



## **Northern Graphite Successfully Produces and Tests Spherical Graphite For Use in Lithium ion Batteries**

**April 2, 2012** – Northern Graphite Corporation (**NGC: TSX-V, NGPHF: OTCQX**) is pleased to announce that the Company has successfully manufactured test quantities of spherical graphite from graphite concentrate produced from the Company's 100% owned Bissett Creek deposit. The spherical graphite has been evaluated in Lithium/graphite battery test cells and the performance of these cells demonstrated that it meets or exceeds current commercial performance requirements and that Bissett Creek graphite does not contain any impurities that negatively affect cell performance. Further test cycles are on-going. The cells were made and testing carried out in a highly qualified, independent laboratory.

Gregory Bowes, Chief Executive Officer, commented that: "Value added processing such as the manufacture of spherical graphite is a big part of Northern Graphite strategy to create value for shareholders." He added that: "As a result of work that has been completed over the last two years we can now provide potential strategic and offtake partners with representative test samples of graphite concentrate produced using the same flow sheet that will be employed in a full scale mine, and spherical graphite based on that concentrate."

### **About Spherical Graphite**

Spherical graphite is used to make the anodes in Li ion batteries and is manufactured from the flake concentrate produced by graphite mining operations. The upgrading process consists of micronizing the graphite flakes, rounding them to create a spherical or "potato" shape, and purifying them to increase the carbon content to 99.95%. Northern Graphite micronized and rounded its Bissett Creek graphite to basic industry specifications and can modify it to meet the requirements of various products and manufacturers. Spherical graphite sells for much higher prices than run of mine graphite concentrates and could further enhance the economics of the Bissett Creek Project.

Currently, almost all spherical graphite is produced from small flake concentrates (-100 to +150 mesh) and 70% of the graphite is destroyed in the process. As a result, it takes three tonnes of small flake graphite to make one tonne of spherical graphite. These losses are the single largest cost in the manufacturing of spherical graphite. However, Northern Graphite has achieved spherical graphite yields from its large flake concentrate as high as 70% which will substantially reduce production costs. The large flake nature of the Bissett Creek deposit provides the Company with the flexibility to sell its concentrates into high value, large flake markets or produce spherical graphite at competitive costs for the Li ion battery market.

Almost all spherical graphite is currently produced in China and purified using strong acids which results in large volumes of acidic and toxic waste. This method is not environmentally sustainable as the demand for, and production of, Li ion batteries increases. It is also inconsistent with the green energy objectives of the hybrid and all electric car industry. The high quality and purity of graphite from Bissett Creek has enabled the Company to develop a proprietary purification technology that is environmentally friendly and sustainable. The technology works at much lower temperatures than traditional thermal purification techniques and will result in lower capital and operating costs.

### **Value Added Processing**

Based on the positive test results, the Company will commence engineering and design work to define the capital and operating costs of a facility to upgrade Bissett Creek graphite concentrate into spherical graphite.

The objective is to provide Li ion battery manufacturers with a stable, secure source of supply that is produced in an environmentally acceptable manner. This facility will initially be based on the approximately 20% of Bissett Creek production that is -80 mesh with the ability to scale it to larger volumes in the future.

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.

### **The Graphite Market**

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, vanadium redox batteries, fuel cells and nuclear power have the potential to create significant incremental demand growth. The manufacturing of Li ion batteries requires up to 30 times more graphite than lithium 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. **As a result, both the European Union and the United States have declared graphite a supply critical mineral.**

### **Northern Graphite Corporation**

Northern Graphite Corporation is a Canadian company that has a 100% interest in the Bissett Creek graphite deposit located in eastern Ontario. Northern Graphite is well positioned to benefit from this compelling supply/demand dynamic with a high purity, large flake, scalable deposit that is located close to infrastructure. A bankable Final Feasibility Study (“FS”) and permitting are expected to be completed in the first half of 2012, following which mine construction could commence, subject to the results of the FS and financing. Additional information on Northern Graphite can be found under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.northerngraphite.com](http://www.northerngraphite.com).

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