



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual and special meeting of the shareholders (the “**Meeting**”) of Mason Graphite Inc. (the “**Corporation**”) will be held at 1 Place Ville Marie, 40th Floor, Montréal, Québec H3B 4M4 at 10:00 a.m. (Montréal time), on Thursday, December 13, 2018, for the following purposes:

1. to receive the audited financial statements of the Corporation as at and for the financial year ended June 30, 2018, together with the report of the auditors thereon (the “**Financial Statements**”);
2. to elect the directors of the Corporation who will serve for the ensuing year or until their successors are appointed;
3. to appoint PricewaterhouseCoopers LLP as auditors of the Corporation for the ensuing financial year and to authorize the directors to set the auditors’ remuneration; and
4. to consider and, if deemed appropriate, to approve a special resolution for the purpose of amending the articles of the Corporation, allowing the appointment of additional directors during the year (the “**Special Resolution**”); and
5. to consider such other business that may properly come before the Meeting or any adjournment thereof.

You are entitled to receive notice of and vote at the Meeting or any adjournment thereof if you were a shareholder of the Corporation on the record date, which the board of directors of the Corporation has set as the close of business on November 6, 2018.

The Circular and a form of proxy (“**Form of Proxy**”) accompany this notice. A copy of the Financial Statements has been filed and is available, under the Corporation’s profile at www.sedar.com. The Circular contains details of the matters to be considered at the Meeting.

Electronic versions of the Financial Statements and of our management’s discussion and analysis for the financial year ended June 30, 2018 (collectively, the “**Financial Materials**”), the Circular and the Form of Proxy (collectively the “**Meeting Materials**”) may be accessed on our website at www.masongraphite.com or on the Corporation’s profile at www.sedar.com.

Should you wish to receive paper copies of the Financial Materials prior to the Meeting, please contact TSX Trust Company (“**TSX Trust**”) at 1-866-600-5869 or the Corporation at 1-514-289-3580, or send an email to lveilleux@masongraphite.com and we will send them by postal delivery at no cost within three business days of your request.

DATED at Laval, Québec as of the 7th day of November 2018.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) “*Benoît Gascon*”

President and Chief Executive Officer

IMPORTANT

Shareholders eligible to vote but unable to attend personally are requested to complete, sign and forthwith return to the Corporation the enclosed Form of Proxy in the envelope provided for that purpose. Please note that said instrument of proxy will not be valid unless it is deposited at the offices of TSX Trust at 100 Adelaide West, Suite 301, Toronto, Ontario M5H 4H1, or faxed at 1-416-595-9593, or scanned and emailed to TMXEInvestorServices@tmx.com, prior to 10:00 a.m. on December 11, 2018 or no less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment of the Meeting, unless it is delivered to the Chairman of the Meeting at the Meeting, or any adjournment thereof.

The Corporation urges shareholders to review the Meeting Materials before voting.

MASON GRAPHITE

MANAGEMENT INFORMATION CIRCULAR

You have received this management information circular (the “**Circular**”) because you owned common shares of Mason Graphite Inc. (“**Mason Graphite**” or the “**Corporation**”) as of November 6, 2018. You are therefore entitled to vote at the annual and special meeting of shareholders (the “**Meeting**”) to be held on Thursday, December 13, 2018, and any postponement or adjournment thereof.

Unless otherwise stated, the information contained in this Circular is as of November 7, 2018. All dollar amount references in this Circular, unless otherwise indicated, are expressed in Canadian dollars.

REGISTERED SHAREHOLDERS

You will have received a form of proxy (“**Form of Proxy**”) from the Corporation’s transfer agent, TSX Trust Company. (“**TSX Trust**”). Complete, sign and return your Form of Proxy following the instructions indicated on the form.

NON-REGISTERED SHAREHOLDERS

Your shares are held in the name of an intermediary (securities broker, trustee or other financial institution). You will have received a request for voting instructions from your broker. Follow the instructions on your Voting Instruction Form to vote by telephone, Internet or fax, or complete, sign and mail the Voting Instruction Form in the postage prepaid envelope provided. **To vote in person at the Meeting, see the box on page 4 of the Circular.**

PROXY VOTING

Who is soliciting my proxy?

The enclosed Form of Proxy is being solicited by the management of the Corporation in connection with the annual and special meeting of shareholders to be held on December 13, 2018 and at every adjournment thereof, and the associated costs will be borne by the Corporation. The solicitation of proxies will be made by mail and by posting the Meeting Materials on the Corporation’s website at www.masongraphite.com and on our profile at www.sedar.com. The solicitation of proxies may also be by telephone or other personal contact by directors of the Corporation, such directors receiving no compensation therefore. In addition, the Corporation shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of shares of the Corporation.

The board of directors of the Corporation (the “**Board**”) has set the record date for the Meeting at November 6, 2018 (the “**Record Date**”).

How do I vote?

If you are a registered shareholder, you may vote in person at the Meeting or you may sign the enclosed Form of Proxy appointing the named persons or some other person you choose, **who need not to be a shareholder**, to represent you as proxyholder and vote your shares at the Meeting. If your shares are held in the name of an intermediary, please see the box on page 4 for voting instructions.

What if I plan to attend the Meeting and vote in person?

If you are a registered shareholder and plan to attend the Meeting on November 6, 2018 and you wish to vote your shares in person at the Meeting, do not complete or return the Form of Proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, TSX Trust, upon arrival at the Meeting. If your shares are held in the name of an intermediary, please see the box on page 4 for voting instructions.

What am I voting on?

Shareholders will be asked to vote on the following matters:

1. the election of directors of the Corporation for the ensuing year;
2. the appointment of auditors of the Corporation and the authorization for the directors to set their remuneration;
3. the approval of a special resolution for the purpose of amending the articles of the Corporation, allowing the appointment of additional directors during the year (the "**Special Resolution**"); and
4. any such other business as may properly be brought before the Meeting or at any adjournment thereof.

What if I sign the Form of Proxy enclosed with this Circular?

Signing the enclosed Form of Proxy gives authority to the officers and/or directors of the Corporation whose names are indicated on the Form of proxy, or to another person you have appointed, to vote your shares at the Meeting.

Can I appoint someone other than these directors to vote my shares?

Yes. Write the name of this person, who needs not to be a shareholder, in the blank space provided in the Form of Proxy. It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your shares. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of TSX Trust.

What do I do with my completed Form of Proxy?

Return it to the Corporation's transfer agent, TSX Trust, by mail at 100 Adelaide West, Suite 301, Toronto, Ontario M5H 4H1, or faxed at 1-416-595-9593, or scanned and emailed to TMXEInvestorServices@tmx.com, **no later than 10:00 a.m. (Montreal Time) on December 11, 2018**. This will ensure that your vote is recorded.

Where can I access the Financial Materials of the Corporation?

Shareholders have the ability to access electronic versions of the Financial Materials on the Corporation's website at www.masongraphite.com or on the Corporation's profile at www.sedar.com. Shareholders may also request a paper copy of the Financial Materials by calling TSX Trust at 1-866-600-5869 or the Corporation at 1-514-289-3580, or send an email to lveilleux@masongraphite.com, and we will send them by postal delivery at no cost within three business days of your request.

This is in line with the Corporation's commitment to environmental stewardship as it will reduce the cost and environmental impact of producing and distributing paper copies of documents in very

large quantities. It also provides Shareholders with faster access to information about the Corporation.

If I change my mind, can I take back my proxy once I have given it?

Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered at the above-mentioned registered office of TSX Trust, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

How will my shares be voted if I give my proxy?

The persons named on the Form of Proxy must vote for or withhold from voting your shares in accordance with your directions, or you can let your proxyholder decide for you. **In the absence of such directions, proxies received by management will be voted in favour of the candidates nominated for election as directors of the Board, the appointment of the auditors, the adoption of the Special Resolution and for the adoption of the other items on the agenda, as the case may be**, as detailed below under the heading "Business of the Meeting".

What if amendments are made to these matters or if other matters are brought before the Meeting?

The persons named in the Form of Proxy will have discretionary authority with respect to amendments or variations to matters identified in the enclosed Form of Proxy and with respect to other matters which may properly come before the Meeting. As of the time of printing of this Circular, management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the Form of Proxy will vote on them in accordance with their best judgment.

How many shares are entitled to vote?

As of the Record Date, there are 136,033,323 common shares of the Corporation (the "**Common Shares**") issued and outstanding, each of which is entitled to one vote at the Meeting. Only shareholders registered at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting unless after that date a shareholder of record transfers his shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns the shares, requests no later than 10 days before the Meeting that the transferee's name be included on the list of shareholders entitled to vote, in which case such transferee is entitled to vote such shares at the Meeting.

Who counts the votes?

The Corporation's transfer agent, TSX Trust, counts and tabulates the proxies. This is done independently of the Corporation to preserve the confidentiality of individual shareholder votes. Proxies are referred to the Corporation only in cases where a shareholder clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable law.

For general shareholder enquiries, you can contact the transfer agent:

by mail:

TSX Trust Company, Attn: Investor Services
100 Adelaide West, Suite 301
Toronto ON M5H 4H1

or by telephone:

within Canada and the United States at
1-866-600-5869

or by fax:

1-416-361-0470

If my shares are not registered in my name but are held in the name of an intermediary (a bank, trust corporation, securities broker, trustee or other), how do I vote my shares?

In accordance with the requirements of *Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* ("54-101"), the Corporation has elected to send the notice of Meeting, this Circular and the Form of Proxy directly to those "non-registered" shareholders who do not object to their name being made known to the issuers of the securities which they own ("NOBOs"). The intermediaries are responsible for forwarding these documents to each non-registered shareholder who has objected to his intermediary disclosing ownership information about himself ("OBO"), unless that OBO has waived the right to receive them.

There are two ways you can vote your shares held by your intermediary. As required by Canadian securities legislation, you will have received from your intermediary either a request for voting instructions or a form of proxy for the number of shares you hold. For your shares to be voted for you, please follow the voting instructions provided by your intermediary. Since the Corporation has limited access to the names of its non-registered shareholders, if you attend the Meeting, the Corporation may have no record of your shareholdings or your entitlement to vote unless your intermediary has appointed you as proxyholder. Therefore, if you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions or form of proxy and return same by following the instructions provided. Do not otherwise complete the form as your vote will be taken at the Meeting. Please register with the transfer agent, TSX Trust, upon arrival at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of the Record Date, the Corporation had 136,033,323 Common Shares issued and outstanding each carrying the right to one vote per Common Share at the Meeting. Two Shareholders present in person or represented by proxy, holding or representing in the aggregate not less than 5% of the issued and outstanding Common Shares of the Corporation, will constitute quorum.

To the knowledge of the directors and officers of the Corporation, as at the Record Date, the following persons beneficially own or control, directly or indirectly, more than 10% of the outstanding Common Shares of the Corporation:

Name of Shareholder	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Approximate % of Outstanding Shares
Fidelity ⁽¹⁾	19,491,805	14.3%
Ressources Québec inc.	17,021,211	12.5%

(1) "Fidelity" may include the following: Fidelity Management & Research Company, Strategic Advisers Inc., FIL Limited, Crosby Advisors LLC, Fidelity SelectCo, FMR Co., Inc., Fidelity Management Trust Company, FIAM LLC, Fidelity Institutional Asset Management Trust Company and Fidelity (Canada) Asset Management ULC.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Circular, no director or officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors of the Corporation.

BUSINESS OF THE MEETING

1. Financial Statements

The audited financial statements of the Corporation for the financial year ended June 30, 2018 and the report of the auditors of the Corporation thereon (the "**Financial Statements**") will be placed before the Meeting. Receipt at the Meeting of the Financials Statements will not constitute approval or disapproval of any matters referred to therein.

The Financials Statements and the management's discussion and analysis of the Corporation for the year ended June 30, 2018 are available upon request to the Corporation or on the Corporation's website at www.masongraphite.com or under the Corporation's profile at www.sedar.com.

2. Election of Directors

The articles of the Corporation provide that the Board shall consist of a minimum of three and a maximum of ten directors. The Board currently consists of six directors who are elected annually. Each director is appointed to hold such office until the next annual meeting of Shareholders or until his or her successor is duly elected unless his or her office is earlier vacated in accordance with the by-laws of the Corporation.

The six persons (each a "**Nominee**") listed on the following pages are nominated for election as directors of the Corporation. All such Nominees are currently directors of the Corporation and have been since the dates indicated in the table below.

Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Corporation will be voted FOR the election of the Nominees listed below. If any of the Nominees should for any reason be unable to serve as a director of the Corporation, the persons named in the enclosed Form of Proxy reserve the right to nominate and vote for another nominee in their discretion.

As the Corporation has adopted a Majority Voting Policy (the "**Majority Voting Policy**"), the process for voting for election of each director will be by individual voting and not by slate. The Shareholders can vote for or withhold from voting on the election of each director on an individual basis. See "About the Board" for more information on the Corporation's Majority Voting Policy.

Other than as set out below, there are no contracts, arrangements or understandings between any director, any executive officer or any other person pursuant to which any of the Nominees has been nominated.

Director Profiles

The table below indicates, for each Nominee, his name, province and country of residence, the year he became a director and the committees of the Board of which he is a member. The table also indicates whether the candidate is independent, the number of shares of the Corporation with voting rights beneficially owned, or controlled or directed, directly or indirectly, by the Nominee, and the number of stock options held (see section below under the heading “**Stock Option Plan**”).

Name, Residence, Year First Became Director, Committee(s) and Attendance	Biography and Directorships
PAUL R. CARMEL Québec, Canada Director since March 15, 2018 Independent Common Shares: None Options : None Attendance : Board 6/6	<i>Chairman of the Board</i> Mr. Carmel, ICD.D, is a professional with 30 years of experience in the mining field, having held senior management positions and board directorships with mining companies, investment banks and private equity firms. He is currently Chairman of the Board of Orbit Garant Drilling Inc. and a strategic advisor with G Mining Services Inc. He previously held senior management roles with Richmont Mines Inc. as President and CEO and Desjardins Capital Markets as Managing Director, Head of Mining. Mr. Carmel also previously worked with Minquest Capital Inc., The Sentient Group, Caisse de dépôt et placement du Québec, UBS Securities, National Bank Financial and Inco Ltd. Mr. Carmel holds a mining engineering degree from McGill University. Other Public Company Board: - Orbit Garant Drilling Inc.
BENOIT GASCON⁽²⁾ Québec, Canada Director since October 15, 2012 Not independent Common Shares: 362,830 Options : 3,000,000 Attendance : Board 9/9 Governance & Compensation committee: 3/3	Mr. Gascon is the President and Chief Executive Officer of the Corporation. He brings close to 30 years of experience in the graphite and carbon industries. From 1990 to 1999, he was the Chief Executive Officer of Stratmin Graphite Inc. which operates the Lac-des-Iles deposit, which currently has a graphite mine in production. He was involved with the negotiation of the take-over of Stratmin Graphite by Imerys SA, to form Timcal Graphite & Carbon Inc. (“ Timcal ”). From 1999 to 2009, at Timcal, he held various executive positions from Senior Vice-President Sales and Deputy General Manager to Senior Vice-President, Business Development and Strategy. In April and May 2012, Mr. Gascon was the Senior Vice President, Business Development at Standard Graphite Corp. Mr. Gascon is a CPA, CA and holds a Bachelor in Business Administration from École des Hautes Études Commerciales (HEC). Other Public Company Board: - NanoXplore Inc.

Name, Residence, Year First Became Director, Committee(s) and Attendance	Biography and Directorships
FRANÇOIS LAURIN⁽¹⁾⁽²⁾ Québec, Canada Director since October 15, 2012 Independent Common Shares: 783,333 Options : 400,000 Attendance : Board 9/9 Governance & Compensation committee: 3/3 Audit Committee 4/4	<p>Mr. Laurin is a professional finance executive with over 35 years of experience and serves as Executive Vice President and Chief Financial Officer of Laurentian Bank of Canada since 2015. He previously served as Chief Financial Officer of Alderon Iron Ore Corp. from June 2013 to December 2014, and BioAmber Inc. from January 2015 to August 2015 and was President and Chief Executive Officer of Cap-Ex Iron Ore Ltd. from December 2011 to June 2013. Prior to those positions, he served as Chief Financial Officer of Consolidated Thompson Iron Mines Ltd. and numerous senior finance positions including at Transat AT Inc. and CDP Private Capital Investments. Mr. Laurin is also involved with charitable organizations. He is a FCPA, FCA, CFA and holds an Institute of Corporate Directors designation.</p> <p>Other Public Company Board: none</p>
GUY CHAMARD⁽¹⁾ Québec, Canada Director since December 15, 2015 Independent Common Shares: none Options : 100,000 Attendance : Board 8/9 Audit Committee 4/4	<p><i>Nominee of Ressources Québec inc., appointed pursuant to nomination rights granted by the Corporation pursuant to a bought deal private placement financing on April 28, 2014.</i></p> <p>Mr. Chamard 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, Mr. Chamard worked as a Senior Manager, Mines & Geology for WSP Canada Inc., an engineering and construction management services firm and has worked in the position of Project Director, Industrial Services – Mining with Tetra Tech Inc., a 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.</p> <p>Other Public Company Board: - Glen Eagle Resources Inc.</p>
PATRICK GODIN⁽²⁾ Québec, Canada Director since November 22, 2017 Independent Common Shares: none Options : none Attendance : Board 7/7 Governance & Compensation committee: 3/3	<p>Mr. Godin joined Stornoway as Chief Operating Officer in May 2010 and was appointed director in October 2011. He has had overall responsibility for the development of the Renard Project up to commercial production and now oversees operations. Prior to joining Stornoway, he was Vice President, Project Development for G Mining Services Inc. and was responsible, in such capacity, for the development of the Essakane Mine in Burkina Faso, as contractor for Iamgold Corp. Prior to that, he was Vice President of Operations for Canadian Royalties, heading the development of its nickel project in Northern Québec. He was also President and General Manager of the French subsidiary of Iamgold (originally Cambior Inc.) that was developing the Camp Caïman in French Guiana, after having held positions of increasing management responsibility within Cambior. Mr. Godin holds a bachelor's degree in mining engineering from Université Laval (Québec), is a member of the Ordre des Ingénieurs du Québec and of the Collège des administrateurs de sociétés.</p> <p>Other Public Company Boards: - Stornoway Diamond Corporation - Nemaska Lithium Inc.</p>

Name, Residence, Year First Became Director, Committee(s) and Attendance	Biography and Directorships
GILLES GINGRAS⁽¹⁾ Québec, Canada Director since March 15, 2018 Independent Common Shares: None Options : None Attendance : Board 6/6 Audit committee: 2/2	Mr. Gingras, CPA, CA, ICD.D, has more than 30 years of experience in accounting, consulting and professional services having held senior positions with Charrette Fortier Hawey and Samson Bélair Deloitte & Touche, notably in the technology, manufacturing, mining and food industries. Mr. Gingras was on the Canadian Board of Directors of Deloitte from 2002 to 2010. Since 2013, he is a Director of Geomega Resources and Chairman of its audit committee. Mr. Gingras holds an accounting degree from Laval University. Other Public Company Board: - Geomega Resources Inc.

Note:

- (1) Member of the Audit Committee.
- (2) Member of the Governance & Compensation Committee.

Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the election of the Nominees as directors of the Corporation.

As of the date hereof, the directors of the Corporation, as a group, beneficially own, or exercise control or direction, directly or indirectly, over 1,146,163 Common Shares, or approximately 0.84% of the outstanding Common Shares of the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as otherwise indicated herein below, to the best of the Corporation's knowledge, after having made due inquiry, the Corporation confirms that no proposed director:

- (a) is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Corporation, that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,
- (b) is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, nor has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

3. Appointment of Auditors

PricewaterhouseCoopers LLP have been the auditors of the Corporation since November 12, 2013. The following table sets out the fees billed (or estimated) by the Corporation's auditors for the years ended June 30, 2018 and 2017.

Services	2018	2017
Audit Fees	\$65,000	\$63,830
Audit-Related Fees	\$24,050	\$19,500
Tax Fees	\$10,000	\$9,530
Other Fees	-	\$1,235
Total:	\$99,050	\$94,095

For additional information about the Corporation's auditors and the Audit Committee, please refer to the section under the heading "Audit Committee" below.

Unless authority to do so is withheld, the persons named in the accompanying Form of Proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation until the next annual meeting of Shareholders and FOR the authorization to set the auditors' remuneration. The proposal requires the approval of a majority of the votes cast by the holders of Common Shares present in person or represented by proxy at the Meeting.

4. Amendment to Articles

Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution (the "**Special Resolution**"), in the form set forth below, subject to such amendments, variations or additions as may be approved at the Meeting amending the articles of the Corporation:

"BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS:

THAT the articles of the Corporation be amended to include provisions to the effect that the Board of Directors may, at its discretion, appoint one or more directors, who shall hold office for a term expiring no later than the close of the annual meeting of shareholders following their appointment, provided that the total number of directors so appointed may not exceed one-third of the number of directors elected at the annual meeting of shareholders preceding their appointment; and

THAT any director or officer of the Corporation be, and each of them is hereby, authorized and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or cause to be executed and delivered Articles of Amendment under the *Canada Business Corporations Act* and to execute and deliver or cause to be executed and delivered all documents, and to take any action, which, in the opinion of that person, is necessary or desirable to give effect to this special resolution."

To be effective, the Special Resolution must be approved by not less than two-thirds of the votes cast by the shareholders present in person or represented by proxy, at the Meeting.

Unless authority to do so is withheld, the persons named in the accompanying Form of Proxy intend to vote FOR the adoption of the Special Resolution.

5. Other Matters

The Corporation knows of no other matter to come before the Meeting other than those referred to in the notice of meeting. However, if any other matters which are not known to the management should properly come before the Meeting, **the accompanying Form of Proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.**

CORPORATE GOVERNANCE

The Corporation and the Board recognize the importance of corporate governance in effectively managing the Corporation, protecting employees and shareholders, and enhancing shareholder value. The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements for TSX Venture Exchange listed issuers. The Corporation is committed to monitoring governance developments to ensure its practices remain current and appropriate.

The Corporation's disclosure of corporate governance practices pursuant to Regulation 58-101 *respecting Disclosure of Corporate Governance Practices* is set out in Schedule "A" to this Circular in the form required by Form 58-101F2.

ABOUT THE BOARD

The Board fulfills its mandate directly at regularly scheduled meetings or as required. The directors are kept informed regarding the Corporation's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may vary depending upon the state of the Corporation's affairs and in light of opportunities or risks that the Corporation faces.

Majority Voting Policy

The Corporation has adopted a Majority Voting Policy to provide a meaningful way for the Shareholders to hold individual directors accountable and to require the Corporation to closely examine directors that do not have the support of a majority of Shareholders. The policy provides that forms of proxy for the election of directors will permit a Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee and that where a director nominee has more votes withheld than are voted in his/her favour, the nominee will be considered not to have received the support of the Shareholders, even though duly elected as a matter of corporate law. Pursuant to the policy, such a nominee will forthwith submit his or her resignation to the Board, such resignation to be effective on acceptance by the Board. The Board will then establish an advisory committee to which it shall refer the resignation for consideration. In such circumstances, the advisory committee will make a recommendation to the Board as to the director's suitability to continue to serve as a director after reviewing, among other things, the results of the voting for the nominee and the Board will consider such recommendation. This policy does not apply where an election involves a proxy battle (i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board).

AUDIT COMMITTEE

The purposes of the Audit Committee are to assist the Board's oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the qualifications and independence of the Corporation's independent auditors; and

the performance of the independent auditors. Please see Schedule “B” hereto for the Audit Committee Charter.

The Corporation’s Audit Committee is currently comprised of three directors: Francois Laurin (Chair), Gilles Gingras and Guy Chamard. Each of the members of the Audit Committee is considered financially literate and independent. Please refer to the section titled “Business of the Meeting – Election of Directors – Director Profiles”, for the relevant education and experience of each of the members of the Audit Committee.

Audit Committee Oversight

At no time since the commencement of the Corporation’s most recently completed financial year has there been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on either (a) an exemption in section 2.4 (*De Minimis Non-Audit Services*) of Regulation 52-110 respecting Audit Committees (“**Regulation 52-110**”); or (b) an exemption from Regulation 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of Regulation 52-110. As the Corporation is listed on the TSX Venture Exchange, it is relying on the exemptions provided in section 6.1 (*Venture Issuers*) of 52-110, from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

External Auditors

The Audit Committee pre-approves all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer’s external auditors. Please see page 9 for the fees paid to external auditors for the financial years ended June 30, 2018 and 2017.

GOVERNANCE AND COMPENSATION COMMITTEE

The Corporation’s Governance and Compensation Committee is comprised of three directors: Patrick Godin (Chair), Francois Laurin and Benoit Gascon (CEO). Francois Laurin and Patrick Godin, members of the Governance & Compensation Committee, are independent. The Governance and Compensation Committee is established by the Board to assist the Board in fulfilling its responsibilities relating to human resources and compensation matters.

EXECUTIVE COMPENSATION

Oversight and Description of Director and Named Executive Officer Compensation

Named Executive Officers

For the financial year ended June 30, 2018, the objectives of the Corporation’s compensation strategy were to ensure that compensation for its Named Executive Officers, (as defined below) is sufficiently attractive to recruit, retain and motivate high performing individuals to assist Mason Graphite in achieving its goals.

The process for determining executive compensation is relatively informal, in view of the size and stage of the Corporation and its operations. Executive officers are involved in the process and make recommendations to the Governance and Compensation Committee, which considers and recommends to the Board for approval the discretionary components (e.g. cash bonuses) of the annual compensation of senior management. Except as otherwise described below, the

Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. Upon the recommendation of the Governance and Compensation Committee, the Board may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board deem as worthy of recognition.

Compensation for the Named Executive Officers is composed primarily of three components: base fees, performance bonuses and stock based compensation. In establishing the levels of base fees, performance bonuses and the award of stock options, the Compensation Committee takes into consideration a variety of factors, including the financial and operating performance of the Corporation, and each Named Executive Officer's individual performance and contribution towards meeting corporate objectives, responsibilities and length of service.

Salary

Amounts paid to Named Executive Officers as base salary, including merit salary increases, are determined in accordance with an individual's performance and salaries in the marketplace for comparable positions. There is no mandatory framework that determines which of these factors may be more or less important and the emphasis placed on any of these factors may vary among the executive officers. The determination of base salaries relies principally on negotiations between the respective Named Executive Officer and the Corporation and is therefore heavily discretionary.

Bonus

Mason Graphite's cash bonus awards are designed to reward an executive for the direct contribution which he or she can make to the Corporation. Named Executive Officers are entitled to receive discretionary bonuses from time to time as determined or approved by the Board, upon the recommendation of the Governance and Compensation Committee, or the Chief Executive Officer, as applicable. The Corporation does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather the Corporation uses informal goals which may include an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. Precise goals or milestones are not pre-set by the Board.

Stock Option Plan

On October 26, 2016, the Board adopted a fixed number stock Option Plan under which the Corporation is authorized to grant stock options for a maximum of 11,000,000 common shares, which is less than 10% of its issued and outstanding Common Shares, with or without vesting provisions (the "**Stock Option Plan**"). As of the date hereof, there is an aggregate of 7,771,667 options outstanding under the Stock Option Plan, which represents approximately 5.7% of the total issued and outstanding Common Shares.

The Stock Option Plan is designed to advance the interests of the Corporation by encouraging employees, officers and consultants to have equity participation in the Corporation through the acquisition of Common Shares. The following is a summary of the terms of the Stock Option Plan, which is qualified in its entirety by the provisions of the Stock Option Plan.

Options are granted pursuant to the Corporation's Stock Option Plan and in accordance with the rules of the TSX Venture Exchange. The Stock Option Plan is administered by the Board, upon the recommendations of the Governance and Compensation Committee.

Directors, officers, employees and certain consultants are eligible to receive stock options under the Stock Option Plan. Upon the termination of an optionholder's engagement with the Corporation, the stock options held by such optionholder will be cancelled 90 days following such optionholder's termination from the Corporation. Stock options granted under the Stock Option Plan are not assignable.

The terms and conditions of each option granted under the Stock Option Plan will be determined by the Board upon the recommendation of the Governance and Compensation Committee. Options will be priced in the context of the market and in compliance with applicable securities laws and TSX Venture Exchange guidelines. Vesting terms will be determined at the discretion of the Board on the recommendation of the Governance and Compensation Committee. The Board shall also determine the term of stock options granted under the Stock Option Plan, provided that no stock option shall be outstanding for a period greater than ten years.

The Board believes that, except for material changes, it is important for the Board to have the flexibility to make changes to the Stock Option Plan without requiring the shareholders' approval. Such changes include making appropriate adjustments to outstanding options in the event of certain corporate transactions, adding provisions which require the forfeiture of options in certain circumstances, specifying practices with respect to applicable tax withholdings and making other changes to enhance clarity or correct ambiguous provisions.

The Stock Option Plan does not provide for the transformation of stock options granted under the Stock Option Plan into stock appreciation rights involving the issuance of securities from the treasury of the Corporation.

The Corporation will not provide financial assistance to any optionholder to facilitate the exercise of options under the Stock Option Plan.

The table below sets out the outstanding options under the Stock Option Plan, being the Corporation's only compensation plan under which Common Shares are authorized for issuance, as of June 30, 2018.

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) as of June 30, 2018
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	7,771,667	\$0.92	3,228,333
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	7,771,667	\$0.92	3,228,333

Directors

An independent compensation consultant was retained during the 2018 financial year to assist principally in the establishment of industry benchmarks through the review of peer companies (the "Comparator Group"). Such industry benchmarking, which is commissioned by the Governance and Compensation Committee, assists the committee in making recommendations as to the Directors' compensation.

The Committee benchmarks the Directors against similar positions in the Comparator Group. Competitive market data on the Comparator Group gives the Committee and the Board an initial reference point for determining Directors' compensation. The Comparator Group is used to assess the reasonableness of the Company's compensation and to confirm that compensation is consistent with the Company's desired philosophical positioning.

Comparator Group are of similar market capitalization and are at a development or operation stage and, for the year ended June 30, 2018, was comprised of the following companies:

- Stornoway Diamond
- Polymet Mining
- Sabina Gold & Silver
- Denison Mines
- Northern Dynasty Minerals
- Nemaska Lithium
- Victoria Gold
- Harte Gold
- eCobalt Solutions
- Falco Resources
- Fortune Minerals
- IDM Mining
- Noront Resources
- Critical Element Corp
- Canadian Zinc

Directors are entitled to participate in the Corporation's Stock Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation.

The Chairman of the Board is paid \$60,000 per annum and each director other than the Chairman receives director fees of \$15,000 per annum. The Chair of the Audit Committee and the Governance & Compensation Committee are paid an additional \$15,000 and \$10,000 per annum respectively. For each meeting, attendance fees of \$2,000 are paid (\$1,000, if attendance is by phone or teleconference). Executive officers who also act as directors of the Corporation do not receive any additional compensation for services rendered in their capacity as directors.

During the financial year ended June 30, 2018 directors were granted the fees, options and bonuses in their capacity as directors of the Corporation as is set out in the tables below under the heading "Director and Named Executive Officer Compensation".

Director and Named Executive Officer Compensation

The following table summarizes the compensation paid during the two financial years ended June 30, 2018 and 2017 in respect of the individuals who were carrying out the role of the Chief Executive Officer and Chief Financial Officer of the Corporation, and the most highly compensated executive officer other than the Chief Executive Officer and Chief Financial Officer at the end of the most recently completed financial year whose total compensation was individually more than \$150,000 for that financial year (the "**Named Executive Officers**") and each Director of the Corporation who is not a Named Executive Officer.

For the financial year ended June 30, 2018, the Corporation had three named executive officers, namely Benoît Gascon, President and Chief Executive Officer, Luc Veilleux, Executive Vice President, Chief Financial Officer and Corporate Secretary and Jean L'Heureux, Executive Vice President, Process Development of the Corporation.

Name and Position	Year Ended June 30	Salary, consulting fee, retainer or commission (\$)	Bonus ⁽¹⁾ (\$)	Committee or meeting fees (\$)	Perquisites ⁽²⁾ (\$)	All other Compensation (\$)	Total compensation (\$)
Benoit Gascon President, Chief Executive Officer and Director ⁽³⁾	2018	315,000 ⁽⁴⁾	-	-	-	-	315,000
	2017	315,000 ⁽⁴⁾	196,875	-	-	-	511,875
Luc Veilleux Executive Vice President, Chief Financial Officer and Corporate Secretary	2018	128,550 ⁽⁴⁾	-	-	-	-	128,550
	2017	226,800 ⁽⁴⁾	68,040	-	-	-	294,840
Jean L'Heureux Executive Vice President, Process Development	2018	189,000	-	-	-	-	189,000
	2017	189,000	56,700	-	-	-	245,700
Paul R. Carmel⁽⁵⁾ Chairman of the Board	2018	-	-	18,180	-	-	18,180
François Laurin Director	2018	-	-	25,625	-	-	25,625
	2017	-	-	17,500	-	-	17,500
Guy Chamard Director	2018	-	-	15,125	-	-	15,125
	2017	-	-	12,500	-	-	12,500
Patrick Godin⁽⁶⁾ Director	2018	-	-	13,810	-	-	13,810
Gilles Gingras⁽⁷⁾ Director	2018	-	-	7,340	-	-	7,340
Geoffrey Scott Moore⁽⁸⁾ Previous Director	2018	-	-	6,250	-	-	6,250
	2017	-	-	12,500	-	-	12,500
Alastair Neill⁽⁹⁾ Previous Director	2018	-	-	3,125	-	-	3,125
	2017	-	-	12,500	-	-	12,500
Tyrone Docherty⁽¹⁰⁾ Previous Director	2018	-	-	15,000	-	-	15,000
	2017	-	-	30,000	-	-	30,000

Notes:

- (1) Compensation paid for the financial year ended June 30th, 2016.
- (2) "Perquisites" means benefits that are not offered to all the employees and that, in aggregate, are greater than the following amounts for the financial year: a) \$15,000, if the total salary of the Named Executive Officer or Director does not exceed \$150,000; b) 10% of the Named Executive Officer's or Director's salary, if his total salary is greater than \$150,000 but less than \$500,000; c) \$50,000, if the Named Executive Officer's or Director's salary is \$500,000 or greater.
- (3) Executive Officers who also act as Directors do not receive any additional compensation for services rendered in their capacity as Director.
- (4) Compensation paid as consulting fees under the independent contractor agreement with the Named Executive Officer as described under the heading "Executive Compensation – Employment, Consulting and Management Agreements – Summary of Material Terms" of this Circular.
- (5) Mr. Camel was appointed as Chairman of the Board on March 15, 2018.
- (6) Mr. Godin was appointed as director on November 22, 2017.
- (7) Mr. Gingras was appointed as director on March 15, 2018.
- (8) Mr. Moore resigned as director of the Corporation on March 15, 2018.
- (9) Mr. Neill resigned as director of the Corporation on November 22, 2017.
- (10) Mr. Docherty resigned as Chairman of the Board on March 15, 2018.

Stock Options and Other Compensation Securities

Options are granted pursuant to the Corporation's Stock Option Plan and in accordance with the rules of the TSX Venture Exchange. See above under the heading "Stock Option Plan" for a

description of the material terms of the Corporation's Stock Option Plan. The Corporation does not have any other incentive plan under which compensation securities are awarded.

The following table sets forth all compensation securities granted or issued to each Corporation's Directors and Named Executive Officer by the Corporation during the most recently completed financial year ended June 30, 2018.

Name and Position	Type of Compensation Security (1)(2)(3)(4)(5)	Number of Compensation Security, number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Benoit Gascon President, Chief Executive Officer and Director ⁽⁶⁾	-	-	-	-	-	-	-
Luc Veilleux Executive Vice President, Chief Financial Officer and Corporate Secretary	-	-	-	-	-	-	-
Jean L'Heureux Executive Vice President, Process Development	-	-	-	-	-	-	-
Paul R. Carmel⁽⁷⁾ Chairman of the Board	-	-	-	-	-	-	-
François Laurin Director	-	-	-	-	-	-	-
Guy Chamard Director	-	-	-	-	-	-	-
Patrick Godin⁽⁸⁾ Director	-	-	-	-	-	-	-
Gilles Gingras⁽⁹⁾ Director	-	-	-	-	-	-	-
Geoffrey Scott Moore⁽¹⁰⁾ Previous Director	-	-	-	-	-	-	-
Alastair Neill⁽¹¹⁾ Previous Director	-	-	-	-	-	-	-
Tyrone Docherty⁽¹²⁾ Previous Director	-	-	-	-	-	-	-

Notes:

- (1) As at June 30, 2018, the following persons held the following number of stock options to acquire as many as Common Shares: Benoit Gascon: 3,000,000 stock options; Luc Veilleux: 1,175,000 stock options; Jean L'Heureux: 1,175,000 stock options; François Laurin: 400,000 stock options; Guy Chamard: 100,000 stock options;
- (2) The stock options have been granted pursuant to the Stock Option Plan (as defined hereinafter) of the Corporation as more fully described under the heading "**Stock Option Plan**" hereinabove.
- (3) None of the compensation securities have been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.
- (4) The options granted to the Named Executive Officers and Directors of the Corporation vest in three instalments; one third will vest upon issuance, one third will vest after one year following issuance, and the last third will vest two years following issuance.
- (5) As at June 30, 2018, 6,802,223 stock options were convertible, exercisable and exchangeable without restrictions or conditions.
- (6) Executive Officers who also act as Directors do not receive any additional compensation for services rendered in their capacity as Director.
- (7) Mr. Camel was appointed as Chairman of the Board on March 15, 2018.
- (8) Mr. Godin was appointed as director on November 22, 2017.
- (9) Mr. Gingras was appointed as director on March 15, 2018
- (10) Mr. Moore resigned as director of the Corporation on March 15, 2018.
- (11) Mr. Neill resigned as director of the Corporation on November 22, 2017.
- (12) Mr. Docherty resigned as Chairman of the Board on March 15, 2018.

Stock Option Exercises by Directors and Named Executive Officers

The following table sets forth each exercise of compensation securities by a Director or Named Executive Officer of the Corporation during the most recently completed financial year ended June 30, 2018.

Exercise of Compensation Securities by Directors and Named Executive Officers							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Weighted average exercise Price per Security (\$)	Date of Exercise	Weighted average closing Price per Security on Date of Exercise (\$)	Difference between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date ⁽¹⁾ (\$)
Benoit Gascon President, Chief Executive Officer and Director	Options	-	-	-	-	-	-
Luc Veilleux Executive Vice President, Chief Financial Officer and Corporate Secretary	Options	-	-	-	-	-	-
Jean L'Heureux Executive Vice President, Process Development	Options	-	-	-	-	-	-
Paul R. Carmel Chairman of the Board	Options						
François Laurin Director	Options	-	-	-	-	-	-
Guy Chamard Director	Options	-	-	-	-	-	-
Patrick Godin Director	Options	-	-	-	-	-	-
Gilles Gingras Director	Options	-	-	-	-	-	-

Geoffrey Scott Moore Previous Director	Options	-	-	-	-	-	-
Alastair Neill Previous Director	Options	200,000	\$0.60	From October 5, 2017 to November 15, 2018	\$2.43	\$1.83	\$365,500
Tyrone Docherty Previous Director	Options	-	-	-	-	-	-

Note:

- (1) Calculated by multiplying the number in the column entitled "Number of Underlying Securities Exercised" by the number in the column entitled "Difference between Exercise Price and Closing Price on Date of Exercise".

Long Term Incentive Plan

The Corporation does not currently have a long-term incentive plan.

Defined Benefit or Actuarial Plan

The Corporation does not currently have a defined benefit or actuarial plan under which benefits are determined primarily by final compensation (or average final compensation) and years of services.

Employment, Consulting and Management Agreements

Summary of Material Terms

The following describes the respective consulting and employment agreements entered into by the Corporation and its Named Executive Officers as of the date hereof.

Name	Monthly Fees	Severance on Termination	Severance on Change of Control ⁽¹⁾
Benoit Gascon President and Chief Executive Officer	\$27,083	12 months' fees	24 months base fees plus aggregate cash bonuses paid in the 24 months prior to the Change in Control in the event that the Change of Control is approved by the Board. Otherwise 36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.
Luc Veilleux Executive Vice President, Chief Financial Officer and Corporate Secretary	\$19,417	12 months' fees	24 months base fees plus aggregate cash bonuses paid in the 24 months prior to the Change in Control in the event that the Change of Control is approved by the Board. Otherwise 36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.
Jean L'Heureux Executive Vice President, Process Development	\$17,917	12 months' fees	24 months base fees plus aggregate cash bonuses paid in the 24 months prior to the Change in Control in the event that the Change of Control is approved by the Board. Otherwise 36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.

- (1) Becomes payable within one year following the date of a Change of Control when the Corporation either terminates the executive officer's appointment or alters his/her position and/or responsibilities in a materially adverse manner.

For the purpose of the agreements set forth above, "Change of Control" is defined as the acquisition by any person (person being defined as an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Canada Business Corporations Act*) of: (1) shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion

of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation; (2) shares or rights or options to acquire shares of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the material subsidiary; or (3) more than 50% of the material assets of the Corporation, including the acquisition of more than 50% of the material assets of any material subsidiary of the Corporation.

Summary of Termination Payments

The estimated incremental payments, payables and benefits that might be paid to the Named Executive Officers pursuant to the above noted agreements in the event of termination without cause or after a Change of Control (assuming such termination or Change of Control is effective as of the Record Date) are detailed below:

Named Executive Officer		Termination not for Cause (\$)	Change of Control Approved by Board (\$)	Change of Control Not Approved by Board (\$)
Benoit Gascon	Salary and Quantified Benefits	325,000	650,000	975,000
	Bonus	N/A	196,875	196,875
	Total	325,000	846,875	1,171,875
Luc Veilleux	Salary and Quantified Benefits	233,000	466,000	699,000
	Bonus	N/A	68,040	68,040
	Total	233,000	534,040	767,040
Jean L'Heureux	Salary and Quantified Benefits	215,000	430,000	645,000
	Bonus	N/A	56,700	56,700
	Total	215,000	486,700	701,700

The Corporation has not, as yet, adopted a policy restricting its Named Executive Officers or directors from purchasing instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officers or directors.

In light of the Corporation's size, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As at the date of this Circular, and during the financial year ended June 30, 2018, no director or executive officer of the Corporation or Nominee (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended June 30, 2018, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, no informed person of the Corporation or any associate or affiliate of the foregoing has had any material interest, direct or indirect, in a transaction having been concluded since the beginning of the most recently completed financial year or in any

proposed transaction which has or would affect in a material manner the Corporation or one of its subsidiaries.

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of \$10,000,000 in coverage. The approximate amount of premiums paid by the Corporation during the financial year ended June 30, 2018 in respect of such insurance was \$19,511.

ADDITIONAL INFORMATION AND CONTACT INFORMATION

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis for the financial year ended June 30, 2018, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these documents from the Corporation by email at iveilleux@masongraphite.com or by telephone at 1-514-289-3580.

APPROVAL OF THE BOARD

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

Laval, Québec, November 7th, 2018

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "Benoît Gascon"

President and Chief Executive Officer

SCHEDULE “A”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES MASON GRAPHITE INC.

The board of directors of the Corporation (the “**Board**”), after reviewing the policies, rules and guidelines concerning disclosure, by listed Corporations, of their corporate governance practices, adopted by certain Canadian stock exchanges as well as by the Canadian Securities Administrators, has undertaken the implementation of guidelines which in the Board’s opinion, are appropriate given the size of the Corporation and its current stage of development.

BOARD OF DIRECTORS

The Board is currently comprised of six members, of which only Benoît Gascon, President and Chief Executive Officer of the Corporation, is not an “independent” member pursuant to Regulation 58-101 (within the meaning of paragraph 1.4 of Regulation 52-110). Conversely, Messrs. Paul R. Carmel, François Laurin, Guy Chamard, Patrick Godin and Gilles Gingras are independent directors.

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- a majority of the directors are not management of the Corporation and are considered independent of the Corporation;
- under the by-laws of the Corporation, any two directors may call a meeting of the Board; and
- the Board practice is to hold in-camera meetings with the independent directors at the end of each Board or committee of the Board meeting to the extent required.

The Corporation is of the opinion that each of its directors is a person whose knowledge and experience are relevant to the business of the Corporation and makes a disinterested, high quality contribution. For all these reasons, the Corporation believes that all its directors are concerned with performing their duties and assuming their responsibilities in the best interests of the Corporation and all the shareholders rather than in their own interest or that of a particular group of shareholders.

DIRECTORSHIPS

The boards of directors to which each of the Corporation’s Directors is a party to are indicated under the section of the circular titled “Business of the Meeting – Election of Directors”.

ORIENTATION AND CONTINUING EDUCATION

The Board is responsible for ensuring that new directors are provided with an orientation and education program, which includes written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation’s operations and business.

ETHICAL BUSINESS CONDUCT

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board has not adopted a written code of business conduct and ethics, however, the Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct. In particular, the Board ensure that directors exercise independent judgement in considering transactions and certain activities of the Corporation by holding in camera sessions of independent directors, when applicable, and by having each director declare his or her interest in a particular transaction and abstaining from voting on such matters, where applicable.

NOMINATION OF DIRECTORS

The Board is solely responsible for identifying new candidates for nomination to the Board. The process by which candidates are identified is through recommendations presented to the Board, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Corporation.

GOVERNANCE AND COMPENSATION

The Governance and Compensation Committee is responsible for recommending to the Board the compensation of the directors and senior officers of the Corporation. The process for determining executive compensation is relatively informal, in view of the size and stage of the Corporation and its operations. The Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. Upon the recommendation of the Governance and Compensation Committee, the Board may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board deems as worthy of recognition. Please refer to the section titled "Executive Compensation" of the Circular for more information.

The Governance and Compensation Committee considers and discusses proposals received from its members and the Chief Executive Officer of the Corporation regarding the compensation of management and the directors. Please refer to the section titled "Governance and Compensation Committee" of the Circular.

OTHER BOARD COMMITTEES

The Board has no other committee than the Audit Committee and the Governance and Compensation Committee.

ASSESSMENT OF THE BOARD

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. The Chairman of the Board encourages discussion amongst the Board as to evaluation of the effectiveness of the Board as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

SCHEDULE “B”

AUDIT COMMITTEE CHARTER

1. Objectives

The Committee will assist the Corporation’s board of directors (the “Board of Directors” or the “Board”) in fulfilling its oversight responsibilities, in particular by reviewing the Corporation’s accounting framework, financial and performance information, internal controls, risk tolerance and compliance with applicable legislation. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management of the Corporation (“Management”), internal auditor, if any, and external auditors.

2. Interpretation, Composition and Meeting Particulars –

- Key definitions are found in Schedule 1.
- Details on Composition are found in Schedule 2.
- Details on Meetings and Resources are found in Schedule 3.

3. Responsibilities and Duties

3.1 General Responsibilities

While the Committee has the responsibilities and powers set forth below, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation’s financial statements are complete and accurate. This is the responsibility of Management and the external auditors. It is the duty of the Committee to conduct investigations, to resolve disagreements, if any, between Management and the external auditors and to assure compliance with laws and regulations. The Audit Committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between Management and the external auditor, regarding financial reporting (Section 2.3 (3) of Regulation 52-110).

3.2 Review of Mandate of the Committee

The Board of Directors shall review and reassess the adequacy of this mandate on an annual basis.

3.3 Public disclosed financial information

3.3.1 The Committee shall review and recommend for approval by the Board of Directors, before release to the public:

3.3.1.1 unaudited interim condensed consolidated financial statements;

3.3.1.2 audited consolidated annual financial statements, in conjunction with the report of the external auditors;

3.3.1.3 all public disclosure documents containing audited or unaudited financial information, including any prospectus, the annual information form and the management’s discussion and analysis of financial condition and results of operations, as well as related press releases, including earnings guidance; and

3.3.1.4 the compliance of Management certification of financial reports with applicable legislation and attestation of the Corporation’s disclosure controls and procedures.

- 3.3.2 The Committee shall review and report to the Board of Directors any report or document which accompanies published financial statements (to the extent such a report discusses financial condition or operating results) or which includes financial information extracted or derived from the financial statements of the Corporation for consistency of disclosure with the financial statements themselves.
- 3.3.3 In its review of financial statements, the Committee should obtain an explanation from Management of all significant variances between comparative reporting periods and an explanation from Management for items which vary from expected or budgeted amounts as well as from previous reporting periods.
- 3.3.4 In its review of financial statements, the Committee should review and report to the Board of Directors any unusual or extraordinary items, transactions with related parties, and adequacy of disclosures, asset and liability carrying values, income tax status and related reserves, qualifications, if any, contained in letters of representation and business risks, uncertainties, commitments and contingent liabilities.
- 3.3.5 The Committee shall review any litigation, claim or other contingency and any regulatory or accounting initiative that could have a material effect upon the financial position or operating results of the Corporation and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.
- 3.3.6 In its review of financial statements, the Committee shall review the appropriateness of the Corporation's significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.

3.4 Financial reporting and accounting trends

The Committee shall:

- 3.4.1 review and assess the effectiveness of accounting policies and practices concerning financial reporting;
- 3.4.2 review with Management and with the external auditors any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of Management that may be material to financial reporting;
- 3.4.3 question Management and the external auditors regarding significant financial reporting issues discussed and the method of resolution; and
- 3.4.4 review general accounting trends and issues of accounting policy, standards and practices which affect or may affect the Corporation.

3.5 Internal controls

- 3.5.1 The Committee shall review and monitor the Corporation's internal control procedures, programs and policies, and assess the adequacy and effectiveness of internal controls over the accounting and financial reporting systems.
- 3.5.2 The Committee shall review:
 - 3.5.2.1 the evaluation of internal controls by the external auditors, together with Management's response;

- 3.5.2.2 the working relationship between Management and external auditors; and
 - 3.5.2.3 internal control procedures to ensure compliance with the law and avoidance of conflicts of interest.
- 3.5.3 The Committee shall undertake private discussions with staff in charge of the audit function to establish internal audit independence, the level of co-operation received from Management, the adequacy and effectiveness of internal controls, details on any related party transaction, the degree of interaction with the external auditors, and any unresolved material differences of opinion or disputes.
- 3.6 External auditors**
- 3.6.1 The Committee shall recommend to the Board of Directors the appointment of the external auditors, which must be a member of the Canadian Public Accountability Board (CPAB). The external auditors shall report directly to the Audit Committee (section 2.2 of Regulation 52-110) and that the Audit Committee shall be directly responsible for overseeing the work of the external auditors (section 2.3 (3) of Regulation 52-110).
 - 3.6.2 The Committee shall receive every year a report from the external auditors regarding the auditors' independence, discuss such report with the auditors, and if so determined by the Committee, recommend that the Board of Directors take appropriate action to satisfy itself as to the independence of the auditors.
 - 3.6.3 The Committee shall take appropriate steps to assure itself that the external auditors are satisfied with the quality of the Corporation's accounting principles and that the accounting estimates and judgments made by Management reflect an appropriate application of International Financial Reporting Standards.
 - 3.6.4 The Committee shall undertake private discussions on a regular basis with the external auditors to review, among other matters, the quality of financial personnel, the level of co-operation received from Management, any unresolved material differences of opinion or disputes and the effectiveness of the work of the internal audit.

If considered appropriate, the Committee shall establish separate systems of reporting to the Committee by each of Management and the external auditor.
 - 3.6.5 The Committee shall review the terms of the external auditors' engagement and the appropriateness and reasonableness of the proposed audit fees as well as the compensation of any advisors retained by the Committee and shall make recommendations in that respect to the Board of Directors.
 - 3.6.6 The Committee shall review and pre-approve any engagements for non-audit services provided by the external auditors or their affiliates, together with the fees for such services, and consider the impact of this on the independence of the external auditors in accordance with Schedule 4. The Committee shall determine what the non-audit services are, that the external auditors are prohibited from providing to the Corporation and may establish a procedure to satisfy the pre-approval requirements by the Committee of all non-audit services in accordance with Schedule 4.
 - 3.6.7 When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by regulations and the planned steps for an orderly transition.

The Committee shall review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant it.

- 3.6.8 The Committee shall review all reportable events, including disagreements, unresolved issues and consultations on a routine basis whether or not there is to be a change of auditors.
- 3.6.9 When discussing auditor independence, the Committee will consider both rotating the lead audit partner or audit partner responsible for reviewing the audit after a certain number of years and establishing hiring policies for employees or former employees of its external auditor.
- 3.6.10 The Committee must review and approve, if applicable, the Corporation's hiring policies regarding partners, employees or former partners and employees of the present and former external auditors of the Corporation.

3.7 Audit procedures

- 3.7.1 The Committee shall review the audit plans and shall inquire as to the extent to which the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or other illegal acts. The audit plan should be reviewed with the external auditors and with Management, and the Committee should recommend to the Board of Directors the scope of the external audit as stated in the audit plan.
- 3.7.2 The Committee shall review any problems experienced by the external auditors in performing the audit, including any restrictions imposed by Management or significant accounting issues on which there was a disagreement with Management.
- 3.7.3 The Committee shall review the post audit or Management letter containing the recommendations of the external auditors, and Management's response and subsequent follow-up to any identified weakness.

3.8 Risk Management and other responsibilities

- 3.8.1 The Committee shall put in place procedures to receive and handle complaints or concerns received by the Corporation about accounting or audit matters including the anonymous submission by employees of concerns respecting accounting or auditing matters.
- 3.8.2 The Committee shall review such litigations, claims, transactions or other contingencies as the external auditors or any officer of the Corporation may bring to its attention, and shall periodically review the Corporation's Risk Management Programs and Comprehensive Computer Disaster Recovery Plans.
- 3.8.3 The Committee shall examine any proposed policy of the Corporation on use of derivatives and monitor any risk associated thereto.
- 3.8.4 The Committee shall review the related party transactions in line with the applicable securities rules and regulations.
- 3.8.5 At the request of the Board of Directors, the Committee shall review business risks that could affect the ability of the Corporation to achieve its business plan.
- 3.8.6 The Committee shall review uncertainties, commitments, and contingent liabilities material to financial reporting.

- 3.8.7 The Committee shall review the effectiveness of control and control systems utilized by the Corporation in connection with the financial reporting of the Corporation.
- 3.8.8 The Committee shall review material valuation issues.
- 3.8.9 The Committee shall review the quality and accuracy of accounting systems, the adequacy of the protections against damage and disruption, and security of confidential information through information systems reporting of the Corporation.
- 3.8.10 The Committee shall review material matters relating to audits of subsidiaries.
- 3.8.11 The Committee shall review cases where Management has sought accounting advice on a specific issue from an accounting firm other than the one appointed as auditor.
- 3.8.12 The Committee shall review any legal matters that could have a significant impact on the financial statements.
- 3.8.13 The Committee shall consider other matters of a financial nature it feels are important to its mandate or as directed by the Board of Directors.
- 3.8.14 The Committee shall report regularly to the Board of Directors on its proceedings, reviews undertaken and any associated recommendations.
- 3.8.15 The Committee shall have the right, for the purpose of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Corporation and its subsidiaries.

4. Compensation

Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may determine from time to time.

No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory or other compensatory fee from the Corporation or any of its related parties or subsidiaries.

Approved by the Board on May 25, 2018

Schedule 1

Interpretation

“Accounting or Related Financial Experience” means the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with International Financial Reporting Standards (IFRS).

“Audit Services” means the professional services rendered by the issuer’s external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with the laws applicable in securities matters.

“Committee” means the Audit Committee of the Board of Directors of the Corporation.

“Executive Officer” means, with respect to an entity, an individual who is chair of the entity, President and Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer, a Vice-President of a principal business unit, an officer of any subsidiary or any other individual who performs policy-making functions in respect of an entity.

“External Auditor” means a public accounting firm that is retained by the Corporation or any of its subsidiaries to provide Audit Services to the Corporation or any of its subsidiaries, including each of such firm’s affiliated member firm.

“Financially Literate” An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.

“Non-audit services” means services other than “Audit Services”.

“Public Traded Subsidiary” means a subsidiary company, participating voting shares of which are listed for trading on a recognized stock exchange.

“Unrelated or Independent Directors” means a director who is “independent” within the meaning of section 1.4 of National Policy 52-110 – Audit Committees.

Schedule 2

1. Composition

- 1.1 The Committee shall consist solely of Independent Directors, all of whom shall be Financially Literate and at least one of whom shall have Accounting or Related Financial Experience.
- 1.2 The members of the Committee must not be executive officers, employees or control persons of the Corporation (section 6.1.1(3) of Regulation 52-110), unless one of the circumstances provided in section 6.1.1 (4), 6.1.1(5) and 6.1.1(6) of Regulation 52-110 arises.
- 1.3 Following each Annual General Meeting of Shareholders, the Board of Directors shall elect a minimum of three Directors and a maximum of five Directors, who shall meet all independence and experience requirements, to serve on the Committee until the close of the next Annual General Meeting of Shareholders of the Corporation or until the member ceases to be a Director, resigns or is replaced, whichever first occurs. Any member may be removed from office or replaced at any time by the Board of Directors. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all the powers of the Committee so long as quorum remains.
- 1.4 The Board of Directors shall appoint one of the members of the Committee as the chairman of the Committee (the “Chairman”). If the Chairman is absent from a meeting, the members shall select a Chairman from those in attendance to act as Chairman of the meeting.

Schedule 3

1. Meetings and Resources

Regular meetings of the Committee shall be held at least quarterly. The Committee should meet within 60 days following the end of the first three financial quarters of the Corporation and shall meet within 120 days following the end of the fiscal year of the Corporation. The Committee shall have one additional meeting annually for the purposes of discussing general topics relevant to the Committee. Special meetings of the Committee may be called by the Chairman of the Committee, the external auditors, the Chairman of the Board of Directors of the Corporation or the Chief Financial Officer of the Corporation.

- 1.1 The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than a majority of the acting members of the Committee from time to time.
- 1.2 Unless otherwise determined by the Board of Directors, the Committee shall have the power to fix its quorum and to regulate its procedure. Matters decided by the Committee shall be decided by majority vote.
- 1.3 Notice of each meeting shall be given to each member, the external auditors, the Chairman of the Board of Directors of the Corporation, the President and CEO and the Chief Financial Officer of the Corporation, any or all of whom shall be entitled to attend, unless a member of that Committee believes that there is a potential conflict of interest in which event only members of the Committee and such other people that the Committee determines necessary will be permitted to attend.
- 1.4 Members of the Committee shall have full access to information of the Corporation (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Corporation with Management, employees, the external auditor and others as they consider appropriate.
- 1.5 Notice of Meeting may be given orally or by letter, telephone facsimile transmission, telephone or electronic device not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The Notice need not state the purpose or purposes for which the meeting is being held.
- 1.6 Opportunities should be afforded periodically to the external auditors and the senior Management to meet separately with the Committee. The Committee and the Chairman should meet at least once per year with Management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chairman should meet with Management quarterly in connection with the Corporation's interim financial statements.
- 1.7 The Committee shall have the authority to retain special legal counsel, accountant or other consultants as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee at the Corporation's expense. The Audit Committee has the authority to set and pay the compensation for any advisors employed by the Audit Committee (section 4.1 of Regulation 52-110).
- 1.8 The Chairman of the Committee shall appoint a Secretary of all meetings of the Committee and such Secretary shall maintain minutes of all meetings and deliberations of the Committee. A copy of the minutes shall be provided to each member of the Committee.

Schedule 4

POLICY REGARDING PRE-APPROVAL OF SERVICES PROVIDED BY THE EXTERNAL AUDITOR

1. GENERAL

- 1.1 Purpose. The Corporation and its subsidiary entities engage its External Auditor from time to time to provide both Audit Services and Non-Audit Services. The Corporation believes that it may be appropriate to engage the External Auditor to provide certain Non-Audit Services given that the External Auditor possesses unique knowledge of the business and affairs of the Corporation and its subsidiaries and can provide necessary and valuable services to the Corporation and its subsidiaries. The Committee has established this Policy for the pre-approval of services provided to the Corporation and its subsidiaries by the External Auditor for the purpose of identifying, mitigating and/or eliminating potential threats to the independence of the External Auditor.
- 1.2 Application. This Policy applies to the Corporation and all of its subsidiary entities. Similar policies are in place at the Publicly Traded Subsidiaries, governing these subsidiaries and their subsidiaries.
- 1.3 Reporting. Individuals, who become aware of a situation or incident where this Policy has been, or may be breached, must report the situation or incident immediately. Officers or employees of the Corporation or any of its wholly owned subsidiary entities should report to an Executive Officer of the Corporation. Members of the Board of Directors should report to the Chairman of the Board of the Corporation.
- 1.4 Consequences of Non-Compliance with this Policy. Any Director, Officer or other employee of the Corporation or any of its wholly owned subsidiary entities who violates this Policy may face disciplinary action up to and including termination of his or her appointment or employment. Violation of this Policy could also result in other sanctions and/or liability for damages for the director, officer or other employee and/or the Corporation.

2. AUDIT SERVICES

The Committee's approval of the terms of the engagement of the External Auditor for Audit Services and the recommendation to the Board of Directors that a public accounting firm be appointed; the External Auditor of the Corporation shall constitute pre-approval of the Audit Services set forth in Schedule 4A, ("Audit Services") which Schedule shall be reviewed periodically by the Committee and amended as the Committee may deem necessary or advisable.

3. NON-AUDIT SERVICES

- 3.1 Prohibited Non-Audit Services. Neither the Corporation nor any of its subsidiary entities shall engage the External Auditor to provide, directly or indirectly, any of the Non-Audit Services set forth in Schedule 4B ("Prohibited Non-Audit Services").
- 3.2 Permitted Non-Audit Services Budget.
 - (a)The CFO shall submit a detailed annual budget, prior to the start of each fiscal year, of Permitted Non- Audit Services (the "Permitted Non-Audit Services Budget ") that the CFO

would like to have pre-approved for the upcoming fiscal year. The Committee shall review the Permitted Non-Audit Services Budget. At each quarterly meeting of the Committee the CFO shall provide the Committee with a reconciliation of the actual amount of Permitted Non-Audit Services actually incurred against the amount anticipated in the Budget and their best estimate of any additional Permitted Non-Audit Services specific services that they would like to have the Auditor perform. The Committee shall review and, if appropriate, recommend to the Board of Directors that the amended Permitted Non-Audit Services Budget presented at that quarterly meeting be approved.

(b) Any specific requests for engaging the External Auditor to provide a Permitted Non-Audit Service that does not form part of the Permitted Non-Audit Services Budget (and therefore has not been pre-approved) will be made by the CFO directly to the Chairman of the Committee; provided, however, that at no time can the aggregate of the Permitted Non-Audit Service that has not been pre-approved exceed five percent (5%) of the total amount of fees reasonably expected to be paid to the Auditor in that fiscal year (the "Maximum Non-Approved Permitted Non-Audit Services"). At each meeting of the Committee they shall review and, if appropriate, approve the Permitted Non-Audit Services that were not pre-approved and have been incurred. If the Committee does not approve that expenditure the Maximum Non-Approved Permitted Non-Audit Services for that fiscal year shall be reduced by the amount of the expenditure incurred. If the Committee approves that expenditure the Permitted Non-Audit Services Budget shall be deemed to be amended accordingly and the Maximum Non-Approved Permitted Non-Audit Services shall be re-set as if the expenditure had not been incurred.

- 3.3 Independence. In reviewing Permitted Non-Audit Services for pre-approval, the Committee shall consider the impact of all such services and associated fees on the independence of the External Auditor.
- 3.4 Corporate Procedures. The Committee may establish and maintain appropriate procedures to implement this Policy.
- 3.5 Procedures of the External Auditor. The Corporation shall provide a copy of this Policy to the External Auditor and shall require that the External Auditor implement its own policies and procedures to ensure that Prohibited Non-Audit Services are not provided to the Corporation or to any of its subsidiary entities and that all Permitted Non-Audit Services that are provided to the Corporation or to any of its subsidiary entities have been pre-approved in accordance with this Policy.
- 3.6 Publicly Traded Subsidiaries. The Committee shall require that the Secretary of the Committee, table a report annually, from the Secretary of each Publicly Traded Subsidiary's Audit confirming that:
 - (i) such subsidiary has in place a policy substantially the same as the Policy, governing such subsidiary and its subsidiaries; and
 - (ii) that the policy of such subsidiary governing Audit Services, Prohibited Non-Audit Services and Permitted Non-Audit Services conforms with Policy and the appropriate Schedules under paragraph 2 and 3 hereof.

Schedule 4A

AUDIT SERVICES – MASON GRAPHITE INC.

1. Audits of Consolidated Financial Statements and services normally provided in connection with statutory and regulatory filings or engagements, including consultation on accounting issues, attendance at Audit Committee meetings and other services integral to audits of financial statements for the Corporation and its subsidiaries.
2. Compliance letters, agreed-upon procedures, reviews and similar reports based on Audited Consolidated Financial Statements for the Corporation and its subsidiaries.
3. Other audit engagements that may become necessary in compliance with future regulatory requirements, including audit of Management's assessment of internal controls and audit of internal controls. Services include coordination and review activities that assist in identifying potential audit considerations associated with an anticipated attest engagement.

Schedule 4B
PROHIBITED NON-AUDIT SERVICES

1. Management Functions: make a Management decision or perform Management functions for the Corporation or any of its subsidiary entities including: (i) authorizing, approving, executing or consummating a transaction; (ii) having or exercising authority on behalf of the Corporation or any of its subsidiary entities; (iii) determining which recommendation of external auditor will be implemented; or (iv) reporting in a Management role to those charged with governance of the Corporation or any of its subsidiaries entities.
2. Journal Entries and Sources Documents: (i) prepare or change a journal entry, determine or change an account code or a classification for a transaction or prepare or change another accounting record without the approval of Management; or (ii) prepare a source document or originating data, or make a change to such a document or data.
3. Accounting or Bookkeeping: accounting or bookkeeping services related to the accounting records or financial statements to be audited including: (i) maintaining or preparing the accounting records of the Corporation or any of its subsidiary entities; (ii) preparing the financial statements or preparing financial statements which form the basis of the financial statements on which the audit report is provided; or (iii) preparing or originating source data underlying such financial statements, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during the audit of such financial statements.
4. Actuarial: actuarial services to the Corporation or any of its subsidiary entities unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during the audit of the financial statements.
5. Internal Audit: internal audit services to the Corporation or any of its subsidiary entities that relate to the internal accounting controls, financial systems or financial statements of the Corporation or any of its subsidiary entities unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during the audit of the financial statements.
6. Financial Information Systems Design and Implementation: financial information systems design or implementation services where such services involve: (i) directly or indirectly operating, or supervising the operation of the information system of the Corporation or any of its subsidiary entities, or managing the local area network of the Corporation or any of its subsidiary entities; (ii) designing or implementing a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to the financial statements or other financial information systems of the Corporation or any of its subsidiary entities taken as a whole, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the financial statements.
7. Expert and Legal: expert opinion or other expert services for the purpose of advocating the interest of the Corporation or any of its subsidiary entities in a civil, criminal, regulatory, administrative or legislative proceeding or investigating, or legal services.
8. Human Resources: provide any of the following services to the Corporation or any of its subsidiary entities: (i) searching for seeking out prospective candidates for Management, executive or director positions; (ii) engaging in psychological testing, or other formal testing or evaluation programs; (iii) undertaking reference checks of prospective candidates for an executive or director position; (iv) acting as a negotiator or mediator on behalf of the Corporation or any of its subsidiary entities with respect to employees or future employees with respect to any condition of employment, including position, status or title, compensation or fringe benefits; or (v) recommending or advising the entity to hire a specific candidate for a specific job.

9. Corporate Finance: (i) promoting, dealing in or underwriting the securities of the Corporation or any of its subsidiary entities; (ii) making investment decisions on behalf of the Corporation or any of its subsidiary entities, or otherwise having discretionary authority over the investments of the Corporation or any of its subsidiary entities; (iii) executing a transaction to buy or sell investment of the Corporation or any of its subsidiary entities; or (iv) having custody of assets of the Corporation or any of its subsidiary entities, including taking temporary possession of securities purchased by the Corporation or any of its subsidiary entities.
10. Other Services: any other services prohibited by the Canadian Institute of Chartered Accountants, the Canadian Public Accountability Board or other regulatory body of competent jurisdiction.

Schedule 4C

MASON GRAPHITE INC.

**PRE-APPROVED LIST
PERMITTED NON-AUDIT SERVICES**

A. AUDIT-RELATED SERVICES

1. Reviews of securities filing, letters to underwriters and other services related to financings for the Corporation and its subsidiaries.
2. Review of unaudited interim condensed consolidated financial statements of the Corporation and related regulatory filings.
3. Audits/specified procedures related to reports and filings.

B. TAX SERVICES

Tax consultations and assistance for the Corporation, its subsidiaries and certain mutual funds in connection with all tax matters, including, without limitation, income taxes, property taxes, commodity taxes, capital taxes and payroll taxes.

C. OTHER SERVICES

1. Translation services for Unaudited Interim Condensed and Audited Consolidated Annual Financial Statements, MD&A, quarterly and annual reports to shareholders and if applicable, Annual Information Forms, for the Corporation and its subsidiaries.
2. Financial and tax due diligence on proposed acquisitions, divestitures or discontinued operations for the Corporation and its subsidiaries