



Northern Graphite Announces Strategic Partnership with Panacis Inc.

Companies to cooperate in developing and promoting Li ion battery related products

April 10, 2012 – Northern Graphite Corporation (**NGC:TSX-V, NGPHF:OTCQX**) is pleased to announce that it has entered into a Strategic Cooperation Agreement with Panacis Inc. whereby the parties will assist in developing and promoting each other's Canadian products and services with respect to Lithium ion batteries.

Panacis is an Ottawa, Ontario based company that is a global leader in intelligent, high performance Lithium Polymer battery based energy storage systems. It is a trusted supplier to the military, telecommunications, medical and renewable energy markets for mission critical applications where “off the shelf” commoditized solutions cannot compete. Panacis is familiar with most Li ion battery manufacturers, selects the best rechargeable battery technology for its applications and tunes its performance to meet demanding requirements. Panacis has comprehensive engineering capabilities that include battery systems engineering and integration expertise, power electronics, electromechanical design, rapid prototyping, and manufacturing and has over 20 patents/patents pending.

“Value added processing including the manufacturing of spherical graphite for the Li ion battery market is a big part of our strategy moving forward” said Gregory Bowes, Chief Executive Officer of Northern Graphite. “We have already successfully made and tested spherical graphite from the Bissett Creek deposit and want to establish ourselves as a secure, reliable supplier of a high quality, Canadian made spherical graphite that has been produced in an environmentally friendly manner. Panacis has a great deal of knowledge and expertise with respect to the manufacture and testing of Li ion batteries and has established relationships with most manufacturers. This provides us with a very important window into the Li ion battery world.”

Steve Carkner, Chief Technology Officer of Panacis commented that: “It is very important that we offer customers with sensitive and critical applications a secure, reliable Canadian made solution and it is to our advantage to encourage and promote the use of Canadian made spherical graphite in the Li ion batteries that we buy. We look forward to working with Northern Graphite to achieve this objective.”

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 and on the Company's website at www.northerngraphite.com.

Panacis Inc.

Panacis is a global developer and producer of safe, reliable and scalable battery systems for telecommunication, defense and renewable energy applications. Panacis uses smart energy management technology to provide flexible and clean power that turns energy storage into a viable and unique competitive advantage for our customers. Unlike conventional technologies, Panacis provides lighter, smarter and more efficient energy storage products with complete local and remote management capabilities. Our systems deliver a reduced total cost of ownership that is unsurpassed in the industry today. For more information, please visit www.panacis.com

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