



Northern Graphite Signs Equipment Financing Deal with Caterpillar

January 8, 2012– Northern Graphite Corporation (NGC:TSXV, NGPHF:OTCQX)(the “Company”) announces that it has signed indicative term sheets with Caterpillar Financial Services Corporation (“Cat Financial”) to provide financing for the purchase of up to US\$17.5 million in Cat mining and Cat power equipment for the Company’s Bissett Creek graphite project. Cat Financial has preliminarily indicated its additional interest in participating in a Project Debt Facility, subject to receipt of an Information Memorandum relating thereto and its agreement with the terms and conditions thereof.

The equipment financing facility will cover the cost of the mobile mining fleet and the purchase and installation of natural gas powered generators including the engineering, procurement and construction management related thereto. The Company’s recently completed feasibility study contemplated mining being carried out by an independent contractor. By buying and operating its own mining fleet, the Company anticipates that it will reduce operating costs by in excess of US\$50/t per tonne of concentrate produced. Closing of the financing facilities is subject to customary conditions including due diligence, satisfaction of conditions precedent, internal Cat Financial credit approval and negotiation and execution of definitive legal documentation.

Gregory Bowes, CEO, commented that; “The financing package potentially represents one third of the capital required to develop Bissett Creek and is an important milestone in achieving our goal of financing construction in a manner that minimizes dilution and maximizes shareholder value.”

About Northern Graphite Corporation

Northern Graphite Corporation (TSX-V:NGC) 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 is expected to be completed in the first quarter of 2013, following which mine construction could commence. 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

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

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