



## **Pallinghurst Increases its Interest in Nouveau Monde to 21% - Showing Further Commitment to the Company**

**GUERNSEY, CHANNEL ISLANDS, October 18, 2021** – Pallinghurst Graphite International Limited (“Pallinghurst”), the holder of a secured convertible bond in the principal amount of C\$15 million (the “Convertible Bond”) issued by Nouveau Monde Graphite Inc. (“Nouveau Monde”) (NYSE:NMG, TSXV:NOU), is pleased to announce that it has converted the full outstanding principal amount of the Convertible Bond to common shares of Nouveau Monde. This decision further demonstrates Pallinghurst’s significant and continuing support for Nouveau Monde and its ongoing project development initiatives, as it strives to become a key player in the sustainable energy revolution.

Importantly, all related security to secure the obligations of Nouveau Monde under the Convertible Bond will be released and discharged, which will provide it with increased flexibility for its project financing initiatives, as it moves towards the next stage of development.

The Convertible Bond was converted in two tranches: 1,875,000 common shares were received by Pallinghurst on exercise of the first tranche and distributed by Pallinghurst to its investors. 5,625,000 common shares were subsequently issued to Pallinghurst in respect of conversion of the second tranche.

In addition, and pursuant to the terms of the Convertible Bond, Nouveau Monde has elected to settle the accrued and unpaid interest owing under the Convertible Bond of C\$1,900,463 by issuing an additional 220,471 common shares of the share capital of Nouveau Monde (the “Interest Shares”) at C\$8.62 per Interest Share, as permitted under the rules of the TSX Venture Exchange. Following the issuance of the Interest Shares, all amounts payable pursuant to the Convertible Bond will have been settled in full.

The issuance of Interest Shares is conditional upon the approval of the TSX Venture Exchange and the New York Stock Exchange, and will be subject to a hold period of 4 months and one day.

Following the exercise of the Convertible Bond, the distribution to Pallinghurst investors, and receipt of the Interest Shares, together with its existing holdings, Pallinghurst, together with its subsidiary will own 11,541,014 common shares of Nouveau Monde representing approximately 21% of the issued and outstanding common shares.

Arne H Frandsen, Managing Partner and Co-Founder of The Pallinghurst Group said:

*“Pallinghurst is delighted to continue its support of Nouveau Monde and today’s announcement indicates our firm belief that Nouveau Monde is set to become a significant, fully integrated supplier of carbon-neutral battery anode material in future. As Nouveau Monde’s largest shareholder,*

*Pallinghurst looks forward to continue to work closely with management as we develop what is projected to be the Western World's largest battery grade graphite operation, with best-in-class ESG credentials".*

Pallinghurst and Nouveau Monde remain parties to an Amended and Restated Investment Agreement dated August 28, 2020 (the "AR Investment Agreement"). In accordance with applicable securities laws and subject to the terms of the AR Investment Agreement, Pallinghurst may, from time to time and at any time, acquire additional shares and/or other equity, debt or other securities or instruments of Nouveau Monde in the open market or otherwise, and Pallinghurst reserves the right to dispose of any or all of its securities of Nouveau Monde in the open market or otherwise at any time and from time to time, and to engage in similar transactions with respect to such securities, the whole depending on market conditions, the business and prospects of Nouveau Monde and other relevant factors.

This press release is issued pursuant to the requirements of Canada's National Instrument 62-104 and National Instrument 62-103 with respect to the common shares of Nouveau Monde. For further information and to obtain a copy of the early warning report once filed under applicable Canadian provincial securities legislation in connection with these transactions, please refer to Pallinghurst's profile on the SEDAR website ([www.sedar.com](http://www.sedar.com)) or contact Arne H. Frandsen at +44 1481 740 520. Pallinghurst has its registered office at 2nd Floor, 23-25 Le Pollet, St Peter Port, Guernsey, GY1 1WQ.