to, and on the terms and conditions as set out in the Agreement, the Seller hereby cedes its Claims to the Purchaser, and the Purchaser hereby accepts such Cession.
- 2.2 This Cession shall become effective on the Closing Date.

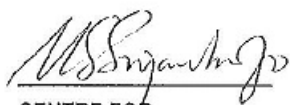
3. Consent

To the extent required by law, the Company hereby consents to the cession referred to in clause 2.1.

4. Miscellaneous

- 4.1 No variation of or addition to this Agreement will be of any force or effect unless reduced to writing and signed by the Parties.
- 4.2 No waiver on the part of any Party of any rights arising from any breach of any provision of this Agreement shall constitute or be construed as a waiver of rights in respect of any subsequent breach of the same or any other provisions of this Agreement.
- 4.3 The Parties undertake to co-operate and consult with one another in good faith with regard to the alleviation of any hardship which may be occasioned to either Party as a result of any unforeseen circumstances arising after the commencement of this Agreement, and to support each other in the performance of all such actions and to take all such steps as may be reasonably available to them and necessary, for the maintenance and the execution and the implementation of this Agreement.

SIGNED at Windhoek on 08-06 2015



CENTRE FOR
GEOSCIENCE RESEARCH
CLOSE CORPORATION

1. WITNESS

2. WITNESS

SIGNED at _____ on _____ 2015

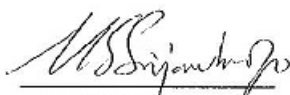
Charles Clifford Bream III

AFRICAN GRAPHITE INC.

1. WITNESS

2. WITNESS

SIGNED at Windhoek on 08-06 2015



GAZANIA INVESTMENTS
TWO HUNDRED AND FORTY
TWO (PROPRIETARY) LIMITED

1. WITNESS

2. WITNESS

SCHEDULE 2
AGREED FORM ARBITRATION RULES

In these Rules

"Arbitrator" means the arbitrator appointed pursuant to the provisions of the Agreement;

"Claimant" means the person referring a dispute for decision to the Arbitrator and includes his or her legal practitioners.

"Respondent" means the party against whom the Claimant proceeds, and includes his or her legal practitioners.

"Papers" means any or all of the following: Statement of Claim, Statement of Defence and Reply, and includes all documentary evidence and witness statements.

"Parties" means persons who have submitted to arbitration in terms of these Rules, and includes both the Claimant and the Respondent, and **"Party"** means either the Claimant or the Respondent.

"Rules" means this document.

Commencement and Referral of Disputes to Arbitration

§ 1 Arbitration proceedings are commenced and referred to the Arbitrator when the Claimant delivers a written notice of the dispute to the Respondent. The written notice shall bear the heading "Statement of Claim".

§ 2 The Statement of Claim shall be delivered to the Respondent or its legal practitioners by personal delivery, telefax or e-mail, but the Claimant shall take all reasonable steps to ensure that the Respondent has received proper notice of the Statement of Claim.

Requirements for Statement of Claim

- § 3.** A Statement of Claim shall have the following contents, under the following clearly separated headings:-
- § 3.1** Details of the Claimant;
 - § 3.2** Details of the Respondent;
 - § 3.3** A concise description of the facts material and relevant to the dispute, which shall be broken down into respective paragraphs;
 - § 3.4** The conclusions in fact and law, as claimed by the Claimant;
 - § 3.5** The relief claimed by the Claimant from the Arbitrator.
 - § 3.6** All documentary evidence which may prove the Claimant's claim, cross-referenced to the Statement of Claim.
 - § 3.7** Witnesses statements where evidence relies on or is dependent on a witness, such statements to be signed and to be confirmed to be true, correct and complete by such witness.

Statement of Defence

- § 4** If the Respondent wishes to oppose the Claimant's claim (or Counterclaim), the Respondent must deliver a written answer thereto, which shall bear the heading "Statement of Defence" The Respondent shall provide the Statement of Defence within 5 (five) business days of receiving the Statement of Claim to the Claimant or its legal practitioner. The provisions of **§ 2** relating to delivery of the Statement of Defence likewise apply.
- § 5** The Statement of Defence (or Counterclaim) shall contain the following contents, under the following clearly separated headings:-
- § 5.1** A concise answer to the contents to the Claimant's claim, taking the form of a concise description of the facts material and relevant to the dispute, which shall as far as possible follow the paragraphs of the Statement of Claim. The Respondent shall as clearly as possible indicate which of the facts stated by the Claimant he admits, and which of the facts he disputes.

- § 5.2 The conclusions in fact and law, as claimed by the Respondent;
- § 5.3 The relief claimed by the Respondent from the Arbitrator.
- § 5.4 All documentary evidence which may prove the Respondent's defence, cross-referenced to the Statement of Defence or Statement of Claim, as the case may be.
- § 5.5 Witnesses statements where evidence relies on or is dependent on a Witness, such statements to be signed and to be confirmed to be true, correct and complete by such witness.

Reply

- § 6 if the Respondent raises new matters in his Statement of Defence, the Claimant may reply thereto within 3 (three) business days from receipt of the Statement of Defence, but otherwise on substantially the same basis as set out under §§ 3 and 5. Such replying document shall bear the heading "Reply".

Ruling by Default

- § 7 If the Respondent has not opposed the Claimant's Statement of Claim, or has not opposed any particular claim within the Claimant's Statement of Claim, the Arbitrator may:
 - § 7.1 accept the version of the Claimgrit as stated in the Statement of Claim (or the particular claim within the Claimant's Statement of Claim, as the case may be), and may make an appropriate ruling; or
 - § 7.2 nevertheless require the Claimant to appear at a hearing, interrogate, question and examine the Claimant, and make an appropriate ruling.

Ruling without Hearing

- § 8 The Arbitrator may make a ruling without a hearing (or any particular claim within the Claimant's Statement of Claim, as the case may be) if the following circumstances are present:-
- § 8.1 the Arbitrator is satisfied that he can make such a ruling on the basis of the information, documents and witness statements contained in the Papers; and
 - § 8.2 if there is no material dispute on the facts stated by both Parties, i.e. if it is materially only the conclusions of fact and the law (or the interpretation thereof) that the Parties disagree on. The Arbitrator shall decide on the papers whether or not there is such a dispute on the facts.

Hearing

- § 9. If the Respondent has opposed the Claimant's Statement of Claim by filing a Statement of Defence, the matter is referred to a hearing at a date and time determined by the Arbitrator, provided that the Arbitrator gives at least 3 (three) business days' notice of a hearing.
- § 9.1 The Papers provided by the Parties form the basis for the disputes at the hearing.
 - § 9.2 At a hearing, the Arbitrator:
 - (a) hear both the Claimant and the Respondent (if they so wish to be heard), and provide them with the appropriate opportunity to present their case;
 - (b) may but is not obliged to hear oral evidence and may allow either Party to present relevant witnesses and relevant proof;

(c) shall allow either Party to be represented by its legal practitioners.

§ 9.3 The purpose of the hearing is to ensure a speedy resolution of the substance of the disputes between the Parties in the most efficient manner, without unnecessary leading of oral evidence, postponements or procedural formalities. Accordingly, in conducting the hearing, the Arbitrator:

(a) shall have an active and inquisitorial function;

(b) shall actively curtail the proceedings;

(c) shall not be required to deal with or hear evidence on matters that are common cause between the Parties on the Papers, but shall give emphasis only on the outstanding disputes of facts;

(d) shall, where the evidence is inconclusive, be competent (but not be obliged) to make a ruling that he deems to be just and equitable.

Evidence

General

§ 10. The Arbitrator shall not be required to follow the strict rules of evidence under statutory or common law applicable in Namibia. Accordingly:

§ 10.1 The witnesses statements annexed to the papers shall form the primary basis of each Party's case.

§ 10.2 There shall be no need to lead oral evidence, nor shall there be any cross-examination of witnesses unless allowed by the Arbitrator on the specific request of either Party and on good cause shown, it being the intention to reduce the leading of oral evidence and cross-examination to a minimum.

§ 10.3 None of the statutory or common law rules on evidence (including, for the avoidance of doubt, the hearsay rule) shall apply, but the Arbitrator shall weigh any and all evidence in accordance with its relevance only.

Documentary Evidence

- § 11** Unless challenged by a Party on good cause shown, the Arbitrator shall admit all documentary evidence as presented by the Parties on the basis that such documents are what they purport to be.
- § 12** Either Party shall be obliged to deliver to the other Party, in the cause of delivering its Statement of Claim, Statement of Defence or Reply, and as a separate bundle, any and all documents, plans and photographs which are relevant and material to the matter, and which will prove or disprove either Party's case.
- § 13** Documentary evidence not annexed to the Papers or not disclosed pursuant to § 12 shall generally not be admissible to the hearing except on application by a Party and on good cause shown to the Arbitrator.

Record of Proceedings

- § 14** The Arbitrator shall keep a record of the proceedings at the hearing, but such record need not be a verbatim record of everything that was said at such hearing.

Rulings

- § 15** The Arbitrator shall make his ruling within 3 (three) business days from the date of the hearing.
- § 16** Rulings by the Arbitrator are made in writing, and shall provide brief reasons for the ruling.
- § 17** The Arbitrator may resolve any procedural matter not covered or not contemplated by these Rules by making an ad hoc ruling in this regard.

CERTIFICATION

I, Charles C. Bream, Chief Executive Officer, Chief Financial Officer and Treasurer of Next Graphite, Inc., formerly known as Zewar Jewellery, Inc. (the "registrant"), certify that:

1. I have reviewed this annual report on Form 10-K of the registrant for the year ended December 31, 2015;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 14, 2016

/s/Charles C. Bream

Charles C. Bream
Chief Executive Officer, Chief Financial Officer,
Treasurer and Director (principal executive officer,
principal financial officer and principal accounting
officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned hereby certifies, in his capacity as an officer of Next Graphite, Inc. (the “Company”), for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of her knowledge:

- (1) The Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2015 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 14, 2016

/s/ Charles C. Bream

Charles C. Bream
Chief Executive Officer, Chief Financial Officer,
Treasurer and Director (principal executive officer,
principal financial officer and principal accounting
officer)

A signed original of this written statement required by Section 906 has been provided to Next Graphite, Inc. and will be retained by Next Graphite, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.