Developing the Lac Guéret Flake Graphite Project

Corporate Presentation – February 2018

TSX.V: LLG  OTCQX: MGPHF

Road Segment Now Completed
Legal Disclaimers

- **Forward Looking Information:** This presentation contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Forward-looking information includes, without limitation, statements regarding the results of the Feasibility Study including statements about the projected IRR, NPV, payback period and future capital and operating costs, the availability and access to hydroelectric power, projected annual rate of graphite production, the estimation of mineral reserve and mineral resources, the market and future price of graphite, the potential advantages of the concentrator being located in Baie-Comeau, permitting and the ability to finance the project. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on certain factors and assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, graphite and other metals prices, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the estimation of mineral reserves and resources, the assumption with respect to currency fluctuations, the timing and amount of future exploration and development expenditures, receipt of required regulatory approvals, the availability of necessary financing for the project, the completion of the environment assessment process, permitting and such other assumptions and factors as set out herein. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: volatile stock price; risks related to changes in graphite prices; sources and cost of power facilities; the estimation of initial and sustaining capital requirements; the estimation of labour and operating costs; the general global markets and economic conditions; the risk associated with exploration, development and operations of mineral deposits; the estimation of mineral reserves and resources; the risks associated with uninsurable risks arising during the course of exploration, development and production; risks associated with currency fluctuations; environmental risks; competition faced in securing experienced personnel; access to adequate infrastructure to support mining, processing, development and exploration activities; the risks associated with changes in the mining regulatory regime governing the Company; completion of the environmental assessment process; risks related to regulatory and permitting delays; risks related to potential conflicts of interest; the reliance on key personnel; financing, capitalization and liquidity risks including the risk that the financing necessary to fund continued exploration and development activities at Lac Guéret may not be available on satisfactory terms, or at all; the risk of potential dilution through the issue of common shares; the risk of litigation. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this presentation, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

- **Currency Presentation:** Unless indicated otherwise, all dollar figures are in Canadian dollars.

- **Cautionary Statements Regarding Mineral Reserves and Resource Estimates:** The Mineral Reserves are the basis of the 25 years Mine Life of the Feasibility Study published in Sept 2015 (amended in March 2016) and are not included in the “in-pit” Measured and indicated Mineral Resources of 58.1 Mt grading 16.3% Cg (which have an equivalent drilling definition). The mineral Reserves and the “in-pit” Mineral Resources are included in the total Measured and Indicated Mineral Resources of 65.7 Mt grading 17.2% Cg (19.1 Mt of Measured Resources grading 17.9% Cg and 46.6 Mt of Indicated Resources grading 16.9% Cg) that were reported in the Company’s press release dated December 15, 2014. The reference point for the Mineral Reserves Estimate is the mill feed. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability and were not included in the mine life or the economics of the feasibility study. Environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues may materially affect the estimate of Mineral Resources. The same issues would need to be considered when conducting an eventual economic evaluation in order to classify the In-Pit Mineral Resources as Mineral Reserves. In addition, there can be no assurance that Mineral Resources in a lower category may be converted to a higher category, or that Mineral Resources may be converted to Mineral Reserves.

- **Quality Control and Assurance:** The scientific and technical content of this presentation was reviewed and approved by Mason Graphite’s Executive Vice President of Process Development, Jean L’Heureux, Eng. M. Eng., who is a Qualified Person within the meaning of National Instrument 43-101.

- **Sources of Information:** Information and data such as market prices, volumes and information on comparable development companies’ projects were obtained from public sources such as press releases, technical reports and different industry publications.
What Sets Us Apart

Team
- Cumulating over 50 years of true graphite experience with Stratmin/Timcal/Imerys Graphite & Carbon
- Extensive processing knowledge and distribution capabilities

Asset
- Management believes that Lac Guéret is one of the highest grade graphite deposits in the world and it is aiming to be one of the lowest cost producers in the world

Financial Sponsorship
- Approximately 35 institutional shareholders, mostly local and including government sponsored entities with mandates that are aligned with the company’s needs

Strong Social Acceptance
- Pessamit First Nations: Impact Benefit Agreement signed in June 2017
- Strong support from local community; first mining project in Quebec not to require a public hearing; limited footprint
- Final permit expected in early 2018

Advancing Work Program on Value Added Graphite Products “Second Transformation”
- Team with required experience having produced and sold, when at Imerys, various graphite and conductive carbon black products to the battery industry.
- Only developer in North America advancing the necessary work program for a large scale operation*
- Working with the NRC “National Research Council Canada”

Leading Graphene Partner
- NanoXplore Inc. ("TSX.V: GRA") is a global graphene market leader
- Exclusive graphite supply agreement

* See related statement from Rupert Merer, National Bank, on page 20
# Robust Economics

## Feasibility Study Results** (September 2015)

### First Transformation Only

<table>
<thead>
<tr>
<th>Component</th>
<th>Direct CAPEX</th>
<th>Indirect CAPEX</th>
<th>Contingency</th>
<th>Owner’s Costs</th>
<th>TOTAL</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>$115.6 million</td>
<td>$31.3 million</td>
<td>$14.4 million</td>
<td>$4.6 million</td>
<td>$165.9 million</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Component</th>
<th>Operating Cost (OPEX)</th>
<th>Average Selling Price (USD $1,465)</th>
<th>Internal Rate of Return (IRR)</th>
<th>Payback Period</th>
<th>Project Life</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$376 / tonne</td>
<td>$1,905 / tonne</td>
<td>44% (pre-tax) 34% (post-tax)</td>
<td>2.3 years (pre-tax) 2.6 years (post-tax)</td>
<td>25 years</td>
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<table>
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<tr>
<th>Component</th>
<th>Net Present Value (NPV)</th>
<th>Waste to Ore Stripping Ratio</th>
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<tbody>
<tr>
<td></td>
<td>@ 8% disc.</td>
<td>Grade</td>
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<td></td>
<td>$600M (pre-tax)</td>
<td>0.8 : 1</td>
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<tr>
<td></td>
<td>$352M (post-tax)</td>
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</table>

*Please see slide titled "Mineral Reserve and Resources Estimates" in the appendix for details regarding proven & probable mineral reserves and measured and indicated mineral resources;** See cautionary statements and legal disclaimers on slide 2;*** FCA Baie-Comeau: Free Carrier Incoterms – Seller is responsible for the delivery to the custody of the buyer’s carrier; FX conversion at US$0.77:C$1.00

“Our team has been deeply involved in every aspect of this study, working with all the partners from 25 different firms. These results give us, in a very detailed way, what is needed to successfully build and operate the project.

All components have been derived using measured and calculated, not factored, values. Based on our extensive experience in graphite, production, we are confident that they are realistic and achievable.”

- President and CEO, Benoît Gascon

2017: Update, Detailed Engineering and Pre-Execution Work

Since 2015, Improvements Have Been Made to the Design of the Operations

- Changes to the layout of the buildings at plant site;
- Re-location of the crusher from the mine to the plant;
- Streamlining of the dry process;
- Tailings’ storage method: dry stacking instead of tailing pond.

Advantages of Dry Stacking:
- Preferred by Local Communities
- Eliminates the Risk of a Dam Breach
- Requires Less Total Capex
- Progressive Rehabilitation

Marginal Economic Impact

2015: Feasibility Study
Construction Capex: $166M

2017: Final Construction
Capex: $200M

$25M of Capex Permutation for Dry-Stacking
Advanced Detailed Engineering
Completed Pre-Execution Work
Finalized Negotiations with Equipment Manufacturers
Inflation and new design

Marginal Impact on NPV (1)

1- Press Release November 22nd 2017: “Considering all of the above, the advanced detailed engineering, the completed pre-execution works, the finalized negotiations with the main equipment manufacturers and costs inflation since 2015, the overall final construction capital expenditures should be about C$200M of which approximately C$25M was originally included in the sustaining CAPEX for the dam walls of the tailing pond. Consequently, these are reduced accordingly over the life of the project. This permutation has a marginal impact on the economics of the project.”
Benoît Gascon, CPA, CA  
President & CEO  

20 yrs of executive positions at Timcal/Imerys  

Previous Roles:  
- Senior VP, Business Development and Strategy, Sales and Deputy General Manager (11 yrs)  
- President of Stratmin Graphite Inc. from 1993 to 1999 (renamed Timcal Canada)  
- VP and CFO of Timcal (4 yrs)  

Major Accomplishments:  
- Creation of Stratmin’s customer base in the 90’s  
- Acquisition and integration of a private company in China  
- Supervision of 9 sites in 7 countries  
- Operational merger of Stratmin and Timcal

Luc Veilleux, CPA, CA  
Executive VP & CFO  

8 yrs in graphite at Timcal/Imerys  

Previous Roles:  
- Senior VP, Finance  
- COO North America  
- VP, Finance North America  
- Financial Controller  

Major Accomplishments:  
- Implementation of a new production organizational structure  
- Operational merger of Stratmin and Timcal  
- Reorganization and improvement of North American customer support

Jean L’Heureux, Eng., M. Eng.  
Executive VP, Process Development  

20 yrs in mining and graphite, Timcal/Imerys  

Previous Roles:  
- Product Manager (Marketing)  
- Graphite Sourcing Manager  
- Production Manager  
- Plant Metallurgist & Lab Supervisor  

Major Accomplishments:  
- Optimization of the graphite flow sheet  
- Sales growth via technical support to production & customers  
- Development of customers’ specifications management system  
- Development of production planning system

Simon Marcotte, B.A.A., CFA  Vice-President, Corporate Development  

20 years of capital markets experience with Cormark Securities and CIBC World Markets. Former Officer of Alderon Iron Ore and Belo Sun Mining and currently an Independent Director of Arena Minerals.

André Gagnon, P.Eng., M.Eng.  Project Director  

30 years of experience in project management in the heavy industrial sector, including mining and energy. His role is to manage and coordinate the engineering, construction and commissioning.

Robert Allard  Senior Director, Procurement and Logistics  

30 years of experience in Supply Chain Management in mining, manufacturing, industrial and aerospace. His role involves managing contracting, equipment sourcing and material management at all sites.

Geneviève Pichet, M.Sc., P.Eng.  Director, Technical Studies and Special Projects  

Joined from Hatch where she held several positions since 1996 notably Associate, Process Department Director and Process Engineer. Her main focus is on the value-added graphite product development.

Jacqueline Leroux, Eng.  Director of Sustainable Development  

She helped develop the projects of two major mining companies in Quebec (Project BlackRock and Project Éléonore) where she successfully advanced and finalised the permitting processes.

Geneviève Gauthier, P. Eng.  Director, Metallurgy and Processes  

10 years of experience as a mineral process engineer, most recently with Soutex focusing on Mason Graphite’s Feasibility Study and pre-execution work.
The Value of High Grade Flake Graphite

If you can meet the customer's specifications via metallurgy and product design, then it's all about grade and distribution capabilities.

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Cap (Feb. 2nd, 2018)</th>
<th><strong>Grade (Cg) (Resource)</strong></th>
<th>Cost/t</th>
<th>Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Graphite Corp., Canada (TSX.V:NGC)</td>
<td>C$31M</td>
<td>2.2%</td>
<td>C$675</td>
<td>Feasibility 2012</td>
</tr>
<tr>
<td>Focus Graphite Inc., Canada (TSX.V:FMS)</td>
<td>C$24M</td>
<td>15.1%</td>
<td>C$441</td>
<td>Feasibility 2014</td>
</tr>
<tr>
<td>Alabama Graphite Corp., USA (TSX.V:CSPG)</td>
<td>C$9M</td>
<td>2.6%</td>
<td>(A)US$822</td>
<td>PEA 2015</td>
</tr>
<tr>
<td>Nextsource Materials, Madagascar (TSX:NEXT)</td>
<td>C$69M</td>
<td>7.0%</td>
<td>US$353</td>
<td>Feasibility 2015</td>
</tr>
<tr>
<td>Nouveau Monde Mining, Canada (TSX.V:NOU)</td>
<td>C$49M</td>
<td>4.0%</td>
<td>C$660</td>
<td>PEA 2016</td>
</tr>
<tr>
<td>Magnis Resources Ltd, Tanzania (ASX:MNS)</td>
<td>A$238M</td>
<td>5.4%</td>
<td>US$559</td>
<td>Feasibility 2016</td>
</tr>
<tr>
<td>Kibaran Resources Ltd, Tanzania (ASX: KNL)</td>
<td>A$38M</td>
<td>8.3%</td>
<td>US$500</td>
<td>Feasibility 2015</td>
</tr>
<tr>
<td>Mason Graphite Inc. (TSX.V: LLG)</td>
<td>C$259M</td>
<td>17.2%</td>
<td>C$376</td>
<td>Feasibility 2015</td>
</tr>
</tbody>
</table>

Feasibility Study Results*:
- 25 yrs of production at **27.8% Cg** (avg.)
- Strip Ratio of 0.8 : 1

Feasibility Study based on high grade portion of deposit:
- Using only 7% of Measured and Indicated Mineral Resources**

(Grade Post 25 years: 16.3% Cg)

Note A: See Alabama PEA November 27th 2015, table 1-5, Page 1-14. Cost would likely be lower if based on a higher volume of production.
*See cautionary statements on slide 2.
** See slide titled “Mineral Reserves and Resources Estimates” in the appendix for complete details and disclosures.

Source: Company Websites

TSX.V: LLG | OTCQX: MGPHF | 7
Graphite 101

- Graphite, along with diamonds and coal, are crystalline forms of carbon.

- Graphite is an essential but often unrecognized material for modern life.

- It has a broad range of industrial applications due to its unique properties:
  - Properties of both metals and non-metals (ideal for industrial applications)
  - Highest natural strength and stiffness of any material
  - Lightest weight of all reinforcement materials
  - Very high melting (sublimation) point; low thermal expansion/shrinkage
  - High electrical and thermal conductivity
  - Low frictional resistance (excellent lubricant) and hydrophobic behaviour
  - Non-toxic, chemically inert and high resistance to corrosion

- Properties vary depending on the purity and size of the graphite crystals; this directly affects the price of the products sold.

Details of Partnership with NanoXplore (TSXV:GRA) can be found in the Appendix.
- 25% ownership
3 Forms of Graphite

Graphite is not a homogenous commodity; it occurs naturally in 3 forms:

**Flake**
- Highest Price, Lowest Supply
- High Purity: 85%-99%+ carbon

**Amorphous**
- Least graphitic of the three
- Lower Purity: 60%-90% carbon

**Vein/Lump**
- Uncommon & highly localized;
- <1% of world production;
- Marginal applications

 Flake size, purity, impurities and shape, directly affect the basic prices of graphite

Large flake graphite currently sells at a premium, but represents a much smaller market.

Li-ion batteries require further transformation steps of purification, micronisation, spheroidization and coating. Final products specifications mostly in the 15-20 microns range

Source: Industrial Mineral Magazine
### Flake Graphite Has The Most Applications

<table>
<thead>
<tr>
<th>Metallurgy (40%)*</th>
<th>Flake Graphite Has The Most Applications</th>
<th>Amorphous</th>
<th>Vein/Lump</th>
<th>Synthetic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refractories</td>
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<tr>
<td>Crucibles</td>
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<tr>
<td>Carbon Raisers</td>
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<tr>
<td>Moulds &amp; Castings</td>
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<tr>
<td>Molten Metal Protection</td>
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<td>High Temperature Lubricants</td>
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<tr>
<td>Powder Metallurgy &amp; Alloys</td>
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<tr>
<td>Electrical Applications (25%*)</td>
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<tr>
<td>Alkaline &amp; Lithium Batteries</td>
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<tr>
<td>Li-ion Batteries</td>
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<td>Flow Batteries</td>
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<td>Fuel Cells</td>
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<tr>
<td>Carbon Brushes</td>
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<td>Technical Applications (25%*)</td>
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<tr>
<td>Expanded Graphite &amp; Foils</td>
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<td>Thermal Management</td>
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<td>Flame Retardants</td>
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<td>Brake Linings &amp; Clutch Facings</td>
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<td>Insulation</td>
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<tr>
<td>Nuclear Reactors</td>
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<tr>
<td>Plastics, Resins &amp; Rubbers</td>
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<td>Catalysts</td>
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<td>Cloth &amp; Fibers</td>
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<td>Others</td>
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<td>Pencils</td>
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<td>Lubricants</td>
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<tr>
<td>Oil Drilling Additives</td>
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<tr>
<td>Paints</td>
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*Based on volume, not value, of the flake market

- **Widest range of end uses**
- **Increasing demand for high purity flake graphite**
- **No substitute:** Synthetic graphite has high purity but is 4x the cost

- **Flake graphite used in batteries - not amorphous, not vein**
- **Flake graphite now 2/3 of Li-ion battery market**

**Overall Natural Graphite Demand 2015-2025e**

<table>
<thead>
<tr>
<th>Year</th>
<th>Recarburizers</th>
<th>Foundries</th>
<th>Batteries</th>
<th>Oil Drilling Additives</th>
<th>Other</th>
<th>Flakes</th>
<th>Amorphous</th>
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</thead>
<tbody>
<tr>
<td>2016</td>
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<td>2017</td>
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<td>2018</td>
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<td>2019</td>
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<td>2020</td>
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</tbody>
</table>

**Specialty Minerals & Metals, Nov 20th 2016, Fig. 56, page 35**
Restricted and Unstable Supply in China = Opportunity

- China represents approximately 65% of world production
- China has experienced a significant increase in domestic demand
- Export tariffs and new safety and environmental regulations have caused a reduction of export supply and an increase in prices, resulting in a restocking phase (2011-2012).
- China is experiencing a reduction of large and medium flake production
- Issues of quality consistency

Flake graphite production outside of China:

- Brazil
- Canada
- India
- Ukraine
- Madagascar
- Norway
- Zimbabwe
- Germany

* Benchmark Mineral Intelligence: “Market has doubled every 10 years”

- Urbanization of China and India is driving the demand of graphite in traditional applications
- China to build **Strategic Reserve**: By 2020, reserve must exceed 80% of China’s domestic capacity to hold a steady “bottom line” of supply.\(^1\)
- **New Tax** on Chinese polluting operations coming in effect in **January 2018**\(^2\)
- **Chinese Graphite Prices Keep Rising** – Industrial Minerals, July 31\(^{st}\) 2017\(^3\)
- **European Graphite Prices Rise Sharply** – Industrial Minerals, October 5\(^{th}\) 2017\(^4\)
- **Natural Graphite** classified as one of **14 critical raw materials** by the European Union in 2014

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Market Behavior

Prices sensitivity
- Very sensitive as seen in the restocking period of 2011
- Natural graphite prices could increase by 3x to 4x and still be lower than synthetic graphite prices
- Generally represents a small part of the customer's costs

Prices cyclicality
- Published prices based mostly on refractory contracts, which are cyclical, and tend to under estimate actual industry prices as prices in electrical and technical applications are much more stable

Decreasing North American production forced many customers to turn to Chinese supply and are keen to return to local sourcing
- China has quality consistency issues
- Experienced management can meet exact specifications and deliver a more adapted product design
- Just-in-time delivery is a very important factor

“The sales prices used for the feasibility study reflect the current market dynamics. Several sources forecast sales prices that, if materialized, would have a positive impact on the project economics.” - Executive Vice-President and CFO, Luc Veilleux

How is Graphite Sold?

The finished graphite products must be adapted to the buyers

- Requires the right finished product
- Requires strong relationships and continuous DIRECT contact with clients

Graphite Mine

Inventory of different sizes for different uses and end users

End-Users

Typical one-year supply contracts establishing prices, specifications, volume, timing and delivery

- Typical off-take agreements do not work:
  - Graphite is an additive; generally a small part of cost
  - Market too fragmented
  - Prices are negotiated between end-users and producers for typically annual contracts

  - Graphite is not an openly traded mineral
  - There is a market for ALL types of produced graphite material (all sizes and all purities)

MASON GRAPHITE

- Management with over 5 decades of experience
- Years of client relations; large number of potential clients
- Experience selling for all applications & in all countries
Grade Comparison

**Feasibility Study Head Grade**

- **Mason Graphite (27.8%)**
- **Syrah Resources (19.0%)**
  - *First 10 years*
- **Syrah Resources (16.2%)**
- **Focus Graphite (15.1%)**
- **Kibaran Resources (8.3%)**
- **Nextsource Materials (7.0%)**
- **Magnis Resources (4.8%)**
- **Northern Graphite (2.2%)**

**Mason Reserves and “IN PIT” Resources**

**Tonnes of Graphite IN SITU**

- **IN THE RESERVES**
  - (25 years Project Life)
  - 1,317,000
- **IN PIT RESOURCES**
  - (beyond Project Life of 25 years)
  - 9,477,000

*No further drilling will be necessary to conduct the economic evaluation required to eventually classify “In-Pit” Mineral Resources as Mineral Reserves”*

**Press Release March 1st 2016**

*There can be no assurance that they may be converted; please see further cautionary statements on Page 2*
In Situ Metal Equivalence and Pit Structure

In Situ Metal Equivalence ($US)

Graphite @ $1,350/t  
27.8%*

Gold @ $1,225/oz  
8.7 g/t  
608 g/t

Silver @ $17.5/oz  
6.4%

Copper @ $2.65/lbs  
608 g/t

2017 Equivalency data provided by:  
J. Marvin Wolff CFA, Senior Analyst, Paradigm Capital Inc.  
*(Feasibility Study Head Grade)

* Please refer to the cautionary notes on slide 2 of this presentation
Québec, Canada

- One of the world’s best mining jurisdictions
- 285 km from Baie-Comeau, main service center and location of the concentrator
- All year access from main highway (for 200km) and logging road system (for 85km) up to the deposit
- **Baie-Comeau**: Notable employment by:
Jean-Noel-Tessier Industrial Park, Baie-Comeau

- Improved access to skilled labour
- Better quality of life for workers
- Net reduction in greenhouse gas emissions
- Better access to service providers
- Heavy Industry Zoning
- Property tax reduction agreement (1st 5 years)

Very High Grade = Minimal Trucking

- Average of 190,000 tonnes of ore / year
- 7 days/week and 10 months/year = 14-16 truck loads per day with 40-tonne trucks

Better Economics than Typical Mine Site Location

- Lower cost of operation
  - Access to low cost and green hydroelectricity
- Lower CAPEX
  - Very small mining camp for 10 employees
  - Reduction in diesel energy power generation
Logistics and Plant Design

Construction of a section connecting Routes 138 and 389 is Government-funded

“This new section will facilitate the installation of a graphite concentrator in the new Baie-Comeau industrial park as part of the project launched by Mason Graphite”

(The Québec Economic Plan, March 2016, page B-156)

$3.6M Construction of 1.2 km road segment and related services

Built at This Stage Solely for Mason
Now Completed

Plant Location in Baie-Comeau:
Industrial Park Jean-Noël-Tessier

Site Access Now Available

February 27th 2017: (left) Luc Veilleux, CFO of Mason Graphite, surrounded by Minister Arcand, Minister Lessard, Claude Martel, Mayor of Baie-Comeau, Jacques Picard, a representative of the Pessamit Innu First Nation Community, and Marcel Furlong, CEO of ID Manicouagan
Feasibility Study Operational Highlights

September 2015 - 1st Transformation only

- 51,900 tonnes per year of Graphite concentrate production
- Process resulting in up to 97.5% of finished product purity for coarse products
- Project life: 25 years, using 4.7 Mt (7% of Measured and Indicated mineral Resources*)
- Average head grade of 27.8% for project life
- Waste to ore stripping ratio of 0.8:1
- Construction period: 13 to 16 months (Including Detailed Engineering, which began in Sept. 2016)

Costs Breakdowns

<table>
<thead>
<tr>
<th>Cash Operating Costs Breakdown (per tonne of finished product)</th>
<th>Capital Costs Breakdown (Direct)</th>
<th>Capital Costs Breakdown (Indirect)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and Crushing</td>
<td>Mining and Crushing</td>
<td>EPCM</td>
</tr>
<tr>
<td>$33</td>
<td>$14.5M</td>
<td>$18.2M</td>
</tr>
<tr>
<td>Ore Transportation</td>
<td>Concentrator</td>
<td>Construction Temp Facilities</td>
</tr>
<tr>
<td>$128</td>
<td>$76.6M</td>
<td>$7.3M</td>
</tr>
<tr>
<td>Processing</td>
<td>Tailings and Water Management</td>
<td>Commissioning</td>
</tr>
<tr>
<td>$176</td>
<td>$10.4M</td>
<td>$1.6M</td>
</tr>
<tr>
<td>General and Administration</td>
<td>Building and Office Complex</td>
<td>Other</td>
</tr>
<tr>
<td>$39</td>
<td>$14.0M</td>
<td>$4.2M</td>
</tr>
<tr>
<td>Total</td>
<td>Total Direct Cost</td>
<td>Total Indirect Costs</td>
</tr>
<tr>
<td>$376</td>
<td>$115.6M</td>
<td>$31.3M</td>
</tr>
</tbody>
</table>

Feasibility Study Results** (First Transformation Only)

| Direct CAPEX | $115.6 million |
| Indirect CAPEX | $31.3 million |
| Contingency | $14.4 million |
| Owner’s Costs | $4.6 million |
| Total:     | $165.9 million |

Operating Cost (OPEX) $376 / tonne

Average Selling Price (USD $1,465) (FCA Baie-Comeau***) $1,905 / tonne

Internal Rate of Return (IRR) 44% (pre-tax)

Payback Periods
- 2.3 years (pre-tax)
- 2.6 years (post-tax)

Project Life
- Using only 7% of Measured and Indicated Mineral Resources*
- 25 years

Net Present Value (NPV) @ 8% disc.
- $600M (pre-tax)
- $352M (post-tax)

Waste to Ore Stripping Ratio Grade
- 0.8 : 1
- 28.8%Cg

* Please see slide titled “Mineral Reserve and Resources Estimates” in the appendix for details regarding proven & probable mineral reserves and measured and indicated mineral resources

** See cautionary statements and legal disclaimers on slide 2

*** FCA Baie-Comeau: Free Carrier Incoterms – Seller is responsible for the delivery to the custody of the buyer’s carrier
Flow Sheet of “1st Transformation”  
Feasibility Study, September 2015

- Simple process with known and proven technologies
- Pilot plant concluded in 2015 and updated in Q1/2017
- Continuous Process (not a batch process)

Resulting in products for applications in:
- Refractories
- Crucibles
- Carbon Raisers
- Moulds & Casting
- Molten Metal Protection
- Fuel Cells
- Expanded Graphite & Foils
- Thermal Management
- Flame Retardants
- Brake Lining & Clutch Facings
- Insulation
- Plastics, Resins & Rubbers
- Cloth & Fiber
- Lubricants
- Oil Drilling Additives
- Paints

(*) Please refer to cautionary statements on slide 2
Mason Graphite completed a detailed study for large-scale production of value-added graphite products and is currently advancing the required work program.

Management Team Expertise:
- Mason Graphite’s management team involved in value-added products development, production and sales at Imerys Graphite & Carbon.
- Working with Several Partners, including:
  - NRC-CNR
  - COREM
  - SOUTEX
  - LiBTec

Value-added processing and 2nd transformation:
- Further purification;
- Micronisation;
- Purification & Micronisation;
- for anode material: Shaping (spheroidization) and coating

Impact and strategic positioning:

“Mason announced a detailed study for large scale production of value-add products that could materially increase margin estimates. The study should be completed in 2016, with the National Research Council (Canada) and Hatch. Other graphite firms have made samples of high margin materials, but we do not know of any other formal work on process design today.”

Value-Added Products: “2nd Transformation”

Doing “What Needs To Be Done” to Develop Materials and Supply Battery Manufacturers, based on 20 years of experience in processing & marketing products to the alkaline and Li-ion battery industry*

1. Benchmarking
   - Understand the specifications your material will need to meet, through:
     - Patent & literature searches
     - Validation protocols
     - Identifying market needs

2. Transforming
   - Meet the market benchmark for your product, through:
     - Material Design
     - Material Characterization

3. Final Testing
   - Ensure your product is market-ready, through:
     - Performance testing
     - Lifetime testing

4. Industrialization
   - Detailed Engineering
   - Construction
   - Production
   - Scalable Batch Process

Phase 1: Benchmarking (Q3/2015)
Phase 2: Transforming; Equipment Tests
Phase 3: Final Tests (Demonstration)
Phase 4: Industrialization (detailed eng.)

Mason Graphite will obtain a sufficient Level of Understanding regarding the volumes ultimately required by the customers participating in Phase 3 in order to design the appropriate production capacity on which the Industrialization will be based.*

*See Press Release November 15th 2016
The Pessamit Innu First Nation community is located 60 km west of Baie-Comeau

- No permanent residents in the vicinity of the Lac Guéret deposit
- Successful dialogue since early 2012
- Valuable and proactive partner
- Cooperation Agreement announced in July 2014
- Mushalakan Impact Benefit Agreement (IBA) announced in June 2017
- Leadership re-elected in August 2016 for a 4 years mandate

Partnership with RMBMU on sustainable development and social acceptability

- Aiming for the highest standards of sustainable mining development and social acceptability through their international network
- Leveraging its expertise in all aspects of community relations
- Ensure harmonious integration of the project within the environment and the community
- Original agreement in 2015, renewed in 2017

“From the outset, Mason Graphite acted with great respect and ethics towards our First Nation. The approach undertaken by Benoit Gascon and his team created a standard on the territory of Pessamit”

-Chief René Simon, commenting on the Mushalakan Impact Benefit Agreement

Confirmation in September 2017 that a Public Hearing will not be required in the permitting process

Mason Graphite was nominated for the 2017 “Best Company in sustainable development” by the AEMQ
Technical Partners

Feasibility Study and Environmental & Social Impact Assessment

Value-Added Graphite Study - Multiple Partners, Including

PEA, Metallurgical Testing and Resource Estimates

TSX.V: LLG | OTCQX: MGPHF | 24
Financial Partners

More Than 35 Known Institutions, Including:

(Institutions, Management & Insiders: ±75%; Retail: ±25%) Note B

Source:
* Public Information & Press Releases  |  ** Bloomberg  |  *** Direct Consent

Notes:
• A: Ressources Québec was granted a Right of First Refusal (ROFR) to participate in any future securities offering on the closing of the financing announced in April 2014.
• B: Assuming conversion of debentures held by Caisse de Dépôt and Fonds de Solidarité FTQ.
• C: According to Alternative Monthly Report 62-103F3, may include: Fidelity Management & Research Company, FMR Co. Inc, Fidelity Management Trust Company, FIAM LLC, Fidelity Institutional Asset Management Trust Company, Strategic Advisors Inc, FIL Limited, Crosby Advisors LLC, Fidelity SelectCo LLC or Fidelity (Canada) Asset Management ULC.

Note A

Caisse de dépôt et placement du Québec

Note B

Note C

ARX Capital  ***

AHEAD  ***

BBVA  **
1st Transformation - Milestones

Upcoming Catalysts:

- Permitting: Final Authorization
- Construction
- Value Added Graphite Study Technical Update
- Battery Materials: Understanding of Volume
- NanoXplore Progresses
- Battery Materials: Progress of the Testing Phase

Historical Milestones:

- Completed Metallurgical Test Work (Q1/2013)
- Completed PEA (Q2/2013)
- Purification Testing (Q3/2013)
- Pilot Plant and Bulk Sample Testing (Q4/2014)
- Completion of Feasibility Study (Q3/2015)
- Acceptance of Environmental Impact Study (Q2/2017)
- Impact Benefit Agreement (Q2/2017)
- Confirmation that a Public Hearing will not be required (Q3/2017)
- Completion of Road Segment giving access to Plant Site (Q4/2017)

<table>
<thead>
<tr>
<th>Element</th>
<th>Details &amp; Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed Engineering &amp; Procurement for long-lead items</td>
<td>Was part of the use of proceed of the equity financing announced in September 2016. Work progressing and enough will have been done in order to be “Ground-Construction-Ready” when the final permits are in place.</td>
</tr>
<tr>
<td>Completion of 1.2 km Road Segment</td>
<td><strong>Construction Completed.</strong> This road segment was paid for by the Government of Québec and was part of its 2016 Budget.[1] Built at this time solely for Mason Graphite. Access to site already granted and services (water, sewer) already in place.</td>
</tr>
<tr>
<td>Permitting</td>
<td>Several permits need to be obtained; Québec Government Decree in order to obtain the Certificate of Authorization. Formal process began in <strong>November 2015</strong> with the filing of the of the Environmental Impact Study followed by its Acceptance in <strong>June 2017</strong> and the confirmation in <strong>September 2017</strong> that a Public Hearing process will not be required. Decree expected in <strong>early 2018</strong>.</td>
</tr>
<tr>
<td>Financing</td>
<td>Both debt and equity financings negotiations well advanced with several current and new stakeholders, <strong>45% of the expected equity requirement for the Construction Capex already financed</strong> with the equity financing closed in January 2018.</td>
</tr>
<tr>
<td>Construction</td>
<td>Construction Period of 13 to 16 months was established in the Definitive Feasibility Study, <strong>including</strong> the Detailed Engineering.</td>
</tr>
</tbody>
</table>

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(1) “This new section will facilitate (the) installation of a graphite ore concentrator in the new Baie-Comeau industrial park by (...) Mason Graphite” - Québec Economic Plan, March 2016 Page B-156
### Corporate Structure

#### Trading Symbols

<table>
<thead>
<tr>
<th>TSX.V: LLG</th>
<th>Listed since Oct. 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTCQX: MGPHF</td>
<td>Listed since Nov. 12, 2013</td>
</tr>
</tbody>
</table>

#### Capital Structure

<table>
<thead>
<tr>
<th>Capital Structure</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares Outstanding</td>
<td>134,700,357</td>
</tr>
<tr>
<td>Options (Average strike price: $0.79)</td>
<td>8,985,333</td>
</tr>
<tr>
<td>Warrants</td>
<td>0</td>
</tr>
<tr>
<td>Debentures</td>
<td>4,674,556</td>
</tr>
<tr>
<td>Fully Diluted</td>
<td>148,360,246</td>
</tr>
</tbody>
</table>

#### Recent Financings

- **Bought Deal Private Placement**
  - December 2017; **$2.40/share**
  - Lead Underwriter: National Bank
  - **$45.0 M**

- **Bought Deal Private Placement**
  - September 2016; **$1.10/share**
  - Lead Underwriter: National Bank
  - **$28.8 M**

- **Bought Deal Private Placement**
  - April 2014; **$0.65/unit**
  - Lead Underwriter: Macquarie Capital Markets
  - **$11.5 M**

- Caisse de Dépôt; Fonds de solidarité FTQ; Fonds régional de solidarité FTQ Côte-Nord (June 2014**)
  - **$4.15 M**

#### Analyst Coverage*

- Rupert Merer
- David Talbot
- MacMurray Whale
- Marvin Wolff

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* Analyst coverage listed by alphabetical order

** Bought deal - private placement of common shares; Syndicate: National Bank, Paradigm Capital, Cormark Securities, Canaccord, BMO, TD Bank, Eight Capital; 5% underwriter commission.

*** Convertible Debentures: Maturity after 5 years, interest of 12% per annum, payable semi-annually, and a conversion rate into common shares of $0.845 per share. Mason Graphite can trigger the conversion and anticipate the redemption under certain conditions. The transaction also included an aggregate of 2,075,000 warrants, each granting the purchase of a common share at a price of $0.91 for a period of 24 months following the closing of the transaction, which expired on June 13th 2016.

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Mason Graphite is recognized as one of the top ten performing mining companies on the TSX Venture in 2013.
Appendix
Board of Directors

Tyrone Docherty, Chairman
Mr. Docherty has over 25 years of experience in the resource industry. He was previously CEO of Quinto Mining Corporation and President, CEO and Director of Deer Horn Metals. Mr. Docherty is an active board member of a number of other public and private mining companies.

François Laurin, Director
Mr. Laurin has held several senior management positions in Canada before joining Laurentian Bank of Canada as Executive Vice President and Chief Financial Officer (CFO). He previously served as CFO of Alderon Iron Ore Corp. and BioAmber Inc and President and CEO of Cap-Ex Iron Ore Ltd. Prior to those positions, he served as CFO of Consolidated Thompson Iron Mines Ltd. and numerous high level positions including at Transat AT Inc. and CDP Private Capital Investments. Mr. Laurin is also involved with several publically listed companies and charitable organizations and holds an Institute of Corporate Directors designation.

Patrick Godin, Director
Mr. Godin is currently Chief Operating Officer (COO) of Stornoway Diamond Corporation where he has overall responsibility for the development of the Renard Diamond Project in north-central Québec, which was put into production in 2016. Prior to joining Stornoway, Mr. Godin acted as Vice-President, Project Development for G Mining Services and, among other, participated in the development of the Essakane Mine in Burkina Faso under contract to IAMGOLD. He was previously Vice-President of Operations for Canadian Royalties, specifically heading the development of their nickel project in northern Québec.

Guy Chamard, Director (Nominee of Ressources Québec)
Mr. Guy Chamard, Eng., brings over 30 years of engineering and construction management experience to the Mason Graphite team. He has managed the design, engineering and construction of numerous mining projects around the world. From 2007 to 2014, he worked as a Senior Manager, Mines & Geology for WSP Canada Inc., a leading engineering and construction management services firm and has worked in the position of Director of Projects with Tetra Tech Inc., a leading provider of engineering, construction management and technical consulting services, since 2014. He has also gained additional valuable experience as prevention officer for construction sites and was also a lecturer for the Engineering Masters Program at the University of Sherbrooke.

G. Scott Moore, Director
Mr. Moore is a finance executive with over 20 years of experience in the resource sector. He presently serves as Chairman & CEO of Copper One and COO of Forbes & Manhattan, Inc. and previously acted as President for Dacha Strategic Metals Inc. and VP of Corporate Development for Sulliden Gold Corp. Ltd. He holds a Bachelor of Arts degree from the University of Toronto and an MBA from the Kellogg School of Management.

Benoît Gascon, CEO & Director
After acquiring 40% of NanoXplore for $700,000 in January 2014, Mason Graphite now owns 25% of NanoXplore Inc. being 20.4M shares

Agreements with NanoXplore include:
- License agreement for Thinned Graphite Process
- Lab-for-Hire agreement for design of Value-Added graphite products
- Mason Graphite acts as NanoXplore’s sales and marketing agent, and sole graphite supplier
- Benoît Gascon acting as Chairman of the Board; Luc Veilleux acting as CFO of NanoXplore Inc.
NanoXplore Inc.
www.nanoxplore.ca

Following a financing of $9.7M, NanoXplore Inc. is now a publicly traded company and its shares are trading on the TSX Venture under the symbol “GRA.”

- Provides high quality graphene (high purity with low defects) and very dispersible enabling significant improvements with very small amounts of added graphene, typically less than 1% by weight. The core technology is a unique, low-cost manufacturing process which produces industrial volumes of high quality graphene from graphite flake using a one-step and environmentally friendly method.

- NanoXplore manufactures graphene-enhanced polymers in response to customer interest in engineering plastics with enhanced electrical, thermal, and mechanical properties. NanoXplore can increase thermal conductivity (5X), improve mechanical strength and provide graphene enhanced plastic pellets.

Markets and Applications:

- Polymers:
  - Graphene enhanced polymers
  - Graphene enhanced engineering plastics
  - Graphene enhanced pellets & master batches

- Paints & Coating
- Energy Sector:
  - Improving energy capacity & charge rate of batteries
  - Improving conductivity of super-capacitors
  - Enabling transparent & flexible electrodes for solar cells

- Thermal Management
- Composite Materials
- Lubricants and many others
“Plan Nord” Overview

- Unveiled in May 2011
- 25 year, $80 billion development project focused on the mining, energy, forest and wildlife resource sectors among others
- Plan Nord affects 72% of territory, but only 1.6% of its population
- Four-fold funding strategy where private sector partners will participate in the funding of infrastructure development
- Government revenues resulting from economic development initiatives, along with direct and indirect tax spinoffs from public infrastructure projects will be reinvested in the Plan Nord.
- Investissement Quebec, the investment arm of the Government of Quebec, will take equity stakes in mining companies (and other businesses)
- Hydro-Québec will also contribute annually to development projects in the region
Solid Financial Partners with Mandates Suggesting Investments in Stages

**Ressources Québec:** (Source: Investissement Quebec website)

Accompagne les entreprises tout au long de la réalisation de leurs projets, de l'exploration à l'exploitation, jusqu'à la transformation des ressources. Elle offre toute la gamme des produits financiers tels que des participations dans le capital-actions des entreprises, des débentures et diverses formes de prêts.

Ressources Québec complète le financement privé en favorisant les projets qui ont de bonnes perspectives de rendement et qui sont structurants pour l'économie du Québec.

Ressources Québec dispose d'une capitalisation de plus de 500 M$ destinée à réaliser des investissements dans ces secteurs.

Sodémex Developpement: (source: Caisse de Dépôt Website. Note: Sodémex has now been amalgamated with the Caisse de Dépôt)

Montréal, June 20, 2013 – The Caisse de dépôt et placement du Québec announced the creation of Sodémex Développement, a $250-million fund. This new fund, to which the Caisse has been committed since November 2012, will make investments of $5 million to $20 million in Québécois companies in the natural resources sector that are in the development stage. A flexible, hybrid financing structure that can take the form of a debenture, a convertible debenture or equity will be introduced to meet the needs of Québécois companies while ensuring an acceptable level of risk.

“The current business climate in the natural resources sector can present attractive long-term investment opportunities,” said Normand Provost, Executive Vice-President, Equity at the Caisse. “This represents a critical entry point for the Caisse in projects that are in the development stage.”

The development phase represents a critical period because these companies are often acquired by bigger players in their industry due to insufficient capital to continue operations. This new fund will alleviate the shortage of available capital.

Selection criteria

The process implemented to grant financing is based on discipline and rigor. The selected projects must show promise and meet the following criteria:

The executive team must:
• Be solid and experienced
• Have technical and operational knowledge of the sector
• Have very sound knowledge of the market
• Have a high-quality board of directors that complements the management team

Quality of the field
• In terms of size
• In terms of content
• In terms of the types of minerals present

Global competitiveness
• In terms of production and operating costs
• In terms of being close to adequate infrastructure

Acceptability
• A credible and well-established social acceptability and sustainable development process
Main Markets: USA - Europe - Japan

- Graphite never ships by rail like a bulk commodity does
- Ports open markets to Europe and Asia
- Most of the U.S. demand is in the North East and the Mid-West
  - Shipping cost generally assumed by the customer
  - Cost Insurance and Freight for EU of $110/t used in Feasibility Study
Lac Guéret – Project History

2002-2006
Quinto Mining Corp. exploration activities

2008
Consolidated Thompson (iron ore) acquires Quinto Mining

2011
Cliffs acquires Consolidated Thompson

2012
Mason Graphite acquires Lac Guéret from Cliffs Natural Resources

Acquisition Terms with Cliffs Resources ($USD)

- $14,000,000 total acquisition cost for 100% of the project
  
  Original Agreement of $15M renegotiated in exchange for accelerated payments
  
  - $7,500,000 payment completed in 2012
  - $2,500,000 payment completed in 2015
  - $4,000,000 payment completed in 2017

- Security interests that had been registered over the property of the Company to secure payment of the mining claims have now been discharged.

- No remaining legacy interest exists; no royalties.
Mineral Reserves & Resources Estimates

Mineral Reserves: Project Life – 1st 25 years

<table>
<thead>
<tr>
<th>Ore Category</th>
<th>Tonnage (t)</th>
<th>Grade (% Cg)</th>
<th>Graphite In-situ (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven</td>
<td>2,003,000</td>
<td>25.05</td>
<td>502,000</td>
</tr>
<tr>
<td>Probable</td>
<td>2,738,000</td>
<td>29.77</td>
<td>815,000</td>
</tr>
<tr>
<td>Proven &amp; Probable</td>
<td>4,741,000</td>
<td>27.77</td>
<td>1,317,000</td>
</tr>
</tbody>
</table>

6% cut-off grade

In-Pit Mineral Resources Beyond Project Life of 25 Years

<table>
<thead>
<tr>
<th>Resource Category</th>
<th>Tonnage (t)</th>
<th>Grade (% Cg)</th>
<th>Graphite In-situ (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>16,929,000</td>
<td>16.98</td>
<td>2,874,000</td>
</tr>
<tr>
<td>Indicated</td>
<td>41,205,000</td>
<td>16.03</td>
<td>6,603,000</td>
</tr>
<tr>
<td>Measured &amp; Indicated</td>
<td>58,134,000</td>
<td>16.30</td>
<td>9,477,000</td>
</tr>
</tbody>
</table>

6% cut-off grade

* See cautionary statements on slide 2.
** The Mineral Reserves are the basis of the 25 years Mine Life of the Feasibility Study published in Sept 2015 (amended in March 2016) and are not included in the “in-pit” Measured and Indicated Mineral Resources of 58.1 Mt grading 16.3% Cg (which have an equivalent drilling definition). The mineral Reserves and the “in-pit” Mineral Resources are included in the total Measured and Indicated Mineral Resources of 65.7 Mt grading 17.2% Cg (19.1 Mt of Measured Resources grading 17.9% Cg and 46.6 Mt of Indicated Resources grading 16.9% Cg) that were reported in the Company’s press release dated December 15, 2014. The reference point for the Mineral Reserves Estimate is the mill feed. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability and were not included in the mine life or the economics of the feasibility study. Environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues may materially affect the estimate of Mineral Resources. The same issues would need to be considered when conducting an eventual economic evaluation in order to classify the In-Pit Mineral Resources as Mineral Reserves. In addition, there can be no assurance that Mineral Resources in a lower category may be converted to a higher category, or that Mineral Resources may be converted to Mineral Reserves.
Mineral Resources Estimates

Mineral Resources Estimate for Lac Guéret (December 2014)

<table>
<thead>
<tr>
<th>Mineral Resources in Whittle 40 (price $ 1,285)</th>
<th>%Cg</th>
<th>Tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured 5% &lt; Cg &lt; 25%</td>
<td>15.16</td>
<td>15,730,000</td>
</tr>
<tr>
<td>Measured Cg &gt; 25% Cg</td>
<td>30.58</td>
<td>3,375,000</td>
</tr>
<tr>
<td><strong>Total Measured</strong></td>
<td><strong>17.88</strong></td>
<td><strong>19,105,000</strong></td>
</tr>
<tr>
<td>Indicated 5% &lt; Cg &lt; 25%</td>
<td>14.59</td>
<td>40,257,000</td>
</tr>
<tr>
<td>Indicated Cg &gt; 25%</td>
<td>31.58</td>
<td>6,332,000</td>
</tr>
<tr>
<td><strong>Total Indicated</strong></td>
<td><strong>16.90</strong></td>
<td><strong>46,589,000</strong></td>
</tr>
<tr>
<td>Indicated + Measured 5% &lt; Cg &lt; 25%</td>
<td>14.75</td>
<td>55,986,000</td>
</tr>
<tr>
<td>Indicated + Measured Cg &gt; 25% Cg</td>
<td>31.23</td>
<td>9,707,000</td>
</tr>
<tr>
<td><strong>Total Measured + Indicated</strong></td>
<td><strong>17.19</strong></td>
<td><strong>65,693,000</strong></td>
</tr>
<tr>
<td>Inferrered 5% &lt; Cg &lt; 25%</td>
<td>14.90</td>
<td>15,201,000</td>
</tr>
<tr>
<td>Inferrered Cg &gt; 25%</td>
<td>31.75</td>
<td>2,450,000</td>
</tr>
<tr>
<td><strong>Total Inferrered</strong></td>
<td><strong>17.24</strong></td>
<td><strong>17,651,000</strong></td>
</tr>
</tbody>
</table>

* See cautionary statements on slide 2.
** Mineral resources, which are not mineral reserves, do not have demonstrated economic viability and were not included in the mine life or the economics of the feasibility study. Environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues may materially affect the estimate of Mineral Resources. In addition, there can be no assurance that Mineral Resources in a lower category may be converted to a higher category, or that Mineral Resources may be converted to Mineral Reserves.

Body 1 + 2 + 3 using a 5 < Cg < 25% and Cg > 25% in Whittle 40 (no waste price $1,285), rounded numbers. 5% cut-off grade.
Excellent Metallurgy

*Please refer to the press release dated February 22, 2013 for complete result details.*

**Preliminary Metallurgical Testing Completed in 2013**

Metallurgical Testing during the Feasibility Study confirmed the preliminary results:

- Graphite recoveries in excess of 94%
- Concentrate purity of 95.9% for the +150 mesh cumulative
- 27% of +80 mesh cumulative, including 14% of +50 mesh

<table>
<thead>
<tr>
<th>Flake Size</th>
<th>Distribution (%)</th>
<th>Carbon Content (% Cg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+50 mesh (Large Flake)</td>
<td>14%</td>
<td>95.6%</td>
</tr>
<tr>
<td>+80 mesh (Large Flake)</td>
<td>13%</td>
<td>96.4%</td>
</tr>
<tr>
<td>+150 mesh</td>
<td>15%</td>
<td>95.8%</td>
</tr>
<tr>
<td>-150 mesh</td>
<td>58%</td>
<td>91.2%</td>
</tr>
<tr>
<td><strong>Total / Average</strong></td>
<td><strong>100%</strong></td>
<td><strong>93.2%</strong></td>
</tr>
</tbody>
</table>

For the 2\textsuperscript{nd} Transformation:

- Purity of 99.9% Cg achieved in preliminary purification trials
- Spheronization of fine materials demonstrated with good yield

<table>
<thead>
<tr>
<th>Flake Size</th>
<th>Graphite (Cg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+48 mesh</td>
<td>99.6%</td>
</tr>
<tr>
<td>+80 mesh</td>
<td>99.7%</td>
</tr>
<tr>
<td>+150 mesh</td>
<td>99.9%</td>
</tr>
</tbody>
</table>
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