

# Northern Graphite Announces LOI with Graphex Technologies to Produce Natural Graphite Anode Material

## Companies Plan to Build a Mine-to-Battery Supply Chain in North America and Europe

Ottawa, Ontario--(Newsfile Corp. - December 21, 2022) - Northern Graphite Corporation (**TSXV: NGC**) (**OTCQB: NGPHF**) (**FSE: 0NG**) (**XSTU: 0NG**) (the "**Company**" or "**Northern**") announces that it has entered into a non-binding Letter of Intent ("LOI") with Graphex Technologies LLC, the U.S. subsidiary of Graphex Group Limited (NYSE American: GRFX) (HKSE: 6128) (collectively "Graphex"), a global leader in the production of the anode material used in electric vehicles (EV)/lithium-ion (Li-ion) batteries, with the intent of combining Northern's raw material supply capabilities with Graphex's downstream processing expertise to build plants that will provide an end-to-end Northern American supply chain from the graphite mine to the battery.

Graphex and Northern intend to diligently and in good faith negotiate the terms of a Joint Venture, including management and ownership percentages, to jointly produce coated spherical graphite anode material for the EV/battery market. Northern will provide the Joint Venture with security of raw material supply (graphite concentrate) and it is contemplated that Graphex will license and/or contribute all the technology, plans and expertise for building and operating the plant(s). Graphex has already secured and is developing a site in Warren, Michigan that is being designed to produce 15,000 tonnes per annum (tpa) of battery anode material, and Northern is evaluating sites in Canada that could accommodate production of up to 200,000 tpa of anode material. Northern shall remain entitled to enter into supply agreements with third parties for production not committed to the Joint Venture and to participate in the construction of other processing plants provided that Northern may not directly or indirectly use, exploit or disclose any of Graphex's technology.

Hugues Jacquemin, Northern's CEO commented that "collaborating with an existing anode material producer that has established technology and expertise will enable Northern to leapfrog the product development stage and to shorten both the product qualification period and our time to market. We look forward to working with Graphex to establish a secure, transparent supply chain for battery anode material in both North America and Europe."

"By combining the experience and expertise of Graphex in downstream processing and Northern in upstream raw material production, the collaboration will improve the anode supply picture for the industry significantly, beginning in North America," said John DeMaio, CEO of Graphex Technologies. "From the time we decided to expand into North America, we have been committed to providing foundational support to the electrification effort which means applying our experience and expertise to solve industry-wide challenges - this effort with Northern is exactly that."

Graphite is the anode material in EV batteries and its single largest component. Typically, graphite ore is mined and concentrated to ~95% purity by companies such as Northern. The mine concentrate is then shaped, purified, and coated to create the critical EV battery anode material in a downstream process carried out by companies like Graphex. The supply picture for natural graphite in North America is marked both by a significant shortfall in the availability of graphite mine concentrate (particularly from non-Chinese sources), and a complete absence of experienced commercial-scale downstream processing to transform it into battery-grade anode material. The collaboration between Northern and Graphex is designed to solve both issues on an industry-wide scale by providing OEMs and battery makers with a transparent, ESG compliant supply of quality product needed to meet current and projected demand.

Northern owns the only producing graphite mine in North America with current production of 15,000 tpa of graphite mine concentrate. The Company also has three development projects with resources that are capable of supporting production of over 100,000 tpa by 2025 and 300,000 tpa by 2027. Graphex has a long history of processing mine concentrate into high yield, high quality battery anode material and currently produces 10,000 tpa. Graphex is the only experienced downstream processor of natural graphite that has announced plans to develop anode material processing plant(s) in North America. The collaboration between Northern and Graphex has the potential to accelerate this process. Given the U.S. government's emphasis on stimulating the development of domestic supply chains for critical minerals through the Inflation Reduction Act, the Bipartisan Infrastructure Law and the Defense Production Act, the Graphex-Northern collaboration represents a significant advancement toward making a domestic supply chain for graphite anode material a reality.

### **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 significant graphite producing company in North America and will become the third largest outside of China when its Namibian operations come back online. 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.

### **About Graphex**

Graphex Group Limited is a Cayman Island company with its principal offices in Hong Kong and regional offices in Shanghai and Royal Oak, MI, USA. Graphex is focused on the development of technologies and products to enhance renewable energy, particularly the production of spherical graphite and graphene, key components in EVs/lithium-ion batteries as well as in other uses. Graphex has extensive commercial experience in the deep processing of graphite and producing battery grade purified spherical graphite. Current production is 10,000 tpa and an expansion is underway to increase production to 20,000 tpa within the next 12 months. Graphex intends to further expand existing operations to 40,000 tpa over the next three years. Graphex is currently among the top suppliers of specialized spherical graphite to the EV and renewable energy industries and holds patents in areas including products, production methods, machinery design, and environmental protection. Graphex's strategy is to expand its operations globally to support energy transition and electrification efforts worldwide.

### **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) 271-2124.

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*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, the Company's intentions with respect to bringing its Namibian operations back on line and to advancing its 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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