



MASON GRAPHITE Inc.

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Press Release
For immediate release

MASON GRAPHITE SETS THE RECORD STRAIGHT AND CORRECTS MISLEADING AND BASELESS STATEMENTS BY A SELF-SERVING DISSIDENT SHAREHOLDER

- The Dissident Nominees would serve one shareholder, Fahad Al-Tamimi, who has no plan, omitted key facts and suggested an Investor Relations Officer as the CEO. Mason Graphite encourages shareholders to consider the facts in order to make an informed voting decision.
- Do not let Al-Tamimi take over the Company without paying a premium to shareholders. Shareholders are encouraged to vote FOR Management's Director Nominees and to not support Al-Tamimi's questionable hand-picked slate.
- If shareholders have already voted in favor of Al-Tamimi based on inaccurate information provided to them, they can change their vote by simply voting again using Management's proxy prior to December 23, 2020 at 10:00 a.m. (Eastern Time).
- Shareholders who have questions or require voting assistance should contact Laurel Hill Advisory Group at 1-877-452-7184 or by email at assistance@laurelhill.com. Please visit www.masongraphite.com for more information.

Montreal, Quebec, Canada, December 14, 2020 – **Mason Graphite inc.** ("Mason Graphite" or the "Company") (TSX.V: LLG; OTCQX: MGPHF) is disappointed by Fahad Al-Tamimi's ("**Al-Tamimi**") latest self-serving tactics. The Company would like to set the record straight and correct misleading and false assertions made by Al-Tamimi to try and garner shareholder support.

- **Al-Tamimi's Misleading Allegations Relating to Alternative Business Plan.** Al-Tamimi states that the Mason Graphite Board of Directors (the "**Board**") did not evaluate the alternative business plan he put forward. The fact is Al-Tamimi NEVER presented a formal plan to the Board for review. Instead, the Board was only provided with a conceptual approach stemming from his discussion with the former Chairman of the Board/Interim CEO. This approach, which centered around coated graphite, was unsupported by a clear business strategy, market analysis, budgets or quantified facts. Notwithstanding the unsupported nature of Al-Tamimi's plan, the Board Chair tried to accommodate Al-Tamimi by meeting with a potential supplier of spherical graphite. In an effort to test the theory, Management attempted to work on Al-Tamimi's conceptual approach and ultimately improved on it by adding a value-added product ("VAP") strategy and plan as part of a broader and integrated graphite business. In the April 9, 2020 press release, Mason Graphite announced that given the graphite market conditions, it would re-prioritize its projects and postpone its mine and concentrator project in order to focus on the "second transformation phase" project: coated spherical graphite. This decision was supported by the Board, including Al-Tamimi's recently appointed representative on the Board.

- **Al-Tamimi's Cherry-Picked Data to Benefit his Cause.** Al-Tamimi claims that from the high closing price of the stock in 2017 the stock price is down about 90%. This biased, cherry-picked view fails to realize that in the past twelve months, the stock is actually up 66.67%, and on the five-year basis the stock is only marginally down 7.9%. Al-Tamimi also claims that in the days following the announcement of his dissident director nominees on October 29, 2020, the Company's share price began to recover. He conveniently omits the fact it is likely due to Mason Graphite's own news release post-market close on October 28, 2020 which detailed the VAP or 2nd Transformation Project. Shareholders responded favourably to the Company's news and caused the share price to rise approximately 16% on that day. Since October 29, 2020, the stock market generally has seen unprecedented optimism for many factors that are unrelated to Al-Tamimi's action including the U.S. presidential election, COVID-19 vaccine announcements and general optimism in the economy.

- **Al-Tamimi's Omission of Self-Serving Requests.** The Board has demonstrated a willingness to work with Al-Tamimi as illustrated below. However, Al-Tamimi's demands continued to be more elaborate and self-serving:
 - In February 2020, the Board accepted Al-Tamimi's request to appoint a representative onto the Board;
 - After the departure of CEO Benoît Gascon in March 2020, Mr. Paul Carmel, then Chairman of the Board, was also appointed interim CEO, a position he held until his departure on August 31, 2020. The Board set up a CEO search committee, which included Al-Tamimi's Board representative, in order to initiate the process of finding a CEO. The Board confirmed it was prepared to consider candidates Al-Tamimi's representative would bring forward: he put forward Mr. Simon Marcotte, who previously held Investor Relations roles with the Company. Mr. Marcotte met with several Company executives in early April;
 - On April 16, 2020, Al-Tamimi demanded:
 - a) the resignation of the entire Mason Graphite Board, and
 - b) the appointment of Mr. Marcotte as CEO;In alignment with their fiduciary duty to act in the best interests of ALL shareholders, the Board did not comply with Al-Tamimi's threats;
 - In an effort to negotiate again, in June 2020, the Mason Graphite Board agreed to Al-Tamimi's request to join the Board and he was appointed on June 11, 2020.

- **Al-Tamimi's Distorted Facts Relating to Shareholder Alignment of the Board.** With respect to Al-Tamimi's comment relating to the Board's shareholder alignment and ownership of shares, these are the facts:
 - The Board and Management have been in a 'black out' period since April 2018. Therefore, no members of the Board nor Management have been able to transact Mason Graphite shares and options;
 - In terms of ensuring shareholder alignment, over 20% of the outstanding shares are represented on the current Board.

AL-TAMIMI'S NOMINEES LACK THE DEPTH TO MOVE MASON GRAPHITE FORWARD AND ULTIMATELY WILL ONLY SERVE HIS OWN AGENDA:

Mason Graphite would like to remind shareholders that Al-Tamimi and his nominees:

1. Lack credibility; it is an interconnected group that will serve only one shareholder: Al-Tamimi;
2. Lack the in-depth graphite mining and graphite transformation knowledge they claim to have. It is an extremely misleading exaggeration to say that the individuals proposed are highly qualified and competent in the industrial minerals and graphite industry;
3. Have no track record of success in building sustainable and profitable industrial minerals mining operations in Québec;
4. Al-Tamimi is an “opportunistic” shareholder who undoubtedly views the Company’s strong cash position as an opportunity to enrich himself at the expense of all Mason Graphite shareholders;
5. While the current Mason Graphite Board is proud to embrace the sound strategy of keeping the residency of the majority of its members within Quebec, Al-Tamimi’s dissident slate is compromised on this front and Al-Tamimi specifically excluded a representative of Investissement Quebec, the Company’s single largest shareholder, that has invested Quebec government money in Mason Graphite which it considers to be a strategic mineral resource. Furthermore, Investissement Québec has a contractual right to appoint a nominee on the Board. This is a clear example of Al-Tamimi’s inexperience of what a sound and representative Board should comprised of.

MASON GRAPHITE IS WELL POSITIONED TO GROW – Support Management’s Director Nominees

Mason Graphite is well positioned to continue to grow with its sound business plan. Key items are highlighted below:

- **Positive Foresight.** In view of difficult graphite market conditions and the challenges relative to financing the mine construction, including the highly dilutive impact on existing shareholders, value-added graphite products (VAP) became the Company’s main focus as a result of growing market demand and superior economics for these products. This decision was further supported by a high-level technical and economic study which concluded that a VAP plant, for the production of coated spherical graphite used for Li-ion batteries, presented sufficient potential to justify more in-depth analysis and a rigorous testing of products was undertaken. THIS STRATEGY WAS SUPPORTED BY THE ENTIRE BOARD, INCLUDING THE REPRESENTATIVE OF AL-TAMIMI. Demand for these technically sophisticated products in the battery materials sector is currently growing, which means that the Company’s foresight in investing time and resources in this area was prescient and timely.
- **Operationally Solid.** Today, Mason Graphite is virtually ready for the upcoming rebound in the graphite market. The Company has all the required permits to start mine construction and the engineering for the mine and plant is 75% complete.

- **Strategic Partners.** The Board has been in an on-going dialogue with its various stakeholders on the future direction of the Company. As part of this process, it has engaged a strategic advisory firm to assist it in the evaluation of several potential strategic partners in the battery materials and mining industry. The selection of the firm was approved by the Board.

IN SUMMARY

- A. The Board has demonstrated a willingness to collaborate and work with Al-Tamimi:
- It appointed his two (2) nominees to the Board of Directors, which more than represents his position;
 - It appointed his Board representative as Chair of the Governance committee, member of the CEO search Committee and member of the Strategic Committee;
 - It accepted his input in determining corporate strategy.
- B. The Board has maintained a strong cash position through lean management and the judicious use of financial resources over the past year, which makes it a highly attractive target for opportunistic self-serving “corporate raiders”.
- C. The Board is committed to ensuring the Company becomes a sustainable and profitable value-added producer in the strategic minerals sector and to providing superior value for shareholders.
- D. The Board has kept a disciplined focus and has put in place the building blocks to capitalize on the market’s eventual rebound and has completed several key process and product milestones.
- E. The Board has a superior appreciation of the challenges in bringing to market industrial minerals that meet clients’ needs and it has the expertise required in financing, project development, operations as well as knowledge of the Quebec business environment.
- F. Mason Graphite is no longer a “junior mining company” as perceived by Al-Tamimi and his nominees. Through the addition of a value-added product strategy, Mason Graphite has evolved into a mining, R&D and graphite transformation company ready to become a leading supplier in the mineral battery industry.

SHAREHOLDERS SHOULD BE WARY OF THE TRUE MOTIVES OF AL-TAMIMI AND HIS QUESTIONABLE HAND-PICKED SLATE. DO NOT BE FOOLED - AL-TAMIMI’S SELECTIVE DISCLOSURE IS CLEARLY ONLY TO SERVE HIS OWN AGENDA AT YOUR COST.

MASON GRAPHITE BOARD RECOMMENDATION

The Board recommends shareholders vote using only Management’s proxy, **FOR Management’s Nominees**, in order to protect their investment and the future development of the Company.

If shareholders have already voted in favor of Al-Tamimi based on inaccurate information provided to them, they can change their vote by simply voting again using Management’s proxy prior to December 23, 2020 at 10:00 a.m. (Eastern Time).

VOTE TO SUPPORT THE CURRENT BOARD

In order to ensure the opportunistic and self-serving Al-Tamimi and his nominees are not given the opportunity to take the reins of Mason Graphite, all shareholders are encouraged to vote well in advance of the deadline of December 23, 2020 at 10:00 a.m. (Eastern Time).

Shareholders are encouraged to review Management's materials and vote using only Management's proxy FOR Management's nominees. For up-to-date information please visit the Company's website at www.masongraphite.com.

The Company has retained Laurel Hill as its shareholder communications advisor and proxy solicitation agent. Laurel Hill will receive a proxy solicitation fee of \$75,000 for its services plus disbursements. All costs of solicitation by Management will be borne by the Company.

SHAREHOLDER QUESTIONS AND VOTING ASSISTANCE

Please contact the Company's shareholder communications advisor and proxy solicitation agent, Laurel Hill Advisory Group at:

Toll Free: 1-877-452-7184

Email: assistance@laurelhill.com

About Mason Graphite

Mason Graphite is a Canadian corporation dedicated to the production and transformation of natural graphite. Its strategy includes the development of value-added products, notably for green technologies like transport electrification. The Company also owns 100% of the rights to the Lac Guéret graphite deposit, one of the richest in the world. The Company is managed by an experienced team cumulating many decades of experience in graphite, covering production, sales, as well as research and development.

Mason Graphite inc.

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Cautionary Statements

This press release contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts",

"intends"; "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) volatile stock price; (ii) the general global markets and economic conditions; (iii) the possibility of write-downs and impairments; (iv) the risk associated with exploration, development and operations of mineral deposits; (v) the risk associated with establishing title to mineral properties and assets; (vi) the risks associated with entering into joint ventures; (vii) fluctuations in commodity prices; (viii) the risks associated with uninsurable risks arising during the course of exploration, development and production; (ix) competition faced by the resulting issuer in securing experienced personnel and financing; (x) access to adequate infrastructure to support mining, processing, development and exploration activities; (xi) the risks associated with changes in the mining regulatory regime governing the resulting issuer; (xii) the risks associated with the various environmental regulations the resulting issuer is subject to; (xiii) risks related to regulatory and permitting delays; (xiv) risks related to potential conflicts of interest; (xv) the reliance on key personnel; (xvi) liquidity risks; (xvii) the risk of potential dilution through the issue of common shares; (xviii) the Company does not anticipate declaring dividends in the near term; (xix) the risk of litigation; and (xx) risk management.

Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, no material adverse change in metal prices, exploration and development plans proceeding in accordance with plans and such plans achieving their stated expected outcomes, receipt of required regulatory approvals, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this press release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

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