



**NORTHERN  
GRAPHITE  
CORPORATION**

TSXV **NGC**  
OTC **NGPHF**  
FRA **ONG**  
XSTU **ONG**  
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## **Northern Graphite Announces First Half Results**

*Positive Income from Mine Operations Recorded During the First Two Months of Production*

**August 30, 2022:** Northern Graphite Corporation (**NGC:TSX-V, NGPHF:OTCQB, FRA:ONG, XSTU:ONG**) (the “Company” or “Northern”) is very pleased to announce that the Company’s Interim Financial Statements and Management’s Discussion and Analysis for the three and six month periods ended June 30, 2022 have been filed on SEDAR and are available under the Company’s profile. Selected unaudited financial information is presented in the table herein. Highlights for the second quarter which only include two months of operation at the Lac des Iles graphite mine (“LDI”) following its acquisition at the end of April 2022 include:

- 38,500 tonnes of ore and low grade stockpile with an average grade of 6.6% processed in May and June
- 2,523 tonnes of graphite concentrate produced with a recovery of 89.7%
- Concentrate purity averaged 96% and flake size distribution was 37% +80 mesh, 19% -80 by +150 mesh and 44% -150 mesh
- Revenue of \$3.7 million generated based on 1,773 tonnes sold at an average price of \$2,083/tonne (USD\$1,623/tonne)
- Cash costs were \$1,276 (USD\$994) per tonne of graphite concentrate
- Income from mine operations was \$1.3 million
- An operating loss of \$1.5 million was recorded which includes general & administrative expenses and project evaluation, acquisition and integration costs
- Cash and restricted cash and equivalents of \$17.7 million as at June 30, 2022
- Working capital of \$29.4 million as at June 30, 2022
- Total assets of \$105.7 million as at June 30, 2022

“Release of our second quarter results is another important milestone in Northern’s transformation from a development stage company to a producer with revenues, a positive mine operating profit and a strong cash position,” commented Hugues Jacquemin, CEO. “Becoming the only significant producer of graphite in North America is a good start and we intend to aggressively build on that position through continued production growth, acquisitions and downstream investments.”

### **Operations Report**

The Lac des Iles mine and processing plant essentially operated at design capacity during May and June based on a five day per week schedule. Throughput, grade, recovery and concentrate quality were all within historical norms. Costs reflected a higher than usual strip ratio as mining nears the bottom of the pit. The strip ratio should decline as mining of the next level begins. Some stoppages were experienced for maintenance and repairs subsequent to the end of the quarter.

Work is well underway at the Okanjande mine/Okorusu processing plant in Namibia which is on track for the restart of operations in nine or ten months. An experienced Namibian General Manager and a Project Manager have been hired and they are leading a team of 25 engineering and maintenance personnel that are focused on cleaning and refurbishing the plant. Most of the pumps have been stripped and equipment tested, work is progressing on re-energizing the electrical systems and most of the equipment has been turned. Engineering and design work is focusing on the process mass and water balances and the ordering of long lead time equipment including two new, front-end grinding mills and two polishing mills to be installed in the flotation section. A new tailings dam is required and work is in progress with respect to permitting and gathering the required geotechnical and geochemical design information.

The Company is currently getting quotes from engineering companies with respect to completing a Preliminary Economic Assessment on building a large new processing plant at the Okanjande deposit with the capability of producing 100-150,000tpy of graphite concentrate to serve the EV/battery market.

Efforts with the Bissett Creek project are focused on the final stages of major operating permits, First Nation consultation and liaison with various government bodies with respect to their programs for providing financial support to critical minerals projects.

A high resolution, horizontal magnetic gradient and electromagnetic (“VTEM™ Plus”) airborne survey has been completed over the entirety of the South Okak Ni/Cu/Co Property which is located 80km north of the large Voisey’s Bay mine. Approximately 1,450 line kilometres of data were collected. The survey will provide better definition of all known targets on the property, potentially uncover new targets and provide valuable information in preparation for a significant drill program planned for 2023.

#### Selected Interim Financial Information (Unaudited)

<i>(Stated in Thousands of CDN Dollars)</i>	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Revenue</b>	<b>3,693</b>	-	<b>3,693</b>	-
Production costs and royalty	(2,263)	-	(2,263)	-
Depletion and depreciation	(110)	-	(110)	-
<b>Income from mine operations</b>	<b>1,320</b>	-	<b>1,320</b>	-
General and administrative	(1,009)	(244)	(1,631)	(467)
Share-based compensation	(153)	(818)	(1,244)	(824)
Project evaluation, acquisition and integration	(1,386)	(274)	(1,691)	(274)
Foreign exchange loss	(289)	-	(258)	-
<b>Operating Loss</b>	<b>(1,517)</b>	<b>(1,336)</b>	<b>(3,504)</b>	<b>(1,565)</b>
Loss (gain) on marketable securities	(230)	199	(300)	472
Finance costs	(1,081)	-	(1,086)	(4)
Interest income	39	7	44	10
Income taxes	(174)	-	(174)	-
<b>Net loss</b>	<b>(2,963)</b>	<b>(1,130)</b>	<b>(5,020)</b>	<b>(1,087)</b>
<b>Loss per share – basic and diluted</b>	<b>(0.03)</b>	<b>(0.01)</b>	<b>(0.05)</b>	<b>(0.01)</b>

#### About Northern Graphite

Northern is a Canadian, TSXV listed company that is 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 lithium ion batteries/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 outside

of China when its Namibian operations come back online 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.



*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 release include statements regarding, among others, plans for bringing its Namibian operations back on line and to advancing its other developments projects to production, and developing the capacity to manufacture value added products. 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. 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.*

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