



September 6, 2016

STRICTLY CONFIDENTIAL

Mason Graphite Inc.
3030 Boul. Le Carrefour, bureau 600
Laval, Quebec
H7T 2P5

Attention: Mr. Benoît Gascon, CPA, CA, President & Chief Executive Officer

Subject: Private Placement of Common Shares of Mason Graphite Inc. ("Mason Graphite" or the "Company")


NATIONAL BANK FINANCIAL INC.



By: Martin Robitaille
Managing Director, Investment Banking

Accepted this 6th day of September, 2016.

MASON GRAPHITE INC.




By: Benoit Gascon, CPA, CA
President & Chief Executive Officer

Reconfirmed this 6th day of September, 2016.

NATIONAL BANK FINANCIAL INC.

By:



Martin Robitaille
Managing Director, Investment Banking

SCHEDULE "A"
MASON GRAPHITE INC.
TREASURY OFFERING OF COMMON SHARES

Issuer:	Mason Graphite Inc. ("Mason Graphite" or the "Company").
Issue:	Private placement on a "bought deal" basis (the "Offering") of common shares of the Company ("Offered Common Shares").
Issue Price:	\$1.10 per Offered Common Share.
Issue Size:	22,750,000 Offered Common Shares for aggregate gross proceeds of \$25,025,000.
Underwriter's Option:	The Underwriter (as defined below) will have the option (the "Underwriter's Option") to purchase, exercisable at any time up to 48 hours prior to the closing of the Offering, up to 3,412,500 additional Offered Common Shares for additional gross proceeds of up to \$3,753,750, at the same price per Offered Common Share as applicable under the Offering.
Use of Proceeds:	<p>The gross proceeds of the Offered Common Shares sold under the Offering shall be used by the Company as follows:</p> <ol style="list-style-type: none">i. Approximately \$17 million for development expenses related to the Company's Lac Guéret graphite mine and Baie-Comeau, Québec concentrator plant project (the "Project"), the majority of which the Company expects to incur over the next twelve months (or approximately \$21 million if the over-allotment option is exercised in full). These development expenses represent a portion of the Project's estimated \$165.9 million capital expenditure budget, as described in the "NI 43-101 Technical Report: Resource Update and Feasibility Study, Lac Guéret Graphite Project" report published by the Company on February 29, 2016;ii. Up to approximately \$6 million for the payment of amounts owing to Quinto Mining Corporation related to the Company's acquisition of the mining claims that comprise the Lac Guéret property;iii. Approximately \$1 million for an additional equity investment in Group NanoXplore Inc., an advanced materials company specialized in the production of graphene and graphene-enhanced polymers, and in which Mason Graphite currently holds a 31% equity stake on a non-diluted basis;iv. The remainder of the proceeds for general corporate purposes.
Selling Jurisdictions:	The Common Shares will be offered and sold by way of private placement exemptions in the provinces of Canada, and/or to institutional accredited investors or qualified institutional buyers in the United States that satisfy the requirements of Rule 501(a) of Regulation D or Rule 144A, as the case may be, under the United States Securities Act of 1933, as amended (the "U.S. Securities Act").
Eligibility:	Eligible for RRSPs, RRIFs, RESPs, RDSP's, DPSPs and TFSAs.
Form of Offering:	The Offered Common Shares will be offered by private placement only. No prospectus will be filed with any securities regulatory authority to qualify the offered securities for distribution to the public.

- Listing:** The common shares of the Company are listed on the TSX Venture Exchange under the symbol LLG. Application will be made to list the Offered Common Shares on the TSX Venture Exchange.
- Resale:** The Offered Common Shares will be subject to a statutory hold period of four months plus one day after the Closing Date.
- Issue Restrictions:** The Company agrees not to issue or sell any common shares or other securities for a period of 120 days from the closing of the Offering without the prior written consent of NBF except in conjunction with: (i) the Offering; (ii) the issuance of non-convertible debt securities; (iii) upon the exercise of convertible securities, options or warrants of the Company outstanding as of the date hereof; (iv) in connection with the Company's share and stock option incentive plans; or (v) pursuant to an acquisition of shares or assets of arm's length persons which does not result in a change of control of the Company.
- Lock-Up:** It shall be a condition of closing in favour of the Underwriters that, each of the directors, officers, shall agree, in a lock-up agreement to be executed concurrently with the closing of the Offering, that for a period of 120 days from the Closing Date, each will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any common shares of the Company or securities convertible into common shares of the Company, other than pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Company.
- Commission:** Commission of 5.0% of the gross proceeds of the issue and sale of Offered Common Shares will be owed in full upon Closing.
- Underwriters:** National Bank Financial Inc.⁽¹⁾⁽²⁾; Minimum syndicate position of 55%
Paradigm Capital: 15%
Cormark Securities Inc.: 10%
TD Securities Inc.: 10%
Dundee Capital Markets: 5%
Macquarie Capital Markets Canada Ltd.: 5%
- (1) Entitled to 5% work fee*
(2) Bookrunner
- Closing Date:** On or about September 27, 2016, or such other date that is mutually agreed upon in writing by the Company and the Underwriters.

SCHEDULE "B"

SCHEDULE "C"