



Northern Graphite Awards Detailed Engineering and Design Contract for Bissett Creek

Company implements first phase of bankable Feasibility Study

January 18, 2013 – Northern Graphite Corporation (**NGC:TSX-V, NGPHF:OTCQX**) is pleased to announce that following a competitive bidding process involving five engineering firms, it has awarded a \$3.5 million contract for the detailed engineering and design of the Bissett Creek graphite project to PES-BECMA. PES-BECMA, a joint effort between Porcupine Engineering Services Inc. and BECMA Ltd., will be responsible for the front end engineering and design (“FEED”) of the 2,500 tonne per day processing facility, and related infrastructure, that will produce approximately 20,000 tonnes of large flake, high purity graphite per year.

Gregory Bowes, Chief Executive Officer, commented that: “We are very pleased to be initiating the FEED process which is the first step in implementing the bankable feasibility study (“FS”). It enables us to continue advancing and de-risking the project while maintaining the time line to production, and to solidify our leading position in the industry. While the graphite market has softened in line with slower growth in China and weak economies in the US and Europe, the Company well positioned to benefit from a recovery with the commencement of production scheduled for late 2014”.

The detailed engineering and design phase is expected to take seven months to complete and cost \$3.5 million. It is part of the estimated capital costs for the project of \$102.9 million (including a \$9.4 million contingency). The work will be financed out of the Company’s current cash position.

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 the compelling supply/demand dynamic that has developed in the graphite industry with a high purity, large flake, scalable deposit that is located close to infrastructure. Permitting for construction is expected to be completed in the first quarter of 2013. 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.northerngraphite.com.

Porcupine Engineering Services Inc.

Porcupine Engineering Services Inc. (“PES”) is a multi-disciplined engineering firm (mechanical, structural, electrical and instrumentation) specializing in engineering and design work for the mining and mineral processing industry. PES is made up of disciplined engineering resources that are accustomed to supporting mineral processing clients from feasibility to the detailed engineering level and through to construction. PES recently completed detailed engineering and design work with respect to a \$100 million mill upgrade for a Canadian gold miner, and also participated in and supported procurement and construction management for the project. Additional information can be found on the Company’s web site at www.pes-inc.ca.

BECMA Ltd.

BECMA Ltd. is a well-established Canadian engineering company specializing in material handling systems in the metallurgical and mining fields and has past and ongoing EPCM experience in the graphite industry.

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.

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.

For additional information, please contact:

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