



**NORTHERN  
GRAPHITE  
CORPORATION**

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**Northern Graphite Completes Preliminary Economic Assessment on  
Restart of Namibian Operations  
*Okanjande/Okorusu on Track for Production by Mid 2023***

**July 11, 2022:** Northern Graphite Corporation (**NGC:TSX-V, NGPHF:OTCQB, FRA:ONG, XSTU:ONG**) (the “Company” or “Northern”) is pleased to announce the completion of a Preliminary Economic Assessment (“PEA”) for the restart of its Okanjande/Okorusu graphite operation in Namibia. The report, which will be filed on Sedar shortly, concludes that Northern can bring the project back into production by mid 2023 at an average production level of almost 31,000 tonnes per annum of graphite concentrate with a C1 production cost of US\$775/tonne. The capital required to initiate production is US\$15.1M which includes the installation of a new, two-stage grinding circuit, additional regrind equipment in the flotation plant, and a new tailings storage facility.

The PEA indicates very robust project economics as reflected in Table 1, with a Post Tax IRR of 62%, a Post Tax NPV of US\$65M, and a payback of under 2 years based on a 10 year project life and a weighted average graphite price of US\$1,500/tonne. The graphite price is based on a concentrate containing 11% +50 mesh XL flake, 48% +80 mesh large flake, 24% +100 mesh medium flake and 16% +150 mesh small flake, and having an average carbon content of 96%.

Project KPIs	UOM	Value
Measured and Indicated Resource - Weathered	Mt, %TGC	5.9Mt @ 4.21% TGC
Measured and Indicated Resource - Fresh	Mt, %TGC	1.2Mt @ 4.35% TGC
Ore processed	tonnes	6,096,650
Average grade	%	5.3
Average recovery	%	92
Average annual concentrate production	tonnes	30,760
Waste to ore ratio	NA	0.7
Post Tax NPV @8% CoC	US\$	65,058,495
Post Tax IRR	%	62%
Post Tax and Royalty Undiscounted Cashflow	US\$	120,732,276
Post Tax Payback Period	years	2
Pre Tax NPV @8% CoC	US\$	107,261,317
Pre Tax IRR	%	82%
Pre Tax and Royalty Undiscounted Cashflow	US\$	194,306,354
Pre Tax Payback Period	years	2
Namibian/US\$ exchange rate	NA	15:1

**Table 1: Key Project Economic Highlights**

The level of accuracy for some of the key inputs are generally of a higher level than normally associated with a PEA as only “Measured and Indicated” resources are included and major capital and operating cost items such as large equipment prices and mining and trucking costs are based on fixed prices obtained in early June 2022.

The authors of the report, CREO Engineering (Namibia), also list the following opportunities for improving economics:

**Resource:** The Okanjande deposit hosts a hard rock resource of 24,200,000t of ore with 1,287,000t of contained graphite in the measured and indicated categories and 7,200,000t of ore with 359,000t of contained graphite in the inferred category (@3.1%TGC cut-off grade and \$1,200/t Graphite price). This presents the opportunity to build a large new processing plant at the mine site with the capability of producing 100,000-150,000tpy of graphite concentrate. This will significantly reduce operational costs due to the elimination of ore transport requirements and the introduction of economies of scale. The Company plans to initiate a PEA on this development scenario in the coming months.

**Exploration:** There is ample evidence of more resources in the region. These need to be quantified by exploration and drilling.

**Processing:** Investigate Rutile recovery from the graphite flotation tails and existing TSF facility.

**Taxes, Royalties and Other Interests:** There are approximately US\$50M in tax loss carry forwards relating to previous operations that could potentially be used to reduce taxable income. This issue requires further investigation by the Company’s tax advisors.

Northern’s Namibian operations consist of the Okanjande graphite deposit and the Okorusu processing plant located 70km away. Refurbishment of the Okorusu plant is well underway. The first 20 employees were engaged during June and have been active cleaning the site, stripping equipment, renovating offices and equipping the maintenance workshop. CREO has been appointed as the EPCM contractor, detailed engineering for the new grinding circuits has begun, and long delivery equipment items ordered. Further administration personnel are scheduled to join during July.

“The results of the PEA confirm our expectations for the project and validate the decision to proceed with the acquisition and re-development at both Okanjande and Okorusu. We are well underway towards achieving our objective of first production within 9-12 months with an excellent workforce that is highly experienced in mining operations and 100% sourced within Namibia. The opportunity to expand production in the future is a huge, added bonus and something that Northern has already started to investigate,” commented Dave Marsh, Chief Operating Officer for Northern Graphite.

### **About Northern Graphite**

Northern Graphite is a TSX Venture Exchange listed Canadian company focussed on becoming a world leader in producing natural graphite and upgrading it into high value products critical to the green economy including anode material for LIBs/EVs, fuel cells and graphene, as well as advanced industrial technologies.

Northern is the only significant graphite producing company in North America and will become the third largest non-Chinese producer when its Namibian operations come back on line in the first half of 2023. The Company also has two large scale development projects, Bissett Creek in Ontario and Okanjande in Namibia, that will be a source of continued production growth in the future. All projects have “battery quality” graphite and are located close to infrastructure in politically stable countries.

### **Qualified Person**

Gregory Bowes, B.Sc. MBA P.Geo is a “qualified person” as defined under NI 43-101 and has reviewed and approved the content of this news release.

## For additional information

Please visit the Company's website at <http://www.northerngraphite.com/investors/presentation/>, the Company's profile on [www.sedar.com](http://www.sedar.com), our **Social Channels** listed below or contact the Company at (613) 241-9959.



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*Although the forward-looking statements contained in this news release are based on what management believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with them. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release.*

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