Re-commissioning and Production — The Kearney Graphite Mine

As of March 2014
Company Overview
Ontario Graphite’s Vision
Ontario Graphite's vision is to be the leading producer of natural large flake graphite in North America.

About the Kearney Mine
The Kearney Graphite Mine is one of the largest confirmed mineral resources of any North American graphite project, and is one of the largest individual flake graphite deposits outside of China and North Korea.

Two Locations
Corporate Office: Huntsville
Mine Site: Forestry Tower Road, Kearney
Visual: Kearney Graphite Mine Site

- Graphite Lake
- McGuire Lake
- Open Pit
- Waste Rock Pile
- Mill Area
- Cut-Off Trench
- Tailings Area in narrow valley below mill
- Minnow Lake
- Tailings Pond
- Tailings Dam
- Mine Access Road
- Polishing Pond
Our Experienced Team

Tom Burkett
CEO

Ellerton Castor
CFO and Chief Administrative Officer

Mike Coscia
Senior Vice President, Sales and Marketing

Jerry Janik
General Manager

Shannon Johnson
Controller

Yvan Lauzon
Mill Manager

Gord Carr
Mine Manager
History of the Kearney Graphite Mine

Timeline

1979
Graphite First Reported in Area

1979 - 1981
Prospecting & Mapping

1985-1986
Reserves Proved Up

1988
Mill & Open Pit Construction

1989-1994
Operations by Cal Graphite

1993
Cal Graphite Becomes Applied Carbon Technology

1999
International Graphite Buys Mine

2006
iCarbon Takes Over

2008
iCarbon Becomes Ontario Graphite

2011
Ontario Graphite Leading Reactivation Process

2012
MNDM Approval of Mine Closure Plan

2013
All Required Permits Received
Graphite Extraction and Uses
### Graphite’s Many Uses

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*Source: Adapted from Industrial Minerals Handybook III*
Proud Community Partner
The reactivation of the Kearney Graphite Mine is:

- Providing jobs in the local community.
- Providing a significant economic stimulus to the region and helping rejuvenate Kearney.
- Putting Kearney on the world stage by having an international operation headquartered in the community.
Employment with Ontario Graphite

- The mine should be fully staffed in 2014
- Resumes can be sent to ontariographite@employmentnorth.com
- Ontario Graphite currently has 20 full-time employees at the Kearney Mine
  - We expect approximately 80 direct full-time jobs once we are completely staffed
  - We anticipate three times that amount in spin-off positions in Kearney and the surrounding area
Community Relationships

We have worked together to grow and foster positive relationships with:

- The Town of Kearney, KWEF and POWR MAG
- First Nations
- Métis
- Local Members and Governments

As a result of this collaboration and sound technical work by the Ontario Graphite team, we have received all necessary permits to operate the mine.
About the Kearney Mine
A new study completed in August 2013 shows that Ontario Graphite has more resources than initially anticipated

- The study shows nearly double the amount of previously indicated resources
- It will provide 50 years of mine life
- These additional resources and extra years of mine life will provide further economic benefits to the community of Kearney and surrounding area
The Kearney Mine is expected to begin production in 2014

- We are not just re-commissioning the site, we are also making it more efficient.
- We have secured new equipment to allow the company to enhance our production capabilities.
- Doing all of this effectively takes time. It’s important, and we want to get it right.
Efficiency at the Kearney Mine Site

We have re-designed the plant to be much more efficient. Everything is more streamlined – from our mining, drilling and blasting methods to power generation. Some examples:

- We will maintain production even if repairs to machinery are required
- Three 1.24-megawatt diesel generators have been installed for plant operations, with a fourth on standby
- Exhaust heat from generators will be used to dry graphite concentrate; radiated heat will be used to heat the mill during the winter
- A new 5.5-metre, hydraulically-driven SAG (semi-autogenous grinding) mill has been installed on the existing mill foundation
- High-efficiency horizontal screens have been installed which are easy to maintain and fully enclosed to contain dust
New Equipment
Transportation

Once in full production in 2014, truck traffic transporting graphite will consist of 3-4 trucks daily, Monday to Friday.

Route

The trucks will head from the Kearney Mine on Forestry Tower Road, across Highway 518 to Highway 11.
Environment
Ontario Graphite is also required to monitor the water quality downstream to ensure that predicted concentrations are maintained.

We are working with the Town of Kearney and continue to provide quarterly updates on water quality.

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*Environmental Compliance Application*
Ontario Graphite is committed to the environmental sustainability of the Kearney Graphite Mine site.

- We are currently evaluating how our non-graphite bearing rock may be reused as a source of aggregate for ongoing construction projects.

- Two additional mine heat sources will be reused:
  - Radiated heat from generators will be re-directed into the mill building to supply heat for the employees and equipment during winter operation.
  - Exhaust heat will be re-directed and reused in the important graphite drying process.

- 85 per cent of the water used is recycled in the milling stage, reducing the need to use water from the surrounding lakes.