



NORTHERN  
GRAPHITE  
CORPORATION

TSXV NGC  
OTC NGPHF  
FRA 0NG  
XSTU 0NG  
northerngraphite.com

## Northern Graphite, North America's Only Producer of Graphite, Comments on China Graphite Export Controls

- ***Controls Would Require Western Battery Makers to Source Graphite from Outside of China, the World's Largest Producer***
- ***Controls Underscore Importance of Government, Markets to Drive Industry Development***

**October 23, 2023:** Northern Graphite Corporation (**NGC:TSX-V, NGPHF:OTCQB, FRA:ONG, XSTU:ONG**) (the "**Company**" or "**Northern**") is pleased to comment on the potential impacts of China's decision to impose controls on some exports of graphite, a key component of Lithium-Ion batteries for electric vehicles, citing national security grounds.

Global media reported on Friday (October 20) that China's Commerce Ministry will, as of December 1, require export permits for certain graphite products in a move, "conducive to ensuring the security and stability of the global supply chain and industrial chain, and conducive to better safeguarding national security interests." China is the world's largest producer of graphite, a key component of batteries for electric vehicles and also widely used in traditional graphite markets.

Northern Graphite's cornerstone Lac des Isles mine in Quebec, Canada has been supplying traditional graphite markets for over 30 years, from refractory bricks for steelmaking to heat management in mobile phones and friction and lubrication products for brakes and brake linings for the global automobile industry.

"This news out of China underscores that the onus is on the West to develop secure sources of graphite supply to ensure a smooth energy transition," said Northern Chief Executive Officer Hugues Jacquemin. "Northern is the only natural graphite producing company in North America, has multiple development projects, and is well positioned to be a real solution for the entire graphite market value chain as demand for this critical component of Lithium-Ion batteries builds in coming years."

Northern is targeting production expansion at its Lac des Iles mine in Quebec together with the restart of its Okanjande mine in Namibia and construction of its Bissett Creek project in Ontario. A planned 200,000-tonnes-per-year Battery Anode Material facility in Baie-Comeau, also in Quebec, is forecast to begin supplying battery makers with first-phase production in 2026.

China export controls as reported would make it even more critical for automakers to lock in graphite supplies outside of China as shortages are already looming amid growing demand from the auto sector.

Graphite has been classified by the U.S. Department of Energy as one of five minerals deemed critical for the

development of EV batteries and the energy transition, but it has largely been in the shadow of other battery minerals like lithium, cobalt, nickel, and manganese. For a vehicle to qualify for the full US\$7,500 EV tax credit reflected in the landmark U.S. Inflation Reduction Act (IRA), a minimum percentage of the critical minerals by value in the battery (such as graphite, lithium, and cobalt) must be sourced from the United States or one of the countries with which the U.S. has a free trade agreement. Minimum requirements begin at 40 percent and increase to 80 percent by 2026 and 100 percent by 2028.

“I think it’s time for government and markets to increase their support of the graphite industry if it’s going to be ready to support the energy transition,” said Mr. Jacquemin.

Northern Graphite, whose Lac de Isles and Okanjande mines and facilities are fully permitted, is engaged with governments and automakers as it sets up to be the next generation carbon materials company for the energy transition. It has a sustainable, integrated, mine-to-market-to-battery solution that will be available as U.S. credits on EV batteries produced by the United States and their trading partners come into force through the end of the decade under the U.S. Inflation Reduction Act.

“This news out of China means that, even more than before, we are extremely well positioned to service demand for graphite from battery makers in North America. We have everything in place. As the only producer of graphite in North America, Northern Graphite is clearly in the driver's seat with a tremendous competitive advantage,” said Mr. Jacquemin.

#### **Northern Graphite in the News**

[Miners race to realise graphite projects as China controls exports | Reuters](#)

[China's curbs on graphite exports a roadblock for electric vehicles - Marketplace](#)

[Canada is sitting on a critical minerals mother lode. But is it ready for the new gold rush? | CBC News](#)

[Northern Graphite completes Lac des Iles drilling program, Quebec – Resource World Magazine](#)

[Northern Graphite plans Quebec battery hub - Mining Journal \(mining-journal.com\)](#)

[Northern Graphite releases estimate for Mousseau resources - Canadian Mining Journal](#)

[Northern Graphite Completes Additional Royalty Financing on Bissett Creek Project - Junior Mining Network](#)

[Northern Graphite tables positive PEA in Namibia – Resource World Magazine](#)

#### **About Northern Graphite**

Northern is a Canadian, TSX Venture Exchange listed company that is focused 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 lithium-ion batteries/EVs, fuel cells and graphene, as well as advanced industrial technologies.

Northern is the only graphite producing company in North America and will become the third-largest producer outside of China when its Namibian operations come back online. The Company also has a large-scale development project, Bissett Creek, in Ontario that we expect 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 jurisdictions.

#### **For media inquiries contact**

Pav Jordan, VP of Communications

Email: [pjordan@northerngraphite.com](mailto:pjordan@northerngraphite.com)

#### **For additional information**

Please visit the Company’s website at <http://www.northerngraphite.com/investors/presentation/>, the Company’s profile on [www.sedarplus.ca](http://www.sedarplus.ca) our **Social Channels** listed below or contact the Company at (613) 271-2124.



## Cautionary Note Regarding Forward-Looking Statements

*This news release contains certain “forward-looking statements” within the meaning of applicable Canadian securities laws. Forward-looking statements and information are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “potential”, “possible” and other similar words, or statements that certain events or conditions “may”, “will”, “could”, or “should” occur. Forward-looking statements in this news release include statements regarding, among others, production expansion potential at Lac des Iles, intentions to restart the Okanjande mine in 2024, develop Bissett Creek and build a Battery Anode Material plant. All such forward-looking statements are based on assumptions and analyses made by management based on their experience and perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. However, these statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of other parties to perform as agreed; social or labour unrest; changes in commodity prices; unexpected failure or inadequacy of infrastructure and the failure of ongoing and contemplated studies to deliver anticipated results or results that would justify and support continued studies, development or operations and the inability to raise required financing. Readers are cautioned not to place undue reliance on forward-looking information or statements.*

*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.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.*