

# Big North Signs Letter of Intent for Acquisition of the El Tejon Flake Graphite Mine and Mill

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Vancouver, December 19, 2013 - [Big North Graphite Corp.](#) (TSX-V: NRT) (the "Company" or "Big North"), announces that the Company has entered into a letter of intent (the "LOI") with MAG Exploration Services Inc. (the "Vendor") to acquire all of the shares of Grafito de Mexico, S.A. de C.V. ("Grafito"), held by the Vendor (which shares represent 97.5% of the issued and outstanding share capital of Grafito)(the "Transaction"). Grafito is the registered and beneficial owner of the El Tejon property, a past producing flake graphite mine.

The El Tejon property is a 500 hectare property and consists of the El Tejon flake graphite mine and mill (the "El Tejon Property"). The El Tejon Property is located in the state of Oaxaca, approx 38 kilometers Northwest of the City of Oaxaca, in the town of San Francisco Telixtlahuaca.

The El Tejon Property is the only flake graphite mine to have produced in Mexico. The mine and mill were originally built in 1980 by the Government of Mexico. In 1989, a second processing line was installed to increase the capacity to approximately 4400 tonnes per year of finished graphite. El Tejon was an open pit mine, and the mill was used to crush, mill, float, dry, screen and pack final product. The mine was operated by the Government of Mexico until 1988 and was run privately from 1988 until 2002. The mine closed in 2002, due to low graphite prices. At the time of closing, approximately 80% of the graphite produced was sold to the USA. Historically, the mine produced approximately 20% large flake graphite and 80% medium and fine flake graphite.

Company President Spiro Kletas commented, "We are very excited to add this project to Big North's portfolio of graphite assets. Our strategy has been to be among the first to be able to supply graphite to the market. Not only does the El Tejon Property represent near term production potential, but also the ability for the Company to fast track our entry into the flake graphite market. The project is in an area of good infrastructure and access and has a readily available workforce in the vicinity. As a past producer, many of the infrastructure needs of a mining project have been previously addressed. Further, this tends to limit cap ex required to begin production. We believe that this project will be an excellent compliment to our current amorphous graphite projects in Sonora State and, as they contain different types of graphite, will supply different markets. Further, the Company believes that there is significant expansion potential for the mine and mill."

Pursuant to the terms of the LOI, Big North will acquire 100% of the interests held by the Vendor in the El Tejon Property by acquiring all of the issued and outstanding shares held by the Vendor in Grafito by paying US\$1,700,000 and issuing 12,500,000 common shares to the Vendor as follows:

- US\$30,000 upon signing the LOI as a non-refundable deposit;
- US\$30,000 within 5 business days of signing the definitive agreement;
- US\$90,000 upon the 6 month year anniversary of signing the definitive agreement;
- US\$100,000 upon the 12 month year anniversary of signing the definitive agreement;
- US\$100,000 upon the 18 month year anniversary of signing the definitive agreement;
- US\$125,000 upon the 24 month year anniversary of signing the definitive agreement;
- US\$125,000 upon the 30 month anniversary of signing the definitive agreement;
- US\$150,000 upon the 36 month year anniversary of signing the definitive agreement;
- US\$150,000 upon the 42 month year anniversary of signing the definitive agreement;
- US\$400,000 upon the 48 month year anniversary of signing the definitive agreement;
- US\$400,000 upon the 60 month year anniversary of signing the definitive agreement;

-5,000,000 common shares within 5 business days of TSX Venture Exchange (“TSXV”) approval of the definitive agreement (the “Effective Date”); and

-7,500,000 Big North Shares on the 12 month anniversary of signing of the definitive agreement.

In addition, the Vendor will retain a 3% net profits interest royalty with respect to the El Tejon Property.

The Vendor and Big North are arm’s length parties as defined by the policies of the TSXV. A finder's fee may be paid in connection with this Transaction up to the maximum permitted by the policies of the TSXV.

The Transaction will constitute a “reviewable transaction” pursuant to the policies of the TSXV and is subject to a number of conditions and approvals, including, but not limited to, satisfactory due diligence, settlement of a definitive agreement, required corporate approvals and TSXV approval, including the review by the TSXV of a title opinion and a NI 43-101 compliant technical report for the El Tejon Property, as applicable. There can be no assurance that the Transaction will be completed as proposed or at all.

### **About Big North Graphite Corp.**

Big North is a graphite development and exploration company focused on select projects in Mexico and Canada. The Company recently acquired three past producing amorphous graphite mines in Sonora, Mexico and is working towards accelerating the restart of the Nuevo San Pedro amorphous graphite mine. Big North is currently in the test mining phase at Nuevo San Pedro.

Recently, Big North announced that the Company had started the assembly of a processing plant that will be used for crushing, screening, sizing and drying of graphite to the specifications of future customers. Further, the Company has commenced a strategy of buying unprocessed amorphous graphite from local miners who do not possess the ability to process or ship to end users. Big North also owns high priority, large flake graphite exploration projects in Ontario and Quebec, Canada.

For further information please contact Spiro Kletas at (604) 629-8220.

ON BEHALF OF THE BOARD

(signed) “Spiro Kletas”  
Spiro Kletas, President and Chief Executive Officer

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*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 release.*

*The Company has not established mineral resources and has not completed a valid mining study (as defined by NI 43-101) to support its production decision at the Nuevo San Pedro Mine. Historically, a production decision under these circumstances results in much higher economic or technical risk. Furthermore, without a pre-feasibility or feasibility study and a graphite reserve, there can be no assurance that operations at Nuevo San Pedro will be profitable.*

*Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially. Except as required pursuant to applicable securities laws, the Company will not update these forward-looking statements to reflect events or circumstances after the date hereof. More detailed information about potential factors that could affect financial results is included in the documents filed from time to time with the Canadian securities regulatory authorities by the Company.*

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