



Northern Graphite Completes Further Successful Testing of Battery Grade Graphite

October 15, 2012 – Northern Graphite Corporation (**NGC: TSX-V, NGPHF: OTCQX**) announces that the National Research Council of Canada (“NRC”) has successfully completed the first phase of testing of “spherical graphite” produced from the Company’s Bissett Creek deposit. Spherical graphite is an upgraded product, made from the concentrates produced by the mine, and used to make the anodes for lithium ion batteries. NRC reported that the electrochemical performance of the uncoated samples provided by Northern performed very well compared to commercial coated synthetic samples, especially considering their early stage of development. The most promising samples for use in lithium-ion battery applications will undergo further testing to optimize and refine their performance.

The overall objectives of the program were to evaluate, quantify and compare the performance of six different samples of uncoated spherical graphite provided by Northern to each other and to two commercial, coated synthetic reference samples. Initial testing was carried out on uncoated samples from Northern to evaluate them at an early stage, identify any potential issues and identify opportunities to continue optimizing and improving their performance.

The Northern samples were derived from flotation concentrate produced from the Bissett Creek project and they were micronized and rounded at commercial facilities in the US and Japan. Northern has achieved spherical graphite yields of up to 70% on rounding when starting with its large flake. Almost all non-synthetic spherical graphite is made from small -100 mesh flake in China and yields are only about 30%. Different size fractions were produced for testing and they were purified both by Northern’s proprietary process and by a commercial industry process.

The work done at NRC focused largely on characterizing and comparing each sample in terms of the numerous properties that affect the performance of lithium ion batteries. NRC’s battery research laboratory is fully equipped to produce lithium ion cells to industry standards.

Electrochemical Analysis: Lithium batteries were constructed from the six samples and the two reference materials. Cycle life and rate capability tests were performed. Three of the Northern samples showed a slightly higher irreversible capacity, 28 mAh/g, than the synthetic reference sample at 25mAh/g. This is very promising for uncoated graphite as performance could be improved by coating which is standard industry practice for natural graphite.

Northern’s uncoated graphite had 24% higher capacity after 50 charge/discharge cycles than either of the commercial coated synthetic anode materials. After 100 cycles, NGC uncoated graphite had 12% higher capacity than one commercial coated synthetic graphite and slightly lower than the other.

Surface Area: In general, the two synthetic reference samples had a lower surface area than the Northern samples which is desirable to minimize irreversible capacity loss, maximize electrode density and lower thermal reactivity. However, the surface area could be improved by a coating procedure and this will be a second stage of testing at NRC.

Tap Density: Three of the Northern samples had a Tap Density greater than .8 which is better than one reference sample but lower than the other. Tap Density provides an indication as to how well the materials

pack together as there must be sufficient packing to get high energy density but sufficient porosity to provide access to the electrolyte. Tap Density can also be improved through coating.

X-ray Structural Analysis: The x-ray analysis of the Northern material shows a diffraction pattern that is characteristic of natural graphite with well organized diffraction peaks indicating a highly organized graphitic structure, especially when compared with the synthetic reference material. There was no evidence of impurities that might affect battery performance in five of the samples. The sixth sample, which was purified using a commercial process, showed evidence of a silicate or iron based impurity. Overall, samples purified with Northern's proprietary process performed better than those purified with the commercial process.

Next Steps: NRC has recommended continued testing of two or three select samples, experimentation with different formulations and in particular, developing and testing a coating procedure which will likely improve performance.

The Graphite Market

Graphite demand and prices have increased substantially over the past few years due to the ongoing modernization of China and other emerging economies which has resulted in strong demand from traditional steel and automotive markets. In addition, new applications such as lithium ion batteries, vanadium redox batteries, fuel cells and nuclear power have the potential to create significant incremental demand growth.

China currently produces 70% of the world's graphite and an export tax and a licensing system have been instituted to restrict exports and encourage value added processing in China. Recently, the Chinese government proposed a new set of rules and standards for graphite mines which will make them much more difficult to operate and build. The recent proposals on new mines are the third major Chinese graphite supply related announcement this year and follow calls for REE type protection from the largest Chinese graphite producer and the formation of a state owned amorphous graphite monopoly. No new graphite mines were built during the recent economic cycle and the supply situation will become more acute as Chinese restrictions increase and economies recover. **Both the EU and the US have declared graphite a supply critical mineral.**

Northern Graphite Corporation

Northern Graphite Corporation is a Canadian company that has a 100% interest in the Bissett Creek graphite deposit located in eastern Ontario and is well positioned to benefit from this compelling supply/demand dynamic. Northern is the only graphite company to have completed a bankable Feasibility Study and has a large flake, high purity, scalable deposit that is located close to infrastructure with very competitive operating costs. Additional information is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.northerngraphite.com or please contact:

Gregory Bowes, CEO (613) 241-9959

Don Baxter P.Eng, President (705) 789-9706

This press release has been reviewed and approved by Don Baxter, P.Eng, President of the Company and a non-independent "Qualified Person" under NI 43-101.

This press release contains forward-looking statements, which can be identified by the use of statements that include words such as "could", "potential", "believe", "expect", "anticipate", "intend", "plan", "likely", "will" or other similar words or phrases. These statements are only current predictions and are subject to known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. The Company does not intend, and does not assume any obligation, to update forward-looking statements, whether as a result of new information, future events or otherwise, unless otherwise required by applicable securities laws. Readers should not place undue reliance on forward-looking statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.