


Mason Graphite has Tesla's Li-ion battery Gigafactory in its sights

Jim Rogers, a well known New York business writer, has  endorsed Mason Graphite (TSXV: LLG | OTCQX: MGPHF) as one of the logical sources for the graphite that Tesla Motors will need to develop its lithium-ion (Li-Ion) battery 'gigafactory'. While they are called Li-ion, emphasizing the lithium content, these batteries contain around 5% lithium by weight and up to 15 to 20 times more graphite. The cars use aluminum to save weight. The Tesla and the whole breed of competitor cars it will stimulate means that the world needs to start producing much more of the so-called technology metals and especially graphite. Surely, the Tesla can eliminate the need for motorists to fuel up at the gas station but for this to happen on any significant scale we need batteries....Many batteries.

The Gigafactory will need between USD\$ 4 and 5 billion dollars, occupying an area of 930,000 square meters, employ 6,500 employees and a produce enough batteries to equip 500,000 cars per year. Graphite production in North America, the only place where Tesla expects to be sourcing it, will have to increase accordingly. The discovery of high grade mineral graphite sources such as identified by Mason, for instance, will enable battery technology to thrive thanks to higher purity levels and its offshoots into graphene. The path to production is still arduous, but Mason has made very good progress in resource quality and community relations.

Mason Graphite Inc. announced the discovery of new and high-grade intersections of graphite at its Lac Gueret property. The new intersections are part of the latest assay results from its 2013-2014 exploration campaign. In that period, Mason

tested 97 drill holes along a 15 km of surface extension, which delivered a mineralized interval of 98m at 29.8% purity. Mason also explored a mineralized zone extending northeast of the deposit, beyond the currently established limits of the resource. Mason says the new data confirms the presence of near surface mineralization with excellent widths and continuity beyond the limit of the current resource. Benoît Gascon, President and CEO of Mason Graphite said that “the analytical results of the northeast extension are encouraging, said. The exploration target is located at the boundary of the defined mineral resource and is adjacent to the planned pit in the Preliminary Economic Assessment completed in April 2013.” Mason Graphite has the potential to develop one of the most highly concentrated graphite deposits in the world.

Mason plans to invest some CAD\$ 90 million to operate the eventual mine north of Baie-Comeau. To this effect, Mason has been actively looking after its social responsibilities in the area, ensuring that there will be a smooth regulatory transition from exploration to production. Indeed, Mason signed a memorandum of cooperation with the Council of the Innu of Pessamit and work at its graphite in Lake Gueret could begin as early as next year right on the Nitassinan, which is the Innu community of Pessamit’s traditional territory. Mason Graphite expects to create 80 jobs, half of which will be reserved for locals, a plan that has certainly contributed to the establishment of favorable community relations.

Mason will now advance the project steadily toward production; the next steps will be the completion of all pre-feasibility studies, feasibility and environmental permits. There is admittedly still a long way to go before the first graphite is shipped to customers; however, the signing of the cooperation protocol paves the way for friendly negotiations between the company and the band council. Both mason and the Innu are optimistic about what is being dubbed as a “historic agreement.” the negotiations will include all matters from

financial compensation to jobs and contracts. The Pessamit community has so far been very impressed by mason, which might well be the first miner, developing a project on north shore, to consult the indigenous population. in the past, the Pessamit were the last to be consulted, having a negative impact on the community. Relationships with local communities are delicate, they can fall apart if they are improperly managed. Thinking ahead, establishing trust and an overall strategy of reaching out to the community well beyond the scope of the mining activity itself has become critical in the mining sector.

Companies like mason, which have clearly considered these aspects preemptively, integrating them into the overall project, will reap the rewards while reducing investment risk.