



Northern Graphite Hires Senior Consultant for Value Added Processing

September 14, 2017 – Northern Graphite Corporation (“Northern” or the “Company”) (**NGC:TSX-V, NGPHF:OTCQX**) is pleased to announce that it has hired Mr. Ivan Cisneros as a Senior Consultant to assist the Company in developing a strategy for upgrading Bissett Creek mine concentrates into value added products. In particular, Mr. Cisneros will focus on the two fastest growing markets, spherical graphite (“SPG”), which is the anode material used in lithium ion batteries (“LiBs”), and expandable graphite. Mr. Cisneros has a B.Sc. in Chemical Engineering and Masters and Ph.D. degrees in PetroChemistry from the University of Poitiers (France) and has many years of experience in the petrochemical and graphite industries. He was General Technical Manager of Nacional de Grafite, the largest graphite producer outside of China, and recently consulted to a large, Australian graphite company with respect to manufacturing LiB anode material.

Gregory Bowes, Chief Executive Officer, commented that; “Our Feasibility Study economics are based on only selling basic mine concentrates. While we believe the economics of the Bissett Creek project are already very solid using a realistic assessment of current prices and market risk, there are a number of opportunities to capture additional margin by upgrading concentrates into value added products. Mr. Cisneros will advise on process development and assist with the cost/benefit analysis of these opportunities.”

Expandable Graphite

Expandable graphite is manufactured by treating large and particularly XL flake graphite concentrates with an intercalation agent that penetrates between the many layers of each individual flake. It can be sold as is or heated which causes the intercalation agent to expand, splitting the flakes apart and increasing the volume by hundreds of times. The expanded graphite is then pressed into sheets or foils. These products have a multitude of uses. They are used as a sealant and for thermal management in consumer electronics as every smart phone, tablet and flat panel TV, as well as solar panels, require a sheet of graphite foil to keep them cool and dust free. They are also used to make gasket products for the automotive, petroleum, chemical and nuclear industries, conductive plates for fuel cells and flow batteries, and fire retardants. The latter market is expected to grow rapidly as the use of brominated flame retardants are phased out or banned. Expandable graphite is principally made from +50 mesh XL flake and Chinese production of this grade is declining. XL flake graphite sells for approximately US\$1,700/tonne while expandable graphite can sell for up to US\$3,000/tonne.

Spherical Graphite

Spherical graphite is manufactured from flake graphite concentrates produced by graphite mines and is the anode material used in LiBs. SPG can be sold as either an uncoated (“uSPG”) or coated (“cSPG”) product. Uncoated SPG is made by micronizing, rounding and purifying flake graphite from approximately 94%C to 99.95%C and current prices are US\$2,500 to 3,000 per tonne. Essentially all uSPG is produced in China where hydrofluoric acid is used for purification. This creates numerous environmental and workplace health and safety issues and stricter enforcement of regulations in China is curtailing production of high purity graphite. This represents a weak link in the LiB supply chain. Northern has developed a cost competitive, environmentally sustainable, proprietary purification process that represents an alternative to Chinese methods. It has been extensively tested in the lab and at a bench scale and a pilot plant test is planned.

Prices for cSPG that has been coated with asphalt or pitch and used in ordinary batteries for small devices is in the order of US\$4-6/kg. EV batteries have traditionally used synthetic graphite which has a better cycle life but is lower capacity and very expensive. A couple of South Korean and Japanese companies have developed proprietary technologies to CVD coat and treat natural graphite and blend it with synthetic to take advantage of the strengths of each and to manufacture lower cost, long life, high capacity EV batteries. It is generally believed their EV batteries are 40 to 60% natural graphite and that the ratio will increase over time. This state of the art natural cSPG sells for \$7-10/kg.

About Northern Graphite

Northern is a Canadian company that has a 100% interest in the Bissett Creek graphite deposit located in southern Canada, relatively close to all required infrastructure. Bissett Creek is a well advanced project that has a Full Feasibility Study and its major environmental permit. Subject to the completion of operational and species at risk permitting, which are in the final stages, construction could commence in early 2018 pending financing. The Company believes Bissett Creek has the highest margin, best flake size distribution and lowest marketing risk of any new graphite project, and has the added advantages of low capital costs and realistic production levels relative to the size of the market.

Gregory Bowes, B.Sc. MBA, P. Geo., a Qualified Person as defined under NI 43-101, has reviewed and is responsible for the technical information in this press release.

For additional information, please contact: Gregory Bowes, CEO (613) 241-9959

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