
From: Peter McCague [<mailto:pmccague@forbesmanhattan.com>]
Sent: Thursday, September 01, 2016 9:36 AM
To: SHALVIRI, ARYO
Cc: CHOW, MILLY; nigel.meakin@fticonsulting.com; Bissell, Steven; WEISZ, STEVEN; Benoit Gascon; LThibaultGermain@lavery.ca; Simon Marcotte
Subject: RE: Early Repayment Offer - Quinto Mining Corp. - Draft Settlement & Mutual Release Agreement

Aryo – please see attached our comments on the Settlement Agreement for your consideration.

Peter

Peter McCague

W: +1 (416) 309-2961

C: +1 (416) 302-2477

From: SHALVIRI, ARYO [<mailto:ARYO.SHALVIRI@blakes.com>]
Sent: Wednesday, August 31, 2016 5:26 PM

To: Benoit Gascon <Bgascon@masongraphite.com>; Peter McCague <pmccague@forbesmanhattan.com>
Cc: CHOW, MILLY <MILLY.CHOW@blakes.com>; nigel.meakin@fticonsulting.com; Bissell, Steven <Steven.Bissell@fticonsulting.com>; WEISZ, STEVEN <STEVEN.WEISZ@blakes.com>
Subject: RE: Early Repayment Offer - Quinto Mining Corp. - Draft Settlement & Mutual Release Agreement

Peter,

I am following up on the below e-mail and draft settlement agreement to see if you have any comments. Could you kindly let us know when we should expect to hear from you?

Many thanks,
Aryo

Aryo Shalviri
Associate
aryo.shalviri@blakes.com
Dir: 416-863-2962



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From: SHALVIRI, ARYO
Sent: Friday, August 26, 2016 5:26 PM
To: 'bgascon@MASONGRAPHITE.COM'; 'pmccague@forbesmanhattan.com'
Cc: CHOW, MILLY; nigel.meakin@fticonsulting.com; Bissell, Steven; WEISZ, STEVEN
Subject: RE: Early Repayment Offer - Quinto Mining Corp. - Draft Settlement & Mutual Release Agreement

Peter,

Further to the below e-mail correspondence, please find attached a draft Settlement & Mutual Release Agreement.

Please note that the attached is under review by our client and the Monitor and is being concurrently circulated to you in the interest of time. As such, it remains subject to further review and comment.

We would be happy to discuss further once you have had an opportunity to review.

Kind regards,
Aryo

Aryo Shalviri
Associate
aryo.shalviri@blakes.com
Dir: 416-863-2962

From: Benoît Gascon [<mailto:bgascon@MASONGRAPHITE.COM>]
Sent: Monday, August 22, 2016 10:50 AM
To: Meakin, Nigel
Cc: Bissell, Steven; Peter McCague
Subject: RE: Early Repayment Offer - Quinto Mining Corp.

Hello Nigel,

Mason Graphite accepts the offer as outlined below and will pay \$4 million USD in full and final settlement of the future amounts owed to Quinto. The definitive settlement agreement will also include the de-registration of all securities in favor of Quinto Mining Corp.

Please confirm your acceptance.

Peter McCague, Mason's Legal Advisor and copied on this email, will contact you in order to organize the process. His phone number is 416-309-2961.

Best regards,

Benoît Gascon, CPA, CA
President & CEO
Mason Graphite Inc.
+1 514 289 3574
TSX-V: LLG
OTCQX: MGPHF

From: Meakin, Nigel [<mailto:Nigel.Meakin@fticonsulting.com>]
Sent: 16 août 2016 12:24
To: Benoît Gascon <bgascon@MASONGRAPHITE.COM>
Cc: Bissell, Steven <Steven.Bissell@fticonsulting.com>
Subject: Early Repayment Offer - Quinto Mining Corp.

Without prejudice

Benoit

The Monitor has now discussed this matter with the company and the company does not accept the proposal set out in your email of July 28, 2016 below. The company is however prepared to accept, subject to any necessary Court approval, a payment of US\$4 million in full and final settlement of the future amounts owing by Mason Graphite, subject to the following conditions:

1. Acceptance of this offer by no later than 5:00 p.m. Eastern Time on Monday August 22, 2016, after which time this offer shall be null and void;
2. Execution of a definitive settlement agreement by no later than September 2, 2016;
3. Payment in full by no later than September 30, 2016 (or three business days after Court approval is granted if such approval is determined by the company to be required).

If you have any questions, please do not hesitate to contact the undersigned.

Kind regards

Nigel

From: Benoît Gascon [<mailto:bgascon@MASONGRAPHITE.COM>]

Sent: Thursday, July 28, 2016 7:32 AM

To: Meakin, Nigel

Subject: RE: Early Repayment Offer - Quinto Mining Corp.

Dear Nigel,

Our previous offer was based on the available cash we had on hand. To increase the amount, we need to secure an external financing either through equity or debt.

Over the past few months, we've been working on securing a financing for an early repayment of the last deferred payment, which is not easy in the actual market, even more since it is aimed at reimbursing a debt.

Nevertheless, we have found some financial partners and are now in a position to have access to an amount of \$3M to be used as a complete and final payment to fully reimburse the last deferred payment without conditions and payable on closing.

I would appreciate your thoughts on this in order to come to an acceptable resolution to both parties. Otherwise, this will likely mean you getting back the asset and trying to monetize it, which will not be easy and will take more time.

Benoît Gascon, CPA, CA

President & CEO

+1 514 289 3574

TSX-V: LLG OTCQX: MGPHF

From: Benoît Gascon

Sent: 12 janvier 2016 13:26

To: Nigel Meakin - FTI Consulting (Nigel.Meakin@fticonsulting.com) <Nigel.Meakin@fticonsulting.com>

Subject: Early Repayment Offer - Quinto Mining Corp.

Dear Nigel,

Following our phone conversation, you will find hereunder an offer, from Mason Graphite, with respect to an early repayment of the last deferred payment in respect of the 2012 Purchase Agreement covering the sale of 215 mining claims by Quinto Mining Corp.

Previous payments made by Mason Graphite to Quinto Mining Corp., amounting to \$10M USD, were released from restricted cash that were set aside as conditions from previous financings raised by Mason Graphite in 2012 and 2014.

The last deferred payment due to Quinto is not funded or covered by any restricted cash and would eventually need to come from a future financing which, in today's financial markets, is highly uncertain in terms of timing and amounts required for our next phases of development.

This last deferred payment is secured by the 215 mining claims sold by Quinto in 2012. If Mason Graphite does not proceed with the last deferred payment, then Quinto will have to recover part of the amount through the realization of the mining claims which, in today's market, will prove to be difficult, costly and lengthy in time.

The determination of the amount of our early repayment offer is based on the Allocation of Consideration used in the transaction with Champion Iron for the 264 claims sold by Quinto (99%) for a total consideration of \$450,000.

Consequently, Mason Graphite is offering \$366,500 as complete and final payment to fully reimburse the last deferred payment without conditions and payable on closing. We will work diligently to ensure a speedy process.

I understand you will discuss this early repayment offer with Quinto and will revert.

Yours truly,

Benoît Gascon, CPA, CA
President & CEO
Mason Graphite Inc.
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