



**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**to be held on July 14, 2022, at 10:00 a.m. (Montréal time)**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**with respect to**

**a proposed option and joint venture agreement with Nouveau Monde Graphite Inc. to further explore and develop the Lac Guéret Property**

**and**

**a proposed change of business of Mason Graphite Inc.**

**RECOMMENDATION TO SHAREHOLDERS:**

**THE BOARD OF DIRECTORS OF MASON GRAPHITE INC. UNANIMOUSLY RECOMMENDS THAT  
SHAREHOLDERS VOTE**

**FOR**

**EACH OF THE JV RESOLUTION AND THE COB RESOLUTION**

June 17, 2022

*These materials are important and require your immediate attention. They require shareholders of Mason Graphite Inc. to make important decisions. If you have any questions or require assistance with voting, please contact our strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, who can be reached by toll-free telephone in North America at 1-800-749-9052, by collect call outside North America at 1-416-867-2272, or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).*

*Neither the TSX Venture Exchange nor any securities regulatory authority has in any way passed upon the merits of the Proposed JV Transaction and the Proposed COB, as further described in this management information circular.*



June 17, 2022

Dear Shareholders,

After careful consideration, Mason Graphite Inc. ("**Mason Graphite**" or the "**Company**") has agreed to a transaction whereby the Company will enter into an option and joint venture agreement (the "**OJV Agreement**") with Nouveau Monde Graphite Inc. ("**Nouveau Monde**"), a leading North American mining and mineral processing company, to further explore and develop the Lac Guéret property owned by the Company (the "**Lac Guéret Property**").

This Circular explains the structure and rationale for the Proposed JV Transaction and the Proposed COB (each as defined below), and the mechanism by which the holders (the "**Shareholders**") of common shares (the "**Shares**") of Mason Graphite will vote on the approval of such transactions. The Company's board of directors (the "**Board of Directors**") recommends that Shareholders review this Circular carefully to understand the numerous compelling reasons to support the Proposed JV Transaction and the Proposed COB.

At an upcoming special meeting of the Shareholders (the "**Meeting**"), the Shareholders will be asked:

- (a) to consider and, if deemed advisable, to pass an ordinary resolution (the "**JV Resolution**") approving, among other things, the entering into of the OJV Agreement with Nouveau Monde, pursuant to which (i) Mason Graphite will grant to Nouveau Monde a sole, exclusive, irrevocable and non-assignable option to acquire a fifty-one percent (51%) undivided co-ownership interest in the Lac Guéret Property and certain related assets (the "**Option**") and, (ii) upon the exercise of such Option by Nouveau Monde, Mason Graphite will form of a joint venture with Nouveau Monde to undertake exploration, development and mining activities at the Lac Guéret Property (the "**Joint Venture**") (the granting of the Option and the potential formation of the Joint Venture being hereinafter referred to as the "**Proposed JV Transaction**"), pursuant to Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* of the TSX Venture Exchange (the "**TSX-V**");
- (b) to consider and, if deemed advisable, to pass an ordinary resolution (the "**COB Resolution**") and, together with the JV Resolution, the "**Resolutions**") approving the change of business of the Company from a "Tier 2 mining issuer" to a "Tier 2 investment issuer" (the "**Proposed COB**"), pursuant to Policy 5.2 – *Changes of Business and Reverse Takeovers* of the TSX-V; and
- (c) to transact such other business as may properly come before the Meeting or any postponement or adjournment thereof.

If the necessary approvals are obtained and the other conditions to closing are satisfied or waived, it is anticipated that the Company will enter into the OJV Agreement in the third quarter of 2022.

**Unanimous Board Recommendation – Vote "FOR" each of the Resolutions**

The Board of Directors, after receiving advice from its outside legal counsel and financial advisors, determined that the Proposed JV Transaction is in the best interests of the Company and fair, from a financial point of view, to the Company. The Board of Directors, after consideration of a number of factors, determined that the Proposed COB is in the best interests of the Company.

**The Board of Directors unanimously recommends that the Shareholders vote FOR each of the Resolutions**

#### **VOTE YOUR PROXY TODAY**

The Board of Directors has set the close of business on June 13, 2022 (the “**Record Date**”) as the record date for determining the Shareholders who are entitled to receive notice of, and to vote at, the Meeting. Only persons shown on the register of Shareholders at the close of business on that date, or their duly appointed proxyholders, will be entitled to attend the Meeting and vote on the Resolutions. Each Share entitled to be voted at the Meeting will entitle the holder thereof as at the Record Date to one vote at the Meeting in respect of each of the Resolutions. For the Proposed JV Transaction to proceed, the JV Resolution must be approved by not less than a majority of the votes cast at the Meeting by Shareholders present (whether in person or virtually) or represented by proxy and entitled to vote at the Meeting. For the Proposed COB to proceed, the COB Resolution must be approved by not less than a majority of the votes cast at the Meeting by Shareholders present (whether in person or virtually) or represented by proxy and entitled to vote at the Meeting.

**To be counted at the Meeting, proxies must be received by the Company’s transfer agent, TSX Trust, at its offices located at 100 Adelaide West, Suite 301, Toronto, Ontario, M5H 4H1, or faxed at 1-416-595-9593, or scanned and emailed to [tsxtis@tmx.com](mailto:tsxtis@tmx.com), not later than 10:00 a.m. (Montréal time) on July 12, 2022 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened meeting if the Meeting is adjourned or postponed).**

If you hold Shares through an Intermediary as an objecting beneficial owner and received a voting instruction form from your intermediary or Broadridge Financial Solutions, Inc. (“**Broadridge**”), you should follow the instructions provided in this Circular to ensure your vote is counted at the Meeting.

On behalf of the Company, I would like to thank all of our Shareholders for their continuing support.




Yours very truly,

(signed) “*Fahad Al Tamimi*”

Chairman of the Board of Directors

## VOTE USING THE FOLLOWING METHODS PRIOR TO THE MEETING

Your vote is important regardless of how many Shares you own. Whether or not you are able to attend the Meeting, Shareholders are encouraged to vote as soon as possible electronically, by email, facsimile or in writing, by following the instructions set out on the form of proxy or voting instruction form, as applicable, which accompanies the notice of Meeting.

Voting Method	Registered Shareholders and Non-Objecting Beneficial Owners  If your Shares are held in your name and are represented by a physical certificate or DRS Advice  Or if you received a form of proxy from TSX Trust	Objecting Beneficial Owners  If your Shares are held with a broker and you received a VIF from Broadridge or your broker
Internet 	<a href="http://www.voteproxyonline.com">www.voteproxyonline.com</a>	<a href="http://www.proxyvote.com">www.proxyvote.com</a>
Facsimile 	1-416-595-9593	Complete, date and sign the VIF and fax it to the number listed therein.
Telephone 	N/A	1-800-474-7493
Return of proxy or VIF by email	<a href="mailto:tsxtis@tmx.com">tsxtis@tmx.com</a>	N/A

If you have any questions or need assistance in your consideration of the Proposed JV Transaction or the Proposed COB, or with the completion and delivery of your proxy, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, who can be reached by toll-free telephone in North America at 1-800-749-9052, by collect call outside North America at 1-416-867-2272, or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

The Meeting will be held at 10:00 a.m. (Montréal time) on July 14, 2022, in a hybrid format, in person at Le Germain Hotel Montreal, Room Pavillon, 3<sup>rd</sup> Floor, 2050 Mansfield Street, Montréal, Québec, H3A 1Y9, and virtually by live audio webcast at <https://virtual-meetings.tsxtrust.com/1383>, the password being "mason2022" (case sensitive). Physical access and online access to the Meeting will respectively begin at 9:30 a.m. (Montréal time) on July 14, 2022. The Company is providing the virtual format in order to provide Shareholders with an equal opportunity to attend and participate at the Meeting, regardless of their geographic location or the particular constraints, circumstances or risks that they may be facing as a result of COVID-19.

The Company is actively monitoring the public health and travel safety concerns relating to COVID-19 and the advisories or mandates that federal, provincial and local governments, and related agencies, may issue. In the event that it is not possible or advisable to hold the Meeting in person as currently planned, the Company may be required to hold a virtual-only Meeting, in which case the Company will announce the decision to do so via a press release and by posting details on the Company's website that will also be filed on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**MASON GRAPHITE INC.**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
to be held on July 14, 2022**

**NOTICE IS HEREBY GIVEN** that a special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Shares**”) of Mason Graphite Inc. (“**Mason Graphite**” or the “**Company**”) will be held in a hybrid format on July 14, 2022 at 10:00 a.m. (Montréal time) for the following purposes:

1. to consider and, if deemed advisable, to pass an ordinary resolution (the “**JV Resolution**”) approving, among other things, the entering into of an option and joint venture agreement (the “**OJV Agreement**”) with Nouveau Monde Graphite Inc. (“**Nouveau Monde**”), pursuant to which (i) Mason Graphite will grant to Nouveau Monde a sole, exclusive, irrevocable and non-assignable option to acquire a fifty-one percent (51%) undivided co-ownership interest in the Lac Guéret property owned by the Company (the “**Lac Guéret Property**”) and certain related assets (the “**Option**”) and, (ii) upon the exercise of such Option by Nouveau Monde, Mason Graphite will form of a joint venture with Nouveau Monde to undertake exploration, development and mining activities at the Lac Guéret Property (the “**Joint Venture**”) (the granting of the Option and the potential formation of the Joint Venture being hereinafter referred to as the “**Proposed JV Transaction**”) pursuant to Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* of the TSX Venture Exchange (the “**TSX-V**”). The full text of the JV Resolution is set forth in Appendix B to the accompanying management information circular (the “**Circular**”);
2. to consider and, if deemed advisable, to pass an ordinary resolution (the “**COB Resolution**” and, together with the JV Resolution, the “**Resolutions**”) approving the change of business of the Company from a “Tier 2 mining issuer” to a “Tier 2 investment issuer” (the “**Proposed COB**”), pursuant to Policy 5.2 – *Changes of Business and Reverse Takeovers* of the TSX-V. The full text of the COB Resolution is set forth in Appendix C to the Circular; and
3. to transact such other business as may properly come before the Meeting or any postponement or adjournment thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Circular which accompanies and is deemed to form part of this notice of special meeting of Shareholders (this “**Notice of Meeting**”).

The Meeting will be held in a hybrid format, in person at Le Germain Hotel Montreal, Room Pavillon, 3<sup>rd</sup> Floor, 2050 Mansfield Street, Montréal, Québec, H3A 1Y9, and virtually by live audio webcast at <https://virtual-meetings.tsxtrust.com/1383>, the password being “mason2022” (case sensitive). Physical access and online access to the Meeting will respectively begin at 9:30 a.m. (Montréal time) on July 14, 2022. The Company is providing the virtual format in order to provide Shareholders with an equal opportunity to attend and participate at the Meeting, regardless of their geographic location or the particular constraints, circumstances or risks that they may be facing as a result of COVID-19.

Shareholders are entitled to vote at the Meeting either in person, virtually or by proxy with each Share entitling the holder thereof to one vote at the Meeting. The board of directors of the Company has fixed June 13, 2022 as the record date for determining Shareholders who are entitled to receive notice of and vote at the Meeting. Only Shareholders whose names have been entered in the register of the Company as at the close of business on such date will be entitled to receive notice of and vote at the Meeting.

Your vote is important regardless of how many Shares you own. Whether or not you are able to attend the Meeting, Shareholders are urged to vote as soon as possible electronically, by email, facsimile or in writing, by following the instructions set out on the form of proxy or voting instruction form, as applicable, which accompanies this Notice of Meeting. Proxies must be received by the Company's transfer agent and registrar for the Shares, TSX Trust (the "**Transfer Agent**"), at its offices located at 100 Adelaide West, Suite 301, Toronto, Ontario, M5H 4H1, or faxed at 1-416-595-9593, or scanned and emailed to [tsxtis@tmx.com](mailto:tsxtis@tmx.com), not later than 10:00 a.m. (Montréal time) on July 12, 2022 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened meeting if the Meeting is adjourned or postponed). Notwithstanding the foregoing, the Chairman of the Meeting has the discretion to accept proxies received after such deadline. The time limit for the deposit of proxies may also be waived or extended by the Chairman of the Meeting at his or her discretion, without notice.

If you hold your Shares through a broker, investment dealer, bank, trust company or other intermediary (an "**Intermediary**"), as an objecting beneficial owner and received a VIF from your Intermediary or Broadridge Financial Solutions, Inc., you should follow the instructions provided by your Intermediary to ensure your vote is counted at the Meeting.

The voting rights attached to the Shares represented by a proxy in the enclosed form of proxy will be voted in accordance with the instructions indicated thereon. **If no instructions are given, the voting rights attached to such Shares will be voted FOR each of the Resolutions.**

A registered Shareholder who has submitted a proxy may revoke such proxy by: (a) completing and signing a proxy bearing a later date and depositing it with the Transfer Agent in accordance with the instructions set out above, or (b) depositing an instrument in writing executed by the registered Shareholder or by such Shareholder's personal representative authorized in writing (i) at the office of the Transfer Agent no later than 10:00 a.m. (Montréal time) on July 12, 2022 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened meeting if the Meeting is adjourned or postponed), (ii) with the scrutineers of the Meeting, addressed to the attention of the Chairman of the Meeting, prior to the commencement of the Meeting on the day of the Meeting, or where the Meeting has been adjourned or postponed, prior to the commencement of the reconvened or postponed Meeting on the day of such reconvened or postponed Meeting, or (iii) in any other manner permitted by law. In addition, if you are a registered Shareholder, once you log in to the Meeting and you accept the terms and conditions, you may (but are not obliged to) revoke any and all previously submitted proxies by voting by poll on the matters put forth at the Meeting. If you attend the Meeting but do not vote by poll, your previously submitted proxy will remain valid.

A non-registered Shareholder who is an objecting beneficial owner who has given voting instructions to an Intermediary may revoke such voting instructions by following the instructions of such Intermediary. However, an Intermediary may be unable to take any action on the revocation if such revocation is not provided sufficiently in advance of the Meeting or any adjournment or postponement thereof.

Registered Shareholders and duly appointed proxyholders, including non-registered (beneficial) Shareholders who have duly appointed themselves as proxyholders and registered their appointment with the Transfer Agent as described in the Circular, will be able to attend, ask questions and vote at the Meeting.

If you have any questions or need assistance in your consideration of the Proposed JV Transaction or the Proposed COB, or with the completion and delivery of your proxy, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, who can be reached by toll-free telephone in North America at 1-800-749-9052, by collect call outside North America at 1-416-867-2272, or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

Dated at Montréal, Québec, this 17<sup>th</sup> day of June, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF MASON GRAPHITE INC.**

by: (signed) "*Fahad Al Tamimi*"

Chairman of the Board of Directors



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## MANAGEMENT INFORMATION CIRCULAR

### Introduction

**This Circular is furnished in connection with the solicitation of proxies by and on behalf of management of the Company for use at the Meeting and any adjournment or postponement thereof.**

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth in the Glossary in Appendix A or elsewhere in the Circular. Information contained in this Circular is given as of June 17, 2022, except where otherwise noted and except that information in documents incorporated by reference is given as of the dates noted therein. No person has been authorized to give any information or to make any representation in connection with the Proposed JV Transaction, the Proposed COB or any other matter described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company or Nouveau Monde, as applicable.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisors in connection therewith.

The description in this Circular of the terms of the OJV Agreement is a summary thereof. Shareholders should refer to the full text of the OJV Agreement which is attached to the Investment Agreement, a copy of which has been filed on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). **You are urged to carefully read the full text of this document.**

### Information Pertaining to Nouveau Monde

Certain information in this Circular pertaining to Nouveau Monde, including but not limited to, information under "*Information Concerning Nouveau Monde*" has been furnished by Nouveau Monde. Although the Company does not have any knowledge that would indicate that such information is untrue or incomplete, neither the Company nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, or for the failure by Nouveau Monde to disclose events or information that may affect the completeness or accuracy of such information.

### Forward-Looking Statements

Certain statements contained in this Circular may constitute forward-looking information or forward-looking statements within the meaning of Applicable Securities Laws, including but not limited to, statements with respect to the rationale of the Board of Directors for entering into the OJV Agreement, the expected benefits of the Proposed JV Transaction and the Proposed COB, the timing of various steps to be completed in connection with the Proposed JV Transaction, and other statements that are not material facts. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology.

Although the Company believes that the forward-looking statements in this Circular are based on information and assumptions that are current, reasonable and complete, these statements are by their nature subject to a number of factors that could cause actual results to differ materially from management's

expectations and plans as set forth in such forward-looking statements, including, without limitation, the following factors, many of which are beyond the Company's control and the effects of which can be difficult to predict: (a) the possibility that the TSX-V may not approve the Proposed JV Transaction or the Proposed COB, or that the Proposed JV Transaction may not be completed on the terms and conditions, or on the timing, currently contemplated; (b) the anticipated results of the Proposed COB; (c) the influence and level of participation that the Company will exercise in the management and operations of the Joint Venture; (d) the estimates of reserves and mineralization at the Lac Guéret Property; (e) the estimates of production; (f) the price of graphite and other battery-related materials; (g) the impact of limited operating history of the Company as an investment issuer; and (h) other risks inherent to the Company's business and/or factors beyond its control which could have a Material Adverse Effect on the Company or its ability to complete the Proposed JV Transaction or the Proposed COB. Failure to obtain the necessary Shareholder and regulatory approvals, or the failure of the Parties to otherwise satisfy the conditions for the completion of the Proposed JV Transaction or to complete the Proposed JV Transaction or the Proposed COB, may result in the Proposed JV Transaction not being completed on the proposed terms or at all. In addition, if the Proposed JV Transaction is not completed, there are risks that the announcement of the Proposed JV Transaction and the dedication of substantial resources by the Company to the completion of the Proposed JV Transaction could have an impact on its business, operations and strategy, strategic relationships, including with future and prospective employees, customers, suppliers and partners, operating results and activities in general, and could have a Material Adverse Effect on its current and future operations, financial condition and prospects. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

The Company cautions that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect its results. For more information on the risks, uncertainties and assumptions that could cause the Company's actual results to differ from current expectations, please refer to the matters discussed under the "*Risk Factors*" section of this Circular, the "*Risks and Uncertainties*" section of the Management's Discussion and Analysis for the year ended June 30, 2021 and 2020, as well as the Company's other public filings, available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The forward-looking statements contained in this Circular describe the Company's expectations at the date of this Circular and, accordingly, are subject to change after such date. Except as may be required by Applicable Securities Laws, the Company does not undertake any obligation to update or revise any forward-looking statements contained in this Circular, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements.

#### **Notice to Shareholders Not Resident in Canada**

The Company is a corporation continued under, and governed by, the laws of Canada. The solicitation of proxies and the transactions contemplated in this Circular involve securities of a Canadian issuer and is being effected in accordance with Canadian securities laws. This Circular has been prepared in accordance with disclosure requirements under Canadian securities laws. Shareholders should be aware that disclosure requirements under Canadian securities laws may differ from requirements under laws in other jurisdictions.

The enforcement of civil liabilities under the securities laws of other jurisdictions outside Canada may be affected adversely by the fact that (i) the Company is a company continued under, and governed by, the laws of Canada, (ii) its directors and executive officers are residents of Canada, and (iii) the assets of the Company are, and the assets of the directors and executive officers are, located in Canada. You may not be able to sue the Company or its directors or executive officers in a Canadian court for violations of foreign securities laws. It may be difficult to compel the Company to subject itself to a judgment of a court outside Canada.

**THE PROPOSED JV TRANSACTION AND THE PROPOSED COB HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY, NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THE PROPOSED JV TRANSACTION AND THE PROPOSED COB OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.**

**Currency**

All dollar amounts set forth in this Circular are in Canadian dollars, except where otherwise indicated.

## QUESTIONS AND ANSWERS ABOUT THE MEETING, THE PROPOSED JV TRANSACTION AND THE PROPOSED COB

*The following are some questions that you, as a Shareholder, may have relating to the Meeting and answers to those questions. These questions and answers do not provide all of the information relating to the Meeting or the matters to be considered at the Meeting and are qualified in their entirety by the more detailed information contained elsewhere in this Circular, the attached Appendices and the form of proxy, all of which are important and should be reviewed carefully. You are urged to read this Circular in its entirety before making a decision related to your Shares. See the Glossary to this Circular in Appendix A for the meanings assigned to capitalized terms used below and elsewhere in this Circular and not otherwise defined herein.*

**Q: Why did I receive this package of information?**

A: On May 15, 2022, the Company and Nouveau Monde entered into the Investment Agreement, pursuant to which, subject to the conditions contained in the Investment Agreement, the Parties have agreed to enter into the OJV Agreement, providing, *inter alia*, for the grant by the Company of the Option and, upon the exercise of such Option by Nouveau Monde, the formation of the Joint Venture. The Investment Agreement includes a form of OJV Agreement to be entered into by the Company and Nouveau Monde on the Closing Date. The Proposed JV Transaction is subject to, among other things, obtaining the requisite approval of the Shareholders under TSX-V Policy 5.3.

Furthermore, after a thorough review of the Company's resources and strategic options, the Board of Directors has determined that the optimal allocation of the Company's working capital would be within the framework of an investment company. The Company therefore wish to proceed with the Proposed COB, which will constitute a "change of business" under TSX-V Policy 5.2, and will be conditional upon, among other things, the Company obtaining the requisite approval of the Shareholders.

As a Shareholder as of the close of business on June 13, 2022, you are entitled to receive notice of, and to vote at, the Meeting. Management of the Company is soliciting your proxy, or vote, and providing this Circular in connection with that solicitation.

**Q: Is there a summary of the material terms of the OJV Agreement?**

A: Yes. This Circular includes a summary of the OJV Agreement. For more information, see "*The OJV Agreement*".

**Q: Does the Board of Directors support the Proposed JV Transaction and the Proposed COB?**

A: Yes. The Board of Directors, after receiving advice from its outside legal counsel and financial advisors, determined that the Proposed JV Transaction is in the best interests of the Company and fair, from a financial point of view, to the Company. The Board of Directors, after consideration of a number of factors, determined that the Proposed COB is in the best interests of the Company. The Board of Directors recommends that the Shareholders vote **FOR** each of the Resolutions.

**Q: Did the Company explore other alternatives to the Proposed JV Transaction?**

A: Yes. As described above and under "*The Proposed JV Transaction – Background to the Proposed JV Transaction*", the Board of Directors carefully considered a variety of strategic alternatives to the Proposed JV Transaction.



Further, the Investment Agreement contains a provision that allows the Company to engage in or participate in discussions and negotiations with respect to potential superior proposals, provided that such proposals are initially received by the Company without any solicitation on its part prior to obtaining the approval by the Shareholders of the JV Resolution. Nouveau Monde has a right to match such superior proposals, subject to the terms and conditions set out in the Investment Agreement.

**Q: When will the Proposed JV Transaction become effective?**

A: If the Shareholders approve the JV Resolution, subject to satisfaction or waiver of all other conditions precedent to the Proposed JV Transaction, it is anticipated that the Company will enter into the OJV Agreement in the third quarter of 2022.

**Q: Who is entitled to vote on the Resolutions at the Meeting and how will votes be counted?**

A: Only Shareholders shown on the register of Shareholders at the close of business on the Record Date or their duly appointed proxyholders, will be entitled to attend the Meeting and vote on the Resolutions. Each Share entitled to be voted at the Meeting will entitle the holder thereof as of the Record Date to one vote at the Meeting in respect of each of the Resolutions. The Transfer Agent will count the votes. See “*Required Shareholder Approvals*”.

**Q: What if I acquire my Shares after the Record Date?**

A: Only Shareholders as of the close of business on the Record Date are entitled to receive notice of, attend, be heard and vote at the Meeting.

**Q: What approvals are required to be given by Shareholders at the Meeting?**

A: To become effective, each of the Resolutions must be approved by a majority (i.e. 50% + 1) of the votes cast at the Meeting by Shareholders present (whether virtually or in person) or represented by proxy and entitled to vote at the Meeting. See “*Required Shareholder Approvals*”.

**Q: When and where is the Meeting?**

A: The Meeting will be held on July 14, 2022 at 10:00 a.m. (Montréal time) in a hybrid format, in person at Le Germain Hotel Montreal, Room Pavillon, 3<sup>rd</sup> Floor, 2050 Mansfield Street, Montréal, Québec, H3A 1Y9, and virtually by live audio webcast at <https://virtual-meetings.tsxtrust.com/1383>, the password being “mason2022” (case sensitive). Physical access and online access to the Meeting will respectively begin at 9:30 a.m. (Montréal time) on July 14, 2022.

**Q: Why is the Company holding a hybrid Meeting?**

A: The Company believes that the Meeting is an important occasion for the Board of Directors, management and Shareholders to come together and participate in decisions relating to the governance and other business of the Company. The Company is providing the virtual format in order to provide Shareholders with an equal opportunity to attend and participate at the Meeting, regardless of their geographic location or the particular constraints, circumstances or risks that they may be facing as a result of COVID-19.

**Q: Are any special measures being taken at the Meeting as a result of the COVID-19 pandemic?**

A: The Company is offering the ability to participate in the Meeting by virtual means, as well as in person. As the COVID-19 pandemic continues to evolve over time, the Company asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency

of Canada (the “PHAC”) (available at <https://www.canada.ca/en/public-health/services/diseases/2019-novelcoronavirus-infection.html>) including any mandatory quarantine or isolation protocols that may be in place at the time of the Meeting. The Company also strongly encourages Shareholders not to attend the Meeting in person if they are experiencing any of the following COVID-19 symptoms: fever; shortness of breath, difficulty breathing or chest pain; sore throat or runny nose (not related to seasonal allergies or other known causes or conditions); new or worsening cough; muscle ache or headache (unusual or long-lasting); or new loss of sense of smell or taste. Shareholders attending the Meeting are requested to follow the hygiene instructions published by the PHAC, including washing or disinfecting hands upon arrival at the Meeting, and covering their mouth and nose with their arm when coughing or sneezing, as well as any COVID-19 protocols requested by the venue hosting the Meeting. The Company may take additional precautionary measures in relation to the Meeting in response to further and evolving developments in respect of COVID-19.

The Company is actively monitoring the public health and travel safety concerns relating to COVID-19 and the advisories or mandates that federal, provincial and local governments, and related agencies, may issue. In the event that it is not possible or advisable to hold the Meeting in person as currently planned, the Company may be required to hold a virtual-only Meeting, in which case the Company will announce the decision to do so via a press release and by posting details on the Company’s website that will also be filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Q: What is the quorum for the Meeting?**

A: For all purposes contemplated by this Circular, the quorum for the transaction of business at the Meeting shall be met if at least two individuals, each of whom is a Shareholder or a proxyholder representing a Shareholder, holding or representing by proxy together not less than 5% of the total number of outstanding Shares are present (whether virtually or in person) at the Meeting or represented by proxy.

**Q: What will happen if the Resolutions are not approved or the Proposed JV Transaction is not completed for any reason?**

A: In the event that the Resolutions are not approved, or the Proposed JV Transaction is not completed, the Company would need to return to the drawing board and see if it could establish a new strategy. Based on the current dynamic of the battery material sector where supply chain integration is seen as the best way to de-risk such projects, the Company would likely continue to believe that seeking a strategic partnership would remain the appropriate path for the Company.

**Q: What do I need to do now in order to vote at the Meeting?**

A: You should carefully read and consider the information contained in this Circular. If you are a Registered Shareholder or Non-Objecting Beneficial Owner and voting your Shares by proxy, the Transfer Agent must receive your signed proxy or VIF in the return envelope provided, to TSX Trust, at its offices located at 100 Adelaide West, Suite 301, Toronto, Ontario, M5H 4H1, or faxed at 1-416-595-9593, or scanned and emailed to [tsxtis@tmx.com](mailto:tsxtis@tmx.com), not later than 10:00 a.m. (Montréal time) on July 12, 2022 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened meeting if the Meeting is adjourned or postponed). Failure to properly complete or deposit a proxy may result in its invalidation.

The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his or her discretion, without notice.

If you are a Beneficial Shareholder who is an Objecting Beneficial Owner whose Shares are held in the name of an Intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee holder, you should follow the instructions provided by your

Intermediary or Broadridge, on behalf of your Intermediary who will provide you with a VIF to complete and cast your vote according to the instructions contained therein to ensure that your vote is counted at the Meeting. See “*Information Concerning the Meeting – Voting Instructions*”.

If you have any questions or need assistance in your consideration of the Proposed JV Transaction or the Proposed COB, or with the completion and delivery of your proxy, please contact the Company’s strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, who can be reached by toll-free telephone in North America at 1-800-749-9052, by collect call outside North America at 1-416-867-2272, or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

**Q: If my Shares are held by my broker, will my broker vote my Shares for me?**

A: If you are a Non-Objecting Beneficial Owner, you will receive a VIF from TSX Trust to vote. If you are an Objecting Beneficial Owner, a broker or other Intermediary will only vote the Shares held by you if you provide instructions to your broker or other Intermediary directly on how to vote. Without instructions, those Shares may not be voted. Most Intermediaries delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge will forward your instruction to the Transfer Agent. Broadridge typically mails a scannable VIF in lieu of a proxy form to Beneficial Shareholders who are Objecting Beneficial Owners and provides appropriate instructions respecting voting of Shares to be represented at the Meeting. Beneficial Shareholders who are Objecting Beneficial Owners should complete the VIF by following the directions provided on the form. Unless your broker or other Intermediary gives you its specific proxy, VIF or other method to provide voting instructions to vote the Shares at the Meeting, you should complete the VIF provided. You cannot vote your Shares in person at the Meeting. See “*Information Concerning the Meeting – Voting Instructions – Beneficial Shareholders*”.

**Q: Should I send in my proxy now?**

A: Yes. You should complete and submit the applicable enclosed proxy, VIF or, if applicable, provide your broker or other Intermediary with voting instructions as soon as possible to ensure your vote is counted at the Meeting. See “*Information Concerning the Meeting*”.

**Q: Can I revoke my proxy after I submitted it?**

A: Yes. A Registered Shareholder who has submitted a proxy may revoke such proxy by: (a) completing and signing a proxy bearing a later date and depositing it with the Transfer Agent in accordance with the instructions set out above, or (b) depositing an instrument in writing executed by the Registered Shareholder or by such Shareholder’s personal representative authorized in writing (i) at the office of the Transfer Agent no later than 10:00 a.m. (Montréal time) on July 12, 2022 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened meeting if the Meeting is adjourned or postponed), (ii) with the scrutineers of the Meeting, addressed to the attention of the Chairman of the Meeting, prior to the commencement of the Meeting on the day of the Meeting, or where the Meeting has been adjourned or postponed, prior to the commencement of the reconvened or postponed Meeting on the day of such reconvened or postponed Meeting, or (iii) in any other manner permitted by Applicable Laws. In addition, if you are a Registered Shareholder, once you log in to the Meeting and you accept the terms and conditions, you may (but are not obliged to) revoke any and all previously submitted proxies by voting by poll on the matters put forth at the Meeting. If you attend the Meeting but do not vote by poll, your previously submitted proxy will remain valid.

A Beneficial Shareholder who is also an Objecting Beneficial Owner who has given voting instructions to an Intermediary may revoke such voting instructions by following the instructions of such Intermediary or Broadridge. However, an Intermediary or Broadridge may be unable to take any action on the revocation if such revocation is not provided sufficiently in advance of the Meeting or any adjournment or postponement thereof.

**Q: What if amendments are made to these matters, or other business is brought before the Meeting?**

A: The accompanying form of proxy confers discretionary authority on the persons named in it as proxies with respect to any amendments or variations to the matters identified in the Notice of Meeting or other matters that may properly come before the Meeting and the named proxies in your properly-executed proxy will vote on such matters in accordance with their judgment. At the date of this Circular, management of the Company is not aware of any such amendments, variations or other matters which are to be presented for action at the Meeting.

**Q: Who can help answer my questions?**

A: Shareholders who have additional questions about the Proposed JV Transaction, the Proposed COB or the Meeting, including the procedures voting your proxy, should contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, who can be reached by toll-free telephone in North America at 1-800-749-9052, by collect call outside North America at 1-416-867-2272, or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

*Copies of this Circular and the Meeting materials may also be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

## SUMMARY OF CIRCULAR

*The following is a summary of information relating to Mason Graphite and New Mason Graphite assuming completion of the Proposed COB, and should be read together with the more detailed information and financial data and statements contained elsewhere, or incorporated by reference, in this Circular.*

This Circular has been prepared in accordance with TSX-V Policy 5.3, TSX-V Policy 5.2 and Form 3D1 – *Information Required in an Information Circular for a Reverse Takeover or Change of Business* of the TSX-V.

### General

The Company is a corporation continued pursuant to the CBCA focused on 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 Property, one of the richest graphite deposits in the world. The Company is also the largest shareholder of Black Swan Graphene, a Canadian private company focusing on the large-scale production and commercialization of patented high-performance and low-cost graphene products aimed at several industrial sectors, including concrete, polymers, Li-ion batteries, and others. The head office of the Company is located at 3030 Le Carrefour Blvd., Suite 600, Laval, Québec, H7T 2P5. The Company is listed on the TSX-V under the symbol “LLG”. See “*Information Concerning Mason Graphite*”.

### Meeting

The Meeting will be held in a hybrid format, in person at Le Germain Hotel Montreal, Room Pavillon, 3<sup>rd</sup> Floor, 2050 Mansfield Street, Montréal, Québec, H3A 1Y9, and virtually by live audio webcast at <https://virtual-meetings.tsxtrust.com/1383>, the password being “mason2022” (case sensitive). Physical access and online access to the Meeting will respectively begin at 9:30 a.m. (Montréal time) on July 14, 2022. See “*Information Concerning the Meeting*”.

### Proposed JV Transaction

On May 15, 2022, the Company and Nouveau Monde entered into the Investment Agreement, pursuant to which, subject to the conditions contained in the Investment Agreement, the Parties have agreed to enter into the OJV Agreement, providing, *inter alia*, for the grant by the Company of the Option and, upon the exercise of such Option by Nouveau Monde, the formation of the Joint Venture. The OJV Agreement is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and is summarized in this Circular. See “*The Proposed JV Transaction and the Proposed COB – Background to the Proposed JV Transaction*” and “*The OJV Agreement*”.

### Proposed COB

On September 2, 2021, the Company announced the closing of the acquisition, through Black Swan Graphene, of strategic assets related to a patented graphene processing technology from Thomas Swan & Co. Limited. (“**Thomas Swan**”) In addition to the assets related to the graphene processing technology and associated know-how sold to Black Swan Graphene, Thomas Swan & Co. Limited agreed to contribute its exclusive production and commercialization expertise while providing access to subject matter expertise, such as access to personnel and technical support, and deliverables from its operation in Northern England pursuant to a services agreement entered into between Black Swan Graphene and Thomas Swan & Co. Limited. Black Swan Graphene aims to establish a large-scale commercial production facility in the Province of Québec, in order to leverage the province’s competitive and green hydroelectricity. As of the date hereof, Mason Graphite holds 7,750,000 common shares of Black Swan Graphene, representing 56.03% of the issued and outstanding common shares of Black Swan Graphene. It is expected that assuming the

completion of the share exchange transaction between Black Swan Graphene and Dragonfly Capital Corp. initially announced on December 16, 2021 (the “**Qualifying Transaction**”), Mason Graphite will hold 117,800,000 common shares of the issuer resulting from such transaction, which is expected to represent approximately 41.3% of such issuer’s issued and outstanding common shares.

While (i) the completion by the Company of the Proposed JV Transaction and the Qualifying Transaction will result in the Company moving into a business that represents a vertical and horizontal business integration, respectively, and (ii) the Company does not believe that the Proposed JV Transaction and the Qualifying Transaction constitute a “change of business” (as defined in TSX-V Policy 5.2), it was determined to effect the Proposed COB. See “*The Proposed JV Transaction and the Proposed COB – Background to the Proposed COB*”.

### **New Mason Graphite**

For the most part, New Mason Graphite will remain fairly similar to the Company as of the date of this Circular. See “*Information Concerning New Mason Graphite*”.

### **Narrative Description of the Business**

#### *Business Objectives*

New Mason Graphite’s business plan upon completion of the Proposed COB will consist of moving from a junior mining company to a company focused on seeking investment opportunities, as evidenced by decision by management of Mason Graphite and the Board of Directors to pursue the Proposed JV Transaction, to continue to create value for Mason Graphite’s Shareholders. In line with management’s experience, the Company’s strategy will consist of developing vertical and horizontal integration in the mining industry, with a special focus on industrial and specialty minerals, notably battery-related materials and their by-products.

To achieve its business objectives, New Mason Graphite will allocate capital to opportunities where management and the Board of Directors believe New Mason Graphite can achieve above average returns and which are also sustainable over long periods of time. Mason Graphite believes its investment in Black Swan Graphene and its potential interest in the Joint Venture will provide such an opportunity. New Mason Graphite will continue to look for new investment opportunities, mainly through investments in equity, that may represent similar investment opportunities.

Finally, the Proposed COB will provide more options to New Mason Graphite to fund any Approved Work Program and Budget on the Lac Guéret Property. As of May 31, 2022, Mason Graphite’s investments consisted of:

- 7,750,000 common shares of Black Swan Graphene; and
- approximately \$8,500,000 in cash or cash equivalents (excluding any cash or cash equivalents of Black Swan Graphene).

Assuming the completion of the Proposed JV Transaction and the exercise or deemed exercise by Nouveau Monde of the Option pursuant to the OJV Agreement, Mason Graphite’s investments will also include Participating Interests in the Joint Venture of 49.0%. See “*Information Concerning New Mason Graphite – Narrative Description of the Business*”.

## Available Funds and Principal Purposes

### *Available Funds*

Based on the working capital of Mason Graphite (on an unconsolidated basis) of approximately \$8,500,000 as at May 31, 2022, following completion of the Proposed COB and assuming the completion of the Initial Equity Investment, New Mason Graphite will have approximately \$11,000,000 available to fund its operations.

### *Principal Purposes*

The following table summarizes expenditures anticipated by New Mason Graphite, required to achieve its business objectives during the 12 months following the completion of the Proposed COB, as described in more detail in this Circular under “*Information Concerning New Mason Graphite – Narrative Description of the Business – Business Objectives and Strategy*” and “*Information Concerning New Mason Graphite – Narrative Description of the Business – Milestones*”.

New Mason Graphite anticipates using the funds available to it upon completion of the Proposed COB as follows:

<b>Use of available funds</b>	<b>Amount</b>
General and administrative expenses for the 12 months following completion of the Proposed COB	\$1,500,000
Unallocated working capital	\$9,500,000

Upon the formation of the Joint Venture, New Mason Graphite anticipates using some of the funds available upon completion of the Proposed COB to fund Approved Work Programs and Budgets on the Lac Guéret Property. As of the date of this Circular, New Mason Graphite has not identified any other probable investment other than the Joint Venture and Black Swan Graphene.

There may be circumstances where, for sound business reasons, the reallocation of funds may be necessary in order for New Mason Graphite to achieve its stated business objectives. See “*Information Concerning New Mason Graphite – Available Funds and Principal Purposes*”.

### **Conflicts of Interest**

Conflicts of interest may arise as a result of the proposed directors and officers of New Mason Graphite also holding positions as directors and/or officers of other companies or otherwise. Situations may arise where the directors and officers will be in direct competition with New Mason Graphite. See “*Information Concerning New Mason Graphite – Conflicts of Interest*”.

### **Summary of Risk Factors**

#### *The TSX-V may not approve the Proposed JV Transaction*

On May 24, 2022, the TSX-V conditionally approved the Proposed JV Transaction, subject to the Company fulfilling all of the requirements of the TSX-V. There is no assurance that the Company will meet all of the requirements of the TSX-V such that the TSX-V will issue its final acceptance for the completion of the Proposed JV Transaction.

*The Company will generally not be entitled to participate in operations and management*

The Company will have an opportunity to participate in the management of the Joint Venture in limited circumstances set forth in the OJV Agreement, where the matters in question fall within the scope of the Management Committee. The Company does not, however, have majority decision-making power on the Management Committee as it is only entitled to appoint two out of four members thereon, and any irreconcilable disputes between members of the Management Committee must be referred to arbitration.

*The Company will own a minority interest and will, as a result, have limited influence*

As a holder of a minority interest in the Joint Venture, the Company will not be in control of decisions regarding development or operation of the Lac Guéret Property and will have limited legal rights to influence those decisions. To mitigate this risk, the OJV Agreement provides that certain listed matters that have been determined to be more significant must be approved unanimously by the Management Committee, half of whose members are appointed by the Company.

*Estimates of reserves and mineralization at the Lac Guéret Property may be subject to significant revision*

Mineral resources may not constitute mineral reserves and may not demonstrate economic viability. Due to the uncertainty of mineral resources, there can be no assurance that the resources at the Lac Guéret Property will be upgraded to proven and probable mineral reserves as a result of continued exploration. It should not be assumed that any part or all of mineral resources constitute or will be converted into mineral reserves.

*Estimates of production are subject to change, and actual production may vary materially from such estimates*

There are numerous uncertainties inherent in estimating anticipated production, including many factors beyond the Company's and the Operator's control. Results of drilling, metallurgical testing and production, changes in commodity prices, and the evaluation of mine plans subsequent to the date of any estimate may cause actual production to vary materially from such estimates.

*The TSX-V may not approve the Proposed COB*

The TSX-V has not yet approved the Proposed COB. There is no assurance that the Company will meet all of the requirements of the TSX-V such that the TSX-V will issue a final acceptance for the completion of the Proposed COB.

*The Proposed COB may not produce anticipated results*

Notwithstanding completion of the Proposed COB, we cannot assure that we will be able to successfully implement our investment business strategy or that anticipated results for New Mason Graphite will materialize.

*The Company will be subject to the risk factors applicable to natural resource exploration and mining operators*

Development of the mineral properties will occur only if satisfactory exploration results are obtained and, there is, therefore, no assurance that any discoveries of bodies of commercial ore will result in return for New Mason Graphite. The long-term profitability of any investments of New Mason Graphite will be, in part, directly related to the cost and success of the respective exploration programs, which may be affected by a number of factors out of the Company's control.



*The Company's revenues are subject to operational and other risks faced by operators of mining properties in which the Company will invest*

The Company's financial results are indirectly subject to hazards and risks normally associated with developing and operating mining properties where it will hold investments. The occurrence of any such risk or hazard could result in an interruption, suspension or termination of operations or development work at any of the properties in which the Company will invest and have a Material Adverse Effect on the Company's business, results of operations, cash flows and financial condition.

*Battery-related materials are subject to price volatility*

Battery-related materials are generally subject to price volatility, which may adversely affect the Company's financial performance and results of operations. All commodities, by their nature, including battery-related materials such as graphite, are subject to wide price fluctuations and future material price declines will result in a decrease in the value of the commodity held, and/or revenue or, in the case of severe declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from interests in mineral properties applicable to the relevant commodities. Any such suspension or termination may result in a Material Adverse Effect on the Company's profitability, results of operation and financial condition.

*The Company has a limited operating history as an investment issuer*

The Company has a limited operating history and does not have any record of operating as an investment issuer. The Company has limited financial resources and there is no assurance that revenue or additional funding will be available for future operations or to fulfill future obligations. There is no assurance that New Mason Graphite can generate future revenues, operate profitably, or provide a return on investment, or that it will successfully implement its business plan.

*Additional financing may be required*

New Mason Graphite may require additional equity or debt financing to acquire additional investment interests and implement its business plan. There can be no assurance that New Mason Graphite will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of future investments. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of the exploration and development programs and general market conditions for natural resources, among other factors. Any additional equity financing will cause dilution to Shareholders and may result in a change of control.

*The market for securities of New Mason Graphite may be limited*

Upon completion of the Proposed COB, the Company's Shares will continue to be listed on the TSX-V, however, there can be no assurance that an active and liquid market for the Company's Shares will develop or be maintained and an investor may find it difficult to resell any securities of New Mason Graphite.

*Directors and officers of New Mason Graphite may become subject to conflicts of interest*

Certain of the directors and officers of New Mason Graphite will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest.

*New Mason Graphite will be dependent on a small number of key individuals*

New Mason Graphite will be dependent on a relatively small number of key personnel who are skilled and experienced in the mining and business sectors. New Mason Graphite's ability to manage its activities will depend in large part on the efforts of these individuals. The loss of the services of one or more of such key management personnel could have a Material Adverse Effect on New Mason Graphite.

Whether or not the Proposed JV Transaction and the Proposed COB is completed, the Company will continue to face many of the risks that it currently faces with respect to its business and affairs. A description of the risk factors (incorporated by reference into this Circular) applicable to the Company is contained under the heading "*Risks and Uncertainties*" of the Management's Discussion and Analysis for the year ended June 30, 2021 and 2020 and in the Company's other filings with the securities authorities.

See "*Risk Factors*".

## INFORMATION CONCERNING THE MEETING

### Purpose of the Meeting

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass each of the JV Resolution and the COB Resolution (copies of which are attached as Appendix B and Appendix C to this Circular, respectively) and such other business as may properly come before the Meeting. At the time of printing of this Circular, the Board of Directors and management of the Company know of no other matter expected to come before the Meeting, other than the vote on the Resolutions.

### Meeting Information

The Meeting will be held at 10:00 a.m. (Montréal time) on July 14, 2022 for the purposes set forth in the accompanying Notice of Meeting. To address ongoing uncertainty surrounding the public health impact of the COVID-19 pandemic, and to limit and mitigate risks to the health and safety of our communities, Shareholders, employees, directors and other stakeholders, the Meeting will be held in a hybrid format, in person at Le Germain Hotel Montreal, Room Pavillon, 3<sup>rd</sup> Floor, 2050 Mansfield Street, Montréal, Québec, H3A 1Y9, and virtually by live audio webcast at <https://virtual-meetings.tsxtrust.com/1383>, the password being “mason2022” (case sensitive). Physical access and online access to the Meeting will respectively begin at 9:30 a.m. (Montréal time) on July 14, 2022.

The Company is conducting the Meeting in a hybrid format that will allow Registered Shareholders and duly appointed proxyholders to participate both online and in person. The number of persons permitted to attend the Meeting in person may be restricted to the number permitted by Applicable Laws or public health protocols (including, for certainty, any orders applicable in the City of Montréal). In the event that the number of persons that desire to attend the Meeting in person is greater than the number permitted by Applicable Laws or public health protocols, Shareholders will be granted in person access to the Meeting on a first-come, first-serve basis. In the event that a Shareholder is declined in person access to the Meeting, they will be given the opportunity to leave their completed form of proxy or ballot with the scrutineer outside of the Meeting prior to leaving the premises.

It is anticipated that Registered Shareholders and duly appointed proxyholders who choose to attend the Meeting virtually will have substantially the same opportunity to ask questions on matters of business before the Meeting as those who choose to attend the Meeting in person. Shareholders will have the opportunity to submit questions at the Meeting by submitting them in writing through the text box. Questions received from Shareholders which relate to the business of the Meeting are expected to be addressed in the question-and-answer section of the Meeting. Such questions will be read by the Chair of the Meeting or a designee of the Chair and responded to by a representative of the Company as those will be for the Shareholders attending the Meeting in person. To ensure fairness for all attendees, the Chair of the Meeting will decide on the amount of time allocated to each question and will have the right to limit or consolidate questions and to reject questions that do not relate to the business of the Meeting or which are determined to be inappropriate or otherwise out of order.

Only Shareholders of record on June 13, 2022 will be entitled to receive notice of, attend, be heard and vote at the Meeting. No Shareholder who becomes a Shareholder after the Record Date shall be entitled to vote at the Meeting.

### Attending the Meeting

The Meeting will be held in a hybrid format, in person at Le Germain Hotel Montreal, Room Pavillon, 3<sup>rd</sup> Floor, 2050 Mansfield Street, Montréal, Québec, H3A 1Y9, and virtually by live audio webcast at <https://virtual-meetings.tsxtrust.com/1383>.

Registered Shareholders and duly appointed and registered proxyholders will be able to attend, whether in person or virtually, participate and vote at the Meeting. Registered Shareholders and duly appointed and registered proxyholders who participate in the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the Internet and comply with all of the requirements set out below under “*Voting Instructions – Registered Shareholders – Voting at the Meeting*”.

Beneficial Shareholders who have not duly appointed themselves as proxyholders may still attend only the virtual Meeting as guests. Guests will be able to listen to the Meeting but will not be able to vote at the Meeting. See “*Voting Instructions – Beneficial Shareholders – Voting at the Meeting*”.

Registered Shareholders, duly appointed and registered proxyholders and guests, including Beneficial Shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting but are not able to vote.

- Log in online at <https://virtual-meetings.tsxtrust.com/1383>. It is recommended that you log in at least 15 minutes before the Meeting starts.
- Click “I have a control number” and then enter your control number (see below) and password “mason2022” (case sensitive).

OR

- Click “Guest” and then complete the online form.

#### *Registered Shareholders*

If you attend the Meeting virtually, the 12-digit control number located on the form of proxy provided by TSX Trust is your “control number” for the purposes of logging in to the Meeting.

#### *Duly Appointed Proxyholders*

The Transfer Agent will provide proxyholders with a control number by email after the proxyholder has been duly appointed and registered in accordance with the instructions provided in the form of proxy.

If you virtually attend the Meeting, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedures.

### **Voting Instructions**

You can vote your Shares by proxy or at the Meeting. Please follow the instructions below based on whether you are a Registered Shareholder or a Beneficial Shareholder.

Shareholders or third-party proxyholders wishing to attend the Meeting virtually must check that their browser for whichever device they are using is compatible. To do so, all Shareholders should visit <https://virtual-meetings.tsxtrust.com/1383> on their smartphone, tablet or computer that they intend to use for the purposes of attending the Meeting. You will need the latest version of Chrome, Safari, Edge or Firefox. The Meeting will not be accessible with Internet Explorer.

If you have any questions about the information contained in this Circular or require assistance in completing the form of proxy or VIF, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, who can be reached by toll-free telephone in North America at 1-800-749-9052, by collect call outside North America at 1-416-867-2272, or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

### *Registered Shareholders*

You are a Registered Shareholder if you have a share certificate or DRS Advice for Shares and they are registered in your name or if you hold Shares through direct registration. You will find a form of proxy enclosed.

### How to Vote

In order for your vote to be counted, your voting instructions must be received by no later than 10:00 a.m. (Montréal time) on July 12, 2022 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened meeting if the Meeting is adjourned or postponed).

You may vote by proxy using one of the following methods:

- by Internet at [www.voteproxyonline.com](http://www.voteproxyonline.com);
- by facsimile to 1-416-595-9593; or
- by email, at [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com)
- by mail, using the envelope accompanying your proxy.

### Voting by Proxy

Voting by proxy means you are giving the person or persons named in your form of proxy the authority to attend the Meeting, or any adjournment or postponement thereof, and vote your Shares for you. Please mark your vote, sign, date and follow the return instructions provided in the enclosed form of proxy. By doing this, you are giving the directors or executive officers of the Company who are named in the form of proxy the authority to vote your Shares at the Meeting, or any adjournment or postponement thereof.

**You can choose another person to be your proxyholder, including someone who is not a Shareholder. You can do so by following the instructions set out below under “Appointment of Proxies”.**

**If you have any questions about the information contained in this Circular or require assistance in completing the form of proxy or VIF, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, who can be reached by toll-free telephone in North America at 1-800-749-9052, by collect call outside North America at 1-416-867-2272, or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).**

**The Shares represented by any proxy received by management of the Company will be voted for or against the Resolutions, as the case may be, by the persons named in the enclosed form of proxy in accordance with the direction of the Shareholder appointing them. In the absence of any direction to the contrary, the Shares represented by proxies received by management of the Company will be voted on any ballot FOR the JV Resolution and the COB Resolution.**

### Voting at the Meeting

You do not need to complete or return your form of proxy if you plan to vote at the Meeting, whether in person or virtually. If you wish to attend the Meeting virtually, simply follow the instructions set out under “*Information Concerning the Meeting – Attending the Meeting*” above and complete a ballot during the Meeting.

### Changing your Vote

A Registered Shareholder who has submitted a proxy may revoke such proxy by: (a) completing and signing a proxy bearing a later date and depositing it with the Transfer Agent in accordance with the instructions set out above, or (b) depositing an instrument in writing executed by the Registered Shareholder or by such Shareholder’s personal representative authorized in writing (i) at the office of the Transfer Agent no later than 10:00 a.m. (Montréal time) on July 12, 2022 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened meeting if the Meeting is adjourned or postponed), (ii) with the scrutineers of the Meeting, addressed to the attention of the Chairman of the Meeting, prior to the commencement of the Meeting on the day of the Meeting, or where the Meeting has been adjourned or postponed, prior to the commencement of the reconvened or postponed Meeting on the day of such reconvened or postponed Meeting, or (iii) in any other manner permitted by Applicable Laws. In addition, once a Registered Shareholder logs in to the Meeting and accepts the terms and conditions, such Registered Shareholder may (but is not obliged to) revoke any and all previously submitted proxies by voting by poll on the matters put forth at the Meeting. If a Registered Shareholder attends the Meeting but does not vote by poll, his, her or its previously submitted proxy will remain valid.

The revocation of a proxy does not, however, affect any matter on which a vote has been taken prior to the revocation.

If you have followed the process for attending and voting at the Meeting virtually or in person, voting at the Meeting virtually will revoke your previous proxy.

### *Beneficial Shareholders*

You are a Beneficial Shareholder if your Shares are held in the name of an Intermediary (such as a bank, trust company or securities broker) or in the name of a clearing agency (such as CDS). Your VIF contains a 16-digit control number provided to you by Broadridge or by your Intermediary.

Unless you instruct your Intermediary or Broadridge to vote in accordance with their request for voting instructions, they are generally prohibited from voting your Shares, as such Shares should only be voted upon instructions of the Beneficial Shareholder. You may vote your Shares at the Meeting virtually or in person or through your Intermediary or TSX Trust by following the instructions provided to you by them if you are an Objecting Beneficial Owner or Non-Objecting Beneficial Owner, respectively. Please contact your Intermediary should you wish to vote at the Meeting.

### Voting at the Meeting

Beneficial Shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will only be able to participate virtually as a guest. This is because the Company does not have unrestricted access to the names of its Beneficial Shareholders.

Should a Beneficial Shareholder wish to attend and vote at the Meeting (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial Shareholder should follow the instructions for voting at the Meeting that are provided on the form of proxy and refer to the instructions set out below under “*Appointment of Proxies*”.

## How to Vote by Voting Instruction Form

If you are a Non-Objecting Beneficial Owner, and were mailed a VIF by TSX Trust, in order for your vote to be counted, your voting instructions must be received by no later than 10:00 a.m. (Montréal time) on July 12, 2022 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened meeting if the Meeting is adjourned or postponed).

You may vote by proxy using one of the following methods:

- by Internet at [www.voteproxyonline.com](http://www.voteproxyonline.com);
- by facsimile to 1-416-595-9593; or
- by mail, using the envelope accompanying your proxy.

In the case of Objecting Beneficial Owners, applicable regulations in Canada require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy or voting instruction supplied to you by your Intermediary will be similar to the proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Intermediary on how to vote your Shares on your behalf. In order for such proxy to be valid, it must be properly executed by the Intermediary holding the Shares and returned to the Transfer Agent prior to the proxy deposit deadline of 10:00 a.m. (Montréal time) on July 12, 2022 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before any reconvened meeting if the Meeting is adjourned or postponed).

Most Intermediaries delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically mails a scannable VIF in lieu of a proxy form to Beneficial Shareholders who are Objecting Beneficial Owners and provides appropriate instructions respecting voting of Shares to be represented at the Meeting. **For your Shares to be voted, you must follow the instructions on the VIF that is provided to you.** You can complete the VIF by: (i) calling the phone number listed thereon; (ii) mailing the completed VIF in the envelope provided; or (iii) using the Internet at [www.proxyvote.com](http://www.proxyvote.com). Beneficial Shareholders who have questions about deciding how to vote or who have additional questions about this Circular or the matters described in this Circular, please contact your professional advisors. The Company may utilize Broadridge's QuickVote™ service to assist Beneficial Shareholders with voting their Shares over the telephone. Alternatively, Kingsdale Advisors may contact such Beneficial Shareholders to offer assistance with conveniently voting their Shares through the Broadridge's QuickVote™ service. Broadridge then tabulates the results of all the instructions received and then provides the appropriate instructions with respect to the Shares to be represented at the Meeting.

Beneficial Shareholders who receive voting instructions from their Intermediary other than those contained in the VIF sent by Broadridge should carefully follow the instructions provided by their Intermediary to ensure their vote is counted.

**Subject to the terms of your VIF, if you do not specify how you want your Shares voted, they will be voted FOR the JV Resolution and the COB Resolution.**

If you have any questions about the information contained in this Circular or require assistance in completing the form of proxy or VIF, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, who can be reached by toll-free telephone in North America at 1-800-749-9052, by collect call outside North America at 1-416-867-2272, or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

## Changing your Vote

If you have already sent your completed VIF to your Intermediary and you change your mind about your voting instructions, or want to vote at the Meeting, contact your Intermediary to find out whether this is possible and what procedure to follow.

## **Exercise of Discretion by Proxies**

If you do not specify on your proxy form how you want a proxyholder appointed by you (other than the management nominees) to vote your Shares, then your proxyholder can vote your Shares as he or she sees fit. Shares represented by properly executed proxies appointing the management nominees of the Company as designated in the proxy will be voted for or against the Resolutions in accordance with the instructions contained in the proxy. **If a proxy appointing management nominees does not contain voting instructions, the Shares represented by such proxies will be voted FOR the JV Resolution and the COB Resolution.**

## **Appointment of Proxies**

Shareholders have the right to appoint a person (a “**third-party proxyholder**”) other than the management nominees identified in the form of proxy or VIF, as applicable, as proxyholder. The following applies to such Shareholders who wish to appoint a third-party proxyholder, including Beneficial Shareholders who wish to appoint themselves as proxyholder to attend and vote at the Meeting.

Shareholders who wish to appoint a third-party proxyholder to attend at the Meeting as their proxyholder and vote their Shares **MUST** submit their form of proxy or VIF, as applicable, appointing that person as proxyholder AND register that proxyholder with the Transfer Agent, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your form of proxy or VIF. Failure to register the proxyholder will result in the proxyholder not receiving a control number that is required to vote at the Meeting and only being able to attend as a guest. The registration process is only necessary if the proxyholder wishes to attend the Meeting virtually. If the proxyholder plans to attend the Meeting in person, Shareholders do not need to register their proxyholder appointment online.

- **Step 1 – Submit your Form of Proxy or Voting Instruction Form (VIF):** To appoint a third-party proxyholder, insert that person’s name in the blank space provided in the form of proxy or VIF and follow the instructions for submitting such form of proxy or VIF. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or VIF. If you are a Beneficial Shareholder and wish to vote at the Meeting, you must insert your own name in the space provided on the VIF sent to you by your Intermediary or TSX Trust, follow all of the applicable instructions provided by your Intermediary AND register yourself as your proxyholder, as described below. By doing so, you are instructing your Intermediary or TSX Trust to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary or TSX Trust.
- **Step 2 – Register your Proxyholder:** To register a third-party proxyholder, Shareholders must visit [www.voteproxyonline.com](http://www.voteproxyonline.com) by no later than 10:00 a.m. (Montréal time) on July 12, 2022 and provide the Transfer Agent with the required proxyholder contact information and visit <https://tsxtrust.com/resource/en/75> to complete the “Request for Control Number” so that the Transfer Agent may provide the proxyholder with a control number. Without a control number, proxyholders will not be able to vote at the Meeting but will be able to participate as a guest. They will however be able to vote in person at the Meeting.



## How the Votes are Counted

The Transfer Agent counts and tabulates the votes. It does this independent of the Company to make sure that the votes of individual Shareholders are confidential. The Transfer Agent refers proxy forms to the Company only when:

- it is clear that a Shareholder wants to communicate with management;
- the validity of the form is in question; or
- Applicable Laws require it.

## Questions and Assistance in Voting

If you have any questions about the information contained in this Circular or require assistance in completing the form of proxy or VIF, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, who can be reached by toll-free telephone in North America at 1-800-749-9052, by collect call outside North America at 1-416-867-2272, or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

## Solicitation of Proxies

Whether or not you plan to attend the Meeting, management of the Company, with the support of the Board of Directors, requests that you fill out your proxy or VIF to ensure your votes are cast at the Meeting. **This solicitation of your proxy is made on behalf of management of the Company.** The costs incurred in the preparation and mailing of this Circular and the solicitation will be borne directly and indirectly by the Company. The Company has retained Kingsdale Advisors as their strategic shareholder advisor and proxy solicitation agent and will pay fees of approximately \$50,000 to Kingsdale Advisors for the proxy solicitation service in addition to certain out-of-pocket expenses. The Company may also reimburse brokers and other persons holding Shares in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies.

## Shareholders Entitled to Vote

Shareholders are entitled to vote at the Meeting either in person, virtually or by proxy. The Board of Directors has fixed the close of business on June 13, 2022, as the Record Date for determining Shareholders who are entitled to receive notice of and vote at the Meeting. Quorum for the Meeting shall be met if at least two individuals, each of whom is a Shareholder or a proxyholder representing a Shareholder, holding or representing by proxy together not less than 5% of the total number of outstanding Shares are present, either in person or virtually, or represented by proxy. Shareholders whose names have been entered in the register of the Company as at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting. Shares held through a broker, investment dealer, bank, trust company or other Intermediary, will be voted by the registered holder thereof, in accordance with the instructions given by the Beneficial Shareholder to such Intermediary. No other security holders are entitled to vote at the Meeting other than Shareholders.

To the knowledge of the Company, as at the date hereof, no person other than Investissement Québec beneficially owns, or exercises control or direction, directly or indirectly, over more than 10% of the outstanding Shares of the Company.

## THE PROPOSED JV TRANSACTION AND THE PROPOSED COB

### Background to the Proposed JV Transaction

On April 9, 2020, the Company announced that due to unfavourable capital market conditions, Mason Graphite had to reprioritize its projects and therefore postpone until further notice the development of its flagship asset, the Lac Guéret Property. Pending the obtaining of construction financing for the mine and concentrator project situated thereat, all major construction activities related to primary processing were put on hold and the Company focused on its second transformation project – the development of value-added products such as coated spherical purified graphite.

Under the leadership of the new Board of Directors, which was elected on December 29, 2020, the Company has reaffirmed its commitment to accelerate the development of the primary transformation project after having considered several strategic alternatives. In the meantime, the Company has maintained the same strategy of creating Shareholder value through the advancement of its secondary transformation business.

The main strategic alternatives that were considered by the Board of Directors and management included: (i) maintaining the status quo and continuing with the Company's current business plan, (ii) an *en bloc* transaction involving all of the Company's issued and outstanding Shares, and (iii) a sale, joint venture, or spin-off of the Lac Guéret Property. These alternatives were reviewed, analysed and benchmarked against each other based on the potential value they could generate for Shareholders, taking into consideration their associated benefits and risks. After careful consideration, it was determined that a joint venture with Nouveau Monde, who is a leading North American mining and mineral processing company, was the preferred and most appropriate alternative. The Proposed JV Transaction is the result of extensive arm's length negotiations between representatives of the Company and Nouveau Monde, as well as their respective advisors.

Nouveau Monde enjoys an impressive depth of personnel and has demonstrated commercialization capabilities, which are fundamental requirements in the industry. Nouveau Monde currently employs nearly 100 full-time employees and dedicated experts focused on graphite advanced materials, including 7 PhDs, 3 MSc and 22 engineers, totalling decades of experience in graphite production with leading operators. This unique profile makes Nouveau Monde one of the largest natural graphite-focused organizations in North America and the ideal partner for the project.

### Background to the Proposed COB

On September 2, 2021, the Company announced the closing of the acquisition, through Black Swan Graphene, of strategic assets related to a patented graphene processing technology from Thomas Swan & Co. Limited ("**Thomas Swan**"). In addition to the assets related to the graphene processing technology and associated know-how sold to Black Swan Graphene, Thomas Swan agreed to contribute its exclusive production and commercialization expertise while providing access to subject matter expertise, such as access to personnel and technical support, and deliverables from its operation in Northern England pursuant to a services agreement entered into between Black Swan Graphene and Thomas Swan. Black Swan Graphene aims to establish a large-scale commercial production facility in the Province of Québec, in order to leverage the province's competitive and green hydroelectricity. As of the date hereof, Mason Graphite holds 7,750,000 common shares of Black Swan Graphene, representing 56.03% of the issued and outstanding common shares of Black Swan Graphene. It is expected that assuming the completion of the share exchange transaction between Black Swan Graphene and Dragonfly Capital Corp. initially announced on December 16, 2021 (the "**Qualifying Transaction**"), Mason Graphite will hold 117,800,000 common shares of the issuer resulting from such transaction, which is expected to represent approximately 41.3% of such issuer's issued and outstanding common shares.

While (i) the completion by the Company of the Proposed JV Transaction and the Qualifying Transaction will result in the Company moving into a business that represents a vertical and horizontal business integration, respectively, and (ii) the Company does not believe that the Proposed JV Transaction and the Qualifying Transaction constitute a “change of business” (as defined in TSX-V Policy 5.2), it was determined to effect the Proposed COB for the following reasons:

- it will confirm a shift the Company has made in the last two years, moving from a junior mining company to a company focused on seeking investment opportunities, as evidenced by decision by management and the Board of Directors to pursue the Proposed JV Transaction and the Qualifying Transaction;
- it is in line with management’s experience in the mining sector and its strategy of developing vertical and horizontal integration in the mining industry, with a special focus on industrial and specialty minerals, notably battery-related materials and their by-products;
- it will provide more flexibility to Mason Graphite to deploy that strategy; and
- it will provide more options to Mason Graphite to continue to create value for its Shareholders and fund any Approved Work Program and Budget on the Lac Guéret Property.

### **Recommendation of the Board of Directors**

The Board of Directors, after receiving advice from its outside legal counsel and financial advisors, determined that the Proposed JV Transaction is in the best interests of the Company and fair, from a financial point of view, to the Company. The Board of Directors, after consideration of a number of factors, determined that the Proposed COB is in the best interests of the Company. Accordingly, the Board of Directors unanimously recommends that the Shareholders vote **FOR** each of the Resolutions.

The Board of Directors based its recommendation upon the totality of the information presented to and considered by it in light of the knowledge of the members of the Board of Directors of the business, financial condition and prospects of the Company, as well as the Company’s current limited ability to explore, develop and operate the Lac Guéret Property, after taking into account the advice of the Company’s financial and legal advisors and the advice and input of management of the Company.

### **Required Shareholder Approvals**

In order for the Proposed JV Transaction and the Proposed COB to be effected, Shareholders will be asked to consider and, if deemed advisable, approve the JV Resolution, the COB Resolution and any other related matters at the Meeting. Each of the JV Resolution and the COB Resolution must be approved by not less than a majority (i.e. 50% +1) of the votes cast at the Meeting by Shareholders present (whether virtually or in person) or represented by proxy and entitled to vote at the Meeting.

The full text of each of the JV Resolution and the COB Resolution are attached to this Circular as Appendices B and C, respectively.

### **MI 61-101 and Related Party Transaction**

The Company is a reporting issuer in the provinces of British Columbia, Alberta, Ontario and Québec and the Shares are listed and posted for trading on the TSX-V, and accordingly the Company is subject to the requirements of MI 61-101 and TSX-V Policy 5.9. MI 61-101 and TSX-V Policy 5.9 are intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding certain interested or related parties and their joint actors and, in certain instances, independent valuations and approval and

oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 and TSX-V Policy 5.9 apply to, among other transactions, Related Party Transactions. For purposes of MI 61-101 and TSX-V Policy 5.9, a “related party” includes a director, senior officer and a Shareholder holding over 10% of the issued and outstanding Shares, or affiliates of the foregoing, and a “related party transaction” includes a transaction between the issuer and a person that is a related party of the issuer at the time the transaction is agreed to as a consequence of which, either through the transaction itself or together with connected transactions, the issuer directly or indirectly sells, transfers or disposes of an asset to the related party. Nouveau Monde is not a related party of the Company within the meaning of MI 61-101 or TSX-V Policy 5.9. The Proposed JV Transaction is therefore not a “related party transaction” for purposes of MI 61-101 or TSX-V Policy 5.9 since no assets of the Company will be sold, transferred or disposed to a related party.

## **TSX-V Approvals**

### *Proposed JV Transaction*

The Proposed JV Transaction constitutes a “reviewable transaction” pursuant to TSX-V Policy 5.3. On May 24, 2022, the TSX-V conditionally approved the Proposed JV Transaction, subject to the Company fulfilling all of the requirements of the TSX-V. There can be no assurance that the Company will be able to satisfy the requirements of the TSX-V such that the TSX-V will provide approval of the Proposed JV Transaction and issue the Final Exchange Bulletin.

### *Proposed Change of Business*

The Proposed COB constitutes a “change of business” pursuant to TSX-V Policy 5.2. The TSX-V has not yet approved the Proposed COB. There can be no assurance that the Company will be able to satisfy the requirements of the TSX-V such that the TSX-V will provide approval of the Proposed COB and issue the Final Exchange Bulletin.

## **Effects on the Company if the Proposed JV Transaction or the Proposed COB is not completed**

In the event that the Resolutions are not approved, or the Proposed JV Transaction is not completed, the Company would need to return to the drawing board and see if it could establish a new strategy. Based on the current dynamic of the battery material sector where supply chain integration is seen as the best way to de-risk such projects, the Company would likely continue to believe that seeking a strategic partnership would remain the appropriate path for the Company.

## **RISK FACTORS**

Shareholders should carefully consider the following risks related to the Proposed JV Transaction and the Proposed COB. These risk factors should be considered in conjunction with the other information included in this Circular, including certain sections of documents publicly filed, which sections are incorporated by reference herein. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Company, may also adversely affect the Proposed JV Transaction and the Proposed COB. The following risk factors assume the completion of the Proposed JV Transaction and the Proposed COB, and assume that New Mason Graphite will be a Tier 2 investment issuer upon completion of the Proposed COB.

An investment in the Company’s Shares should be considered highly speculative due to its present state of development and the nature of its business and operations and the proposed business and operations of New Mason Graphite. Shareholders should carefully consider the risks outlined below and should consult with their professional advisors when evaluating the Proposed JV Transaction and the Proposed COB and the impact on their specific circumstances.

Due to the nature of the proposed business and operations, the regulatory and economic climate in which New Mason Graphite will operate and the present state of the industry and proposed operations, New Mason Graphite may be subject to significant risks. New Mason Graphite's future development and actual operating results may be very different from those expected as at the date of this Circular. Accordingly, readers should carefully consider all such risks, which include but are not limited to the following:

### **Risks Related to the Proposed JV Transaction**

#### *The TSX-V may not approve the Proposed JV Transaction*

On May 24, 2022, the TSX-V conditionally approved the Proposed JV Transaction, subject to the Company fulfilling all of the requirements of the TSX-V. There is no assurance that the Company will meet all of the requirements of the TSX-V such that the TSX-V will issue its final acceptance for the completion of the Proposed JV Transaction.

#### *The Company will generally not be entitled to participate in operations and management*

The Joint Venture will rely on the ability of the Operator to conduct Operations at the Lac Guéret Property. The members of the Joint Venture, in such capacity, will not make decisions with respect to the management and day-to-day operations of the Lac Guéret Property or any other decisions regarding the Joint Venture's business and affairs, except for limited circumstances set forth in the OJV Agreement. The Operator will make the actual decisions upon which the success of the exploration and development of the Lac Guéret Property will depend significantly. No assurance can be given that the approaches utilized by the Operator will prove successful. There can be no assurance that satisfactory replacements for the Operator will be available, if the Operator ceases to act as such.

The Operator depends, to a great extent, on the services of individuals who are skilled and experienced in the mining and business sectors. The loss of such individuals for any reason could impair the ability of the Operator to perform its activities on behalf of the Joint Venture. There can be no assurance that the Operator will be able to attract and retain such key personnel.

The Company will have an opportunity to participate in the management of the Joint Venture in limited circumstances set forth in the OJV Agreement, where the matters in question fall within the scope of the Management Committee. The Company does not, however, have majority decision-making power on the Management Committee as it is only entitled to appoint two out of four members thereon, and any irreconcilable disputes between members of the Management Committee must be referred to arbitration.

#### *The Company will own a minority interest and will, as a result, have limited influence*

As a holder of a minority interest in the Joint Venture, the Company will not be in control of decisions regarding development or operation of the Lac Guéret Property and will have limited legal rights to influence those decisions. Such minority interest puts the Company generally at risk to the decisions of Nouveau Monde regarding all operating matters, including permitting, feasibility analysis, mine design and operation, processing, plant and equipment matters. As a result, the Company's revenue is and will be dependent upon the activities of Nouveau Monde, as holder of the majority interest and Operator under the OJV Agreement, which creates the risk that at any time Nouveau Monde may: (i) have business interests that are inconsistent with those of the Company, or (ii) take action contrary to the Company's interest, policies or objectives. To mitigate this risk, the OJV Agreement provides that certain listed matters that have been determined to be more significant must be approved unanimously by the Management Committee, half of whose members are appointed by the Company.

*Estimates of reserves and mineralization at the Lac Guéret Property may be subject to significant revision*

There are numerous uncertainties inherent in estimating proven and probable reserves and mineralization, including many factors beyond the Company and the Operator's control. The estimation of reserves and of other mineralized material is a subjective process, and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production, and the evaluation of mine plans subsequent to the date of any estimate, may cause a revision of such estimates. The volume and grade of reserves recovered and rates of production may be less than anticipated. Assumptions about Minerals are subject to great uncertainty, and such prices have fluctuated widely in the past. Declines in the market price of Minerals also may render reserves or mineralized material containing relatively lower ore grades uneconomical to exploit. Changes in operating costs and other factors including short-term operating factors, the processing of new or different ore grades, geotechnical characteristics and metallurgical recovery, may materially and adversely affect reserves.

Mineral resources may not constitute mineral reserves and may not demonstrate economic viability. Due to the uncertainty of mineral resources, there can be no assurance that the resources at the Lac Guéret Property will be upgraded to proven and probable mineral reserves as a result of continued exploration. It should not be assumed that any part or all of mineral resources constitute or will be converted into mineral reserves.

*Estimates of production are subject to change, and actual production may vary materially from such estimates*

There are numerous uncertainties inherent in estimating anticipated production, including many factors beyond the Company's and the Operator's control. The estimation of anticipated production is a subjective process and the accuracy of any such estimates is a function of the quality of available data, reliability of production history, variability in grade encountered, mechanical or other problems encountered, engineering and geological interpretation and operator judgment. Rates of production may be less than expected. Results of drilling, metallurgical testing and production, changes in commodity prices, and the evaluation of mine plans subsequent to the date of any estimate may cause actual production to vary materially from such estimates.

### **Risks Related to the Proposed COB and New Mason Graphite**

*The TSX-V may not approve the Proposed COB*

The TSX-V has not yet approved the Proposed COB. There is no assurance that the Company will meet all of the requirements of the TSX-V such that the TSX-V will issue a final acceptance for the completion of the Proposed COB.

*The Proposed COB may not produce anticipated results*

Notwithstanding completion of the Proposed COB, we cannot assure that we will be able to successfully implement our investment business strategy or that anticipated results for New Mason Graphite will materialize.

*The Company will be subject to the risk factors applicable to natural resource exploration and mining operators*

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. Investments, particularly on development stage properties, are subject to the risk that they may not produce anticipated revenues or any revenue at all.

Development of the mineral properties will occur only if satisfactory exploration results are obtained and, there is, therefore, no assurance that any discoveries of bodies of commercial ore will result in return for New Mason Graphite. The long-term profitability of any investments of New Mason Graphite will be, in part, directly related to the cost and success of the respective exploration programs, which may be affected by a number of factors out of the Company's control.

Substantial expenditures are required to establish reserves through drilling and, if warranted, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations, or at all, or that the funds required for development can be obtained on a timely basis. Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

If an operator does not bring a property into production and operate in accordance with feasibility studies, technical or reserve reports or other plans due to lack of capital, inexperience, unexpected problems, delays, or otherwise, then the acquired investments may not yield sufficient revenues to be profitable. Furthermore, operators of development stage properties must obtain and maintain all necessary environmental permits and access to water, power and other raw materials needed to begin production, and there can be no assurance that operators will be able to do so.

Further, as mines on which New Mason Graphite will have investments mature, the Company can expect overall declines in production over the years, unless operators are able to replace reserves that are mined through mine expansion or successful new exploration. There can be no assurance that the operators of properties where New Mason Graphite will hold investments will be able to maintain or increase production or replace reserves as they are mined.

*The Company's revenues are subject to operational and other risks faced by operators of mining properties in which the Company will invest*

The Company's financial results are indirectly subject to hazards and risks normally associated with developing and operating mining properties where it will hold investments. Some of these risks include:

- (a) insufficient ore reserves;
- (b) increases in production or capital costs incurred by operators or third parties that may impact the amount of reserves available to be mined, cause an operator to delay or curtail mining development and operations, or render mining of ore uneconomical and cause an operator to close operations;
- (c) declines in the price of Minerals;
- (d) mine operating and ore processing facility problems;
- (e) economic downturns and operators' insufficient financing;
- (f) insolvency or bankruptcy of the operator;
- (g) significant permitting, environmental and other regulatory requirements and restrictions and any changes in those regulations;

- (h) challenges by non-mining interests to existing permits and mining rights, and to applications for permits and mining rights;
- (i) opposition by local communities, indigenous populations and non-governmental organizations;
- (j) community or civil unrest;
- (k) labor shortages, increased labor costs, and labor disputes, strikes or work stoppages at mines;
- (l) unavailability of mining, drilling and related equipment;
- (m) unanticipated geological conditions or metallurgical characteristics;
- (n) unanticipated ground or water conditions;
- (o) pit wall or tailings dam failures or any underground stability issues;
- (p) fires, explosions and other industrial accidents;
- (q) environmental hazards and natural catastrophes such as floods, earthquakes or inclement or hazardous weather conditions;
- (r) uninsured risks resulting in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability;
- (s) the ability of operators to maintain or increase production or to replace reserves as properties are mined; and
- (t) uncertain domestic and foreign political and economic environments.

The occurrence of any of the aforementioned risks or hazards could result in an interruption, suspension or termination of operations or development work at any of the properties in which the Company will invest and have a Material Adverse Effect on the Company's business, results of operations, cash flows and financial condition.

*Battery-related materials are subject to price volatility*

Battery-related materials are generally subject to price volatility, which may adversely affect the Company's financial performance and results of operations. Battery-related materials, including graphite, lithium and cobalt, fluctuate on a daily basis and are affected by numerous factors beyond the control of the Company, including levels of supply and demand (including related to the quantity of supply from China), industrial development levels, the market penetration and growth of the electric vehicle markets, inflation and the level of interest rates, the strength of the U.S. dollar and geopolitical events in producing countries. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. All commodities, by their nature, including battery-related materials, are subject to wide price fluctuations and future material price declines will result in a decrease in the value of the commodity held, and/or revenue or, in the case of severe declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from interests in mineral properties applicable to the relevant commodities. Any such suspension or termination



may result in a material and adverse effect on the Company's profitability, results of operation and financial condition.

*The Company has a limited operating history as an investment issuer*

The Company has a limited operating history and does not have any record of operating as an investment issuer. As such, upon completion of the Proposed COB, New Mason Graphite will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its financial objectives as estimated by management or at all. The Company's ability to generate revenue, raise capital, satisfy its obligations and provide a return to Shareholders will be dependent upon the Company's future performance. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that revenue or additional funding will be available for future operations or to fulfill future obligations. There is no assurance that New Mason Graphite can generate future revenues, operate profitably, or provide a return on investment, or that it will successfully implement its business plan.

*Additional financing may be required*

New Mason Graphite may require additional equity or debt financing to acquire additional investment interests and implement its business plan. There can be no assurance that New Mason Graphite will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of future investments. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of the exploration and development programs and general market conditions for natural resources, among other factors. Any additional equity financing will cause dilution to Shareholders and may result in a change of control.

*The market for securities of New Mason Graphite may be limited*

Upon completion of the Proposed COB, the Company's Shares will continue to be listed on the TSX-V, however, there can be no assurance that an active and liquid market for the Company's Shares will develop or be maintained and an investor may find it difficult to resell any securities of New Mason Graphite.

*Directors and officers of New Mason Graphite may become subject to conflicts of interest*

Certain of the directors and officers of New Mason Graphite will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The CBCA provides that in the event that a director has a material interest in an agreement or proposed agreement that is material to an issuer, the director shall disclose his interest in such agreement and shall refrain from voting on any matter in respect thereof, subject to and in accordance with the CBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the CBCA.

*New Mason Graphite will be dependent on a small number of key individuals*

New Mason Graphite will be dependent on a relatively small number of key personnel who are skilled and experienced in the mining and business sectors. New Mason Graphite's ability to manage its activities will depend in large part on the efforts of these individuals. New Mason Graphite will face intense competition for qualified personnel, and there can be no assurance that New Mason Graphite will be able to attract and retain such personnel. The loss of the services of one or more of such key management personnel could have a Material Adverse Effect on New Mason Graphite.

Whether or not the Proposed JV Transaction and the Proposed COB is completed, the Company will continue to face many of the risks that it currently faces with respect to its business and affairs. A description of the risk factors (incorporated by reference into this Circular) applicable to the Company is contained under the heading “*Risks and Uncertainties*” of the Management’s Discussion and Analysis for the year ended June 30, 2021 and 2020 and in the Company’s other filings with the securities authorities.

## THE OJV AGREEMENT

The following is a summary of the principal terms of the OJV Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the OJV Agreement (which is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com)). Shareholders are encouraged to read the OJV Agreement.

### Option

#### *Grant of Option*

Upon the terms and subject to the conditions of the OJV Agreement, the Company will grant to Nouveau Monde the sole, exclusive, non-assignable and irrevocable right and option to acquire a 51% Interest in the Property and the Assets (the “**Option**”).

#### *Option Conditions*

The grant of the Option to Nouveau Monde is subject to the completion of the Initial Equity Investment and the agreement between the Company and Nouveau Monde to complete the Subsequent Equity Investment, as the case may be, upon the terms and subject to the conditions contained in the Investment Agreement.

The exercise by Nouveau Monde of the Option is subject to the satisfaction of the following conditions:

- (a) Nouveau Monde will have to incur and fund an aggregate of not less than \$10,000,000, exclusive of any applicable GST, QST or other applicable Taxes, in Option Expenditures within 24 months following the Effective Date; and
- (b) Nouveau Monde will have to, as part of the Option Expenditures, prepare, or shall arrange for the preparation of, (i) a Preliminary Economic Assessment, with a Project capacity of a minimum of 250,000 tonnes per annum, within 6 months following the Effective Date, and (ii) a Feasibility Study within 18 months following the Effective Date (the “**Second Option Condition**”).

#### *Option Termination*

The Option will be of no further force or effect, and will automatically terminate if:

- (a) Nouveau Monde provides written notice to the Company that it does not wish to exercise the Option; or
- (b) Nouveau Monde elects not to satisfy, or does not satisfy, the conditions set out above on or before the Option Deadline.

## Formation of the Joint Venture

The Joint Venture will be formed as of the Option Exercise Date. The Parties will agree to cooperate and execute such documents as are reasonably necessary or required to confirm and further evidence the date of the formation of the Joint Venture.

On the Option Exercise Date, the initial Participating Interests of each of the Parties will be deemed to be as follows:

	Nouveau Monde	Mason Graphite
Participating Interests	51.0%	49.0%

The initial term of the Joint Venture will be 40 years from the Option Exercise Date. The OJV Agreement will automatically extend by additional 5 year periods until the end of the Commercial Production unless otherwise provided in accordance with the OJV Agreement.

## Governance: the Management Committee

### *Organization*

The Parties will establish a management committee (the “**Management Committee**”) to determine overall policies, objectives, procedures, methods and actions under the OJV Agreement and, if there is no Operator, manage the Joint Venture in accordance with the OJV Agreement.

### *Composition*

The Management Committee will consist of four members (each, a “**Member**”). Two Members will be appointed by the Company and two Members will be appointed by Nouveau Monde.

Any Member designated by Nouveau Monde may act as Chair of the Management Committee. In the event that the Nouveau Monde’s Participating Interest is less than 50%, then any Member designated by the Company will be entitled to act as Chair of the Management Committee.

The Secretary will be the Corporate Secretary of Nouveau Monde.

### *Meetings*

The Management Committee will hold regular meetings, at least quarterly. The meetings will be held in Montréal, Québec or at any other mutually agreed place. The first meeting of the Management Committee will be held within 30 days of the Option Exercise Date.

### *Matters Requiring Approval*

Except as otherwise delegated to the Operator pursuant to the OJV Agreement, the Management Committee will have the exclusive authority to determine all matters related to overall policies, objectives, procedures, methods and actions and other matters related to the Joint Venture, including the Work Program and Budget, the Property, the Assets and the Operations, during the term of the OJV Agreement.

### *Matters Requiring Unanimous Approval*

The following matters will require unanimous approval of the Management Committee:

- (a) a decision to suspend Operations for a period longer than three months (other than in the case of an emergency or health, safety or other requirement of Applicable Laws);
- (b) making a Production Decision;
- (c) terminating the Joint Venture otherwise than as contemplated in the OJV Agreement;
- (d) selling, relinquishing or otherwise disposing of all or substantially all of the Mining Rights and Assets otherwise than as contemplated in the OJV Agreement;
- (e) granting to any person any royalty, stream or other interest in, or causing or permitting an Encumbrance to be created or exist on, the Property, other than the Royalty;
- (f) causing or permitting an Encumbrance to be created or exist on the Property or any of the Assets, other than in accordance with the OJV Agreement;
- (g) requiring the Parties to lend any money to or guarantee or become liable for the obligations of any Person in connection with the Project;
- (h) conducting any business other than as set out in the OJV Agreement; and
- (i) any decision to amend, modify, alter or repeal any approval in respect of the foregoing matters.

### **Operation**

The Parties will appoint Nouveau Monde as the Operator with overall management responsibility for all aspects of Operations conducted on the Property, subject to the decisions of the Management Committee and the provisions of the OJV Agreement. All actions of the Operator performed under the OJV Agreement will be carried out on behalf of each Party in proportion to their respective Participating Interests at the time of such actions.

### **Funding Obligations**

Subject to the OJV Agreement, each Party will be required to fund its Proportionate Share of each Approved Work Program and Budget and all other Expenditures approved in accordance with the OJV Agreement.

#### *Cash Calls*

The Operator will issue, on the first day of every quarter, a contribution notice to the Parties based on the Operator's reasonable estimate of cash requirements for the next quarter (such notice, a "**Contribution Notice**"). The Operator will record funds received from each Party on the Registers.

If a Party (the "**Non-Funding Party**") fails to provide the entire amount of funding required by a Contribution Notice on or before the Contribution Date (such failure to provide funds, a "**Funding Default**"), then the Operator will promptly have to provide notice to the other Party (the "**Funding Party**") of such Funding Default (the "**Funding Default Notice**"). Upon receipt of the Funding Default Notice, the Funding Party will have the right (but not the obligation) to fund all or a portion of the amount required to be funded by the Non-Funding Party as set forth in the Contribution Notice and which such Non-Funding Party will have failed to Fund (a "**Make-Up Payment**") during the ten Business Days following the date it received the Funding Default Notice (the last day of such ten Business Day period being referred to as the "**Dilution**").

**Date**”). The Operator will record any Make-Up Payment received on the Registers. If the Make-Up Payment, if any, is less than the amount required to be funded by the Non-Funding Party as set forth in the Contribution Notice and which such Non-Funding Party will have failed to Fund, the Operator will have the right, in its discretion, to cancel or rescind all or any part of the applicable Approved Work Program and Budget or to revise the Approved Work Program and Budget to a level, scope and size commensurate with the amount of funds contributed by the Parties.

The Operator will at all times have to maintain a minimum cash balance in an amount equal to the approximate rate of disbursements for 120 days.

#### *Adjustments to Participating Interests*

Each Party’s Participating Interest will be recalculated, from and after the Option Exercise Date: (i) on each Contribution Date, if both Parties fully satisfy the funding requirements set out in the applicable Contribution Notice on or before the applicable Contribution Date; (ii) on each Dilution Date, if one of the Parties is a Non-Funding Party or (iii) following an adjustment to Participating Interest to reflect exercise of Shortfall Funding Right and to reflect actual Expenditures as describe under the next subsection of this Circular (each, a “**Calculation Date**”).

Each Party’s Participating Interest will be recalculated on each Calculation Date and will be equal to the result of the following calculation, expressed as a percentage:

- (a) as it relates to a Non-Funding Party, (x) its Proportionate Share (calculated immediately prior to each Calculation Date and not expressed as a percentage), minus (y) the difference between its Proportionate Share of the aggregate of the balance of each Party’s accounts on the Participation Register (calculated immediately prior to each Calculation Date and not expressed as dollars) and the balance of such Non-Funding Party’s account on the Participation Register (calculated immediately prior to each Calculation Date and not expressed as dollars), divided by (z) 5,000,000; provided, that, for greater certainty, a Non-Funding Party’s Participating Interest will not be reduced by more than 1% for each tranche of \$5,000,000 of deficit between its Proportionate Share of the aggregate of the balance of each Party’s accounts on the Participation Register and the balance of such Non-Funding Party’s account on the Participation Register as calculated at any time; and
- (b) as it relates to a Funding Party, (x) its Proportionate Share (calculated immediately prior to each Calculation Date and not expressed as a percentage), plus (y) the difference between the balance of such Funding Party’s account on the Participation Register (calculated immediately prior to each Calculation Date and not expressed as dollars) and its Proportionate Share of the aggregate of the balance of each Party’s accounts on the Participation Register (calculated immediately prior to each Calculation Date and not expressed as dollars), divided by (z) 5,000,000; provided, that, for greater certainty, a Funding Party’s Participating Interest will not be increased by more than 1% for each tranche of \$5,000,000 of surplus between the balance of such Funding Party’s account on the Participation Register and its Proportionate Share of the aggregate of the balance of each Party’s accounts on the Participation Register as calculated at any time.

#### *Adjustments to Participating Interest to Reflect Exercise of Shortfall Funding Right and to Reflect Actual Expenditures*

Any Non-Funding Party will have the right (the “**Shortfall Funding Right**”) to reimburse the Funding Party for the difference between the amount contributed by the Non-Funding Party toward an Approved Work Program and Budget and its Proportionate Share (calculated immediately prior to the first adjustment of its Participating Interest as a result of the applicable Funding Default) of the cash requirement with

respect to such Approved Work Program and Budget which will have been contributed by the Funding Party, whether or not it had been added to the Funding Party's balance on the Registers (including the Participation Register for such Approved Work Program and Budget) (the "**Funding Shortfall**"). The Shortfall Funding Right will be exercisable by the Non-Funding Party at any time and from time to time (including by way of successive exercises) within a period of 3 months from the termination of an Approved Work Program and Budget by notifying the Operator and the Funding Party of its election to reimburse the Funding Party for the Funding Shortfall in whole or in part. The Non-Funding Party will have to deliver by certified cheque, wire transfer or banker's draft such amount, plus 25% as compensation fee (the "**Compensation Fee**") to the Funding Party concurrently with such notice.

If, in respect of any Approved Work Program and Budget, Expenditures of less than 80% of the aggregate Expenditures contemplated by such Approved Work Program and Budget were incurred, within 30 days of receiving the progress and other reports contemplated by the OJV Agreement, the Non-Funding Party may notify the Operator and the Funding Party of its election to reimburse the Funding Party for the difference between the amount contributed by the Non-Funding Party toward such Approved Work Program and Budget and its Proportionate Share (calculated immediately prior to the first adjustment of its Participating Interest as a result of the applicable Funding Default) of the actual Expenditures incurred in respect of such Approved Work Program and Budget. The Non-Funding Party will have to deliver by certified cheque, wire transfer or banker's draft such amount to the Funding Party concurrently with such notice.

If the Non-Funding Party has made a payment in accordance with the above paragraphs, then, upon such payment being received by the Funding Party, the Registers (including the Participation Register for such Approved Work Program and Budget) will be adjusted by increasing the Non-Funding Party's balance by the amount of such payment (without considering the Compensation Fee, as applicable) and reducing the Funding Party's balance by the same amount. A Non-Funding Party's Participating Interest will be recalculated on such date as provided in further detail in the OJV Agreement.

## **Liquidity**

The transfer of a Party's Participating Interest will be limited by customary transfer restrictions.

## *Preferential Rights*

A Party (the "**Offeror**") who desires to sell all (but not less than all) of its Participating Interests (the "**Offered Interests**") will have to, prior to selling any of its Participating Interests, deliver a notice in writing (an "**Offeror Sale Notice**") to the other Party (the "**Offeree**"). An Offeror, upon receipt of an offer that it intends to accept to purchase all (but not less than all) of its Offered Interests from a bona fide Third Party (the "**Third Party Offer**") will also have to deliver a notice in writing (a "**Third Party Notice**" and, together with an Offeror Sale Notice, a "**Sale Notice**") to the Offeree. The delivery by an Offeror of a Sale Notice will be irrevocable and, upon delivery by an Offeree of an Acceptance Notice, the Offeror will be bound to sell, and the Offeree will be bound to purchase, the Offered Interests. The Offeree will have the right, exercisable by giving notice (an "**Acceptance Notice**") to the Offeror within 20 Business Days after the Offeree's receipt of a Sale Notice (the "**Acceptance Period**") to accept the offer and to purchase all (but not less than all) of the Offered Interests. If no Acceptance Notice is received from the Offeree within the Acceptance Period, the offer to such Offeree will be deemed to have been refused.

If, following the expiry of the Acceptance Period, the offer to sell the Offered Interests under the Sale Notice has not been accepted or has been deemed to be refused by the Offeree, the Offeror may, subject to compliance with and completion of the sale of any Tagged Interests for which a Tag-Along Demand was provided, sell all (but not less than all) of the Offered Interests:

- (a) in respect of a Offeror Sale Notice, to a bona fide Third Party for not less than the purchase price set out in the Sale Notice and the other terms and conditions of the sale not more favourable in any material respect to such Third Party than the terms and conditions offered to the Offeree; or
- (b) in respect of a Third Party Notice, to the bona fide Third Party that made the Third Party Offer in accordance with the terms and conditions of the Third Party Offer.

#### *“Tag-Along” Rights*

If a Party proposes to sell the Offered Interests to a Third Party Purchaser pursuant to the above paragraph, the other Party may, within two Business Days following the expiry of the Acceptance Period, deliver a written notice to the Offeror invoking its tag-along right (the **“Tag-Along Demand”**). The delivery of a Tag-Along Demand will have to be accompanied by an irrevocable offer by the other Party to the Third Party Purchaser, which will bind such Party to sell all (but not less than all) of its Participating Interests (the **“Tagged Interests”**) to the Third Party Purchaser. If a Party delivers a Tag-Along Demand, before completing any sale, the other Party will have to cause the Third Party Purchaser to deliver to the Party a bona fide offer in writing (the **“Tag-Along Offer”**) to purchase the Tagged Interests. The Tag-Along Offer must be binding on the Third Party Purchaser and must be on the terms and conditions, including as to price, specified therein and identical to the terms and conditions offered to the Offeror, mutatis mutandis.

Neither Party will be responsible for any failure by the Third Party Purchaser to complete the purchase contemplated by the Tag-Along Offer, however, the obligation of the Offeror to complete the sale of its Offered Interests to the Third Party Purchaser will have to be conditional on the completion of the purchase and sale of the Tagged Interests.

#### *Call Rights on the Operator*

In the event that Nouveau Monde resigns or is deemed to have resigned as the Operator, the Company will have the right to require Nouveau Monde to transfer all (but not less than all) of the Nouveau Monde’s Participating Interests, to the Company, free of any Encumbrances, at a purchase price equal to (i) the balance of Nouveau Monde’s accounts on the Joint Venture Register; and (ii) the amount of the Option Expenditure Threshold and such other Option Expenditures incurred or funded pursuant to the OJV Agreement to satisfy the Second Option Condition.

#### *Call Rights on Insolvency*

In the event that: (a) a Party admits in writing its inability or fails generally to pay its debts as they become due; (b) a Party institutes or consents to the institution of any proceeding under any insolvency laws, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of any receiver, receiver-manager, interim receiver, monitor, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; (c) any receiver, receiver-manager, interim receiver, monitor, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of the Party and the appointment continues undischarged or unstayed for 60 calendar days; or (d) any proceeding under any insolvency laws relating to a Party or to all or any material part of its property is instituted without the consent of the Party and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding, the other Party will have the right to require the insolvent Party to transfer all (but not less than all) of the insolvent Party’s Participating Interests, to the other Party, free of any Encumbrances, at a purchase price equal to the fair market value of such Participating Interest.

## Acquisitions within the Area of Interest

As of the Option Exercise Date:

- (a) no Parties may stake, apply for or otherwise attempt to create or acquire any Mining Rights, surface rights and/or ancillary rights, including water rights over areas that fall in whole or in part of the Area of Interest that do not exist of the Effective Date, without the prior written consent of the other Party;
- (b) notwithstanding paragraph (a) above, the Operator may, from time to time, locate additional Mining Rights, apply for or acquire Mining Rights, surface rights and/or ancillary rights, including water rights over areas that fall in whole or in part of the Area of Interest;
- (c) if Mining Rights, surface rights and/or ancillary rights, including water rights, are issued to or acquired by a Party or an Affiliate of a Party (the “**Acquiring Party**”) over areas that are in whole or in part within the Area of Interest (the “**Additional Rights**”), the Acquiring Party will promptly have to provide written notice containing full particulars of the Additional Rights but only as to those areas or those parts of areas that actually fall within the Area of Interest, including the costs of acquisition (“**Acquisition Costs**”) which are to be estimated in such notice, to the Operator or the Management Committee, as the case may be, and the other Party (the “**Non-Acquiring Party**”);
- (d) if, in respect of the Additional Rights, the Management Committee gives notice (the “**Acquisition Notice**”) to the Acquiring Party within 90 days following receipt of such notice from the Acquiring Party that the Management Committee requires that all of such Additional Rights or such of them as may be specified in the Acquisition Notice will have to be included in the Property, then the Acquiring Party will thereafter hold such Additional Rights for the benefit of the Parties under the terms of the OJV Agreement and such Additional Rights will thereafter be included in, and form part of, the Property for all purposes of the OJV Agreement. The Management Committee will concurrently have to provide a copy of the Acquisition Notice to the Operator and the Non-Acquiring Party; and
- (e) upon compliance by the Acquiring Party with paragraph (c) above and upon the provision by the Management Committee of an Acquisition Notice pursuant to paragraph (d) above, the Operator will reimburse the Acquiring Party (using Funds contributed or to be contributed by the Parties) for the actual Acquisition Costs attributable to the relevant Additional Rights. The Acquisition Costs will be included in the calculation of Expenditures, as applicable;

Paragraph (a) above will not apply to Mining Rights, surface rights and/or ancillary rights, including water rights, that may be acquired incidental to a Party’s (or its Affiliates’) merger or amalgamation with, or acquisition of, a Third Party holding such rights within the Area of Interest.

## Distribution and Purchase Agreement

Following the entering into of the OJV Agreement and upon a Production Decision, the Parties will enter into the DPA for purposes of, *inter alia*, (i) providing for the sale of Minerals to each of the Parties as needed by such Party from time to time, and (ii) arranging for sales of the Minerals to Third Parties, for and on behalf of the Parties.



### *Appointment of Agent*

The Parties will appoint Nouveau Monde as agent (in such capacity, the “**Agent**”) to act as their sole and exclusive agent with respect to the sale of the Minerals as provided in the DPA, and the Agent will accept such appointment on the terms and conditions contained in the DPA. Such appointment will be on an exclusive basis from the execution of the DPA to its termination or earlier termination of the OJV Agreement (the “**DPA Term**”), and the Parties agree that, during the DPA Term, and subject to the terms and conditions of the DPA, they will not appoint any other Person to act as its agent with respect to sales of the Minerals.

### *Sale of Minerals*

The Agent will use commercially reasonable effort to obtain the best prevailing market price for any sale of Minerals made to Third Parties under the DPA.

Between the Parties, the purchase price will equal to the fair market value of Minerals being the price which an arm’s length Third Party would pay in a competitive and open market on the effective date of such valuation for the Minerals, taking into account various criteria including, without limitation, the price of the last sale made under the DPA to a Third Party, the price established by other producers and market indexes such as Benchmark Mineral Intelligence, Avicenne, Roskill/Wood Mackenzie and Fast Market.

Following each Sale Statement, each Party may deliver a purchase order to the Agent and the other Party detailing (i) the quantity of Minerals it desires to purchase from the Joint Venture, provided that such quantity will not be more than the total quantity of Minerals set forth in the Sale Statement, and provided further that in the event of competing purchase orders from the Parties, the quantity of Minerals will be automatically adjusted to a ratio equal to their Proportionate Share of Minerals, and (ii) the requested delivery date (the “**Purchase Order**”).

### *Reporting of the Agent*

#### Books and Records

During the DPA Term, the Agent will keep or cause to be kept on behalf of the Parties in accordance with IFRS, accurate books and records reflecting the sales of Minerals made pursuant to the DPA. Such books, records and register will have to include, without limitation, the following information:

- (a) the quantity, type, grade of all Minerals that have been sold, and the gross proceeds (including the pricing utilized in calculating the gross proceeds) for each such sale; and
- (b) the taxes on any sale of Minerals withheld, collected, remitted or paid by the Agent.

#### Reporting to the Parties

The Agent will have to provide or cause to be provided to the Parties quarterly the following information:

- (a) a statement of the sales pursuant to the DPA for the relevant quarter; and
- (b) any other information or report as reasonably requested by any Party.

## Audit Rights

Any Party will have the right to perform such audits of the books and records maintained by the Agent as and when it desires in its sole discretion. Any such audit will be at the sole expense of such Party, unless such audit reveals any gross negligence, willful misconduct or fraud on the part of the Agent, in which case the Agent will reimburse such Party for the cost of such audit. The Agent will reasonably cooperate with any such audit by, among other things, providing access to the Agent's books, records and back-up information, making available Purchase Orders received from the Parties and invoices issued to purchasing Third Parties, and making the Agent's personnel available at reasonable times to respond to any such Party inquiry. The Agent will in good faith follow any reasonable recommendations of the Party or its respective advisors arising from such audit.

## **Net Smelter Return Royalty**

If a Party's Participating Interest becomes less than 10% (a "**Minority Party**"), that Party will be deemed to have withdrawn from the Joint Venture and will transfer and convey its entire Participating Interests to the other Party free and clear of any Encumbrances arising by, through or under the Minority Party, except any such Permitted Encumbrances or to which the Parties have agreed in writing. Such withdrawn Participating Interests will be deemed to have accrued and been transferred and conveyed automatically to the other Party. As consideration for the Minority Party's Participating Interests under subsection 6.4(a) of the OJV Agreement, the remaining Party will grant the Minority Party a 2% net smelter return royalty on the terms and subject to the conditions set out in Schedule B to the OJV Agreement.

## **Equity Investment**

Pursuant to the Investment Agreement, Nouveau Monde has agreed to subscribe to Shares of the Company for an aggregate purchase price of \$5 million, with (i) \$2.5 million of which to be subscribed and payable upon the execution of the OJV Agreement (the "**Initial Shares**") at a price per Initial Share of \$0.50 (the "**Initial Share Price**"), which is equal to the 20-day volume weighted average price of the Company's Shares on the TSX-V prior to the execution of the Investment Agreement, and which represents a premium of approximately 10% over the closing price of the Company's Shares on the TSX-V on May 13, 2022 (the "**Initial Equity Investment**"), and (ii) \$2.5 million of which to be subscribed when Nouveau Monde exercises its Option under the OJV Agreement and becomes the owner of a 51% Interest in the Lac Guéret Property (the "**Option Shares**", and collectively with the Initial Shares, the "**JV Shares**"), as applicable, at a price per Option Share equal to the 20-day volume weighted average price of the Company's Shares on the TSX-V on the day prior to the earlier of (1) the joint announcement by the Company and Nouveau Monde of the exercise by Nouveau Monde of its Option to become the owner of a fifty-one percent (51%) Interest in the Lac Guéret Property, or (2) the joint release by the Company and Nouveau Monde of the results of a Regulation 43-101 bankable feasibility study with respect to the Lac Guéret Property (the "**Subsequent Equity Investment**" and, together with the Initial Equity Investment, the "**Equity Investment**"). The Option Share price is subject to a floor price equal to the Initial Share Price and satisfying the issue price permitted under the policies of the TSX-V. The JV Shares will be subject to a hold period of four months and a day pursuant to applicable securities laws. The subscription of the JV Shares by Nouveau Monde is conditional to the TSX-V approval. On May 24, 2022, the TSX-V conditionally approved the Initial Equity Investment. The Equity Investment is subject to standard closing conditions.

## **INFORMATION CONCERNING MASON GRAPHITE**

### **Name and Incorporation**

Mason Graphite is a Canadian corporation focused on 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 currently owns 100% of the rights to the Lac Guéret Property,

one of the richest graphite deposits in the world. The Company is also the largest shareholder of Black Swan Graphene., a Canadian private company focusing on the large-scale production and commercialization of patented high-performance and low-cost graphene products aimed at several industrial sectors, including concrete, polymers, Li-ion batteries and others. For more information: [www.masongraphite.com](http://www.masongraphite.com).

The Company is a corporation continued pursuant to the CBCA. As of the date of this Circular, the Company has one subsidiary, namely Black Swan Graphene.

The head office of the Company is located at 3030 Le Carrefour Blvd., Suite 600, Laval, Québec, H7T 2P5.

The Company is listed on the TSX-V under the symbol “LLG”.

### **General Development of the Business**

Mason Graphite has a 100% interest in the Lac Guéret Property, consisting of 11,630.34 hectares, located in the Côte-Nord-Nouveau-Québec region in northeastern Québec, which, on April 5, 2012, it acquired from a wholly-owned subsidiary of Cliffs Natural Resources Inc. The total purchase price for the acquisition was US\$15,000,000 in cash, payable in instalments based on the achievement of certain milestones over a five year period and the issuance of 2,041,571 warrants to purchase Shares, each such warrant being exercisable at an exercise price of \$0.75 per Share until April 5, 2014.

Until the interim period ended March 31, 2020, Mason Graphite was engaged in the development of the Lac Guéret Property. Substantially all of the Company's efforts were devoted to financing and developing the Lac Guéret Property. The Company prepared and filed a technical report for its mineral reserve and resource estimate and for a feasibility study on the Lac Guéret Property in accordance with Regulation 43-101.

In addition to the Lac Guéret Property, the Company is developing value-added products, based on the concentrate from the Lac Guéret Property. The value-added products are used in more advanced applications, have more stringent specifications, and have higher sales prices and profitability. The main product of the value-added products line is the Coated Spherical Purified Graphite (“CSPG”). This material is used to manufacture the anodes of lithium-ion batteries, which are used to power electric vehicles, mobile phones and other portable devices as well as stationary storage of energy. The CSPG was developed using Mason Graphite's own fine natural graphite concentrate.

Mason Graphite operates a pilot plant for micronization, spheronization and classification. This pilot plant, located in the Québec City region, is used to produce spherical graphite samples in large quantities for potential customers. This plant allows significant reduction of sample delivery times and tailoring of product specifications to users' highly diverse specifications.

In April 2020, due to the situation of surplus natural graphite on the world markets, combined with the very unfavorable conditions of the stock markets for the financing of natural resources projects, the Company has taken the decision to postpone, until such time as is deemed appropriate, the development of the Lac Guéret Property and management determined to focus mainly its resources on the value-added products.

On December 29, 2020, a new Board of Directors, comprised of Messrs. Fahad Al-Tamimi, Peter Damouni, Nav Dhaliwal, Tayfun Eldem, Simon Marcotte and Roy McDowall, was elected. Mr. Fahad Al-Tamimi was appointed as Chairman of the Board of Directors and Messrs. Each of Messrs. Peter Damouni and Simon Marcotte was appointed as Executive Director of the Company.

Under the leadership of the new Board of Directors, the Company has reaffirmed its commitment to accelerate the development of the primary transformation project after having considered several strategic alternatives. In the meantime, the Company has maintained the same strategy of creating Shareholder value through the advancement of its secondary transformation business.

On September 2, 2021, the Company announced the closing of the acquisition, through Black Swan Graphene, of strategic assets related to a patented graphene processing technology from Thomas Swan. In addition to the assets related to the graphene processing technology and associated know-how sold to Black Swan Graphene, Thomas Swan agreed to contribute its exclusive production and commercialization expertise while providing access to subject matter expertise, such as access to personnel and technical support, and deliverables from its operation in Northern England pursuant to a Services Agreement entered into between Black Swan Graphene and Thomas Swan. Black Swan Graphene aims to establish a large-scale commercial production facility in the Province of Québec, in order to leverage the province's competitive and green hydroelectricity. As of the date hereof, Mason Graphite holds 7,750,000 common shares of Black Swan Graphene, representing 56.03% of the issued and outstanding common shares of Black Swan Graphene. It is expected that assuming the completion of the Qualifying Transaction, Mason Graphite will hold 117,800,000 common shares of the issuer resulting from such transaction, which is expected to represent approximately 41.3% of such issuer's issued and outstanding common shares.

On May 15, 2022, the Company and Nouveau Monde entered into the Investment Agreement, pursuant to which, subject to the conditions contained in the Investment Agreement, the Parties have agreed to enter into the OJV Agreement, providing, *inter alia*, for the grant by the Company of the Option and, upon the exercise of such Option by Nouveau Monde, the formation of the Joint Venture.

## Description of Capital Structure

### *Securities*

The Company is authorized to issue an unlimited number of Shares. As of June 16, 2022, there were 136,292,585 Shares issued and outstanding.

The holders of Shares are entitled to: (i) dividends if, as and when declared by the Board of Directors; (ii) one vote per Share at meetings of Shareholders; and (iii) upon liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company among its Shareholders for the purposes of winding up its affairs, participate rateably in the distribution of the assets of the Company. The Company may from time to time agree to purchase any issued Shares from any holder and such purchase need not be made *pro rata* from the holders of such Shares. The holders of not less than 5% of the issued and outstanding Shares shall be entitled to requisition the directors of the Company to call a meeting of the Shareholders in accordance with the provisions of the CBCA.

### *Stock Option Plan and Option to Purchase Securities*

The Board of Directors adopted a fixed number stock option plan under which the Company is authorized to grant stock options ("**Stock Options**") for a maximum of 13,500,000 Shares, which is less than 10% of the issued and outstanding Shares, with or without vesting provisions (the "**Stock Option Plan**"). As of the date of this Circular, there is an aggregate of 6,867,000 Stock Options outstanding under the Stock Option Plan, which represents approximately 5.0% of the issued and outstanding Shares, with expiry dates ranging between November 24, 2022 and September 2, 2026, with exercise price from \$0.46 to \$2.54 (weighted average price is \$0.49).

The Stock Option Plan is designed to advance the interests of the Company by encouraging employees, officers and consultants to have equity participation in the Company through the acquisition of

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.

Stock Options are granted pursuant to the Stock Option Plan and in accordance with the rules of the TSX-V. The Stock Option Plan is administered by the Board of Directors, upon the recommendations of the 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 Company, the Stock Options held by such optionholder will be cancelled 90 days following such optionholder's termination from the Company. Stock Options granted under the Stock Option Plan are not assignable.

The terms and conditions of each Stock Option granted under the Stock Option Plan will be determined by the Board of Directors upon the recommendation of the Compensation Committee. Stock Options will be priced in the context of the market and in compliance with Applicable Securities Laws and TSX-V guidelines. Vesting terms will be determined at the discretion of the Board of Directors on the recommendation of the Compensation Committee. The Board of Directors 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 (10) years.

The Board of Directors believes that, except for material changes, it is important for the Board of Directors 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 Stock 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 Company will not provide financial assistance to any optionholder to facilitate the exercise of Stock Options under the Stock Option Plan.

The table below sets out the outstanding Stock Options under the Stock Option Plan, being the Company's only compensation plan under which Shares are authorized for issuance, as of June 16, 2022.

	<b>Number of Shares to be issued upon exercise of outstanding Stock Options</b>	<b>Weighted-average exercise price of outstanding Stock Options</b>	<b>Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) as of June 16, 2022</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by security holders	6,867,000	\$0.49	3,551,666
Equity compensation plans not approved by security holders	—	—	—
<b>TOTAL</b>	6,867,000	\$0.49	3,551,666

The table below sets out, as of June 16, 2022, the Stock Options held by directors and officers of, and consultants to, the Company.

Category	Date of Grant	Underlying Shares	Exercise Price	Expiry Date
Stock Options held and which will be held by executive officers as a group – one (1) individual being: <ul style="list-style-type: none"> <li>Peter Damouni</li> </ul>	January 12, 2021	1,600,000	\$0.46	January 11, 2026
Stock Options held and which will be held by directors who are not also executive officers – five (5) individuals being: <ul style="list-style-type: none"> <li>Fahad Al Tamimi</li> <li>Tayfun Eldem</li> <li>François Perron</li> <li>Nav Dhaliwal</li> <li>Roy McDowall</li> </ul>	January 12, 2021 January 12, 2021 September 2, 2021 January 12, 2021 January 12, 2021	1,600,000 400,000 400,000 400,000 400,000	\$0.46 \$0.46 \$0.51 \$0.46 \$0.46	January 11, 2026 January 11, 2026 September 2, 2026 January 11, 2026 January 11, 2026
Stock Options held and which will be held by consultants – one (1) individual being: <ul style="list-style-type: none"> <li>Simon Marcotte</li> </ul>	January 12, 2021	1,600,000	\$0.46	January 11, 2026

## Prior Sales

The following table shows the securities issued or sold by the Company during the twelve (12)-month period prior to the date of this Circular:

Date	Number	Type of securities	Price per security (\$)
September 13, 2021	400,000	Stock Options	0.51 <sup>(1)</sup>

Note:

(1) Exercise price per Stock Option

## Market for Securities

### *Trading price and volume*

The following table shows the price ranges and trading volumes of the Shares on the TSX-V during the twelve (12)-month period prior to the date of this Circular:

	High (\$)	Low (\$)	Volume
June 2021	0.74	0.55	2,460,649
July 2021	0.71	0.51	2,088,915
August 2021	0.63	0.5	1,371,203
September 2021	0.57	0.47	1,717,092
October 2021	0.58	0.4	2,169,461
November 2021	0.78	0.48	4,191,424
December 2021	0.73	0.58	2,107,482
January 2022	0.74	0.5	1,638,266
February 2022	0.66	0.445	1,423,311

	High (\$)	Low (\$)	Volume
March 2022	0.6	0.415	1,802,815
April 2022	0.63	0.475	1,135,237
May 2022	0.58	0.43	1,077,009
June 2022 (until June 16)	0.52	0.395	589,606

Source: Bloomberg

## Executive Compensation

### *Named Executive Officers*

For the financial year ended June 30, 2021, the objectives of the Company's compensation strategy was 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 the Company in achieving its goals.

The process for determining executive compensation is relatively informal, in view of the size and stage of the Company and its operations. Executive officers are involved in the process and make recommendations to the 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 Company does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. Upon the recommendation of the Compensation Committee, the Board of Directors may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board of Directors deems as worthy of recognition.

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

### *Salary or Fee*

Amounts paid to Named Executive Officers as base salary or fee, including merit salary or fee 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 or fees relies principally on discussions between the respective Named Executive Officer and the Company and is therefore heavily discretionary.

### *Performance Bonus*

The Company's cash bonus awards are designed to reward an executive officer for the direct contribution which he or she can make to the Company. Named Executive Officers are entitled to receive discretionary bonuses from time to time as determined or approved by the Board of Directors, upon the recommendation of the Compensation Committee, or the Chief Executive Officer, as applicable. The Company does not currently prescribe a set of formal objective measures to determine discretionary bonus entitlements. Rather, the Company 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 Company. Precise goals or milestones are not pre-set by the Board of Directors.

#### *Stock Option Plan*

The Board of Directors adopted a fixed number Stock Option Plan under which the Company is authorized to grant stock options for a maximum of 13,500,000 Shares, which is less than 10% of its issued and outstanding Shares, with or without vesting provisions. As of the date of this Circular, there is an aggregate of 7,292,000 Stock Options outstanding under the Stock Option Plan, which represents approximately 5.4% of the issued and outstanding Shares.

See “*Information Concerning Mason Graphite – Description of Capital Structure – Stock Option Plan and Option to Purchase Securities*”.

#### **Directors Compensation**

Compensation of directors for the financial year ended June 30, 2021, is determined according to policy in place. The Chairman of the Board of Directors is paid an annual fee of \$50,000 and each director of the Company other than the Chairman receives an annual director fee of \$30,000.

Directors are entitled to participate in the Stock Option Plan, which is designed to give each optionholder 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 Company. For the year ended June 30, 2021, 6,400,000 options have been granted to the current and former directors of the Company.

During the financial year ended June 30, 2021, directors of the Company were paid fees in such capacity as is set out in the table 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 (2) financial years ended June 30, 2021 and 2020 in respect of the individuals who were carrying out the role of the Chief Executive Officer and Chief Financial Officer of the Company (or performing functions similar to a chief executive officer or chief financial officer), 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 (collectively, the “**Named Executive Officers**”) and each director of the Company who is not a Named Executive Officer.

For the financial year ended June 30, 2021, the Company had five Named Executive Officers, namely Paul Carmel, who was Interim President and Chief Executive Officer of the Company from April 1, 2020 to August 31, 2020, Pascale Choquet, who was Interim Chief Financial Officer of the Company, Jean L’Heureux, who was Chief Operating Officer of the Company, Yves Perron, who was Executive Vice President, Engineering and Construction until December 18, 2020, and Peter Damouni, Executive Director of the Company since December 29, 2020.



Name and Position	Year Ended June 30	Salary, consulting fee, retainer or commission <sup>(1)</sup> (\$)	Bonus (\$)	Committee or meeting fees (\$)	Perquisites <sup>(2)</sup> (\$)	All other compensation (\$)	Total compensation (\$)
<b>Pascale Choquet</b> <sup>(3)</sup> Interim Chief Financial Officer	2021	170,000	30,000	—	—	—	200,000
	2020	165,000	—	—	—	—	165,000
<b>Jean L'Heureux</b> <sup>(4)</sup> Chef Operating Officer	2021	235,000	35,000	—	—	—	270,000
	2020	217,500	—	—	—	—	217,500
<b>Yves Perron</b> <sup>(5)</sup> Former Executive Vice President, Engineering and Construction	2021	131,500	—	—	—	167,400	298,900
	2020	287,000	—	—	—	—	287,000
<b>Paul R. Carmel</b> <sup>(6)</sup> Former Chairman of the Board of Directors	2021	—	—	17,000	—	—	17,000
	2020	—	—	89,500	—	—	89,500
<b>François Laurin</b> <sup>(7)</sup> Former Director	2021	—	—	27,000	—	—	27,000
	2020	—	—	53,000	—	—	53,000
<b>Guy Chamard</b> <sup>(7)</sup> Former Director	2021	—	—	19,500	—	—	19,500
	2020	—	—	31,900	—	—	31,900
<b>Gilles Gingras</b> <sup>(7)</sup> Former Director	2021	—	—	35,500	—	—	35,500
	2020	—	—	34,000	—	—	34,000
<b>Gaston Morin</b> <sup>(7)</sup> Former Director	2021	—	—	17,500	—	—	17,500
	2020	—	—	18,000	—	—	18,000
<b>Peter Damouni</b> <sup>(8)</sup> Executive Director and director	2021	125,000	—	—	—	100,000 <sup>(9)</sup>	225,000
	2020	—	—	9,500	—	—	9,500
<b>Fahad Al-Tamimi</b> <sup>(10)</sup> Chairman of the Board of Directors	2021	—	—	41,500	—	100,000 <sup>(9)</sup>	141,500
	2020	—	—	—	—	—	—
<b>Simon Marcotte</b> <sup>(11)</sup> Executive Director and director	2021	125,000	—	—	—	100,000 <sup>(9)</sup>	225,000
<b>Tayfun Eldem</b> <sup>(12)</sup> Director	2021	—	—	15,000	—	—	15,000
<b>Nav Dhaliwal</b> <sup>(12)</sup> Director	2021	—	—	15,000	—	—	15,000
<b>Roy McDowall</b> <sup>(12)</sup> Director	2021	—	—	15,000	—	—	15,000

Notes:

- (1) Executive officers who also act as directors do not receive any additional compensation for services rendered in their capacity as director.
- (2) "Perquisites" means benefits that are provided to a Named Executive Officer or director that are not generally available to all the employees and that, in aggregate, are greater than the following amounts for the financial year: (a) \$15,000, if the Named Executive Officer's or director's total salary is \$150,000 or less; (b) 10% of the Named Executive Officer's or director's salary, if the Named Executive Officer's or director's total salary is greater than \$150,000 but less than \$500,000; or (c) \$50,000, if the Named Executive Officer's or director's total salary is \$500,000 or greater.
- (3) On March 14, 2022, the Company announced the appointment of Carmelo Marrelli as Chief Financial Officer of the Company.
- (4) Jean L'Heureux's employment with the Company terminated on January 7, 2022.
- (5) Yves Perron's employment with the Company terminated on December 18, 2020.
- (6) Paul R. Carmel was appointed as Interim President and Chief Executive Officer on April 1, 2020, until August 30, 2020.

- (7) Director until December 29, 2020.
- (8) Peter Damouni was appointed as a director of the Company on February 25, 2020, and as Executive Director of the Company on December 29, 2020.
- (9) Lump sum payment received for services provided to the Company in connection with the dissident shareholder campaign which was completed at the last annual meeting of Shareholders held on December 29, 2020.
- (10) Fahad Al-Tamimi was appointed as director of the Company on June 11, 2020, and as Chairman of the Board of Directors on December 29, 2020.
- (11) Simon Marcotte was elected as a director of the Company and was appointed as Executive Director of the Company on December 29, 2020. Mr. Marcotte stepped down as director and Executive Director on July 26, 2021, and remains a consultant of the Company for various strategic mandates.
- (12) Director since December 29, 2020.

### **Stock Options and Other Compensation Securities**

Options are granted pursuant to the Stock Option Plan and in accordance with the policies of the TSX-V. See *"Information Concerning Mason Graphite – Description of Capital Structure – Stock Option Plan and Option to Purchase Securities"* for a description of the material terms of the Stock Option Plan. The Company does not have any other incentive plan under which compensation securities are awarded.

For the financial year ended June 30, 2021, 6,450,000 Stock Options were granted to directors and Named Executive Officers. The following table summarizes the Stock Options granted to Named Executive Officer and directors of the Company during the financial year ended June 30, 2021, for services provided or to be provided, directly or indirectly, to the Company.

Name and Position	Type of compensation security	Number of compensation securities, 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
<b>Fahad Al-Tamimi</b> Chairman of the Board of Directors	Option	1,600,000 (20%)	January 12, 2021	0.46	0.46	0.69	January 11, 2026
<b>Peter Damouni</b> Executive Director and director	Option	1,600,000 (20%)	January 12, 2021	0.46	0.46	0.69	January 11, 2026
<b>Simon Marcotte</b> Executive Director and director	Option	1,600,000 (20%)	January 12, 2021	0.46	0.46	0.69	January 11, 2026
<b>Tayfun Eldem</b> Director	Option	400,000 (5%)	January 12, 2021	0.46	0.46	0.69	January 11, 2026
<b>Nav Dhaliwal</b> Director	Option	400,000 (5%)	January 12, 2021	0.46	0.46	0.69	January 11, 2026
<b>Roy McDowall</b> Director	Option	400,000 (5%)	January 12, 2021	0.46	0.46	0.69	January 11, 2026
<b>Pascale Choquet</b> Interim Chief Financial Officer	Option	150,000 (2%)	January 12, 2021	0.46	0.46	0.69	January 11, 2026
<b>Jean L'Heureux</b> Chef Operating Officer	Option	300,000 (4%)	January 12, 2021	0.46	0.46	0.69	January 11, 2026

No options were exercised by the directors and Named Executive Officers during the financial year ended June 30, 2021.

### Long Term Incentive Plan

The Company does not currently have a long-term incentive plan, other than the Stock Option Plan.

## Defined Benefit or Actuarial Plan

The Company 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 material terms of each agreement or arrangement under which compensation was provided during the financial year ended June 30, 2021 or is payable as of the date of this Circular in respect of services provided to the Company by a director of the Company and a Named Executive Officer.

Name	Monthly Fees	Severance on Termination	Severance on Change of Control <sup>(1)</sup>
<b>Peter Damouni</b> Executive Director	\$20,833	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 of Directors. Otherwise, 36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.
<b>Jean L'Heureux</b> Former Chef Operating Officer	\$19,583	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 of Directors. Otherwise, 36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.
<b>Pascale Choquet</b> Former Interim Chief Financial Officer	\$14,166	6 months' fees	—
<b>Yves Perron</b> Former Executive Vice President, Engineering and Construction	\$23,917	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 of Directors. Otherwise, 36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.
<b>Simon Marcotte</b> Former Executive Director	\$20,833	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 of Directors. Otherwise, 36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control.

Note:

- (1) Becomes payable within one year following the date of a Change of Control when the Company either terminates the individual'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 CBCA of: (1) shares or rights or options to acquire shares of the Company or

securities which are convertible into shares of the Company 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 Company; (2) shares or rights or options to acquire shares of any material subsidiary of the Company 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 a meeting of the shareholders of the material subsidiary; or (3) more than 50% of the material assets of the Company, including the acquisition of more than 50% of the material assets of any material subsidiary of the Company.

#### *Summary of Termination Payments*

The estimated incremental payments, payables and benefits that might be paid to the directors of the Company or 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 of Directors (\$)	Change of Control Not Approved by Board of Directors (\$)
Peter Damouni	Salary and Quantified Benefits	250,000	500,000	750,000
	Bonus	—	—	—
	Total	250,000	500,000	750,000
Jean L'Heureux	Salary and Quantified Benefits	235,000	470,000	705,000
	Bonus	—	—	—
	Total	235,000	470,000	705,000
Pascale Choquet	Salary and Quantified Benefits	85,000	—	—
	Bonus	—	—	—
	Total	85,000	—	—
Simon Marcotte	Salary and Quantified Benefits	250,000	500,000	750,000
	Bonus	—	—	—
	Total	250,000	500,000	750,000
Yves Perron	Salary and Quantified Benefits	287,000	574,000	861,000
	Bonus	—	—	—
	Total	287,000	574,000	861,000

The Company has not, as yet, adopted a policy restricting its directors or Named Executive Officers 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 directors or Named Executive Officers.

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

#### *Management Contracts*

As of the date of this Circular, the Company has a management contract with Mr. Peter Damouni.

## **Non-Arm's Length Party Transactions**

The Company has not acquired, in any transaction completed within 24 months before the date of this Circular, assets or services or provision of assets or services from a Non-Arm's Length Party to the Company. For greater certainty, the Proposed JV Transaction is an Arm's Length Transaction.

## **Legal Proceedings**

As of the date of this Circular, there are no legal proceedings material to the Company to which the Company is or is likely to be a party, or of which the Company's assets or property is the subject matter, nor are any such proceedings known to the Company to be contemplated.

## **INFORMATION CONCERNING NEW MASON GRAPHITE**

### **Name and Incorporation**

The name and the head office's address of New Mason Graphite following the completion of the Proposed COB will be the same as the one of the Company as of the date of this Circular which are (i) Mason Graphite Inc., and (ii) 3030 Le Carrefour Blvd., Suite 600, Laval, Québec, H7T2P5. New Mason Graphite will remain a corporation continued pursuant to the CBCA.

### **Intercorporate relationships**

The intercorporate relationship of New Mason Graphite following the completion of the Proposed COB will be the same as the one of the Company as of the date of this Circular which is an interest in Black Swan Graphene Inc., the sole subsidiary of the Company. As of the date of this Circular, Mason Graphite holds 7,750,000 common shares of Black Swan Graphene, representing 56.03% of the issued and outstanding common shares of Black Swan Graphene. It is expected that assuming the completion of the Qualifying Transaction, New Mason Graphite will hold 117,800,000 common shares of the issuer resulting from such transaction, which is expected to represent approximately 41.3% of such issuer's issued and outstanding common shares.

### **Description of Capital Structure**

#### *Securities*

The authorized capital of New Mason Graphite on completion of the Proposed COB will be the same as the authorized capital of Mason Graphite as of the date of this Circular. See "*Information Concerning Mason Graphite – Description of Capital Structure*".

Concurrently with the completion of the Proposed JV Transaction, the Company will issue 5,000,000 Initial Shares to Nouveau Monde as part of the Initial Equity Investment, representing an aggregate amount of \$2.5 million at a price per Initial Share of \$0.50, which is equal to the 20-day volume weighted average price of the Company's Shares on the TSX-V prior to the execution of the Investment Agreement, and which represents a premium of approximately 10% over the closing price of the Company's Shares on the TSX-V on May 13, 2022 (\$0.455).

Concurrently with the exercise or deemed exercise by Nouveau Monde of the Option, as applicable, the Company will issue a number of Option Shares to Nouveau Monde as part of the Subsequent Equity Investment representing an additional aggregate amount of \$2.5 million at a price per Option Share equal to the 20-day volume weighted average price of the Company's Shares on the TSX-V on the day prior to the earlier of (1) the joint announcement by the Company and Nouveau Monde of the exercise by Nouveau Monde of its Option to become the owner of a fifty-one percent (51%) Interest in the Lac Guéret Property,

or (2) the joint release by the Company and Nouveau Monde of the results of a Regulation 43-101 bankable feasibility study with respect to the Lac Guéret Property. The Option Share price will be subject to a floor price equal to the Initial Share Price and satisfying the issue price permitted under the policies of the TSX-V.

#### *Stock Option Plan and Options to Purchase Securities*

As of the date of this Circular, New Mason Graphite's stock option plan will remain unchanged. See "*Information Concerning Mason Graphite – Stock Option Plan*". No Stock Option will be awarded in connection with the Proposed JV Transaction, the Proposed COB or the Equity Investment.

### **Narrative Description of the Business**

#### *Business Objectives and Strategy*

New Mason Graphite's business plan upon completion of the Proposed COB will consist of moving from a junior mining company to a company focused on seeking investment opportunities, as evidenced by decision by management of Mason Graphite and the Board of Directors to pursue the Proposed JV Transaction, to continue to create value for Mason Graphite's Shareholders.

New Mason Graphite's investment objectives will be:

- to seek an above average return on investment to continue to create significant value for its Shareholders;
- to use investment income to fund other investment opportunities with attractive risk-to-reward profile; and
- to create synergies among its investments, including its management involvement into the management, business, operations and strategies of its investment portfolio.

New Mason Graphite's strategy will be to develop vertical and horizontal integration in the mining industry, with a special focus on industrial and specialty minerals, notably battery-related materials and their by-products. This approach will be achieved by: (i) leveraging the skillset and expertise of the Board of Directors and management to review, diligence and de-risk investment opportunities, and (ii) adopting a flexible approach to its investments.

To achieve its business objectives, New Mason Graphite will allocate capital to opportunities where management and the Board of Directors believe New Mason Graphite can achieve above average returns and which are also sustainable over long periods of time. Mason Graphite believes its investment in Black Swan Graphene and its potential Participating Interests in the Joint Venture will provide such an opportunity. New Mason Graphite will continue to look for new investment opportunities, mainly through investments in equity and in Canada, that may represent similar investment opportunities.

Finally, management believes that the Proposed COB will provide more options to New Mason Graphite to fund any Approved Work Program and Budget on the Lac Guéret Property.

As of May 31, 2022, Mason Graphite's investments consisted of:

- 7,750,000 common shares of Black Swan Graphene; and
- approximately \$8,500,000 in cash or cash equivalents (excluding any cash or cash equivalents of Black Swan Graphene).

Assuming the completion of the Proposed JV Transaction and the exercise or deemed exercise by Nouveau Monde of the Option pursuant to the OJV Agreement, New Mason Graphite's investments will also include Participating Interests in the Joint Venture of 49.0%.

### *Milestones*

In order to accomplish its stated business objectives, New Mason Graphite plans to monitor the progress of its investment in Black Swan Graphene and the Joint Venture. The exercise by Nouveau Monde of the Option (which will imply that the conclusions of the Feasibility Study are conclusive) will become an important milestone for New Mason Graphite and will determine how future cash flow is allocated.

New Mason Graphite will continue to monitor its investment in Black Swan Graphene and may elect to invest additional capital or to sell some or all of its common shares of Black Swan Graphene as the circumstances warrant. The key milestones for New Mason Graphite's investment in Black Swan Graphene will be the deployment of its large-scale production capacities and the commercialization of patented high-performance and low-cost graphene products.

### **Investment Policy**

The Board of Directors has adopted an investment policy (the "**Investment Policy**") to govern its investment activities. The Investment Policy sets out, among other things, the investment objectives and strategy based on certain fundamental principles. New Mason Graphite's Investment Policy is attached to this Circular as Appendix D.

New Mason Graphite's strategy will be to develop vertical and horizontal integration in the mining industry, with a special focus on industrial and specialty minerals, notably battery-related materials and their by-products. This approach will be achieved by: (i) leveraging the skillset and expertise of the Board of Directors and management to review, diligence and de-risk investment opportunities, and (ii) adopting a flexible approach to its investments.

The nature and timing of investments will depend, in part, on the investment opportunities identified and available to the Company. The composition of the Company's investment portfolio will vary over time depending on its assessment of a number of factors, including the demand for battery-related materials and other industrial and strategic minerals, the performance of financial markets and credit risk.

### **Pro Forma Consolidated Capitalization**

The table below reflects the pro forma share and loan capital of New Mason Graphite.

<b>Designation of security</b>	<b>Amount authorized or to be authorized</b>	<b>Amount outstanding after giving effect to the Proposed COB</b>
Shares	136,292,585	136,292,585

### **Fully Diluted Share Capital**

The table below reflects the fully diluted share capital of New Mason Graphite to be outstanding on a fully diluted basis after giving effect to the Proposed COB.



Designation of security	Number of securities	Percentage
Shares	136,292,585	100%

## Available Funds and Principal Purposes

### Available Funds

Based on the working capital of Mason Graphite (on an unconsolidated basis) of approximately \$8,500,000 as at May 31, 2022, following completion of the Proposed COB and assuming the completion of the Initial Equity Investment, New Mason Graphite will have approximately \$11,000,000 available to fund its operations.

### Principal Purposes

The following table summarizes expenditures anticipated by New Mason Graphite, required to achieve its business objectives during the 12 months following the completion of the Proposed COB, as described in more detail in this Circular under “*Information Concerning New Mason Graphite – Narrative Description of the Business – Business Objectives and Strategy*” and “*Information Concerning New Mason Graphite – Narrative Description of the Business – Milestones*”.

New Mason Graphite anticipates using the funds available to it upon completion of the Proposed COB as follows:

Use of available funds	Amount
General and administrative expenses for the 12 months following completion of the Proposed COB	\$1,500,000
Unallocated working capital	\$9,500,000

Upon the formation of the Joint Venture, New Mason Graphite anticipates using some of the funds available upon completion of the Proposed COB to fund Approved Work Programs and Budgets on the Lac Guéret Property. As of the date of this Circular, New Mason Graphite has not identified any other probable investment other than the Joint Venture and Black Swan Graphene.

There may be circumstances where, for sound business reasons, the reallocation of funds may be necessary in order for New Mason Graphite to achieve its stated business objectives. See “*Information Concerning New Mason Graphite – Narrative Description of the Business*”.

### Principal Securityholders

To the knowledge of the Company, as at the date hereof, the only person who beneficially owns, or exercises control or direction, directly or indirectly, over more than 10% of the outstanding Shares of the Company is:

Name and municipality of residence	Ownership	Number of Shares as of June 16, 2022 and on completion of the Proposed COB	Percentage of Shares as of June 16, 2022 and on completion of the Proposed COB
Investissement Québec, Québec City, Québec	Registered Shareholder	17,021,211	12.49 <sup>(1)</sup>

Note:

(1) Percentage to be reduced to 12.05% after the completion of the Initial Equity Investment.

## Directors, Officers and Promoters

The officers and directors of the Company as of the date of this Circular will be the officers and directors of New Mason Graphite on completion of the Proposed COB. The following table sets out the name, municipality of residence, current position with the Company, and the number and percentage of Shares beneficially owned or over which control or direction is exercised by each of the Company's directors and officers as of June 16, 2022. Each of the directors of New Mason Graphite will serve until the close of the next annual general meeting of New Mason Graphite's Shareholders, unless he resigns or otherwise vacates office before that time, subsequent to which directors of New Mason Graphite will be elected for terms of one year.

Name, Residence, Year First Became Director, Committee(s) and Attendance	Biography and Directorships
<p><b>FAHAD AL TAMIMI</b> Riyad, Saudi Arabia Age : 69</p> <p>Director since June 11, 2020 Chairman of the Board since December 29, 2020 Non-Independent</p> <p>Shares: 13,517,337 (9.92%) Stock Options: 1,600,000</p>	<p>Fahad Al Tamimi is a Saudi-based businessman with global investment activities. He is President and CEO of SaudConsult, an engineering firm in Saudi Arabia responsible for many large infrastructure and construction projects in the country. Previously, he was a 50% partner of Worley Parsons Arabia, which undertook major projects in the mining, oil &amp; gas and energy sectors, in Saudi Arabia, in the U.A.E. and in Bahrain.</p> <p>Mr. Al Tamimi has a BSc in Chemical Engineering and Master of Science in Petroleum &amp; Civil Engineering from University of Houston, Texas.</p>
<p><b>PETER DAMOUNI</b> London, United Kingdom Age : 44</p> <p>Director since February 24, 2020 Executive Director since December 29, 2020 Non-Independent</p> <p>Shares: None Stock Options: 1,600,000</p>	<p>Peter Damouni is an entrepreneur and financier with over 18 years of experience in investment banking and capital markets, including more than ten years as a director or officer of a number of private and public companies listed on the TSX, the TSX-V and the London Stock Exchange. Throughout his career, Mr. Damouni has taken a lead role in equity and debt financings. His expertise in financing, restructuring, strategy development and execution, mergers &amp; acquisitions have been instrumental in creating significant value for shareholders.</p> <p>Mr. Damouni is a graduate of McGill University. He is a Canadian and British citizen, residing in the United Kingdom.</p>
<p><b>TAYFUN ELDEM</b> Québec, Canada Age : 56</p> <p>Director since December 29, 2020 Independent</p> <p>Shares: 18,333 (0.01%) Stock Options: 400,000</p>	<p>Tayfun Eldem brings over 30 years of operations, business development and strategic leadership experience in the mining and minerals industry. Mr. Eldem is currently the Group Executive Vice President Operations &amp; Growth of Baffinland Iron Mines Corporation. He was a director of the Company from November 2012 to February 2016,</p>

Name, Residence, Year First Became Director, Committee(s) and Attendance	Biography and Directorships
	<p>including as Chairman of the Board from February 2013 until his resignation from the board of directors in February 2016 to pursue other interests.</p> <p>Mr. Eldem was President and Chief Executive Officer of Alderon Iron Ore Corp. and Managing Director of Iron Ore &amp; Coal for Hatch Ltd., where he was responsible for business development across five regions of the world.</p> <p>Mr. Eldem is a professional engineer and holds a Bachelor of Electrical Engineering degree from Dalhousie University along with Operations Management and Strategic Leadership certificates from the Richard Ivey School of Business and the London Business School, respectively.</p>
<p><b>NAV DHALIWAL</b> British-Columbia, Canada Age : 47</p> <p>Director since December 29, 2020 Independent</p> <p>Shares: None Stock Options: 400,000</p>	<p>Nav Dhaliwal is a high-profile mining executive and capital markets expert with a long-running track record of success. Mr. Dhaliwal was the founding Chief Executive Officer of Québec-based Bonterra Resources Inc., which made the award-winning Gladiator discovery in Québec. Mr. Dhaliwal raised over \$140 million for Bonterra and played a key role in the company's market capitalization growth from \$10 million to over \$150 million.</p> <p>Mr. Dhaliwal is also the founder of the highly successful RSD Capital Corp., which invests in, and provides management and technical expertise to, public and pre-IPO companies.</p>
<p><b>ROY McDOWALL</b> Québec, Canada Age : 59</p> <p>Director since December 29, 2020 Independent</p> <p>Shares: None Stock Options: 400,000</p>	<p>Roy McDowall is a capital markets professional with over 25 years of experience with Canadian-based boutique and bank owned investment firms, and most recently served as Managing Director, Head of Equity Sales for Macquarie.</p> <p>Mr. McDowall is currently a senior officer of Turquoise Hill Resources Inc., a Montréal-based mining company with a market capitalization of approximately \$2 billion listed on both the TSX and the New York Stock Exchange.</p> <p>Mr. McDowall holds a Bachelor of Commerce degree from the Simon Fraser University in British Columbia.</p>
<p><b>FRANÇOIS PERRON</b> Toronto, Canada Age : 58</p> <p>Director since July 26, 2021 Independent</p> <p>Shares: None Stock Options: 400,000</p>	<p>François Perron is currently President and Chief Executive Officer of Lucky Minerals Inc., a company listed on the TSX-V, since 2020, as well as Chairman of Northern Superior Resources Inc. since 2016 and President &amp; Director of Goldstar Minerals Inc. since 2016, and each of which is a TSX-V-listed company advancing assets in the Province of Québec. Prior to his corporate involvement, Mr. Perron was managing resource-focused portfolios for National Bank Alternative Investments and various resource funds for the Caisse de dépôt et placement du Québec from 2001 to 2007. In 2006, he was recognized by Brendan Woods International as a "Top Gun Asset Manager" in Mining.</p> <p>Mr. Perron holds a Bachelor of Science, Computer Science, from McMaster University (1986) and an MBA from the École des Hautes Études Commerciales in Montréal (1992).</p>

Assuming completion of the Proposed COB, assuming no other issuances of Shares and assuming no acquisitions or dispositions of Shares by any of the Company's directors and officers after the date of this Circular, on completion of the Proposed COB the directors and officers of New Mason Graphite, as a group, will own and/or exercise control or direction over an aggregate of 13,535,670 Shares representing approximately 9.56% of the outstanding Shares of New Mason Graphite.

There is no Promoter of the Company as of the date of this Circular and there will not be a Promoter of New Mason Graphite on completion of the Proposed COB.

## Board Committees

The board committees of New Mason Graphite and the members thereof on completion of the Proposed COB will be the board committees of the Company and the members thereof as of the date of this Circular.

### *Audit Committee*

The purposes of the Audit Committee are to assist the Board of Director's oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the qualifications and independence of the Company's independent auditors and the performance of the independent auditors.

The Audit Committee is currently comprised of three members: François Perron (Chair), Tayfun Eldem and Roy McDowall . All of the members of the Audit Committee are considered financially literate and are considered independent, in each case within the meaning of NI 52-110.

### *Compensation Committee*

The Compensation Committee is comprised of three members: Peter Damouni (Chair), Fahad Al Tamimi and Roy McDowall. One of the members of the Compensation Committee is considered independent within the meaning of NI 58-101. The Compensation Committee is established by the Board of Directors to assist the Board of Directors in fulfilling its responsibilities relating to human resources and compensation matters.

## Management and Consultants

### *Peter Damouni, Executive Director (Age: 44)*

Mr. Damouni obtained a Bachelor of Economics in 2001. Mr. Damouni has been a director of the Company since February 2020, and Executive Director since December 2020. He will maintain the same positions in New Mason Graphite following completion of the Proposed COB.

Mr. Peter Damouni has over 20 years of corporate and investment banking experience with a focus on natural resources. He has served as a director or executive officer of a number of private and public companies listed on the TSX-V, the TSX and the London Stock Exchange and has been instrumental in developing and executing corporate strategy, financings, restructuring, acquisitions and sale process which has created significant value for Shareholders.

He is currently Executive Director of Mason Graphite, Executive Director of Black Swan Graphene, and a director of Arena Minerals Inc. (TSX-V: AN) ("**Arena Minerals**").

As of the date of this Circular, Mr. Damouni is an executive officer of the Company and is compensated pursuant to the terms of a consulting agreement dated January 13, 2021 (the "**Damouni Employment Agreement**"), which will continue as Mr. Damouni's employment arrangement with New Mason Graphite following completion of the Proposed COB. The Damouni Employment Agreement contains non-disclosure, non-competition and non-solicitation provisions. Mr. Damouni intends to devote approximately 80% of his working time to the affairs of New Mason Graphite.

*Simon Marcotte, Strategic Consultant (Age: 47)*

Simon Marcotte is a Chartered Financial Analyst with nearly 25 years of experience focused on commodities, including more than 12 years in executive positions for junior mining companies, where he is actively involved in merchant banking activities.

Mr. Marcotte is the founder, President and Chief Executive Officer of Black Swan Graphene, a graphene manufacturing company created based on the graphene technology of Thomas Swan & Co. Ltd., and President and Chief Executive Officer of Royal Fox Gold Inc. (TSX-V: FOXG), which is advancing the Philibert Gold Project near Chibougamau, Québec. Mr. Marcotte is also a director of Freeman Gold Corp. (TSX-V: FMAN), a company he co-founded, which is advancing the Lemhi gold project in Idaho, United States.

In 2018, Mr. Marcotte was instrumental in the launch of Arena Minerals in the lithium brine industry in Argentina, and the subsequent strategic investments by both Ganfeng Lithium and Lithium Americas Corp. In 2012, Mr. Marcotte co-founded Mason Graphite and held the position of Vice-President of Corporate Development until February 2018. Under his leadership, Mason Graphite was awarded the TSX-V's recognition as "Top 10 Performing Stock" in 2013, the "Best 50 OTCQX" in both 2016 and 2017, and was nominated for best investor relations in both 2016 and 2017. In 2010, Mr. Marcotte joined Verena Minerals Corp., which was then renamed Belo Sun Mining Corp., as vice-president corporate development, working alongside the President and Chief Executive Officer on all decision-making processes and helped develop and implement the company's turnaround strategy and assisted in more than \$100 million in funding. Mr. Marcotte has also been involved with several other mining companies, either as an officer or a director.

Prior to his corporate involvement, Mr. Marcotte was working in senior positions in capital markets with CIBC World Markets Inc., from 1998 to 2006, and with Sprott Securities Inc. and Cormark Securities Inc., from 2006 to 2010, where he was also a member of the board of directors.

*Carmelo Marrelli, Chief Financial Officer (Age: 51)*

Mr. Marrelli obtained a Bachelor of Commerce degree from University of Toronto in 1995. Mr. Marrelli has been the Chief Financial Officer of the Company since March 2022. He will maintain the same positions in New Mason Graphite following completion of the Proposed COB.

Mr. Marrelli delivers accounting and regulatory compliance services to listed companies on the TSX-V, the TSX and the Canadian Securities Exchange. He is a Chartered Professional Accountant (CPA, CA, CGA) and a member of the Institute of Chartered Secretaries and Administrators, a professional body that certifies corporate secretaries.

As of the date of this Circular, Mr. Marrelli is a consultant of the Company and is compensated pursuant to the terms of a consulting agreement dated March 10, 2022 (the "**Marrelli Employment Agreement**"), which will continue as Mr. Marrelli's consulting arrangement with New Mason Graphite following completion of the Proposed COB. The Marrelli Employment Agreement contains non-disclosure, non-competition and non-solicitation provisions. Mr. Marrelli intends to devote approximately 5% to 10% of his working time to the affairs of New Mason Graphite.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

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

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation (each 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 of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company 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;
- (c) has, within the 10 years before the date of this Circular, 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, or 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.

### **Individual Bankruptcies**

As of the date of this Circular, no proposed director or officer of New Mason Graphite, and no securityholder anticipated to hold a sufficient number of securities of New Mason Graphite to affect materially the control of New Mason Graphite, or a personal holding company of any such persons has, within the ten (10) years before the date of this Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 such individual.

### **Conflicts of Interest**

Conflicts of interest may arise as a result of the proposed directors and officers of New Mason Graphite also holding positions as directors and/or officers of other companies or otherwise. Situations may arise where the directors and officers will be in direct competition with New Mason Graphite. See “*Risk Factors*”.

### **Other Reporting Issuer Experience**

The following table sets out the proposed directors and officers of New Mason Graphite that are, or have been within the five years prior to the date of this Circular, directors, officers or promoters of other reporting issuers.

Director / Officer	Name and Jurisdiction(s) of reporting issuer	Trading Market	Position	From – To
Fahad Al Tamimi	Sabre Gold Mines Corp. (formerly Arizona Gold Corp.) (BC, AB, SK, MB, ON, QC, NB, NL )	TSX	Director	July 2016 – Present
Peter Damouni	Arena Minerals (BC, AB)  Xphyto Therapeutics Corp. (BC, AB, MB, ON) Empire Metals Corp. (BC, AB) Gatling Exploration Inc. (BC, AB) Chesterfield Resources Plc (UK) Sabre Gold Mines Corp. (formerly Arizona Gold Corp.) (BC, AB, SK, MB, ON, QC, NB, NL )	TSX-V  Canadian Stock Exchange TSX-V TSX-V London Stock Exchange TSX	Director  Director Director Director Director	March 2019 – Present  July 2021 – Present October 2021 – Present April 2019 – May 2022 January 2017 – February 2022 July 2016 – August 2021
François Perron	Goldstar Minerals Inc. (BC, AB)  Lucky Minerals Inc. (BC, AB, SK, MB, ON, NB, NS, PE, NL)  Northern Superior Resources Inc. (BC, AB, ON, QC)	TSX-V  TSX-V  TSX-V	Director  Director  Chairman	October 2017 – Present  May 2012 – Present  September 2021 – Present November 2016 – Present
Nav Dhaliwal	Gatling Exploration Inc. (BC, AB) Pacton Gold Inc. (BC, AB) Gatling Exploration Inc. (BC, AB) Huntsman Exploration Inc. Bonterra Resources Inc.	TSX-V TSX-V TSX-V TSX-V TSX-V	Executive Chairman President and Chief Executive Officer Executive Chairman Chief Executive Officer and Director President, Chief Executive Officer and Director	September 2018 – May 2022 December 2020 – Present September 2018 – May 2022 August 2018 – March 2020 February 2012 – February 2019
Roy McDowall	Turquoise Hill Resources Ltd. (BC, AB, SK, MB, ON, QC, NB, NS, PE, NL, YT, NT, NU)  Lucky Minerals Inc. (BC, AB, SK, MB, ON, NB, NS, PE, NL) Goldstar Minerals Inc. (BC, AB)	TSX  TSX-V TSX-V	Head of Investors Relations and Communications  Director Director	May 2019 – Present  September 2021 – Present March 2021 – Present
Carmelo Marrelli	Odyssey Resources Limited (BC, AB, ON)	TSX-V – NFX	Director	February 2008 – June 2019

Director / Officer	Name and Jurisdiction(s) of reporting issuer	Trading Market	Position	From – To
	BE Resources Inc. (BC, AB, ON)	TSX-V	Director	November 2007 – Present
	Greencastle Resources Ltd. (BC, AB, ON)	TSX-V	Chief Financial Officer	March 2009 – Present
	Stone Gold Inc. (formerly CR Capital Corp.) (BC, AB, ON)	TSX-V – NEX	Chief Financial Officer	November 2011 – Present
	Eskay Mining Corporation (BC, AB, ON)	TSX-V	Chief Financial Officer	September 2011 – Present
	Focus Capital Corp. (Ceased Reporting)	TSX-V – NEX	Chief Financial Officer	June 2010 – October 2017
	Focus Capital Corp II (Ceased Reporting)	TSX-V – NEX	Chief Financial Officer and Director	October 2011 – August 2018
	Deveron Corp. (BC, AB, SK, MB, ON, NB, NS, PE, NL)	TSX-V	Chief Financial Officer	August 2011 – Present
	Inventus Mining Corp. (BC, AB, ON)	TSX-V	Chief Financial Officer	April 2015 – Present
	Manitou Gold Inc. (BC, AB, SK, MB, ON)	TSX-V	Chief Financial Officer	June 2012 – Present
	Revive Therapeutics Inc. (C, AB, SK, MB, ON, NB, NS, PE, NL)	Canadian Stock Exchange	Chief Financial Officer and Corporate Secretary	July 2013 – Present
	Olive Resource Capital Inc. (formerly, Norvista Capital Corporation) (BC, AB, MB, ON)	TSX-V	Chief Financial Officer	April 2014 – Present
	Petrolympic Ltd. (BC, AB, ON, QC)	TSX-V	Chief Financial Officer	September 2009 – Present
	Rio Novo Gold Inc. (Ceased Reporting)	TSX	Chief Financial Officer	April 2010 – March 2018
	Eco (Atlantic) Oil & Gas Ltd (formerly Goldbard Capital Corp.- Eco (atlantic) Oil & Gas) (BC, AB, ON)	TSX-V	Chief Financial Officer	June 2010 – May 2022
	Sintana Energy Inc. (BC, AB, SK, MB, ON, NB, NS, PE, NL)	TSX-V	Chief Financial Officer	August 2010 – Present
	Outdoor Partner Media Corporation (BC, AB, SK, MB, ON, QC, NB, NS, PE, NL)	Not presently listed	Director	April 2014 – Present
	Royal Standard Minerals Inc. (BC, AB, QC)	Not presently listed	Director/Chief Financial Officer	January 2014 – Present
	Probe Metals Inc. (BC, AB, ON, QC)	TSX-V	Chief Financial Officer	March 2015 – March 2022
	Mega Uranium Ltd. (BC, AB, SK, MB, ON, NB, NS, PE, NL, NT, YT, NU)	TSX	Chief Financial Officer	December 2015 – Present
	79North Ltd. (N/A)	Canadian Stock Exchange	Chief Financial Officer	August 2016 – Present



Director / Officer	Name and Jurisdiction(s) of reporting issuer	Trading Market	Position	From – To
	Revival Gold Inc. (BC, AB, SK, MB, ON, NB, NS, PE, NL, NT, YT, NU)	TSX-V	Director	December 2016 & June 2017 – February 2022
	Steppe Gold Ltd. (BC, AB, SK, MB, ON, NB, NS, PE, NL)	TSX	Chief Financial Officer	February 2017 – July 2018
	Tintina Mines Limited (BC, AB, ON, QC)	TSX-V	Director	July 2017 – Present
	Globex Mining Enterprises Inc. (BC, AB, ON, QC)	TSX	Chief Financial Officer	September 2017 – Present
	Ayr Wellness Inc. (formerly Cannabis Strategies Acquisition Corp. (BC, AB, SK, MB, ON, NB, NS, PE, NL, NT, YT, NU)	Aequitas NEO Exchange	Chief Financial Officer	September 2017 – June 2019
	Phivida Holdings Inc. (BC, AB, ON, NB)	Canadian Stock Exchange	Chief Financial Officer Corporate Secretary	April 2017 – September 2020
	Sabre Gold Mines Corp. (formerly Kerr Mines Inc.) (BC, AB, SK, MB, ON, QC, NB, NL)	TSX	Chief Financial Officer	December 2017 – January 2021
	FSD Holdings Limited (formerly Five Star Diamonds Ltd) (Ceased Reporting)	TSX-V	Chief Financial Officer	November 2017 – March 2018
	Skylight Health Group Inc. (formerly CB2 Insights Inc.) (BC, AB, MB, ON)	Canadian Stock Exchange	Chief Financial Officer	September 2018 – March 2021
	Gravitas Financial Inc. (BC, AB, ON, QC)	Canadian Stock Exchange	Interim Chief Financial Officer	September 2018 – February 2019
	Platinex Inc. (BC, AB, ON, NS)	Canadian Stock Exchange	Chief Financial Officer	November 2018 – August 2020
	Blue Lagoon Resources Inc. (formerly Blue Lagoon Capital Inc.) (BC, AB, ON)	Canadian Stock Exchange	Chief Financial Officer	September 2018 – Present
	Dynacert Inc. (BC, AB, ON, NB)	TSX	Chief Financial Officer	January 2019 – Present
	Magna Gold Corp (BC, AB, ON)	TSX-V	Chief Financial Officer	June 2019 – January 2020
	Glass House Brands Inc. (formerly Mercer Park Brand Acquisition Corp (BC, AB, SK, MB, ON, NB, NS, PE, NL, NT, YT, NU)	NEO	Chief Financial Officer	April 2019 – June 2021

Director / Officer	Name and Jurisdiction(s) of reporting issuer	Trading Market	Position	From – To
	Nomad Royalty Company Ltd. (formerly Guerrero Ventures Inc.) (BC, AB, SK, MB, ON, QC, NB, NS, PE, NL)	TSX-V	Chief Financial Officer	October 2019 – April 2020
	Golden Tag Resources Inc. (BC, AB)	TSX-V	Chief Financial Officer	May 2020 – Present
	PharmaTher Holdings Ltd. (formerly Newscope Capital Corporation) (BC, ON)	Canadian Stock Exchange	Chief Financial Officer	June 2020 – Present
	Greenhawk Resources Inc. (BC, AB, ON)	Canadian Stock Exchange	Chief financial Officer	April 2021 – Present
	S2 Minerals Inc. (BC, AB, SK, MB, ON, NB, NS, PE, NL)	Canadian Stock Exchange	Chief Financial Officer	July 2021 – Present
	MediaCentral Corporation (BC, AB, ON)	Canadian Stock Exchange	Chief Financial Officer	June 2021 – January 2022
	G2 Goldfields Inc. (BC, AB, SK, MB, ON, NB, NS, PE, NL)	TSX-V	Chief Financial Officer	June 2021 – Present
	Canadian North Resources Inc (BC, AB, ON, NB)	TSX-V	Chief Financial Officer	March 2021 – Present
	PharmAla Biotech Holdings Inc. (BC, ON)	Canadian Stock Exchange	Chief Financial Officer Corporate Secretary	March 2021 – Present
	Transition Metals Corp (BC, AB, ON)	TSX-V	Chief Financial Officer	September 2021 – Present
	Prismo Metals Inc. (BC, AB, SK, ON)	Canadian Stock Exchange	Chief Financial Officer	January 2022 – Present
	Beyond Minerals Inc. (BC, AB, SK, MB, ON)	Unlisted	Chief Financial Officer	February 2022 – Present
	Rex Opportunity Corp. (MB, ON, QC)	Unlisted	Chief Financial Officer	May 2022 – Present

### Indebtedness of Directors and Officers

As of the date of this Circular, no director or officer of the Company, who will be the directors and officers of New Mason Graphite, and no other individual who at any time during the most recently completed financial year of the Company was a director or officer of the Company, nor any Associate of any such individuals, was indebted to the Company, nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

### Executive Compensation

For the financial year ended June 30, 2021, the objectives of the Company's compensation strategy was to ensure that compensation for its Named Executive Officers is sufficiently attractive to recruit, retain and motivate high performing individuals to assist the Company in achieving its goals. New Mason Graphite intends to maintain such strategy following the completion of the Proposed COB. New Mason Graphite also intends to maintain Mason Graphite's process for determining executive compensation and the following

components for the compensation of its executive officers: base salary or fee, performance bonus and stock-based compensation. See “*Information concerning Mason Graphite – Executive Compensation*”.

The following table summarizes the anticipated compensation of the executive officers of New Mason Graphite for the twelve-month period following the completion of the Proposed COB.

Name and Position with New Mason Graphite	Period	Salary/Fee (\$)	Share-based awards <sup>(1)</sup> (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive compensation <sup>(2)</sup> (\$)		All other compensation <sup>(1)</sup> (\$)	Total compensation <sup>(1)</sup> (\$)
					Annual incentive plans <sup>(1)</sup> (\$)	Long-term incentive plans <sup>(1)</sup> (\$)		
<b>Peter Damouni</b> Executive Director	12 months following completion of the Proposed COB	125,000	TBD	TBD	TBD	TBD	TBD	TBD
<b>Carmelo Marrelli</b> Chief Financial Officer	12 months following completion of the Proposed COB	15,000	TBD	TBD	TBD	TBD	TBD	TBD

Note:

- (1) As of the date of this Circular, discretionary bonus awards, future grants of Stock Options under the Stock Option Plan as compensation by New Mason Graphite for its executive officers have yet to be determined. See “*Information concerning Mason Graphite – Executive Compensation*”.

### Stock Options and Other Compensation Securities

Stock Options are granted pursuant to the Stock Option Plan and in accordance with the policies of the TSX-V. See “*Information Concerning Mason Graphite – Description of Capital Structure – Stock Option Plan and Option to Purchase Securities*” for a description of the material terms of the Stock Option Plan. The Company does not have any other incentive plan under which compensation securities are awarded.

The following table summarizes the Stock Options held by the executive officers and directors of Mason Graphite as at May 31, 2022 and which are anticipated to be held by the executive officers and directors of New Mason Graphite upon the completion of the Proposed COB.

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class <sup>(1)</sup>	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 <sup>(2)</sup> (\$)	Expiry date
<b>Fahad Al-Tamimi</b> Chairman of the Board of Directors	Stock Option	1,600,000 (23%)	January 12, 2021	0.46	0.46	0.495	January 11, 2026
<b>Peter Damouni</b> Executive Director and director	Stock Option	1,600,000 (23%)	January 12, 2021	0.46	0.46	0.495	January 11, 2026
<b>Tayfun Eldem</b> Director	Stock Option	400,000 (6%)	January 12, 2021	0.46	0.46	0.495	January 11, 2026
<b>Nav Dhaliwal</b> Director	Stock Option	400,000 (6%)	January 12, 2021	0.46	0.46	0.495	January 11, 2026
<b>Roy McDowall</b> Director	Stock Option	400,000 (6%)	January 12, 2021	0.46	0.46	0.495	January 11, 2026
<b>François Perron</b> Director	Stock Option	400,000 (6%)	September 13, 2021	0.51	0.51	0.495	September 2, 2026
<b>Simon Marcotte</b> Consultant	Stock Option	1,600,000 (23%)	January 12, 2021	0.46	0.46	0.495	January 11, 2026

Notes:

- (1) The number of Stock Options outstanding is calculated as at the date of this Circular (6,867,000).  
(2) The closing price of the Shares as at May 31, 2022.

No Stock Options were exercised by the directors and Named Executive Officers during the financial year ended June 30, 2021.

### Directors Compensation

New Mason Graphite intends to maintain the same compensation for its directors who are not also executive officers of New Mason Graphite following the completion of the Proposed COB. See “*Information Concerning Mason Graphite – Directors Compensation*” for details of the Company’s compensation for its directors who are not also executive officers of the Company.

### Investor Relations Arrangements

As of the date of this Circular, the Company is not a party to any written or oral agreement or understanding reached with any person to provide any promotional or investor relations services for New Mason Graphite.

## **Escrowed Securities**

As of the date of this Circular, no Shares of the Company are subject to escrow restrictions and no Shares of New Mason Graphite will be required to be subject to escrow restrictions as a result of completion of the Proposed COB.

## **Auditor, Transfer Agent and Registrar**

### *Auditor*

New Mason Graphite's auditor will be Mason Graphite's auditor, PricewaterhouseCoopers LLP, with offices at 1250 René-Lévesque Blvd. West, Suite 2500, Montréal, Québec, H3B 4Y1.

### *Transfer Agent and Registrar*

New Mason Graphite's transfer agent and registrar for the Shares will be Mason Graphite's transfer agent and registrar, TSX Trust. The Shares are and will be transferable at the offices of TSX Trust in Toronto, Ontario.

## **INFORMATION CONCERNING NOUVEAU MONDE**

Nouveau Monde is striving to become a key contributor to the sustainable energy revolution. The company is working toward developing a fully integrated source of carbon-neutral battery anode material in Québec, Canada, for the growing lithium-ion and fuel cell markets. With low-cost operations and enviable environmental, social and governance (ESG) standards, Nouveau Monde aspires to become a strategic supplier to the world's leading battery and automobile manufacturers, providing high-performing and reliable advanced materials while promoting sustainability and supply chain traceability.

Nouveau Monde is listed on the New York Stock Exchange under the symbol "NMG" and on the TSX-V under the symbol "NOU".

## **AUDITOR**

The Company's independent auditor is PricewaterhouseCoopers LLP. PricewaterhouseCoopers LLP has confirmed that it is independent with respect to the Company within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

## **OTHER INFORMATION AND MATTERS**

There is no information or matter not disclosed in this Circular but known to the Company that would be reasonably expected to affect the decision of the Shareholders to vote for or against the JV Resolution or the COB Resolution.

## **LEGAL MATTERS**

Certain legal matters in connection with the Proposed JV Transaction and the Proposed COB will be passed upon for the Company by Davies Ward Phillips & Vineberg LLP.

Certain legal matters in connection with the Proposed JV Transaction will be passed upon for Nouveau Monde by Stein Monast LLP.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.masongraphite.com](http://www.masongraphite.com). Information on the Company's website is not incorporated by reference in this Circular. Financial information is contained in the Company's consolidated financial statements and management's discussion and analysis for the Company's most recently completed interim period.

### **DIRECTORS' APPROVAL**

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

**DATED** as of this 17<sup>th</sup> day of June, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF MASON GRAPHITE INC.**

(signed) "*Fahad Al Tamimi*"

Chairman of the Board of Directors

## APPENDIX A GLOSSARY

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the meanings set forth below when used in this Circular.

**“Acceptance Notice”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Acceptance Period”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Acquiring Party”** has the meaning set forth in this Circular under *“The OJV Agreement – Acquisitions within the Area of Interest”*.

**“Acquisition Costs”** has the meaning set forth in this Circular under *“The OJV Agreement – Acquisitions within the Area of Interest”*.

**“Acquisition Notice”** has the meaning set forth in this Circular under *“The OJV Agreement – Acquisitions within the Area of Interest”*.

**“Additional Rights”** has the meaning set forth in this Circular under *“The OJV Agreement – Acquisitions within the Area of Interest”*.

**“Affiliate”** means an “affiliate” within the meaning of the *Securities Act* (Québec).

**“Agent”** has the meaning set forth in this Circular under *“The OJV Agreement – Distribution and Purchase Agreement”*.

**“Annual Report”** means the quarterly summary progress reports and an annual factual report provided to the Company and certified by the President and Executive Officer of Nouveau Monde, in his capacity as an officer of Nouveau Monde and not in his personal capacity, setting out in reasonable details the Option Expenditures and all other activities conducted pursuant to this Section 4.3 of the OJV Agreement and the results and costs thereof.

**“Applicable Laws”** means all applicable federal, provincial, territorial, regional and local laws (including Environmental Laws, the Mining Act and Applicable Securities Laws), whether statutory or common, by-laws, rules (including any rules of any stock exchange imposing disclosure requirements), ordinances (including zoning and mineral removal ordinances), regulations, grants, concessions, franchises, licences, orders, protocols, guidelines, directives, judgments, instructions and decrees of any Governmental Authority having jurisdiction or purported jurisdiction, and other applicable restrictions of any Governmental Authority, including Governmental Authorizations and other similar requirements, whether legislative, municipal, administrative or judicial in nature, in each case, as amended, modified, codified, replaced or re-enacted, in whole or in part, from time to time.

**“Applicable Securities Laws”** means the *Securities Act* (Québec) and any other applicable securities act of a province of Canada, and the regulations, instruments and rules thereunder.

**“Approved Work Program and Budget”** means any Work Program and Budget approved by the Management Committee, as the same may be amended or supplemented from time to time by any amendment or supplement thereto that is approved by the Management Committee.

**“Area of Interest”** means the area within the exterior boundaries of and any fractions and gaps among the Mining Rights which comprise the Property and within an area comprising ten kilometers surrounding the outer boundaries of the Mining Rights which comprise the Property.

**“Arm’s Length Transaction”** means a transaction which is not a Related Party Transaction.

**“Assets”** means the Minerals and all other immovable (or real) and movable (or personal) property (other than the Property and the Excluded Assets), tangible and intangible, including the Intellectual Property that is used and necessary in the Operations and is subject to the OJV Agreement.

**“Associate”** means, when used to indicate a relationship with a Person: (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting shares entitling him to more than 10 percent of the voting rights attached to all outstanding voting shares of the issuer; (b) any partner of the Person; (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and (d) in the case of a Person who is an individual: (i) that Person’s spouse or child, or (ii) any relative of that Person or of his spouse who has the same residence as that Person.

**“Audit Committee”** means the audit committee of the Board of Directors, as constituted from time to time.

**“Beneficial Shareholder”** means a non-registered, beneficial holder of Shares whose Shares are held through an Intermediary.

**“Black Swan Graphene”** means Black Swan Graphene Inc.

**“Budget”** means a detailed estimate of all Expenditures to be incurred and Funded by the Parties with respect to a Work Program and a schedule of cash advances to be made by the Parties in accordance with the terms of the OJV Agreement and as approved by the Management Committee in accordance with the procedure set forth in the OJV Agreement.

**“Business Day”** means any day other than a Saturday, Sunday or day that is a statutory holiday in Montréal, Québec.

**“Calculation Date”** has the meaning set forth in this Circular under *“The OJV Agreement – Funding Obligations”*.

**“Cash Call”** means any contribution to the Joint Venture made in accordance with Sections 9.10, 9.11 or, as applicable, 9.13 of the OJV Agreement.

**“CBCA”** means the *Canada Business Corporations Act*, as amended.

**“Circular”** means the notice of the Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time.

**“Claims”** means any claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions, requests for information or other similar processes, assessments or reassessments, judgments, debts, liabilities, penalties, fines, expenses, costs, injuries, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel, experts and consultants on a full indemnity basis, and all costs incurred in investigating or pursuing or responding to any of the foregoing or any proceeding relating to any of the foregoing.

**“Closing Date”** means the date on which the Parties will enter into the OJV Agreement, if the Proposed JV Transaction is approved.

**“Commercial Production”** means the operation of the Property or any portion thereof as a producing mine, but does not include bulk sampling or milling for the purpose of testing or milling by a pilot plant, and will be deemed to have commenced on the 1st day of the month following the first 30 consecutive days during



which Minerals have been produced from a mine at an average rate of not less than 80% of the initial noted capacity if a plant is located on the Property or if no plant is located on the Property, the 1st day of the month following the first 30 consecutive days during which Minerals have been shipped from the Property on a reasonably regular basis for the purpose of servicing the Parties' respective businesses or selling to Third Parties in accordance with the Distribution and Purchase Agreement, whether to a plant or facility constructed for such purpose or to a plant or facility already in existence, including the NM Demonstration Plant.

**"Company"** means, (i) prior to the completion of the Proposed COB, Mason Graphite, and (ii) after the completion of the Proposed COB, New Mason Graphite.

**"Compensation Committee"** means the compensation committee of the Board of Directors, as constituted from time to time.

**"Compensation Fee"** has the meaning set forth in this Circular under *"The OJV Agreement – Funding Obligations"*.

**"Contribution Date"** means the date by which each such contribution must be paid, which date must be reasonable, as determined by the Operator, acting in good faith, to satisfy the Approved Work Program and Budget and, in any event, must be no earlier than 30 days after receipt of a Contribution Notice.

**"Contribution Notice"** has the meaning set forth in this Circular under *"The OJV Agreement – Funding Obligations"*.

**"Control Person"** means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

**"Damouni Employment Agreement"** has the meaning set forth in this Circular under *"Information Concerning Mason Graphite – Management and Consultants"*.

**"COVID-19"** means SARS-CoV-2 or COVID-19, and any evolutions, mutations or variances thereof or related or associated epidemics, pandemics or disease outbreaks.

**"COVID-19 Measures"** means measures undertaken by a Party or its subsidiaries to comply with any quarantine, "shelter in place", "stay at home", workforce reduction, social distancing, curfew, shut down, closure, sequester, travel restrictions or any other applicable Law, or any other similar directives, guidelines or recommendations issued by any Governmental Authority in connection with or in response to COVID-19.

**"Data"** means all title documents, files, ledgers and correspondence, reports, assessments, texts, notes, engineering, Environmental and Feasibility Studies, maps, data, specifications, memoranda, invoices, receipts, accounts, accounting records and books, financial statements, financial working papers and all other records and documents of any nature or kind whatsoever in whatever form.

**"Development"** means all activities, other than Exploration, to prepare for the removal, recovery, extraction, processing and use of Minerals, including construction (or expansion) and installation of a Mine Complex, mill or any other improvements to be used for Mining and all related Environmental Compliance.

**"Dilution Date"** has the meaning set forth in this Circular under *"The OJV Agreement – Funding Obligations"*.

“**DPA**” means the distribution and purchase agreement to be entered into between Nouveau Monde and the Company upon a Production Decision, the form of which is attached as Schedule C to the OJV Agreement.

“**DPA Term**” has the meaning set forth in this Circular under “*The OJV Agreement – Distribution and Purchase Agreement*”.

“**Effective Date**” means the effective date of the OJV Agreement.

“**Encumbrance**” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or arrangement, right of retention, restrictive covenant, conditional sale, lease, license, security interest of any nature, adverse claim, prior claim, exception, reservation, easement, encroachment, servitude, restriction on use, restriction on voting (in the case of any voting or equity interest), right of occupation, right-of-way, right-of-entry, any matter capable of registration against title, option, assignment, right of first offer or refusal or similar right, right of pre-emption, privilege or any other encumbrance or charge or title defect of any nature whatsoever, regardless of form, whether or not registered or registrable and whether or not consensual or arising by any Applicable Law.

“**Environment**” means all components of the Earth, including: (i) water (whether surface water or groundwater, and including any drinking water supply and sewer system); (ii) air (whether ambient air or the Earth’s atmosphere); (iii) soil, land surface and subsurface strata (whether submerged or covered by a structure); (iv) natural resources; (v) organic and inorganic matter; living species and organisms; or (vi) a combination of any of the foregoing; and, generally, the ambient milieu or ecosystem in which living species and organisms have dynamic relations, and “**Environmental**” will have a similar extended meaning.

“**Environmental Compliance**” means any conduct during or after the Operations necessary to comply with the requirements of Environmental Laws or Environmental requirements under the Mining Act, Governmental Authorizations issued under Environmental Laws or the Mining Act with respect to Environmental matters and Environmental Orders, and any contractual commitments relating to Environmental matters, including requirements related to reclamation, remediation, restoration rehabilitation and closure of the Property.

“**Environmental Laws**” means all Applicable Laws and all contracts with Governmental Authorities relating in whole or in part to the Environment, Hazardous Substances, including those relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, release or disposal of any Hazardous Substance or exposure thereto, as well as, to the extent they pertain to Environmental matters, to occupational health and safety and public health.

“**Environmental Orders**” means Orders issued, filed or imposed by any Governmental Authority pursuant to any Environmental Laws or Environmental requirements under the Mining Act, and includes restrictions with respect to operations or land use and Orders requiring studies, testing, assessment, monitoring or investigations, cleanup, response or corrective action, removal, remediation, mitigation, containment, restoration, corrective action, closure, reclamation, rehabilitation, managing, controlling or treatment of any site or Hazardous Substance, or requiring that any Release or any other activity be reduced, modified, managed, controlled, stopped or eliminated or requiring any form of payment or co-operation be provided to any Person.

“**Equity Investment**” has the meaning set forth in this Circular under “*The OJV Agreement – Equity Investment*”.

“**Excluded Assets**” means all fixtures (including fixed machinery and fixed equipment) and Intellectual Property related to downstream processing, including, incremental purification, micronization, spherization, coating, graphite thinning and graphite or graphene exfoliation.

**“Expenditures”** means all costs and expenses of whatever kind or nature funded (or, following the formation of the Joint Venture, Funded), spent or incurred in the conduct of activities directly on, or in relation to, the Property and the Assets, including:

- (a) in holding and keeping the Property and the Assets in good standing (including Maintenance Payments and any monies expended as required to comply with Applicable Laws), curing title defects and in acquiring and maintaining surface, water and other ancillary rights, and enter into a mining lease pursuant to the Mining Act;
- (b) in connection with any applications and necessary studies for the obtaining of Environmental and other permits, licences and other regulatory approvals necessary or desirable to commence and complete Exploration, Development and Mining activities, including the preparation for and attendance at hearings and other meetings relating to the Property;
- (c) treatment of Minerals from the Property at the NM Demonstration Plant;
- (d) in the preparation of Work Programs and Budgets and the presentation and reporting of Data and other results obtained from those Work Programs including the reporting and delivery of reports (including monthly and quarterly reports, Annual Reports and final reports at the end of the Option Period, as the case may be, and at the end of a Work Program to the Management Committee), including any program for the preparation of any Preliminary Economic Assessment, scoping study, technical report, pre-feasibility study, Feasibility Study or other evaluation of the Property;
- (e) in the Exploration, the Development or Mining activities on the Property, as approved by the Management Committee;
- (f) in acquiring, erecting, installing and repairing a mining plant, milling and metallurgical plant, ancillary facilities, buildings (including accommodations for workers, if necessary), improvements, machinery, tools, appliances or equipment and constructing access roads, railroads and other transportation facilities and, if necessary, water pipelines for use in relation to the Property;
- (g) in transporting Minerals, personnel, supplies, mining or milling plant, buildings, machinery, tools, appliances or equipment in, to or from the Property;
- (h) for Environmental reclamation, remediation, restoration, rehabilitation and closure of the Property;
- (i) in acquiring or obtaining the use of facilities, equipment or machinery, and for all parts, supplies and consumables, to be used in the Exploration, Development or Mining activities on the Property;
- (j) for general and administrative expenses, including for such reasonable allocation of salaries, wages and/or other expenses for Persons assigned to Exploration, evaluation, Development, Mining and operation activities (including food, lodging and other reasonable needs of such Persons);
- (k) reasonable payments to contractors or consultants for work done, services rendered or materials supplied in connection with the foregoing activities;
- (l) the cost of insurance premiums and performance bonds, letters of credit or other security;
- (m) all duties and Taxes levied against or in respect of the Property, and for activities on the Property;
- (n) reasonable travelling expenses for attendance at Management Committee meetings and other meetings related to the Joint Venture;
- (o) Acquisition Costs;

- (p) in preparing engineering, geological, financial or marketing studies and reports (including Preliminary Economic Assessments and Feasibility Studies) on the Property and activities related thereto;
- (q) all principal and interest payments due and owing to Third Party lenders, except for such portion of a loan or other indebtedness incurred by a Party to complete Cash Calls made under Sections 9.10, 9.11, 9.13 or 9.14 of the OJV Agreement or for financing obligations in respect of the Joint Venture pursuant to subsection 22.8(a) of the OJV Agreement;
- (r) the costs incurred pursuant to Section 3.3 of the OJV Agreement in respect of the transfer of Interest to Nouveau Monde, as applicable;
- (s) in obtaining independent legal and accounting services directly relating to Operations;
- (t) such costs and expenses as set forth in Schedule E of the OJV Agreement; and
- (u) such other costs and expenses or unforeseen costs as may be approved by the Management Committee from time to time;

and, for clarity, (i) a Party may, either directly or through one of its Affiliates, provide the foregoing goods or services provided that the costs and expenses of such goods or services shall be charged at rates no higher than those which would be used by a non-related party in a transaction at arm's length for equivalent goods or services, and (ii) such costs and expenses shall be charged to the Joint Account in accordance with the procedure set forth in Schedule E of the OJV Agreement.

**"Exploration"** means all activities directed toward ascertaining the existence, extent, location, quantity, quality or commercial value of deposits of Minerals, including prospecting, testing, searching, assessment, geophysical, geochemical and geological surveys, assays, studies and mapping, investigating, examining, drilling, including any additional drilling required after discovery of potentially commercial mineralization, trenching, sampling and all related Environmental Compliance, and includes all activities conducted in order to verify, expand or confirm the results of any previous activities conducted on the Property.

**"Feasibility Study"** means a "feasibility study" within the meaning of Regulation 43-101, prepared in good faith by or under the supervision of one or more Qualified Persons and executed by such Qualified Person(s) in accordance with Regulation 43-101, and which demonstrates the feasibility of placing the Property or part thereof into Commercial Production, provided that the Feasibility Study shall (i) contain all geological, engineering, operating, economic and other relevant factors considered in sufficient detail that, in the opinion of such Qualified Person(s), the study could reasonably support an application to a commercial financial institution for financing the development of the Property for Commercial Production; (ii) examine the following matters: Ore; mining methods; metallurgy and processing (including metal recovery); Environment, tailings and waste disposal; capital and operating cost estimates; manpower, social and community affairs; transportation methods and costs; marketing; project financing alternatives; a sensitivity analysis; and such other matters as are appropriate; and (iii) include at least the following information:

- (a) a description of that part of the Property to be covered by the proposed mine;
- (b) the estimated recoverable reserves of Minerals and the estimated composition and content thereof;
- (c) the proposed procedure for Development, Mining and Commercial Production;
- (d) results of Ore amenability tests;

- (e) the nature and extent of facilities proposed to be acquired, which may include plant facilities, if the size, extent and location of the Ore body makes such plant facilities feasible, in which event the Feasibility Study shall also include a preliminary design for such plant;
- (f) the estimated Expenditures, including capital budget, which are reasonably required to purchase, construct and install all structures, machinery and equipment required for the proposed mine, including a schedule of timing of such requirements;
- (g) all Environmental impact studies prepared to date and the anticipated future costs of rehabilitation and restoration;
- (h) the period in which it is proposed the Property shall be brought to Commercial Production;
- (i) such other Data and information as are reasonably necessary to substantiate the existence of an Ore deposit of sufficient size and grade to justify development of a Mine Complex, taking into account all relevant business, Tax and other economic considerations; and
- (j) working capital requirements for the initial four months of operation of the Property as a mine, or such longer period as may be reasonably justified in the circumstances.

**“Final Exchange Bulletin”** means the bulletin issued by the TSX-V following the closing of the Proposed JV Transaction and/or the Proposed COB and the submission of all post-approval documents which evidences the final acceptance by the TSX-V of the Proposed JV Transaction and/or the Proposed COB, as applicable.

**“First Transformation Products”** means Minerals produced using primary transformation processes, including through mining extraction, crushing, grinding, flotation, dewatering and drying, and sorting and bagging, without any smelting, refining or processing, or such other process related to incremental purification, micronization, spheronization, coating, thinning and exfoliation.

**“Funding”, “Funded” or “Fund”** means, during the Joint Venture, the deposit of funds by the Parties in the Joint Account, such funds to be used to contribute to the Joint Venture and fund the Expenditures in accordance with the OJV Agreement.

**“Funding Default”** has the meaning set forth in this Circular under *“The OJV Agreement – Funding Obligations”*.

**“Funding Default Notice”** has the meaning set forth in this Circular under *“The OJV Agreement – Funding Obligations”*.

**“Funding Party”** has the meaning set forth in this Circular under *“The OJV Agreement – Funding Obligations”*.

**“Funding Shortfall”** has the meaning set forth in this Circular under *“The OJV Agreement – Funding Obligations”*.

**“Governmental Authority”** means any federal, provincial, state, municipal, county or regional government or governmental or regulatory authority, domestic or foreign, including any political subdivision of any of the foregoing, any multi-national organization or body comprised of one of the foregoing, any agency, department, commission, board, bureau, court, tribunal or other authority thereof, or any quasigovernmental or private body exercising any executive, legislative, judicial, administrative, police, regulatory or taxing authority or power of any nature and including, for greater certainty, the TSX-V.

**“Governmental Authorization”** means any authorization, order, directive, notice, permit, license, variance, franchise, approval, finding of suitability, certificate, consent, right, quota, derivative, ratification, grant,

registration, recognition order, permission, clearance, privilege, confirmation, endorsement, waiver, exemption, exemption relief order, no-action relief order, certification, declaration, transfer, qualification, other form of authorization or similar right issued, granted, given or otherwise made available by or under the authority of any Governmental Authority, including under any agreement with any Governmental Authority.

“**GST**” means all Taxes payable under Part IX of the *Excise Tax Act* (Canada).

“**Hazardous Substance**” means any substance or material that is prohibited, listed, defined, designated, classified or regulated as deleterious, dangerous, hazardous, radioactive, corrosive, oxidizing, leachable, explosive, flammable, infectious, poisonous, carcinogenic, mutagenic, toxic, waste, hazardous waste, residual material, hazardous residual material, pollutant or contaminant under or pursuant to, or that could result in liability under, any applicable Environmental Laws or is otherwise hazardous to human health or the environment, including petroleum and all derivatives thereof or synthetic substitutes therefor, hydrogen sulphide, arsenic, cadmium, lead, mercury, polychlorinated biphenyls (“**PCBs**”), PCB-containing equipment and material, mould, asbestos, asbestos-containing material, urea-formaldehyde, urea-formaldehyde-containing material, chlorinated solvents, wastewater, effluents, and any other material or substance or any noise or odour that may impair the Environment, the human health, property or plant or animal life.

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board.

“**Initial Equity Investment**” has the meaning set forth in this Circular under “*The OJV Agreement – Equity Investment*”.

“**Initial Share Price**” has the meaning set forth in this Circular under “*The OJV Agreement – Equity Investment*”.

“**Initial Shares**” has the meaning set forth in this Circular under “*The OJV Agreement – Equity Investment*”.

“**Insider**” means: (a) a director or senior officer of the issuer, (b) a director or senior officer of a corporation that is an Insider or subsidiary of the issuer; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer, or (d) the issuer itself if it holds any of its own securities.

“**Intellectual Property**” means domestic and foreign: (i) patents, applications for patents and reissues, divisions, divisionals, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; and (vi) any other intellectual property.

“**Interest**” means an undivided co-ownership interest in the Property and Assets expressed as a percentage.

“**Intermediary**” means a broker, investment dealer, bank, trust company or other intermediary.

“**Investment Agreement**” means the investment agreement dated May 15, 2022 entered into between the Parties, and providing for, inter alia, the subscription by Nouveau Monde to common shares in the capital of the Company for an aggregate amount of \$5,000,000.

**“Joint Account”** means an account showing charges and credits paid, received or accrued, as applicable, in connection with the Operations which shall be maintained by the Operator in respect of the Operations conducted or related to the Property, in accordance with IFRS and the terms of the OJV Agreement, including the procedures attached as Schedule E of the OJV Agreement.

**“Joint Venture”** means the contractual relationship between Nouveau Monde and the Company to be formed pursuant to Article 5 of the OJV Agreement and which shall be subject to the terms and conditions of the OJV Agreement.

**“Joint Venture Register”** means the account maintained for each Party in accordance with Section 8.2(n) of the OJV Agreement.

**“JV Shares”** has the meaning set forth in this Circular under *“The OJV Agreement – Equity Investment”*.

**“Lac Guéret Property”** means the Lac Guéret Property owned by the Company.

**“Maintenance Payments”** means the payments required to keep the Property and the Assets in good standing at all times, including by making, or causing to be made, as applicable, (i) all renewal applications within the time periods necessary; (ii) the required annual mining claim maintenance fee, Expenditures and other maintenance payment; and (iii) all filings required under the Mining Act.

**“Make-Up Payment”** has the meaning set forth in this Circular under *“The OJV Agreement – Funding Obligations”*.

**“Management Committee”** has the meaning set forth in this Circular under *“The OJV Agreement – Governance: the Management Committee”*.

**“Marrelli Employment Agreement”** has the meaning set forth in this Circular under *“Information Concerning Mason Graphite – Management and Consultant”*.

**“Mason Graphite”** means Mason Graphite Inc., prior to the completion of the Proposed COB.

**“Material Adverse Effect”** means any change, event, occurrence, development, effect, or circumstance that, individually or in the aggregate with other such changes, events, occurrences, developments, effects or circumstances, is or would reasonably be expected to be material and adverse to the business, operations, results of operations, capitalization, assets, liabilities (contingent or otherwise) or financial condition of a Party and its subsidiaries, taken as a whole, except any such change, event, occurrence, development, effect or circumstance resulting from or arising, directly or indirectly, in connection with:

- (a) any change, development or condition generally affecting the Mining industry in Canada general (including any change in the price of Minerals);
- (b) any change, development or condition in or relating to global, national or regional political conditions (including strikes, lockouts, civil unrest, riots, protests, insurrections or facility takeover for emergency purposes) or in general economic, business, banking, regulatory, currency exchange, interest rate, rates of inflation or market conditions or in financial securities or capital markets in Canada or in global financial, credit or capital markets;
- (c) any adoption, proposal, implementation or change in any Applicable Law (including the COVID-19 Measures) or in any interpretation, application or non-application of any Applicable Law (including the COVID-19 Measures) by any Governmental Authority, in each case, after the date hereof;
- (d) the commencement or continuation of war (whether or not declared), hostilities, including the escalation or worsening thereof, or acts of terrorism;

- (e) any hurricane, flood, tornado, earthquake or other natural disaster, man-made disaster or superior force (as defined in the *Civil Code of Québec*);
- (f) any epidemic, pandemic or disease outbreak (including COVID-19) or general disease outbreak of illness, including the worsening thereof;
- (g) any change in applicable regulatory accounting requirements, including IFRS;
- (h) any change in the market price or trading volume of any securities of a Party (provided, however, that the causes underlying such change may be considered to determine whether such change constitutes a Material Adverse Effect);
- (i) the failure by a Party to achieve the results set forth in any internal or public projection, forecasts, guidance or estimates of revenues, earnings, gross margin or cash flow for any period ending on or after the date of the OJV Agreement (provided, however, that the causes underlying such failure may be considered to determine whether such failure constitutes a Material Adverse Effect);
- (j) the announcement of the OJV Agreement or the transactions contemplated hereby, including any loss or threatened loss of, adverse change or threatened adverse change in, the relationship of a Party or any of its subsidiaries with any of its current or prospective directors, employees, customers, shareholders, distributors, suppliers, counterparties, insurance underwriters or partners; or
- (k) any specific action taken by a Party or any of its subsidiaries that is expressly required to be taken pursuant to the OJV Agreement, or any failure to take an action by a Party or any of its subsidiaries that is expressly prohibited by the OJV Agreement, or any act that is consented to by the other Party in writing, provided that this clause (k) shall not apply to any representation or warranty (or any Party's obligation to consummate the transactions contemplated hereby relating to such representation or warranty) to the extent the purpose of such representation or warranty is to address the consequences resulting from the execution and delivery of the OJV Agreement or the consummation transactions contemplated hereby;

provided, however, that with respect to clause (a) through to and including clause (g), such matter does not have a materially disproportionate effect on a Party and its subsidiaries, taken as a whole, relative to other Persons operating in the graphite mining and processing industry in Canada, and that references in the OJV Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a Material Adverse Effect has occurred.

**"Meeting"** means the special meeting of Shareholders, including any adjournment or postponement of such special meeting, to consider the Proposed JV Transaction, the Proposed COB and for any other purpose as may be set out in the Circular.

**"Member"** has the meaning set forth in this Circular under "*The OJV Agreement – Governance: the Management Committee*".

**"MI 61-101"** means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (in Québec, *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions*).

**"Mine Complex"** means a mine, processing plant and related facilities (other than the NM Demonstration Plant) constructed and operated to produce Minerals from the Project, including any modifications thereto.

**"Minerals"** means, (i) from the Effective Date to the Commercial Production, any and all metals and minerals, of whatever kind and nature (including Ores, metals, precious metals, base metals, graphite, industrial minerals, concentrates, gems, diamonds, commercially valuable rock, aggregate, clays and other



minerals) and concentrates or metals derived therefrom, containing precious, base, rare and other locatable minerals and which are found in, on or under, mined or otherwise produced and removed from the Property and may lawfully be explored for, mined and sold pursuant to the Mining Rights or such other rights granted with respect to the Property and by other instruments of title under which the Property is held; and (ii) on or after the Commercial Production, collectively, Minerals and First Transformation Products.

**“Mining”** means the mining, extracting, processing, producing, beneficiating, handling, milling or other processing of Minerals and all related Environmental Compliance.

**“Mining Act”** means the *Mining Act* (Québec) and the regulations adopted thereunder.

**“Mining Rights”** means the Mining claims, Mining concessions, Mining leases, leases to mine surface mineral substances, and other Mining titles granted or delivered at any time and from time to time pursuant to the provisions of the Mining Act, all applications related thereto, and any renewals, replacements, substitutions or modifications of the foregoing, and the rights each such title confers to its holder(s) with respect to and in connection with Minerals on, in or under the lands subject to any such title pursuant to the Mining Act and to all products extracted, mined, produced, resulting or derived therefrom.

**“Minority Party”** has the meaning set forth in this Circular under *“The OJV Agreement – Distribution and Purchase Agreement”*.

**“Named Executive Officers”** has the meaning set forth in this Circular under *“Information concerning Mason Graphite – Director and Named Executive Officer Compensation”*.

**“New Mason Graphite”** means Mason Graphite, after the completion of the Proposed COB.

**“NI 52-110”** means National Instrument 52-110 – *Audit Committees* (in Québec, *Regulation 52-110 respecting Audit Committees*).

**“NI 58-101”** means National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (in Québec, *Regulation 58-101 respecting Disclosure of Corporate Governance Practices*).

**“NM Demonstration Plant”** means the mine demonstration plant located in Saint-Michel-des-Saints, Québec and operated by Nouveau Monde as of the date of the OJV Agreement.

**“Non-Acquiring Party”** has the meaning set forth in this Circular under *“The OJV Agreement – Acquisitions within the Area of Interest”*.

**“Non-Arm’s Length Party”** means: (a) in relation to a corporation : (i) a Promoter, officer, director, other Insider or Control Person of that corporation and any Associates or Affiliates of any of such Persons; or (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the company (b) in relation to an individual, any Associate of the individual or any corporation of which the individual is a Promoter, officer, director, insider or Control Person.

**“Non-Funding Party”** has the meaning set forth in this Circular under *“The OJV Agreement – Funding Obligations”*.

**“Non-Objecting Beneficial Owner”** means a Beneficial Shareholder who does not object to the Intermediary disclosing the Beneficial Shareholder’s ownership information to the Company.

**“Nouveau Monde”** means Nouveau Monde Graphite Inc.

**“Objecting Beneficial Owner”** means a Beneficial Shareholder who objects to the Intermediary disclosing the Beneficial Shareholder’s ownership information to the Company.

**“Offered Interests”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Offeree”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Offeror”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Offeror Sale Notice”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“OJV Agreement”** means the option and joint venture agreement to be entered into between the Company and Nouveau Monde, in respect of the Lac Guéret Property.

**“Operations”** means all activities in respect of the Project to be conducted or performed by the Operator on behalf of the Parties in accordance with the OJV Agreement, including (i) the Exploration, research, Development, Mining, treatment and any related operations, (ii) the activities subject to any Expenditures, and (iii) the preparation of any Preliminary Economic Assessment, technical report, pre-feasibility or Feasibility Study and any other reports, studies or supplementary information, but does not include the sale of Minerals or any other profit-generating activity.

**“Operator”** means the Person responsible for conducting and performing the Operations and any other Exploration, Development or Mining program with respect to the Property appointed from time to time in accordance with Section 8.1 of the OJV Agreement and which, as of the Option Exercise Date, shall be Nouveau Monde.

**“Option”** has the meaning set forth in this Circular under *“The OJV Agreement – Option”*.

**“Option Deadline”** means the last day of the latest periods on which the Parties agree in writing to extend the deadline to satisfy the Second Option Condition pursuant to Section 3.2 of the OJV Agreement and being no later than 36 months from the Effective Date.

**“Option Exercise Date”** means the date upon which the Option is exercised or deemed to have been exercised pursuant to Section 3.4(c) of the OJV Agreement.

**“Option Expenditure Threshold”** means an aggregate of not less than \$10,000,000, exclusive of any applicable GST, QST or other applicable Taxes, in Option Expenditures.

**“Option Expenditures”** means such Expenditures funded, spent or incurred by Nouveau Monde in the conduct of activities directly on, or in relation to, the Property, during the Option Period, including all of the costs and expenses set forth in Section 4.5 of the OJV Agreement.

**“Option Period”** means the period commencing on the Effective Date and ending on the first to occur of (i) the termination of the Option pursuant to Section 3.7 of the OJV Agreement and (ii) the formation of the Joint Venture pursuant to Section 5.1 of the OJV Agreement.

**“Option Shares”** has the meaning set forth in this Circular under *“The OJV Agreement – Equity Investment”*.

**“Order”** means an order, injunction, judgment, administrative complaint, decree, resolution, ruling, award, assessment, writ, decision, direction, instruction, penalty, fine or sanction issued, filed or imposed by a Governmental Authority or arbitrator.

**“Ore”** means mineralised material located on the Property from which Minerals can be economically recovered.

**“Participating Interest”** means the percentage interest representing (a) the undivided co-ownership interest of a Party in the Property and the Assets, and (b) the operating interest of a Party in the Joint Venture and in all other rights and obligations arising under the OJV Agreement which relate to a Party's

Participating Interest under the OJV Agreement, as such interest may from time to time be adjusted under the OJV Agreement; Participating Interests shall be calculated to three (3) decimal places and rounded to two (2) decimal places (e.g., 1.519% rounded to 1.52%); and decimals of .005 or more shall be rounded up to .01, decimals of less than .005 shall be rounded down; and the Participating Interest of each Party upon the formation of the Joint Venture shall be set out in Section 6.2 of the OJV Agreement.

**“Participation Register”** means the record maintained by the Operator of each Party’s funding for each Approved Work Program and Budget for purposes of calculating each Party’s Participating Interest from time to time in accordance with the OJV Agreement.

**“Parties”** means all of the parties to the OJV Agreement, being Nouveau Monde and the Company, and a reference to a **“Party”** means any one of them.

**“Permitted Encumbrance”** means:

- (a) any security interest or hypothec arising by operation of Applicable Laws or in the ordinary course of business in connection with or to secure the performance of bids, tenders, contracts, leases, statutory obligations, surety bonds or appeal bonds;
- (b) any undetermined or inchoate legal hypothec or prior Claim or any like lien or right of set-off arising in the ordinary course of business or under Applicable Laws, securing obligations incurred in connection with the Property which are not yet overdue or which are being contested or litigated in good faith;
- (c) any security interest or hypothec for Taxes, assessments or governmental charges not yet due or being contested in good faith (but only so long as such contest will not involve any possibility of the sale, loss or forfeiture of the Property and, where Applicable Laws require such amounts to be paid while being contested, such amounts have been paid);
- (d) minor easements, rights of way, servitudes or other similar rights or restrictions, granted to or reserved by any Person, including rights of way or servitudes for electric lines, telephone lines, other communications infrastructures and installations, gas lines, sewers, and other rights and restrictions for similar purposes, or zoning or other restrictions as to the use of an immovable property that may, at any time and from time to time, affect or concern any immovable property or any real and immovable right, to the extent any such easement, right of way, servitude or other similar right or restriction does not, alone or in the aggregate, materially affect the value of the Property, or any part thereof, or materially impair the operations, uses and activities on or in connection with the Property;
- (e) any notice of and/or land use restriction, registered under Environmental Laws, against title to land where the Property is located;
- (f) reservations, limitations, provisions and conditions, if any, expressed in any original grants from Her Majesty in right of Canada; and
- (g) any security interest or hypothec incurred or deposit made in the ordinary course of business in connection with workers’ compensation, unemployment insurance or other forms of governmental insurance or benefits.

**“Person”** means an individual, corporation, trust, partnership, limited liability company, contractual mining company, joint venture, unincorporated organization, firm, estate, Governmental Authority or other entity.

**“Preliminary Economic Assessment”** means a “preliminary economic assessment” within the meaning of Regulation 43-101, prepared in good faith by or under the supervision of one or more Qualified Persons and executed by such Qualified Person(s) in accordance with Regulation 43-101, and which includes an

economic analysis of the potential viability of Mineral resources which might be based on measured, indicated or inferred Mineral resources, or a combination of any of these.

**“Production Decision”** means the approval by the Management Committee of a Work Program and Budget in accordance with the OJV Agreement that shall include the entering into of Commercial Production activities or the development of a Mine Complex.

**“Project”** means the Property, the Assets and the activities and operations (including the Operations) undertaken by or on behalf of the Parties in accordance with the OJV Agreement relating to the Property and the Assets from time to time.

**“Promoter”** means a “promoter” within the meaning of the *Securities Act* (Québec).

**“Property”** means, for purposes of the OJV Agreement only and any summary thereof contained in this Circular, (i) the Mining Rights described in Schedule A-1 and depicted in Schedule A-2 of the OJV Agreement or entered into or acquired, by or on behalf of the Parties in accordance with the OJV Agreement (including under Section 16.1 of the OJV Agreement), and all amendments and relocations of such Mining Rights and all other mineral property interests derived from such Mining Rights, and any reference in the OJV Agreement to any Mining Rights or other mineral property interests comprised in the Property shall also include any other interests into which such Mining Rights or other mineral property interests may have been converted; and (ii) as the context otherwise requires, the immovable (or real) property (within the meaning of the Civil Code of Québec), including the underground and surface land, which is the subject of any Mining Rights or Governmental Authorizations related to Mining activities.

**“Proportionate Share”** means for any Party, that share equal to that Party’s Participating Interest at any specific time.

**“Proposed COB”** means the change of business of the Company from a Tier 2 mining issuer to a Tier 2 investment issuer.

**“Proposed JV Transaction”** means the entering into of the OJV Agreement with Nouveau Monde, pursuant to which (i) the Company will grant to Nouveau Monde the Option and, (ii) upon the exercise of such Option by Nouveau Monde, form of the Joint Venture.

**“Purchase Order”** has the meaning set forth in this Circular under “*The OJV Agreement – Distribution and Purchase Agreement*”.

**“QST”** means the tax imposed under the QSTA.

**“QSTA”** means the *Act Respecting the Québec Sales Tax* (Québec).

**“Qualified Person”** means a “qualified person” within the meaning of Regulation 43-101.

**“Qualifying Transaction”** has the meaning set forth in this Circular under “*The Proposed Transactions – Background to the Proposed COB*”.

**“Registers”** means, collectively, the Joint Venture Register and the Participation Register.

**“Registered Shareholder”** means a registered holder of Shares as recorded in the register.

**“Regulation 43-101”** means *Regulation 43-101 respecting Standards of Disclosure for Mineral Projects* (Québec) (in the provinces and territories of Canada, other than Québec, National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*).

**“Related Party Transaction”** has the meaning ascribed to that term under MI 61-101, and includes a related party transaction that is determined by the TSX-V to be a “Related Party Transaction” under TSX-V Policy 5.9. The TSX-V may deem a transaction to be a “Related Party Transaction” where the transaction involves Non-Arm’s Length Parties, or other circumstances exist which may compromise the independence of an issuer with respect to the transaction.

**“Release”** shall have the meaning prescribed in applicable Environmental Laws as well as any release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement, introduction or migration in the Environment, whether accidental or intentional, and the term “Release” when used as a noun has a correlative meaning.

**“Resolutions”** means, collectively, the JV Resolution and the COB Resolution.

**“Royalty”** means a two percent (2%) net smelter returns royalty on the Property and having the terms and in the form set out in substantially the form of agreement attached as Schedule B of the OJV Agreement.

**“Sale Notice”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Sale Statement”** means the statement delivered by the Agent every month to the Party pursuant to Section 3.1(a) of the DPA.

**“Second Option Condition”** has the meaning set forth in this Circular under *“The OJV Agreement – Option”*.

**“Secretary”** means an individual designated pursuant to the terms of the OJV Agreement to act as secretary for the proceedings of the Management Committee.

**“SEDAR”** means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

**“Shareholders”** means the registered or beneficial holders of Shares, as the context requires.

**“Shares”** means common shares in the capital of the Company.

**“Shortfall Funding Right”** has the meaning set forth in this Circular under *“The OJV Agreement – Funding Obligations”*.

**“Stock Option Plan”** has the meaning set forth in this Circular under *“Information concerning New Mason Graphite – Options to Purchase Securities – Stock Option Plan”*.

**“Stock Options”** has the meaning set forth in this Circular under *“Information concerning New Mason Graphite – Options to Purchase Securities – Stock Option Plan”*.

**“Subsequent Equity Investment”** has the meaning set forth in this Circular under *“The OJV Agreement – Equity Investment”*.

**“Tag-Along Demand”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Tag-Along Offer”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Tagged Interests”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Tax”** means all taxes, dues, duties, rates, imposts, fees, levies, other assessments, tariffs, charges or obligations of the same or similar nature, however denominated, imposed, assessed or collected by any Governmental Authority, including all income taxes, including any tax on or based on net income, gross income, income as specifically defined, earnings, gross receipts, capital gains, profits, business royalty or selected items of income, earnings or profits, and specifically including any federal, provincial, state, territorial, county, municipal, local or foreign taxes, state profit share taxes, windfall or excess profit taxes, capital taxes, royalty taxes, production taxes, mining taxes, payroll taxes, health taxes, employment taxes, withholding taxes, sales taxes, use taxes, goods and services taxes, custom duties, value-added taxes, ad valorem taxes, excise taxes, alternative or add-on minimum taxes, franchise taxes, gross receipts taxes, licence taxes, occupation taxes, real and personal property taxes, stamp taxes, anti-dumping taxes, countervailing taxes, occupation taxes, environment taxes, transfer taxes, and employment or unemployment insurance premiums, social insurance premiums and worker’s compensation premiums and pension (including Canada Pension Plan) payments, and other taxes, fees, imposts, assessments or charges of any kind whatsoever together with any interest, penalties, additional taxes, fines and other charges and additions that may become payable in respect thereof, and includes, for greater certainty, GST and QST.

**“Third Party”** means a Person that is not a Party or an Affiliate of a Party.

**“Third Party Notice”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Third Party Offer”** has the meaning set forth in this Circular under *“The OJV Agreement – Liquidity”*.

**“Third Party Purchaser”** means the bona fide Third Party that is purchasing Participating Interests from a Party pursuant to the OJV Agreement.

**“Thomas Swan”** has the meaning set forth in this Circular under *“The Proposed Transactions – Background to the Proposed COB”*.

**“Transfer Agent”** means TSX Trust, the Company’s transfer agent and registrar for the Shares.

**“TSX”** means the Toronto Stock Exchange or any successor thereto.

**“TSX-V”** means the TSX Venture Exchange or any successor thereto.

**“TSX-V Policy 5.2”** means Policy 5.2 – *Changes of Business and Reverse Takeovers* of the TSX-V.

**“TSX-V Policy 5.3”** means Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* of the TSX-V.

**“TSX-V Policy 5.9”**) means Policy 5.9 – *Protection of Minority Security Holders in Special Transactions* of the TSX-V.

**“Work Program”** means a description in reasonable detail of the Operations to be conducted by the Operator for a calendar year or any shorter period.

## **APPENDIX B JV RESOLUTION**

**WHEREAS** the Company entered into the investment agreement dated May 15, 2022 (the “**Investment Agreement**”) with Nouveau Monde Graphite Inc. (“**Nouveau Monde**”);

**WHEREAS**, pursuant to the Investment Agreement, the Company wishes to enter into of an option and joint venture agreement (the “**OJV Agreement**”) with Nouveau Monde, pursuant to which (i) the Company will grant to Nouveau Monde a sole, exclusive, irrevocable and non-assignable option to acquire a fifty-one percent (51%) undivided co-ownership interest in the Lac Guéret property owned by the Company (the “**Lac Guéret Property**”) and certain related assets (the “**Option**”) and, (ii) upon the exercise of such Option by Nouveau Monde, form of a joint venture with Nouveau Monde to undertake exploration, development and mining activities at the Lac Guéret Property (the “**Joint Venture**”) (the granting of the Option and the formation of the Joint Venture being hereinafter referred to as the “**JV Transaction**”); and

**WHEREAS** the JV Transaction requires an ordinary resolution of the shareholders of the Company pursuant to Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* of the TSX Venture Exchange;

### **BE IT RESOLVED THAT:**

1. The JV Transaction, the OJV Agreement and all transactions contemplated in connection therewith, are in the best interest of the Company and are hereby authorized, approved and adopted;
2. Any one director or officer of the Company be, and each hereby is, authorized to execute and deliver, for and in the name of and on behalf of the Company, all such agreements, instruments, certificates and other documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the JV Transaction and the intention of the foregoing resolutions, the execution and delivery of any such agreement, instrument, certificate or other document or the doing of any such other act or thing by such director or officer being conclusive evidence of such determination; and
3. Notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further notice to or approval of any shareholders of the Company not to proceed with the JV Transaction at any time, subject to the terms of the Investment Agreement.

## APPENDIX C COB RESOLUTION

**WHEREAS** the Company entered into the investment agreement dated May 15, 2022 (the “**Investment Agreement**”) with Nouveau Monde Graphite Inc. (“**Nouveau Monde**”);

**WHEREAS**, pursuant to the Investment Agreement, the Company wishes to enter into of an option and joint venture agreement (the “**OJV Agreement**”) with Nouveau Monde, pursuant to which (i) the Company will grant to Nouveau Monde a sole, exclusive, irrevocable and non-assignable option to acquire a fifty-one percent (51%) undivided co-ownership interest in the Lac Guéret property owned by the Company (the “**Lac Guéret Property**”) and certain related assets (the “**Option**”) and, (ii) upon the exercise of such Option by Nouveau Monde, form of a joint venture with Nouveau Monde to undertake exploration, development and mining activities at the Lac Guéret Property (the “**Joint Venture**”) (the granting of the Option and the formation of the Joint Venture being hereinafter referred to as the “**JV Transaction**”); and

**WHEREAS**, in connection with the JV Transaction, the Company wishes to effect a change of business from a Tier 2 mining issuer to a Tier 2 investment issuer (the “**COB**”), pursuant to Policy 5.2 – *Changes of Business and Reverse Takeovers* of the TSX Venture Exchange, which requires an ordinary resolution of the shareholders of the Company;

### **BE IT RESOLVED THAT:**

1. The COB is in the best interest of the Company and is hereby authorized, approved and adopted;
2. Any one director or officer of the Company be, and each hereby is, authorized to execute and deliver, for and in the name of and on behalf of the Company, all such agreements, instruments, certificates and other documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the COB and the intention of the foregoing resolutions, the execution and delivery of any such agreement, instrument, certificate or other document or the doing of any such other act or thing by such director or officer being conclusive evidence of such determination; and
3. Notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further notice to or approval of any shareholders of the Company not to proceed with the COB at any time.



**APPENDIX D  
INVESTMENT POLICY**

(see attached)



## INVESTMENT POLICY

### Investment Objectives

The investment objectives of Mason Graphite Inc. (the “Company”) are:

- to seek an above average return on investment to continue to create significant value for the Company’s shareholders;
- to use investment income to fund other investment opportunities with attractive risk-to-reward profile; and
- to create synergies among its investments, including the Company’s management involvement into the management, business, operations and strategies of its investment portfolio.

### Investment Strategy

The Company’s strategy is to develop vertical and horizontal integration in the mining industry, with a special focus on industrial and specialty minerals, notably battery-related materials and their by-products. This approach will be achieved by: (i) leveraging the skillset and expertise of the Board of Directors of the Company (the “Board”) and management to review, diligence and de-risk investment opportunities, and (ii) adopting a flexible approach to its investments.

#### Investment Sector:

Mining industry, with a special focus on industrial and specialty minerals, notably battery-related materials and their by-products, including graphite, lithium, cobalt and graphene, and any minerals to be discovered or used in similar applications.

The Company will mainly invest in natural resource or industrial companies.

#### Types of Investment:

Equity, debt, convertible debt, royalties, joint venture interests, derivatives and any other investment structures or instruments to be acquired or created from time to time to achieve the Company’s investment objectives.

#### Jurisdictions:

Mainly in Canada.

#### Investment Size:

Unlimited and subject to the Company’s financing capacities.

#### Investment Portfolio Governance:

For its majority equity investments, the Company will mainly seek control, including through Board and management representation. For its minority

equity investment, the Company will seek Board representation.

**Diversification:**

The Company will aim to diversify its investments among its investment portfolio.

**Timeline:**

The Company will generally seek long-term investments. There may be circumstances, depending on the investment portfolio or the instrument in which the Company invested, where the Company will seek short-term investments or will divest its investments on a shorter timeframe.

**Investment Targets:**

The Company will generally invest directly in the projects or operations, whether through equity, debt, convertible debt or joint venture interests. The Company will invest in private and public companies as opportunities arise. The Company may also invest in partnerships, joint ventures and similar entities with limited liability.

**Investment Review:**

The Company will seek to maintain investment flexibility to enable the management or the Board (as defined below) to review all of the investments on an ongoing basis.

**Liquidity:**

The Company will seek to maintain liquidity of its investments and to potentially realize on its investments in a prudent and orderly fashion.

**Composition of Investment Portfolio**

The nature and timing of investments will depend, in part, on the investment opportunities identified and available to the Company. The composition of the Company's investment portfolio will vary over time depending on its assessment of a number of factors, including the demand for battery-related materials and other industrial and strategic minerals, the performance of financial markets and credit risk.

**Investment Decisions**

The Board will determine the amount of money to be invested by the Company (the "**Investment Capital**") from time to time and at a minimum will review the Investment Capital on an annual basis. The Investment Capital will be determined based on the cash requirements of the Company in respect of its existing investments, its financing capacity and its current and future liabilities.

Decisions involving the making, managing and divesting of investments will generally be the responsibility of the Board, which will act pursuant to this Investment Policy.

**Amendments**

This Investment Policy shall only be amended by the Board.

**Approval**

This Investment Policy has been approved by the Board on June 17, 2022.

**CERTIFICATE OF MASON GRAPHITE INC.**

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Mason Graphite Inc. assuming completion of the Proposed JV Transaction and the Proposed COB.

**DATED** at Montreal, Québec, as of June 17, 2022.

(signed) "*Peter Damouni*"  
Peter Damouni, Executive Director

(signed) "*Carmelo Marrelli*"  
Carmelo Marrelli, Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

(signed) "*Fahad Al Tamimi*"  
Fahad Al Tamimi, Chairman of the Board  
of Directors

(signed) "*François Perron*"  
François Perron, Director

# QUESTIONS? NEED HELP VOTING?

## CONTACT US

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