Molo Graphite Project

MADAGASCAR

The only project with SuperFlake® graphite.
Forward looking statements

Safe Harbour: This presentation contains statements that may constitute “forward looking statements” within the meaning of applicable Canadian and United States securities legislation. Readers are cautioned not to place undue reliance on such forward looking statements. Any statement in this presentation that is not a statement at a historical fact constitutes a “forward looking statement”. Furthermore, when the Company uses the words “may”, “expect”, “anticipate”, “plan”, “forecast”, “projections”, “estimate” or similar words, the Company intended to identify certain forward looking statements. Forward looking statements are related to the timing of the completion of the updated and revised Feasibility Study, the results of the revised Feasibility Study, funding of the development of the Molo Project, implementation and commencement of the build-out of the Molo Project, commencement of production at the Molo Project, commencement of procurement for mine infrastructure, the procurement of equipment to construct a mine, value engineering, continued product test results and product analysis, and the permit application.

Other forward looking statements relate to growth of the lithium-ion market, graphite demand in the future, electric vehicle projections and other market demands for graphite. These are based on current expectations, estimates and assumptions that involve a number of known and unknown risks, uncertainties and other factors that could cause actual results to vary and in some instances to differ materially from those anticipated by the Company and described in the forward looking statements contained in this presentation. These risks include, but are not limited to access to sufficient capital, dependence on ore mineral project, governmental and political risks in Madagascar, legal and accounting risks, compliance with various regulators, potential loss of key personnel, no certainty as to commercial production of the Molo mine, inherent changes in mineral exploration and development, delays, external market factors, negative operating cash flows, lack of demand for graphite, cost overruns, permitting issues, fluctuations in the price of graphite, labour issues, title disputes and fluctuations in currency. Criteria of these risks and other risks are outlined in the companies Form 10–K for the fiscal year ending June 30, 2016 available at SEDAR.com, which investors are highly encouraged to review. No assurance can be given that any of the events anticipated by the forward looking statements will transpire or occur or, if any of them do so, what benefits the Company will derive there from.

The forward looking statements contained in this presentation are made as at the date of this presentation and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.
IT’S ESSENTIAL.
IT’S COMPLICATED.
IT’S A HUGE OPPORTUNITY.
Flake graphite market = ~650,000 tonnes per year

<table>
<thead>
<tr>
<th>REFRACTORIES</th>
<th>BATTERIES</th>
<th>GRAPHITE FOILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 65%</td>
<td>#2 20%</td>
<td>#3 10%</td>
</tr>
<tr>
<td>Majority of demand still tied to traditional steel market</td>
<td>Experiencing largest growth Forecasted to be #1 by 2025</td>
<td>Experiencing fastest growth</td>
</tr>
</tbody>
</table>
Graphite pricing

The larger the **flake size**, and higher the **purity**, the higher the **price**.
Graphite pricing easily explained

Two main parameters determine price: mesh size and carbon content. They can move together or independent of one another.

### Mesh Size Classification

<table>
<thead>
<tr>
<th>Classification</th>
<th>Size</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>LUMPS</td>
<td>1</td>
<td>$$$$</td>
</tr>
<tr>
<td>JUMBO FLAKE</td>
<td>8</td>
<td>$$$$</td>
</tr>
<tr>
<td>LARGE FLAKE</td>
<td>32</td>
<td>$$$$</td>
</tr>
<tr>
<td>MEDIUM FLAKE</td>
<td>50</td>
<td>$$$</td>
</tr>
<tr>
<td>FINES</td>
<td>80</td>
<td>$$</td>
</tr>
<tr>
<td>100</td>
<td></td>
<td>$$</td>
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<tr>
<td>150</td>
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<tr>
<td>200</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>300</td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

### Carbon Content Classification

<table>
<thead>
<tr>
<th>Classification</th>
<th>C%</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH PURITY/SPHERICAL</td>
<td>&gt;99%</td>
<td>$$$$</td>
</tr>
<tr>
<td>VEIN</td>
<td>90-99%</td>
<td>$$$</td>
</tr>
<tr>
<td>FLAKE</td>
<td>85-97%</td>
<td>$$</td>
</tr>
<tr>
<td>AMORPHOUS</td>
<td>60-85%</td>
<td>$</td>
</tr>
<tr>
<td>99%</td>
<td></td>
<td>$$$</td>
</tr>
<tr>
<td>98%</td>
<td></td>
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<td>85%</td>
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<td>$$</td>
</tr>
<tr>
<td>60%</td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

Additional processing costs required to achieve this

Less commonly traded
More commonly traded
Less commonly traded

Contact: data@indmin.com
Subscribe: sales@indmin.com
Visit: www.indmin.com
Graphite prices strong

**Flake graphite**

- +50 mesh (extra large flake): $2,200/tonne
- +80 mesh (large flake): $1,100/tonne
- +100 mesh (medium flake): $950/tonne
- -100 mesh (small flake): $800/tonne

**Uncoated spherical graphite**

- USPG, 99.995%, 10-15 micron: $3,600/tonne

Prices based on FOB China (94-95% C); Percentage growth is year-over-year.
Paradigm shift in mainstream automotive

- Volvo to go all-electric starting 2019
- Ford to invest $11 billion, 40 EVs by 2022
- GM to go all-electric by 2026
- VW to invest $40 billion, 15 EVs by 2022

Source: Volvo, GM; Wall Street Journal 2017
Electric sales expanding beyond niche

<table>
<thead>
<tr>
<th>Country</th>
<th>Share 2018</th>
<th>Sales 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>49.14%</td>
<td>1,053,000</td>
</tr>
<tr>
<td>Iceland</td>
<td>19.14%</td>
<td>361,000</td>
</tr>
<tr>
<td>Sweden</td>
<td>8.01%</td>
<td>73,000</td>
</tr>
<tr>
<td>Netherlands</td>
<td>6.69%</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>4.74%</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>4.44%</td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>3.44%</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>3.18%</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>2.54%</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.53%</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>2.43%</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>2.22%</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>2.14%</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>2.10%</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>2.09%</td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td>2.05%</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>1.97%</td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>1.57%</td>
<td></td>
</tr>
</tbody>
</table>

>2 million EVs sold in 2018 requiring >40,000 T battery-grade graphite

Source: StatistaCharts; ACEA, CAAm, InsideEV’s, KAIDA
The Four Horseman of the ICE Apocalypse...

- Cobalt
- Graphite
- Lithium
- Nickel
- Coal
- Oil

ICE (internal combustion engine)
Graphite’s VITAL role

“...Our lithium ion batteries should be called nickel-graphite, because primarily the cathode is nickel and the anode side is graphite with silicon oxide.

- Elon Musk

Source: Tesla
Graphite is the #1 raw input material in lithium-ion batteries

~165K tpa of battery-grade graphite is consumed annually for anodes today.

7x growth in graphite demand expected over the next decade.
Graphite anode to face scaling and quality issues

2018
165,000 tonnes

Flake req’d: 209,000 tonnes
*Natural as 58% of market

2030 Industry Forecast
1.94m tonnes

Flake req’d: 2.61m tonnes
*Natural as 75% of market

2030 Conservative
1.2m tonnes

Flake: 1.63m tonnes
*Natural as 75% of market

Source: Benchmark Minerals Intelligence 2019
Tesla just one of many megafactories being built

**A Global Battery Arms Race** | Planned Lithium ion megafactory capacity

![Graph showing planned lithium ion megafactory capacity by 2021](chart.png)

- China 56%
- USA 14%
- Europe 19%

Total capacity in pipeline: 372 GWh

**Source:** Benchmark Mineral Intelligence

All data collected first hand by Benchmark Analysts

**United States (US)** - 35 GWh

**China** - 100 GWh

**Poland, Sweden, Germany** - 34 GWh

**Total Capacity Pipeline by 2028:** 1,456.5 GWh

*Data accurate up to December 31, 2018. Source: Benchmark Mineral Intelligence*
Megafactory impact on raw materials

Raw material demand vs global lithium ion cell/Megafactory capacity

<table>
<thead>
<tr>
<th>MATERIAL</th>
<th>2017</th>
<th>2023</th>
<th>2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>LITHIUM</td>
<td>162,752</td>
<td>961,351</td>
<td>1,570,020</td>
</tr>
<tr>
<td>GRAPHITE ANODE</td>
<td>194,160</td>
<td>1,080,360</td>
<td>1,747,800</td>
</tr>
<tr>
<td>COBALT</td>
<td>54,354</td>
<td>219,679</td>
<td>276,401</td>
</tr>
<tr>
<td>NICKEL</td>
<td>48,584</td>
<td>494,774</td>
<td>928,018</td>
</tr>
<tr>
<td>TOTAL GWh</td>
<td>161.8</td>
<td>900.3</td>
<td>1,456.5</td>
</tr>
</tbody>
</table>

Source: Benchmark Minerals Intelligence 2019
The amount of graphite required for energy storage systems will dwarf that of EVs

Tesla to build ‘world’s biggest battery’ in Australia (100MW)

- 1 tonne of graphite anode material is required for every 1MW of storage

Source: Tesla, Bloomberg 2017
MARKET REALITY CHECK

The future demand for flake graphite for electric vehicles is very bright, but...

- ~65% of graphite consumption tied to traditional steel market
- Battery anodes still a relatively small market for natural graphite
- Projects can not solely rely on a battery/graphene-only sales plan
- Projects must be economical based on realistic sales volumes and prices for the traditional steel market
Molo flake graphite project  Fotadrevo, Madagascar

- Ideally located in the southern, arid region of Madagascar
- $Billion+ mining projects established in-country, codifying mining laws
- Democratic government views mining as key growth engine and one of the pillars of Madagascar's Action Plan
- Sherritt’s Ambatovy project accounts for 32% of country’s total revenue
Ideally located to key demand markets

MOLO IS LOCATED WITHIN THE HUB OF TOP PURCHASING AND PROCESSING MARKETS FOR FLAKE GRAPHITE.
A huge resource

100.37 million tonnes (MT) measured & indicated
Combined Measured & Indicated resource @ 6.3% C, above a 2% C cut-off

40.91 MT inferred
Inferred resource @ 5.8% C, above a 2% C cut-off

RESOURCES; above a 2% C cut-off
• 23.62 Mt) Measured @ 6.32%,
• 76.75 Mt Indicated @ 6.25% C
• 40.91 Mt Inferred @ 5.78% C

RESERVES; above a 4.5% C cut-off
• 14.17 Mt Proven @ 7.00% C,
• 8.37 Mt Probable @ 6.25% C
• 22.44 Mt Proven & Probable @ 7.02% C

*Please refer to the Company’s technical report entitled “Molo Feasibility Study” dated February 6, 2015 available under the Company’s profile at www.sedar.com for a discussion in respect of certain key assumptions, parameters and methods in respect to the mineral resource disclosure.
Easy extraction and expandability

- Immediately at surface, minimal overburden
- Negligible waste-to-ore ratio (0.81:1)
- Over 300 line kms (186 miles) of continuous graphite identified, all at surface
Low environmental impact

All technical studies were undertaken /completed in accordance and partnership with:

- Equator Principles
- World Bank & IFC requirements
- South African and Malagasy environmental consultancy firms,
  - GCS Water and Environment Ltd.
  - AGETIPA (set up by World Bank)
Extensive community involvement & acceptance

Engaged in a multitude of community outreach programs.

- Training on how to improve agricultural yields
- Distribution and training of agricultural equipment selected by communities
- Training on how to effectively use organic fertilizers
- Establishment of 2 vaccination corridors; vaccination of 200 zebus
- Seeding of pastures for zebu grazing
- Construction of ponds for livestock
- Establishment of water wells in various communities
- Construction of community latrines
- Reconstruction of a local school
Mining & environmental permits secured

- Permitted area very large
  - 176.4 km² or 17,640 ha
  - 68.11 mi² or 43,590 acres
- >36 km of continuous graphite mapped on permitted area
All-modular build approach – GAME CHANGER

Actual representation of the all-modular Molo mine.
Lowest CAPEX of any competing project

$18.4 million (USD)

PHASE 1: 17,000 tpa

Source: SEDAR.com and respective company’s news releases
Lowest quartile operating costs

- Lowest quartile OPEX on all-in, CIF basis
- Competitive with Chinese pricing

Phase 1 OPEX:
- Ex-plant: $433/T
- FOB Mada Port: $567/T
- CIF Rotterdam: $688/T

Source: 2017 Molo FS
Feasibility Study (2017) - Phase 1 – Conservative Pricing

**Annual Production Graphite:** 17,000 t/year

**Life of mine:** 30 years

**CAPEX (excluding Working Capital):** $23M

**OPEX (Ex-plant):** $433/T

**OPEX (FOB Mada):** $567/T

**OPEX (CIF):** $688/T

**Average Head Grade:** 8.1%

**Average Selling Price:** US$1014/t

**Post-tax**

**NPV:** 8% discount

**IRR:** 22%

**Payback:** 4.8 years

*Please refer to the Company's technical report entitled “2017 Updated Molo Feasibility Study” under the Company's profile at www.sedar.com for certain other details and assumptions relating to the above mineral resource and reserve estimates and data verification procedures.

* Conserva3ve price based on current market prices

* Low cost of entry into market

* 3% of market

* Conservative price based on current market prices
Phased development plan

**Phase 1**
- 2020
- 17,000 tpa
- **De-risks project**
- **Validate product to additional buyers**

**Phase 2**
- 2021
- +34,000 tpa
- **Addition of at least 2 modules**
- **Easy and fast expansion based on market demand**

= 51,000 tpa

Dominant Graphite Producer

10% global market

*Phase 2 assumes addition of 2 extra modules, a wet tailings facility, and Phase 1 OPEX. current FOB China pricing*

Source: SEDAR.com and respective company’s news releases
Scheduling of phased modular build approach

**Phase 1 (17,000 T/yr)**

- **Financing US $25m**
- Site Preparation
- Detailed Engineering
- Procurement
- Fabrication
- Assembly & FAT
- Transport
- Assembly
- Commissioning
- Commercial Production

**Phase 2 (51,000 T/yr)**

- Front End Engineering & Design (FEED) Study
- 2nd Phase Financing
- Detailed Engineering
- Procurement
- Fabrication
- Assembly & FAT
- Transport

*Phase 1 construction timing is subject to financing being secured
**Phase 2 CAPEX definitive pricing to be determined with detailed engineering.
Strong management and operations team

**Craig Scherba**  
President and Chief Executive Officer  P.Geo.
- Discovered both the graphite and vanadium deposits as former head of exploration in Madagascar
- Former managing partner of Taiga Consultants Ltd. that developed Nevsun Resources’ gold/copper/zinc Bisha project in Eritrea
- Extensive African experience, including Madagascar

**Robin Borley**  
Chief Operations Officer  Pr.Tech Eng
- Former Director of Mine Operations for DRA Global
- 25+ years experience building and operating mines internationally (incl. Madagascar)

**Johann de Bruin**  
Senior Consultant, Operational Readiness  PrEng
- Managing Director, Erudite Strategies
- Retired Managing Director of DRA Global Africas
- 30+ years of mining operations experience in Africa, Australia and Canada

**Dean Comand**  
Non-Executive Director, P.Eng
- Former VP of Operations for Sherritt’s Madagascar Ambatovy Project
- Mechanical engineering expertise with extensive Madagascar mining operations experience

**Brent Nykoliation**  
Senior Vice President, Corporate Development  B.Com. (Hons)
- Over 18 years of management experience, having held senior marketing and strategic development positions with several Fortune 500 corporations in Canada

**Marc Johnson**  
Chief Financial Officer  CFA, CPA, BCom
- Over 19 years experience in financial management positions, including 9 years at public corporations as CFO
- 10 years in capital markets in mining investment banking as an equity research mining analyst

**Oliver Peters**  
Sr. Consultant, Process Engineering  PrEng
- Head process engineer at SGS Minerals Canada (Lakefield)
- Former process engineer at DRA Global
- 25+ years of process engineering experience in Africa and Canada
Molo project is operational-ready

- Primary components of team already in place
- Team has extensive African project execution experience
Verified for all top demand markets by end-users

- 98% carbon (C) purity achieved with simple flotation
- Excellent thermal expansion (>500x) for graphite foil applications
- Easily upgraded to 99.97% C (battery grade)
- Verified by end users for ALL top demand markets for graphite
Molo SuperFlake® is a very high-quality graphite concentrate

- 13 tonnes of concentrate produced in pilot plant for end-user verification
- Excellent flake size distribution
- 97%-98% carbon purity achieved with simple flotation

### SuperFlake® Distribution

<table>
<thead>
<tr>
<th>Mesh Size</th>
<th>% Distribution</th>
<th>Grade % Carbon (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>+48 (jumbo flake)</td>
<td>23.6</td>
<td>96.9</td>
</tr>
<tr>
<td>+65 (coarse flake)</td>
<td>14.6</td>
<td>97.1</td>
</tr>
<tr>
<td>+80 (large flake)</td>
<td>8.2</td>
<td>97.0</td>
</tr>
<tr>
<td>+100 (medium-large flake)</td>
<td>6.9</td>
<td>97.2</td>
</tr>
<tr>
<td>+150 (medium flake)</td>
<td>15.5</td>
<td>97.3</td>
</tr>
<tr>
<td>+200 (medium-small flake)</td>
<td>10.1</td>
<td>98.1</td>
</tr>
<tr>
<td>-200 (small / fine flake)</td>
<td>21.1</td>
<td>97.5</td>
</tr>
</tbody>
</table>

Molo pilot plant produced 13 tonnes of at SGS Canada Inc.
Extensive face-to-face interaction with end buyers

- Refmin China Ltd.
- Hans Capital
- Guangdong Guangxing
- BYD
- Dalian Bolong Group
- Shenzhen Bak
- Guangdong Materials
- Chengdu Tianqi
- Sinoetch Minerals
- BTR New Energy Materials
- Beijing OuHuaLian Ltd.
- Chemphy’s Chem
- Panasonic
- Hitachi Chem
- Mitsubishi Chem
- Nissan Renault
- Showa Denko
- Toyota Tsusho
- Marubeni Tetsugen
- Marubeni Corp.
- Mitsui & Co. Ltd.
- Iwatani Corp.
- Sojitz
- Tokyo Boeki Group
- JFE Shoji Trade Corp.
- Shinagawa Refractories
- Nippon Crucible Ltd.
- Krosaki Harima Corp.
- Simul International Inc.
- JOGMEC
- Posco Chemtech
- Seah Holdings Corp.
- Imerys
- Sibelco
- AMG (GK) Mining
- ThyssenKrup
- Cronimet
- George H. Luh GmbH
- Noble Europe
- SGL Carbon Group
- Wogen Resources
- SGL Carbon USA
- Superior Graphite
- Vesuvius
- Graftech
- PRCO
- Asbury Carbon
- Simul International Inc.
Offtake secured

Offtake with primary graphite supplier to Japan’s #1 EV anode producer

• In discussions regarding potential supply chain collaboration (partnering on value-added, downstream products)
  • high margin graphite foils
  • anode material (SPG -spheronized, purified graphite)

Terms
• 20,000 Tpa
• 10 year period
• FOB China pricing
• Automatic renewal for additional 5 years

Additional LOI agreement in place for 100% of Phase 1 production with major European graphite consumer and trader.
The only project with SuperFlake® graphite.