



Northern Graphite Improves Yield of Large Flake Graphite

Ottawa, Ontario – August 15, 2017: Northern Graphite Corporation (TSXV:NGC, OTCQX:NGPHF) (“Northern” or the “Company”) is pleased to announce the results of additional metallurgical test work carried out on ore from the Bissett Creek deposit by BGRIMM, a Chinese state owned metallurgical research and development company. BGRIMM confirmed the high recoveries and high purities used in the Feasibility Study (“FS”) and successfully increased the percentage of high value, +50 mesh XL flake in the final concentrate from 48 to 61 per cent.

Gregory Bowes, CEO commented that: “We believe Bissett Creek has the best flake size distribution of any new graphite project which will result in concentrate prices that are more than 60 per cent higher than for the “average” project, and we will not have the fines problem that characterizes almost every graphite deposit.” He added that “XL flake markets are growing rapidly while Chinese production of XL flake is declining which creates an excellent opportunity for the Bissett Creek Project.”

Estimated Revenue per tonne of Concentrate (US\$)

Flake Size	Current Price ¹	Flake Size Distribution	
		Northern ²	Average Project ¹
+32 mesh XXL	\$2,200	30%	-
+50 mesh XL	\$1,600	43%	20%
+80 mesh Large	\$1,000	20%	25%
+100 mesh Medium	\$900	7%	10%
+150 mesh Small	\$800	0%	20%
-150 mesh fines ³	\$500	0%	25%
		100%	100%
Estimated revenue/tonne of concentrate (US\$)		\$1,600	\$950

¹ Company estimates from market sources and public information.

² Graphite concentrates are priced and sold as 80% meeting the size requirement. Smaller sizes can be blended in to make up the balance as long as the required purity level is maintained.

³ Limited marketability.

China produces 70 to 80 per cent of the world’s graphite and has substantial expertise in graphite mining and processing. BGRIMM was engaged to complete a full suite of metallurgical testing to confirm the assumptions and estimates used in the FS and to determine if they could be improved and costs reduced. Testing included chemical analysis, X-ray diffraction, thin section analysis, process mineralogy, progressive grinding tests, reagent regime tests for rougher flotation, flotation times, first and second stage regrinding tests for cleaner flotation, open-circuit tests, locked-cycle testing and recycled water tests. BGRIMM achieved a purity level over 95 per cent and a carbon recovery over 96 per cent in locked cycle tests which are consistent with the FS. Most importantly, the concentrate was 25 per cent +32 mesh XXL flake and 36 per cent +50 mesh XL flake for a combined total of 61 per cent (compared to 48 per cent in the FS). An additional 17 per cent was +80 mesh large flake and only 14 per cent was less than 100 mesh, small flake.

Work carried out by BGRIMM and the Company's Brazilian metallurgical consultant have also identified a number of opportunities to potentially reduce capital and operating costs. These modifications are currently being evaluated at SGS Lakefield.

About BGRIMM

BGRIMM is a premier Chinese institute in the field of mining and metallurgical technology and operates directly under the Chinese Government (SASAC). It has over 4,000 employees, is headquartered in Beijing and has operations in a number of provinces including Hebei, Jiangsu, Liaoning and Hunan as well as Santiago, Chile. BGRIMM has been conducting research on graphite since the 1970s and its services include mining, mineral processing (process development, flotation and reagent optimization and equipment design), and purification and downstream processing. It has completed a number of key national projects in recent years.

About Northern Graphite

Northern Graphite is a Canadian company that has a 100% interest in the Bissett Creek graphite deposit located in southern Canada and relatively close to all required infrastructure. Bissett Creek is an advanced stage project that has a full Feasibility Study and its major environmental permit. Subject to the completion of operational and species at risk permitting, which are well advanced, Northern could commence construction in early 2018 subject to obtaining the required financing. Northern believes that Bissett Creek has the best flake size distribution, highest margin and lowest marketing risk of any new graphite project, and has the added advantages of a low capital cost and realistic production target relative to the size of the market.

Gregory Bowes, B.Sc. MBA, P. Geo., a Qualified Person as defined under NI 43-101, has reviewed and is responsible for the technical information in this news release.

For additional information, please contact:

Gregory Bowes, CEO (613) 241-9959

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