

MONTREAL, QUEBEC--(Marketwired - Nov 15, 2016) - [Mason Graphite Inc.](#) ("Mason Graphite" or the "Company") (TSX VENTURE:LLG) (OTCQX:MGPHF) is pleased to provide details on the progress, and upcoming work schedule, of its detailed study for large scale production of value-added graphite products, which was initiated in 2015. The Company is also pleased to announce obtaining contributions and grant, which will be applied to the related work program.

Value-added processing, or "2nd Transformation", includes micronization, additional purification, spheronization and coating, resulting in graphite products suitable for a wide range of technical applications (including carbon brushes, brake linings, plastics and lubricants), electrochemical applications (including alkaline batteries, Li-ion batteries and fuel cells), as well as other specialized uses. Mason Graphite has been working on product development and manufacturing processes with the National Research Council of Canada (NRC), COREM and Hatch.

Specifically for Li-ion anode materials, a Benchmarking Phase, necessary to establish the specifications of the products currently being used, was completed in 2015. Following a new agreement with NRC, the Company has begun the Development Phase in order to design, based on materials coming from its own Lac Guéret deposit, a generic grade for common Li-ion batteries and a grade specifically aimed at the electric vehicle industry. The work done on the latter product is based on information, related to customers' specifications, gathered by the Company and NRC.

Following this Phase, an extensive and thorough Testing Phase will take place and simulate real Li-ion cell environments and equivalent lifetime of a battery. Such tests shall be conducted in parallel at both NRC and at customers' facilities. During that period of tests, Mason Graphite intends to bring the current detailed study to feasibility level, including the plant design and detailed engineering, in order to be construction-ready at the end of the Testing Phase; this plant is aimed to be adjacent to the 1st Transformation plant. As such, at the beginning of the Testing Period, the Company will obtain a sufficient level of understanding regarding the volumes required by those customers in order to design the appropriate production capacity.

The processes described, necessary to the homologation of such materials, are based on more than 20 years of experience in processing and marketing different types of graphite and other carbon products to the alkaline and Li-ion battery industries.

The equipment trials and product testing required for other grades of value-added products requiring only purification and/or micronization are ongoing and embedded in the work program of the battery materials.

The budget allowed for this detailed study amounts to \$1,070,000.

In order to finance this work, Mason Graphite is pleased to announce that it has secured the following financial contributions and grant:

- \$107,000 contribution from "Innovation et Développement Manicouagan", which supports projects that will help the economic diversification of the Manicouagan region, where the Company's project is located;
- A contribution of up to \$500,000 from National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP); and
- \$50,000 grant from the Quebec government ministry "Économie, Science et Innovation" under the "Passeport innovation" program.

Benoît Gascon, President and CEO of Mason Graphite, commented: "We are very pleased with the work done so far with our partners and very encouraged by the level of collaboration of eventual customers as we continue the product design. The value-added market as a whole, not only battery materials, has the potential to markedly improve the economics of an already very compelling project." The potential of the value-added graphite products is not included in the economics of the definitive feasibility study results published in September 2015 which were based solely on the 1st Transformation.

In 2015, the Québec Government launched a responsible action plan providing structure and direction aimed at making Québec, with its abundant supply of clean and affordable energy, an electric transportation leader. More information at: www.transportselectriques.gouv.qc.ca/en/.

Building on this initiative, Mason Graphite has been working since 2015 with NRC and their experts in vehicle propulsion technology and battery materials.

About Mason Graphite and the Lac Guéret Project

Mason Graphite is a Canadian mining and processing company focused on the development of its 100% owned Lac Guéret natural graphite deposit located in northeastern Québec. The Company is led by a highly experienced team that has over five decades of experience in graphite production, sales, and research and development. For more information, visit www.masongraphite.com.

- Benoît Gascon, CPA, CA, President & Chief Executive Officer

Cautionary Statements

This press release contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information.

Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, graphite and other metals prices, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the estimation of mineral reserves and resources, the assumption with respect to currency fluctuations, the timing and amount of future exploration and development expenditures, receipt of required regulatory approvals, the availability of necessary financing for the project, the completion of the environmental assessment process, permitting and such other assumptions and factors as set out herein.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: volatile stock price; risks related to changes in graphite prices; sources and cost of power facilities; the estimation of initial and sustaining capital requirements; the estimation of labour and operating costs; the general global markets and economic conditions; the risk associated with exploration, development and operations of mineral deposits; the estimation of mineral reserves and resources; the risks associated with uninsurable risks arising during the course of exploration, development and production; risks associated with currency fluctuations; environmental risks; competition faced in securing experienced personnel; access to adequate infrastructure to support mining, processing, development and exploration activities; the risks associated with changes in the mining regulatory regime governing the Company; completion of the environmental assessment process; risks related to regulatory and permitting delays; risks related to potential conflicts of interest; the reliance on key personnel; financing, capitalization and liquidity risks including the risk that the financing necessary to fund continued exploration and development activities at Lac Guéret may not be available on satisfactory terms, or at all; the risk of potential dilution through the issue of common shares; the risk of litigation.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this press release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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