



NORTHERN  
GRAPHITE  
CORPORATION

TSXV NGC  
OTC NGPHF

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## **Northern Graphite Announces Terms of Private Placement**

**January 17, 2022:** Northern Graphite Corporation (**NGC:TSX-V, NGPHF:OTC Pink**) (the “Company” or “Northern”) is pleased to provide the terms of the private placement (the “Private Placement”) being conducted in connection with its previously announced acquisition of the producing Lac des Iles graphite mine in Quebec and the Okanjande graphite deposit/Okorusu processing plant in Namibia from subsidiaries of Imerys Group (“Imerys”) for approximately US\$40 million (the “Transaction”).

Under the Private Placement, Northern, through a syndicate of agents led by Sprott Capital Partners LP (the “Lead Agent”) and including Cormark Securities Inc., Canaccord Genuity Corp. and Tamesis Partners LLP (collectively with the Lead Agent, the “Agents”), will sell, on a commercially reasonable efforts private placement basis, up to 26,750,000 subscription receipts of the Company (the “Subscription Receipts”) at a price of C\$0.75 per Subscription Receipt to raise aggregate gross proceeds of approximately C\$20 million. The Agents shall have the option, exercisable at any time prior to three business days before the closing date, to increase the size of the Private Placement by up to 4,012,500 Subscription Receipts under the same terms for additional gross proceeds of up to approximately C\$3 million. Affiliates of the Sprott Group have indicated their intention to participate in the Private Placement through an investment of approximately \$3.75 million in Subscription Receipts.

The net proceeds from the Private Placement will be used by the Company to partially fund the purchase price for the Transaction. In addition, US\$3 million of the purchase price for the Transaction will be satisfied by issuing Units to Imerys on the same terms and conditions as the Units issuable on exercise of the Subscription Receipts.

Each Subscription Receipt shall be deemed to be automatically exercised, without payment of any additional consideration and without further action on the part of the holder thereof, into one unit of Northern (a “Unit”) upon satisfaction of the Escrow Release Conditions (as defined below). Each Unit shall be comprised of one common share of Northern (a “Common Share”), and one-half of one share purchase warrant of Northern (each whole warrant, a “Warrant”). Each Warrant shall be exercisable to acquire one Common Share at a price of C\$1.10 per Common Share for a period of 24 months from the date the Escrow Release Conditions are satisfied.

The gross proceeds of the Private Placement, less 50% of the Agents’ cash commission (as described below) and certain expenses of the Agents, will be deposited in escrow on closing of the Private Placement until the satisfaction of certain release conditions, including that all conditions precedent to the proposed Transaction have been met (the “Escrow Release Conditions”).

In the event that the Escrow Release Conditions have not been satisfied prior to 80 days following the closing of the Private Placement, or the Company advises the Lead Agent or announces to the public that it does not intend to satisfy the Escrow Release Conditions or that the proposed Transaction has been terminated, the aggregate issue price of the Subscription Receipts (plus any interest earned thereon) will be returned to the applicable holders of the Subscription Receipts, and the Subscription Receipts will be automatically cancelled and be of no further force and effect.

In connection with the Private Placement, the Agents will be entitled to receive a cash fee equal to 6% of the aggregate gross proceeds of the Private Placement, and such number of compensation warrants (the "Agent's Warrants") equal to 6% of the number of Subscription Receipts issued under the Private Placement. Each Agent's Warrant will be exercisable for one Common Share at an exercise price of C\$0.75 per Common Share for a period of 24 months following the date the Escrow Release Conditions are satisfied.

The Subscription Receipts will be offered in all provinces of Canada and such other jurisdictions as Northern and the Lead Agent may agree where the Private Placement can be offered and sold without the requirement to file a prospectus or similar document.

This press release does not constitute an offer to sell or solicitation of an offer to sell any of the securities in the United States. The securities being offered under the Private Placement have not been, and will not be registered, under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws of any state in the United States and accordingly may not be offered or sold within the United States or to any person in the United States or to U.S. persons unless registered under the 1933 Act and any applicable state securities laws, or exemption from such registration requirements is available.

Completion of the Private Placement is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals including the approval of the TSX Venture Exchange.

### **About Northern Graphite**

Northern Graphite is a Canadian company, listed on the TSX Venture Exchange, that is focussed on becoming a world leading producer of natural graphite and on the upgrade of mine concentrates into high value products critical to the green energy revolution including electric vehicles, lithium-ion batteries, fuel cells and graphene, as well as advanced industrial technologies.

### **For additional information**

Please visit the Company's website at <http://www.northerngraphite.com/investors/presentation/>, the Company's profile on [www.sedar.com](http://www.sedar.com), contact Gregory Bowes, CEO (613) 241-9959 or visit our **Social Channels**.



*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 statements regarding, among others: the Company's intentions to complete the Private Placement; the use of proceeds from the Private Placement; and the Company's intentions to complete the Transaction. 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, the inability to successfully market the Subscription Receipts, 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.*