I. Introduction to Ontario Graphite Limited

II. Considerations for Financial Investors in Mining Operations

III. Conclusion
Company Overview
Property Location

Mine Location:

- Politically stable, first-rate country
- Close proximity to:
  - Major US graphite markets = dependable and timely delivery for US customers
  - Ports for shipment to European customers
- 300 km north of Toronto, Canada
- Accessible through Town of Kearney via main highways
- From Toronto to plant site – 270 km of four lane highway, 30 km of paved municipal road, 10 km of all weather logging and mine site road
- Surrounding area has significant mining industry support – mining process equipment vendors, readily available labour
- Transportation costs kept relatively low, and product delivered directly to end-use customers
NI43-101 Technical Report indicates mineral inventory on Kearney Property of 43.5 million tonnes of Measured and Indicated Resources at average grade of 2.34% Carbon Grade (Cg), plus 12.3 million tonnes of Inferred Resources at average grade of 2.42% Cg, based on cut-off ore grade of 1.5% Cg.

### Mineral Zone per NI43-101*

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<thead>
<tr>
<th>Mineral Zone per NI43-101</th>
<th>Metric Tonnes</th>
<th>Carbon Grade (%)</th>
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<tr>
<td><strong>Measured &amp; Indicated Resources</strong></td>
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<tr>
<td>McGuire Zone:</td>
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<tr>
<td>Measured Resources</td>
<td>10,613,339</td>
<td>2.50</td>
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<tr>
<td>Indicated Resources</td>
<td>16,061,706</td>
<td>2.46</td>
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<tr>
<td>Total Measured &amp; Indicated Resources</td>
<td>26,225,045</td>
<td>2.48</td>
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<tr>
<td>Sheehan Zone:</td>
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<tr>
<td>Measured Resources</td>
<td>7,662,505</td>
<td>2.14</td>
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<tr>
<td>Indicated Resources</td>
<td>9,618,875</td>
<td>2.11</td>
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<tr>
<td>Total Measured &amp; Indicated Resources</td>
<td>17,241,379</td>
<td>2.12</td>
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<tr>
<td><strong>Total Property Measured &amp; Indicated Resources</strong></td>
<td>43,466,425</td>
<td>2.34</td>
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<td><strong>Inferred Resources</strong></td>
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<tr>
<td>McGuire Zone</td>
<td>9,740,410</td>
<td>2.52</td>
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<tr>
<td>Sheehan Zone</td>
<td>3,176,044</td>
<td>2.14</td>
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<tr>
<td><strong>Total Property Inferred Resources</strong></td>
<td>12,250,454</td>
<td>2.42</td>
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- At current mining plan throughput rate, Property has more than 31 years of production
- Twenty year mine plan: 1MM tonnes of ore per year, producing 20,000 tonnes of concentrate
  - NPV(10) of US$106mm and IRR of 72.9%
Timeline

1979-1985  Mine Site Owned by local Family
1985      Cal Graphite Bought Mine
1985-1986 Reserves Proved Up
1988      Mill & Open Pit Construction
1989-1994 Operations by Cal Graphite
1993      Cal Graphite Became Applied Carbon Technology
1999      International Graphite Bought Mine
2007      SpherInvest Special Situations Fund Assumes Control
2008      iCarbon Becomes Ontario Graphite
May 2011  Re-commissioning Capital Raise Completed
2011      Ontario Graphite Leading Reactivation Process
Q2 to Q3 2012 Expected re-opening of the Kearney Mine
## Recent Capital Raise and Ownership

### Timing
- LOI signed: Jan. 19, 2011
- Transaction close: May 3, 2011
- 104 Days

### Key Terms
- Securities purchased: Ordinary shares
- Amount: US$23 million
- Options on additional $15 million

### Ownership and Board Composition

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<thead>
<tr>
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<th>Pre-Closing</th>
<th>Investor Geography</th>
<th>Post-Closing</th>
<th>Investor Geography</th>
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<tr>
<td>SISSA Controlled SPV</td>
<td>American</td>
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<td>Orionis, LLC</td>
<td>Latam</td>
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<td>Beach Lane Investments</td>
<td>Canadian</td>
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<td>SISSA Controlled SPV</td>
<td>American</td>
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<td>Individual HNW Investor</td>
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<td>American</td>
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<td>Management</td>
<td>American</td>
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</table>
Kearney Graphite Mine Site

- Mill Area
- McGuire Lake
- Open Pit (now water-filled)
- Waste Rock Pile
- Tailings Area in narrow valley below mill
- Mine Access Road
- Tailings Pond
- Tailings Dam
Considerations for Financial Investors in Mining Operations
I. How did you get there? What’s the Process
   A. Straight from the dart board?
   B. Studied Approach to opportunity identification
   C. Should you be doing the deal?

II. Macro
   A. Are the stars aligned?
   B. Who are the players?
   C. Ease of entry

III. Industry
   A. Structural caps on investor returns?
   B. Can you get around over or under them

IV. Company
   A. What does it need to be successful
   B. Are there lessons that have been learned?
   C. Can you create something special?

V. Accessing Capital
   A. Do you have it?
   B. Can you attract it?
   C. Are you pricing it appropriately?
### Key Investment Preferences

| “Top-Down” vs. “Bottoms-Up” | ▪ The Market comes First, the Investee-Company comes second  
▪ Look for markets of growth and size where our Investee-Companies can win |
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<tbody>
<tr>
<td>Market Size</td>
<td>▪ The target’s market should exceed $500 million</td>
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</table>
| Market Growth | ▪ Core market growth should be at least 5%  
▪ No undue cyclicality or volatility of demand – although price may fluctuate through cycles |
| Industry Fragmentation | ▪ Fragmented industries with a long tail of participants that have or will achieve $125–$200 million in sales  
▪ Competitors can be acquired for their products without necessarily needing their overheads |
| Competitors | ▪ Avoid companies with outstanding competitors (e.g. Apple) which can take market share from the company |
| Management | ▪ Management team identified (internal or external) and vetted  
▪ Deal killer: when we cannot identify management to fill anticipated gaps |
| Value Creation | ▪ Explicit strategy to create and capture value through operational enhancements  
▪ Measurable and identified value drivers  
▪ Ability to effect / influence and strongly prefer to control catalyst(s) |
| Tangible Products | ▪ Prefer companies with tangible products and/or assets |
| M&A Opportunities | ▪ Identified M&A opportunities for growth; or  
▪ Ability to merge or “bolt-on” on existing operations; or  
▪ Ability to merge or “bolt-on” on existing portfolio company |
| Company ROIC | ▪ [10%] + country risk premium + [5%] (if applicable, for small cap/less liquid targets); exceeds target company WACC  
▪ Importantly, this is not the investment’s target IRR but the investee-company’s internally generated Return on Invested Capital |
Global Graphite Market

**Global Graphite Demand (k tonnes)**

- Favorable mismatch - Consumption of flake graphite is growing at the expense of amorphous graphite in most markets and accounts for at least 50% of consumption in mature industrialized economies while accounting for 40% of world production.

- Sustainable high prices - Significant upward pressure on the price for high carbon grade large flake graphite over the last ten years with a notable increase since 2008.

- Growing demand and uses for flake graphite - refractories, crucibles, brake linings and lithium-ion batteries used in portable electronic equipment. Lithium-ion batteries in hybrid electric, electric and plug-in hybrid electric vehicles. High-purity or expanded material: graphite foil, fire retardants, graphene.

**Flake Graphite Price (US$/tonne; +80 mesh & -100 mesh)**

Source: USGS and Industrial Metals Magazine

Source: Industrial Minerals (Crystalline, large flake, 94-97%C<sub>G</sub>, quoted CIF UK)
Core Team Members: Management and Advisors

Bobby Cooper  
**Board Chairman**
- Mining industry executive with 40+ years of diversified multi-site experience with open pit and underground mines involving base metals, precious metals, coal, diamonds, and uranium, worldwide
- President & CEO Kennecott Corporation
- Rio Tinto Global Mining Executive
- Various senior positions with ARCO Minerals, Kennecott Corp., Arch Minerals, and Kerr McGee Coal Corporation

Tom Myatt  
**President and CFO**
- 30+ years of senior level experience in the mining industry with involvement in five startup and re-commissioning projects
- CFOI Ancash Mining Ltd, base/precious metals (Peru)
- President & GM of Rio Tinto Service Inc.
- CFO and GM positions in Rio Tinto business units and operations

Jerry Janik  
**General Manager**
- 20+ years industrial experience including 7 years as GM of industrial mineral operations
- Area Operational Manager, Carmeuse Industrial Sands
- Plant Manager, UNUMIN Canada’s Nepheline Syenite Operations
- Plant Superintendent and Supervisory positions plus Quality Control Supervisor for industrial minerals plants
- Duel degree in Geology and Mineral Engineering

Ellerton Castor  
**Director of Strategy and Corporate Development**
- 15+ years in investment banking and M&A advisor to variety of companies in the US, Canada, Europe and SA
- Founder and Managing Director Panterra Partners, LLC
- Managing Director, Latin America M&A and Merchant Banking Banc of America Securities
- Executive Director, Global M&A and Financial Institutions Groups, CIBC Oppenheimer
- Senior Associate Corporate Finance & M&A Morgan Stanley

Bill Steibel – Senior VP
Jim Higgins – Closure Plan specialist
Mina McCluskey – Water quality specialist and client rep.
Piero Amodeo – Regulatory specialist; ex-MOE (18 years)

Kevin Murdock  
**Sales and Marketing Strategy**
- Private equity investor having sourced, closed and managed various platform deals
- Professor of Strategic Management at Stanford Graduate School of Business

Bill Steibel – Senior VP
Jim Higgins – Closure Plan specialist
Mina McCluskey – Water quality specialist and client rep.
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**Environmental and Permitting**

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Becma Engineering  
**Engineering, Procurement, Construction Management**

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**Engineering, Procurement, Construction Management**

Bob Mather – Principal; worked with OGL predecessor in 1990’s
Hank Jenkins – Previously Chief Metallurgist at Kearney; very active in Canada Jr. mining co.’s

Miller Thompson  
**Canadian Legal Counsel**

Miller Thompson  
**Canadian Legal Counsel**

Dan Rothberg – Partner; mining industry specialist
Sandra Gogal – Leading expert on First Nations consultation
John Tidball – Certified specialist on environmental law

Edelman Canada  
**Public Relations**

Edelman Canada  
**Public Relations**

Jeanette Jones – Senior VP, Corporate Practice Leader
Sarah McEvoy – Account Director

CONSIDERATIONS FOR CAPITAL RAISING
Experienced Advisory Board

Keith Day
- Keith has more than 30 years of experience in trading financial instruments and investing in hedge funds and commodity trading advisors.
- Currently an Investment Committee Member and Chairman of the Advisory Board of SphereInvest Group
- Most recently worked for a large sovereign wealth fund as a Senior Investment Manager.
- Keith was a Senior Portfolio Manager of Alternative Investments with the Abu Dhabi Investment Authority (ADIA) and a member of the ADIA Guidelines Committee
- Keith has a B.Sc. in Metallurgy from the University of Aston, in Birmingham

Joe Strubel
- Joseph has 20 years of experience in portfolio management, trading and research expertise in high yield, distressed and special situation corporate investments.
- Currently the Chief Executive Officer and Investment Committee Member of SphereInvest Group
- Joseph has worked for a number of world class financial institutions, including Renaissance Capital Asset Management, SBC Warburg Inc., the HSBC Group and Merrill Lynch & Co.
- He has the distinguished honor of being a three-time Euro Hedge Fund Manager of the Year, in 2006, 2007 and 2008
- Joseph has a MBA and BA in Economics from University of Rochester.

Mario Scarpetta
- For 22 years, Mario managed Grupo Amalfi, investing in basic industry sectors such as cement, energy, natural gas, food products and financial services. He also oversaw business units that included sugar cane crops, real estate
- Founded Azurita, which boasts impressive growth in assets under management currently in excess of $500MM.
- Currently a member of The Business Council of Latin America (CEAL) seeking to expand the role of entrepreneurs in sectors such as mining, agribusiness, manufacturing, banking and services.
- Mario holds a M.Sc. in Professional Management from University of Miami, a M.Sc. degree in Management from Arthur D. Little Institute and a BA in Economics from Universidad San Buenaventura in Cali, Colombia.

Jesse Rodriguez
- With 19 years of experience in principal investing, merchant banking and M&A in the United States, Europe and Latin America, Jesse is currently an Investment Committee Member and Managing Director of the Private Market and Special Situations Group of SphereInvest Group.
- Formerly Managing Director and Head of Latin America M&A and Merchant Banking for Banc of America Securities; Vice President, Salomon Bros. in New York; and member in the M&A and Financial Institutions groups, Senior Associate at Bear, Stearns & Co Inc. in New York.
- Jesse holds an MBA from Harvard Business School and a BA in Economics and Political Science from the University of California, Los Angeles

Felipe Holguin
- Felipe is a partner and the Chief Financial Officer of Hencorp, a financial services boutique headquartered in Miami, Florida with offices throughout Latin America.
- Formerly a Managing Director at Huron Consulting Group; Managing Director of the Latin America M&A and Merchant Banking Group at Banc of America Securities; Vice President in the Media Group and in the M&A groups of Salomon Smith Barney; Consultant in the Boston and Chicago offices of the Boston Consulting Group and treasury and control functions at Smurfit Carton in Colombia.
- Felipe has an MBA degree from Harvard Business School and a BA in Economics and Political Science from the University of California, Los Angeles

Derek Hirsch
- Since 2001, Derek has been President and Portfolio Manager of Hirsch Capital Investments Ltd. and President and Startup Finance Director of Les Gestions AKD.
- Formerly Director of Pan Asia China Commerce Corp. and Managing Director of Madison Williams Holdings
- Held term appointment positions and part-time professional adjunct at Concordia University.
- Derek holds an M.Sc.A in Finance from Concordia University and a B.Com in Finance and Accounting from McGill University.
Kearney Mine will be re-commissioned at low cost within one year

- **Operating History**: Past successful mine operation and strong maintenance over time = majority of processing facilities preserved in good condition

- **Leading Mineral Inventory in Stable, Accessible First-Rate Country**: Mine has largest confirmed mineral resource of any North American graphite prospect; inventory and inexpensive open pit mining combined with accessible location means reliable long-term delivery of quality product to all customers

- **Marketing History**: Past fully operational facility means Mine has production credibility and product known and highly regarded in marketplace

- **Ability to Attract Attentive and Focused Management**: Current ownership and management well-informed about requirements for efficient upgrade and re-commission of existing facilities for early and optimal future processing operations

- **Unencumbered Asset**: Property has no delinquent tax liabilities, environmental, health, or pension issues, and no ongoing litigation, social disputes, or other liabilities which could delay start-up

- **Uncomplicated Start-up and Operational Plan**: Mine will not require specialized or prototype equipment or processes for operations

- **Easy Access to Skilled Labour**: Property is close to equipment suppliers, construction services and skilled, experienced construction and operations personnel
Framework for Typical Project Evolution and Value

**CONSIDERATIONS FOR CAPITAL RAISING**

- **Early Stage**
  - Early Exploration
  - Pre-NI43-101
  - WACC: 100% (2x cash)

- **Resource Defined**
  - NI43-101 Report
  - Bankable Feasibility Study
  - WACC: 70%

- **Mine and Mill Development**
  - Capital Raise
  - Licensing and Permitting
  - Construction or Re-Commission
  - WACC: 30% - 50%

- **Startup Production: Operating Year 1**
  - Optimize Operating Efficiency
  - WACC: 15% - 20%

- **Mature Production**
  - Execute the Mine Plan
  - Build an Operating Company
  - WACC: 8% - 10%

**TIME**

- **Greenfield Operations**
- **Brownfield Operations**

**Lac de Îles**

**Ontario Graphite Uley**

**Northern Graphite Focus Metals**
Requirements for Opening / Re-opening a Mine in Ontario (Provincial Agencies)

Provincial Agencies:
- MCZR - Ministry of Culture
- MMAH - Ministry of Municipal Affairs and Housing
- MNDMF - Ministry of Northern Development, Mines and Forestry
- MNR - Ministry of Natural Resources
- MOE - Ministry of the Environment
- MOL - Ministry of Labour
- MTO - Ministry of Transportation
- OEB - Ontario Energy Board

March 2010
Mineral Development and Lands Branch
Ministry of Northern Development, Mines and Forestry
## Kearney Mine Agencies and Permits

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<tr>
<td>▪ Closure Plan and Financial Assurance</td>
<td>▪ Certificates of Approval for emissions and discharges of water, dust, exhaust and, noise</td>
<td>▪ Tailings dam structure approval – north starter dam and raise existing south tailing dam</td>
<td>▪ Health and Safety standards and pre-development review</td>
<td>▪ Environmental Impact Assessment (if project meets impact triggers)</td>
<td>▪ Building permits</td>
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<tr>
<td>▪ First Nations and Public Consultation</td>
<td>▪ Permit to take water for dewatering pit and operational make-up from Graphite Lake</td>
<td>▪ Species at risk assessment (SARA)</td>
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<tr>
<td>▪ Mining tenure – leases</td>
<td>▪ Plant septic system</td>
<td>▪ Water crossings and roads</td>
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<td>▪ Timber cutting on Crown land</td>
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CONSIDERATIONS FOR CAPITAL RAISING

- Wet screen relocated to above SAG mill
- Flash flotation circuit to be added
- Eliminate exterior feed hoppers
- Bagger moved to under sifter screens
- Added regrind capacity planned

Diagram notes:
- Cleaner column cell underflow to regrind mill
- Thickener overflow redirected to process water tank
- Adding third wet screen
- Bagger moved to under sifter screens
Conclusion
Conclusion

In a difficult capital raising environment success demands:

- Discipline
- Focus
- Specialized knowledge
- Realistic expectations
- Flexibility

With Ontario Graphite

- Proven High Quality and Full Service Capability
- One of only two producers of natural flake graphite in North America
- Direct Marketing to End-Users
- Competitive Operating Cost