

# MASON GRAPHITE ANNOUNCES \$45 MILLION BOUGHT DEAL PRIVATE PLACEMENT OFFERING

*NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.*

December 12, 2017,  
Montréal, Québec, Canada

**Mason Graphite Inc.** (“Mason Graphite” or the “Company”) (TSX.V: LLG; OTCQX: MGPHF) announces that the Company has entered into an agreement with a syndicate of underwriters led by National Bank Financial Inc. (together the “Underwriters”), under which the Underwriters have agreed to buy on a bought deal basis 18,750,000 common shares of the Company (the “Shares”) at a price of \$2.40 per share for gross proceeds of \$45,000,000 (the “Offering”). The Shares will be offered by way of private placement in all the provinces of Canada to accredited investors under applicable exemptions from prospectus requirements.

Mason Graphite has also granted an option to the Underwriters to purchase up to 2,812,500 additional Shares at the issue price of \$2.40 per share (the “Underwriters’ Option”), which if exercised in full would result in total gross proceeds of \$51,750,000 to Mason Graphite from the Offering. The Underwriters’ Option is exercisable in whole or in part at any time up to 48 hours prior to closing of the Offering.

The net proceeds of the Offering will be used for development and construction 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, and for general corporate purposes. Development and construction expenses represent a portion of the Project’s estimated \$200 million capital expenditure budget.

The Offering is expected to close on or about January 4, 2018 and is subject to the prior approval of the TSX Venture Exchange. All securities issued at the closing of the Offering will be subject to a four month hold period under applicable Canadian securities legislation and the policies of the TSX Venture Exchange.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the 1933 Act) absent such registration or an applicable exemption from such registration requirements.

## **Update on Ongoing Discussions with Ressources Québec**

Ressources Québec, one of Mason Graphite's largest shareholder holding 13.7 million shares, remains highly supportive of the Company and its Project. Mason Graphite and Ressources Québec remain in ongoing discussions regarding a potential future equity investment in the Company to further support the realization of the Project. To date, no agreement has been reached between the parties and Mason Graphite will continue to evaluate its financing alternatives with a view of maximizing shareholder value.

## **Interest payment on convertible debentures**

The Company announces that it intends to issue an aggregate of 47,212 common shares of the Company (the "Common Shares") at a deemed price per share of \$2.51 in payment of \$118,500 in interest due and payable under the Company's 12% convertible debentures (the "Debentures"), which are held by Caisse de dépôt et placement du Québec and Fonds de solidarité FTQ. The Debentures are due June 11, 2019. Under the terms of the Debentures, the Company has the option to pay 50% of the semi-annual interest due on the Debentures in Common Shares. The balance of the interest owing under the Debentures, being \$118,500, has been paid in cash. The issuance of the Common Shares in payment of interest on the Debentures is subject to the approval of the TSX Venture Exchange and the Common Shares will be subject to a four month hold period.

## **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](http://www.masongraphite.com).

**Mason Graphite Inc.** On behalf of the Board

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

### **For more information:**

Simon Marcotte, CFA, Vice-President Corporate Development at +1 (647) 801-7273 and at [info@masongraphite.com](mailto:info@masongraphite.com)

### **For more information relating to local communities:**

Luc Veilleux, CPA, CA, Executive Vice-President and Chief Financial Officer at +1 (514) 289-3582 and at [info@masongraphite.com](mailto:info@masongraphite.com)

Head Office: 3030, boulevard Le Carrefour, bureau 600, Laval, Québec, H7T 2P5

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

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

*information is made as of the date of this press release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.*

*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.*