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Northern Graphite Signs Option to Acquire Mousseau West Graphite Project

February 23, 2022: Northern Graphite Corporation (**NGC:TSX-V, NGPHF:OTC-Pink, FRA:ONG, XSTU:ONG**) (the “Company” or “Northern”) is pleased to announce that it has entered into an agreement (the “Option Agreement”) that provides it with the option to acquire a 100% interest in the Mousseau West Graphite project (“Mousseau West” or the “Property”), subject to the owners retaining a 2% net smelter royalty (“NSR”). The Property is located approximately 80 kms, and in economic trucking distance, from the producing Lac-des-Iles (“LDI”) graphite mine in Quebec. On December 2, 2021 Northern announced that it had entered into binding purchase agreements to acquire LDI and a graphite deposit/ processing plant in Namibia from subsidiaries of Imerys SA (the “Imerys Transaction”). [See press release here](#)

Pursuant to the Option Agreement, Northern has agreed to pay \$50,000 for the six-month exclusive right to conduct due diligence on the Property. If the Company elects to exercise its option, it can acquire Mousseau West through the payment of \$500,000 in cash and the issuance of 900,000 common shares of the Company, subject to the acceptance of the TSX Venture Exchange (“TSX-V”). Northern will also have the right to acquire the 2% NSR from the owners at any time upon the payment of \$1 million.

A technical report entitled “Technical Report and Resources Estimate of the Mousseau West Property” dated September 24, 2013 (the “Report”) was completed by Alain Tremblay, geol. eng. and Yvan Bussi eres, geol. eng. in accordance with the requirements of National Instrument 43-101, *Standards of Disclosure for Mineral Projects* (“NI 43-101”). It was filed on SEDAR on October 17, 2013 and is available under the profile of NanoXplore Inc. From 1996 to 2008, Alain Tremblay was in charge of exploration at the LDI mine and is well-acquainted with the geology and mining of graphite mineralization in the area. The Report states that the nature of mineralization at Mousseau West is similar to LDI which “indicates high confidence in the possibility of mining, milling and concentrating it into a final graphite product suitable for customers.”

Gregory Bowes, CEO commented that “The Company’s main priority when the Imerys Transaction closes is to extend the mine life at LDI, increase production back to its nameplate capacity of 25,000tpy and solidify its position as the only producing graphite mine in North America. The Mousseau West deposit not only provides an attractive option for meeting these objectives, it also has the potential to become a significant project in its own right.” He added “the world requires significantly more graphite production to support the evolution to electric vehicles and Northern believes that high-quality deposits located close to infrastructure in politically stable jurisdictions will become very valuable commodities.”

Mousseau West consists of 12 claims totalling 489 hectares in size. It is located approximately 150 kms north of Montreal in the Mont-Laurier area and can be accessed from Highway 117 over 12 kms of good quality logging roads. Over 7,500 meters of drilling has been carried out on the Property and the Report estimates that it contains an Inferred Resource of 4.1 million tonnes grading 6.2% graphitic carbon (“Cg”). The resource includes 2.7 million tonnes that have

been drilled on 25 meter centers which the Report states “are considered to have reached a high level of definition and do not need additional work.” In 1990 Derry, Michener, Booth & Wahl (“DMBW”) estimated Probable Reserves of 1.7 million tonnes grading 7.2% Cg and Possible Reserves of 0.7 million tonnes grading 7.8% Cg.

The Company is classifying both the Inferred Resources contained in the Report and the Reserves calculated by DMBW as historical estimates as the Company’s Qualified Person (as defined by NI 43 101) has not performed sufficient work to classify them as either current mineral resources or mineral reserves. However, the Company considers the data to be relevant as it is indicative of potential mineralization on the Property. The Company is not aware of any more recent resource estimates.

The Mousseau West deposit outcrops at surface and the Report indicates that the morphology of the deposit is potentially very suitable for open pit mining, with a low waste-to-ore stripping ratio. Also, zonation in the deposit allows access to richer mineralization first. The deposit is 250 metres long and lies at the western end of an EM conductor that extends another 400 meters east to the property boundary. This area represents a prime exploration target with the potential to expand the size of the deposit. Other conductors also exist on the Property and represent additional exploration targets. The graphite is mainly hosted by calcitic marbles which provide buffering capacity for the low level of sulphides. Like LDI, this likely indicates that any tailings would be non-acid generating.

Update on the Imerys Transaction

Closing of the Imerys Transaction is subject to a number of conditions, including acceptance of the TSX-V and completion of US\$55 million in related equity/stream/royalty/debt financings. The first tranche of the equity financing has closed and the Company anticipates that the royalty/stream/debt financing and the Imerys Transaction will close within two weeks.

About Northern Graphite

Northern Graphite is a Canadian company, listed on the TSX Venture Exchange and focussed on becoming a world leading producer of natural graphite and upgraded, high value products critical to the green energy revolution including anode material for lithium-ion batteries/EVs, fuel cells and graphene, as well as advanced industrial technologies.

Completion of the Transaction will enable Northern to become the only North American and the world’s third largest graphite producing company outside of China. Northern will also own two large scale development projects that have high quality flake graphite and are located close to infrastructure in politically stable jurisdictions. These projects will enable the Company to significantly expand production to meet rapidly growing demand from the EV/battery markets.

Qualified Person

Gregory Bowes, B.Sc. MBA P.Geo is a “qualified person” as defined under NI 43-101 and has reviewed and approved the content of this news release including data disclosed with respect to the Mousseau West Property.

For additional information

Please visit the Company’s website at <http://www.northerngraphite.com/investors/presentation/>, the Company’s profile on www.sedar.com, our **Social Channels** listed below or contact the Company at (613) 241-9959.



This news release contains certain “forward-looking statements” within the meaning of applicable Canadian securities laws. Forward- looking statements and information are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “potential”, “possible” and other similar words, or statements that certain events or conditions “may”, “will”, “could”, or “should” occur. Forward-looking statements in this release include, but not limited to, statements regarding the Company’s plans with respect to due diligence and the potential acquisition of the Property, future production from LDI, its intentions to complete the Imerys Transaction and related financings, the Company’s market position post-Transaction and the future demand for graphite. All such forward-looking statements are based on assumptions and analyses made by management based on their experience and perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. However, these statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected including, but not

limited to unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of other parties to perform as agreed; social or labour unrest; changes in commodity prices; unexpected failure or inadequacy of infrastructure and the failure of ongoing and contemplated studies to deliver anticipated results or results that would justify and support continued studies, development or operations. Readers are cautioned not to place undue reliance on forward-looking information or statements.

Although the forward-looking statements contained in this news release are based on what management believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with them. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release.

Neither the 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.