



Northern Graphite Announces Significant Increase in Measured and Indicated Resources

May 7, 2013 – Northern Graphite Corporation (NGC: TSXV, NGPHF:OTCQX) is pleased to announce a new resource estimate for the Bissett Creek graphite project based on results from a recent 61 hole, 3,782 meter drill program. The drill program successfully achieved its objective of upgrading a significant portion of inferred resources to the measured and indicated categories. Measured and indicated resources are now estimated at 69.8 million tonnes grading 1.74% graphitic carbon (“Cg”) based on a 1.02% Cg cutoff grade compared to the previous estimate of 26 million tonnes grading 1.81% Cg at a cutoff of 0.98% Cg. There are an additional 24 million tonnes of inferred resources grading 1.65% Cg (at a 1.02% Cg cutoff) in the new resource estimate.

The mine plan in the existing bankable Feasibility Study (“FS”) will be revised based on the new resource model and the FS project economics updated. The current mine plan includes 1.5 million tonnes of inferred resources that are treated as waste with zero grade and it excludes a substantial amount of higher grade resources previously categorized as inferred. It is estimated that revised FS economics will be available in 4-6 weeks.

The revised FS economics will also contain a number of modifications to the original capital and operating cost assumptions. Contract mining will be replaced by owner mining which is expected to reduce operating costs by over \$100 per tonne of concentrate. Approximately \$7 million in capital will be added for mining equipment but will be substantially offset by a number of reductions including removal of costs for detailed engineering, which is already underway, and modifications to the SAG mill drive and discharge layout. The Company now plans to build a compressor station at the TransCanada pipeline and transport compressed natural gas (“CNG”) to site by truck due to a substantial increase in the estimated cost of a pipeline. The CNG option will result in slightly higher capital and operating costs than those used in the FS.

Gregory Bowes, CEO, commented that: “the objective of the revised FS economics is to offset the effects of a recent decline in the graphite price which we feel is at or near the bottom of the cycle. It is anticipated that the new model will show an increase in grade and throughput, a reduction in costs and a much longer mine life.”

Bissett Creek Resource Estimate, May 6, 2013

Cutoff	Measured + Indicated Resources			Inferred Resources		
	Tonnage	Cg%	In Situ Graphite (t)	Tonnage	Cg%	In Situ Graphite (t)
1.02	69,791,000	1.74	1,213,000	24,038,000	1.65	396,000
1.50	37,565,000	2.14	803,000	11,971,000	2.02	242,000
1.75	23,439,000	2.45	574,000	6,274,000	2.39	150,000
2.00	15,902,000	2.73	435,000	3,564,000	2.79	100,000

Notes: Resource shell is based on Measured, Indicated and Inferred material, tonnages rounded to the nearest thousand
Graphite price used is US\$1,800 per tonne with an exchange rate of \$1Cdn=\$1 US

Dilution and ore loss are considered to be zero

Feasibility Study costs and information have been used for Resource Shell generation:

Overburden Mining Cost	\$1.85	per tonne material
Waste Mining Cost	\$3.24	per tonne material
Ore Mining Cost	\$4.15	per tonne ore
Process Cost	\$9.61	per tonne ore
General and Administrative	\$3.41	per tonne ore
Recovery	95%	
Royalty	\$20	per tonne of concentrate

No mining restrictions relating to permitting were applied

Wall slopes of 45 degrees in rock and 30 degrees in overburden

Base mining cutoff of 1.02% Cg

Mineral resources are estimated in conformance with the CIM Mineral Resource definitions referred to in NI 43-101 Standards of Disclosure for Mineral Projects. Pierre Desautels, P.Geol., Principal Resource Geologist, and Gordon Zurowski, P.Eng., Principal Mining Engineer, both of AGP Mining Consultants and Qualified Persons under NI 43-101 who are independent of the Company, have prepared and authorized the release of the mineral resource estimates presented herein. This mineral resource estimate is an update of the G Mining Services Inc. NI 43-101 resource estimate presented in the Feasibility Study dated August 23rd, 2012.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as indicated or measured mineral resources and it is uncertain if further exploration will result in upgrading them to indicated or measured mineral resources.

SEE ADDITIONAL NOTES ON RESOURCE ESTIMATION METHODOLOGY AT END OF PRESS RELEASE

Environmental Permitting

On October 31, 2012, the Company submitted the Mine Closure Plan (“MCP”) for the Bissett Creek project to the Ministry of Northern Development and Mines. The Government of Ontario advertises a 45 day turnaround as part of their efforts to promote the province as a mining friendly jurisdiction. However, the process is still ongoing despite Bissett Creek being a relatively benign operation with no major environmental issues. It has strong community support and consultations with First Nation communities have been positive and constructive. The Company is hopeful the MCP will be approved this month which would enable construction to commence, subject to financing. The MCP is an all-encompassing document that describes in detail, the nature of the operations that will be carried out, the current baseline environmental conditions, and the Company's plan for rehabilitating the site and returning it to its natural state. A number of other permits relating to air, noise, water, species at risk, etc. are required prior to the commencement of operations and follow in the normal course after acceptance of the MCP. Most of these issues are already addressed in the MCP.

Graphite Market Update

Prices have declined from their highs of approximately \$2,800/tonne for high purity, large flake graphite to the \$1,400 to \$1,800/tonne range due to the slowdown in China and continued economic weakness in the US and Europe. It appears that prices are now close to the Chinese marginal cost of production. In addition, Chinese costs are increasing as mines get deeper and older, labour, power and transportation costs escalate, environmental regulations become more stringent and the country's currency appreciates. 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. No new graphite mines were built during the past economic cycle and the supply situation will become more acute as economic growth recovers. **Both the European Union and the United States have declared graphite a supply critical mineral.**

Don Baxter, P.Eng, President of the Company and a “Qualified Person” under 43-101, is responsible for and has reviewed and approved the technical content of this press release.

Northern Retains Services of Renmark Financial

Northern is also pleased to announce that it has retained the services of Renmark Financial Communications Inc. (“Renmark”) to handle its investor relations activities. In consideration of the services to be provided by Renmark, Northern has agreed to pay Renmark a retainer of \$5,000 per month for May and June, unless extended by mutual agreement of the parties. Renmark does not have any interest, directly or indirectly, in Northern or its securities, or any right or intent to acquire such an interest.

Northern Graphite Corporation

Northern 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 the favourable supply/demand outlook for graphite. Northern is the only graphite company to have completed a bankable Feasibility Study. Bissett Creek is a large flake, high purity, scalable deposit with low engineering, technical and political risk, reasonable capital costs and 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.

For additional information, please contact:

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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.

Notes on Mineral Resource Estimation Methodology

1. The updated mineral resource is based on 268 diamond drill holes totalling 14,361 metres of historic and recent drilling. This includes 117 surface diamond drill holes totalling 6,919 metres completed under Northern's supervision from 2007 to 2012.
2. All drill holes are diamond drill core and were sampled and assayed over their entire length in the mineralize section of the core of mostly 1 m sample intervals. A QA/QC program was in place since the 2010 drill program, which included the insertion of standards, duplicates and blanks.
3. Specific gravities were determined by ALS Mineral services for a representative number of rock and mineralization types provided by Northern Graphite. A total of 657 determinations exist in the database. The specific gravity was weighted by the lithology count for each of the domains. There was no variation from the average specific gravity of all mineralized domains and a value of 2.72 was applied to the entire block model.
4. A detailed review of the geological mapping, geological logs and grade distribution led to the development of three-dimensional (3D) domain models based primarily on grade boundaries and partially on lithological units. The wireframing resulted in two higher grade envelopes based on a natural cut-off grade ranging between 2.5% and 2.8% Cg. These two envelopes reside within a lower grade graphitic gneiss domain averaging 1.4% Cg. A mostly barren zone exists below these high grade units and forms the bottom footwall contact of the mineralization. Seven minor barren units were also modelled within the mineralized zone to tie the surface mapping with the drilling. These domains were utilized in the variography studies and in grade interpolation constraints. The model prepared for the May 6, 2013 resource estimate was updated based on the new 2012 diamond drilling information.
5. For treatment of outliers each statistical domain was evaluated separately and no top cut was necessary. However, a search restriction was used on threshold values of 6% Cg to restrict the influence of the highest values during the interpolation.
6. The composite intervals selected were 3.0 metres.
7. A 3D geological block model was generated using GEMS© software. The block model matrix size is 8 metres x 8 metres x 3 metres in consideration of Northern Graphite planning to use a 6 meter bench height for drilling and blasting but sampling and mining in 3 meter flitches. Ordinary kriging was used for all domains with inverse distance and nearest neighbour check models. The interpolation was carried out in multiple passes with increasing search ellipsoid dimensions. Classification for all models was based primarily on the pass number, distance to the closest composite and drill density map. The measured classification was downgraded in areas where the interpolation of the grade relied mostly on historical drill holes.
8. The reported mineral resources are considered to have reasonable prospects of economic extraction. A Lerchs Grossman optimized constraining shell was generated to constrain the potential open pit material. This shell was designed using design parameters from the recently completed Feasibility Study. The constraining shell extends down to the barren unit at the bottom of the model.
9. The rounding of tonnes as required by NI 43-101 reporting guidelines may result in apparent differences between tonnes, grade and contained graphite.