



Northern Graphite Reports Large Increase in Resources

44% increase in indicated and 117% increase in inferred graphite resources

September 20, 2011 – Northern Graphite Corporation (**NGC:TSX-V, NGPHF:OTCQX**) is pleased to announce a significant increase in estimated resources on its Bissett Creek graphite project based on the results from a 51 hole, 2,927 meter drilling program.

The updated base case mineral resource for the Bissett Creek deposit, using a cut off of 0.986% graphitic carbon (“Cg”), now totals 25,983,000 tonnes grading 1.81% Cg in the indicated category (470,300 tonnes of contained graphite) while inferred resources total 55,038,000 tonnes grading 1.57% Cg (864,100 tonnes of contained graphite). Grades are minable and diluted. In order to establish a reasonable prospect of economic extraction in an open-pit context, mineral resources were limited to an optimized whittle pit shell using an average graphite price of US\$2,000 per tonne and operating and capital costs were updated from the NI 43-101 Preliminary Economic Assessment (“PEA”). *(Mineral resources are not mineral reserves and do not have demonstrated economic viability)*

The new resource represents a 44% increase in contained graphite within the indicated category and a 117% increase in contained graphite within the inferred category over undiluted resources previously reported in the PEA which used an average price of US\$1,700/tonne and a base case cut off of 1.5%. The 1% cut off used in the new base case is now more appropriate given higher graphite prices. The deposit remains open along strike to the north and south, and down dip to the east. The drilling program and resource estimate confirm that near surface graphite mineralization exists in an area that is now over one square kilometer in size. The deposit is also flat and tabular with good continuity between holes and there is a high probability that inferred resources can be upgraded with additional drilling. The waste to ore ratio for the new resource is 0.27.

Gregory Bowes, Chief Executive Officer, commented that “The new resource estimate strongly demonstrates that future production could be scaled to much higher levels to meet anticipated demand growth from current uses as well as Li ion batteries and other new applications. We also have the option of designing a 20 or 30 year pit with much higher grades as the new resource has a potential mine life in excess of 90 years.” He added that “We believe the size, the scalability and the very high percentage of large flake graphite in the Bissett Creek deposit makes it unique in the world.”

Bissett Creek Flake Graphite Deposit

2011 Updated Mineral Resources (Diluted)

%Cg Cut-off	Indicated			Inferred		
	Tonnage* (metric tons)	Cg(%) by LECO	In Situ Graphite** (metric tons)	Tonnage* (metric tons)	Cg(%) by LECO	In Situ Graphite** (metric tons)
0.986	25,983,000	1.81	470,300	55,038,000	1.57	864,100
1.227	24,588,000	1.85	454,900	50,472,000	1.62	817,600
1.50	19,954,000	1.99	397,100	33,672,000	1.81	609,500
1.75	16,031,000	2.34	375,100	21,417,000	2.21	473,300
2.0	11,921,000	2.50	298,000	14,584,000	2.37	345,600

Relative density 2.63t/m³, 10% dilution, 90% mine recovery, *rounded to nearest 1k, **rounded to nearest .1k
Effective September 12, 2011

The Company is currently completing a bankable Feasibility Study ("FS") which will be based on indicated resources only. The FS is expected to be completed and filed on Sedar by year end. All mine permitting is expected to be completed in the first quarter of 2012 at which time the Company will be in a position to initiate construction subject to positive results from the FS and the availability of financing.

The new mineral resource estimate was prepared by François Thibert, M.Sc. P. Geo. from SGS Canada Inc. (Geostat), independent Qualified Person under NI 43-101, using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves, Definitions and Guidelines. Don Baxter, P.Eng, President of the Company and a "Qualified Person" under NI 43-101, is responsible for and has reviewed and approved the technical content of this press release.

The mineral resources were estimated using analytical data from 50 recent surface drill holes and 162 historical surface drill holes for which 2,745 samples were assayed for Cg using the LECO analytical method. The deposit was historically drilled on an approximately 64m x 46m drill pattern with one area drilled on a 25m x 25m grid. Recent drilling was carried out on a wider 100m x 100m grid. Interpretation on 25m spaced N68° sections and modeling of a 3D wireframe envelope was completed to outline the mineralized graphitic horizon. A block model of 10 m (E-W) by 10 m (N-S) by 6 m (vertical) was interpolated using geostatistical methods (ordinary kriging) within the mineralized envelope. It covers a strike length of approximately 1,300m and it reaches a maximal depth of 100m below surface. Spatial continuity of the Cg composites was assessed by variography and it showed good continuity of grade in almost all directions within the horizontal plane but very limited continuity within the vertical plane. An anisotropic search ellipsoid was selected for the grade interpolation process based on the analysis of the spatial continuity of Cg composites. 6m bench composites were used to reflect an assumed bench height of 6m. No capping was applied to composites Cg grades.

About Northern Graphite Corporation

Northern Graphite Corporation is a Canadian company that has a 100% interest in the Bissett Creek graphite project, located 17kms from the Trans Canada highway between Ottawa and North Bay, Ontario.

Graphite prices have increased substantially 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, fuel cells and nuclear power have the potential to create significant incremental demand growth. It takes 20 to 30 times as much graphite as lithium to make a Li ion battery and their use in the growing EV/HEV market is expected to require significant increases in graphite production. However, graphite production and exports from China, which produces 70% of the world's supply, are expected to decline and an export tax and a licensing system have been instituted. Both the European Union and the United States have declared graphite a supply critical mineral.

Northern Graphite is well positioned to benefit from this compelling supply/demand dynamic with a near term development project located in Canada and close to infrastructure. Almost 100% of Bissett Creek production will be large flake, high purity graphite which is required for high value, high growth applications. Additional information on Northern Graphite Corporation can be found under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.northern-graphite.com.

For additional information, please contact:

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