



Northern Graphite Confirms High Spherical Graphite Yield

Company targeting higher value markets

August 12, 2014 – Northern Graphite Corporation (**NGC:TSXV, NGPHF:OTCQX**) announces that initial testing, using production scale equipment, has confirmed that large flake graphite from the Bissett Creek deposit has a spherical graphite (“SPG”) yield of 50%. The Company expects that the yield will increase with further optimization. SPG is the anode material used in lithium ion batteries (“LiBs”) and Industry yields are generally 33% (or less). Losses in the SPG manufacturing process are one of its biggest costs and low yields render a great deal of graphite unsuitable for this use.

Large flake graphite currently sells for approximately US\$1,350/tonne whereas the price of uncoated SPG is US\$3,500/t and over US\$10,000/t coated.

Gregory Bowes, CEO commented that: “Our goal is to create a technology company that is focussed not only on higher value markets but on reducing battery costs, increasing their capacity and meeting the growing needs of the electric vehicle market.” He added that: “the unique nature of the Bissett Creek deposit, and the technologies that Northern has developed, provide the Company with significant competitive advantages. In particular:

1. Bissett Creek has the best location and infrastructure of any new graphite project leading to low capital and operating costs.
2. 90% of production will be battery grade which is by far the highest in the industry as most deposits produce only 25-66% battery grade concentrates.
3. Recent testing confirmed that the yield on rounding for Bissett Creek graphite is the highest in the industry.
4. Initial testing has demonstrated that the pristine flake from Bissett Creek has a highly ordered crystal structure resulting in greater battery capacity and the possibility that the costly graphitization step may not be required.
5. The Company has developed its own proprietary process for coating SPG and,
6. As a result of extensive testing over the last three years Northern has also developed a process for purifying both SPG and flake concentrate in an environmentally sustainable, cost competitive manner.”

The latter is particularly important as western companies not only need to economically produce SPG, they need a purification solution. All natural based SPG is currently produced in China and is purified from approximately 94%C to 99.95%C using hydrofluoric and sulphuric acid with little or no treatment of the toxic wastes. This approach is unsavoury and not sustainable as the demand for LiBs grows with the increased adoption of “green” hybrid and all-electric vehicles.

The fastest growing market for graphite other than LiBs is expandable graphite used in thermal management for consumer electronics, fuel cells, gaskets, construction materials etc. This market requires +50 mesh XL flake with a high expansion ratio (which not all has). Graphite deposits generally produce less than 15% XL flake. 50% of Bissett Creek production will be XL flake providing the Company with the optionality of serving both the LiB and expandable graphite markets. XL flake currently sells for over US\$2,000/t and highly purified versions over \$3,000/t.

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. The Company expects graphite prices to outperform those of other commodities in an economic recovery because of Chinese supply problems and the continued rapid growth in new

uses such as lithium ion batteries. Bissett Creek is the only true large flake deposit. It is also the most advanced new project with a bankable Feasibility Study and its major environmental, and it has the best location/infrastructure, the lowest capital costs and the highest operating margin. Additional information on Northern can be found at www.sedar.com and www.northerngraphite.com.

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