

OTTAWA, ONTARIO--(Marketwired - Mar 8, 2016) - [Northern Graphite Corp.](#) (TSX VENTURE:NGC) (the "Company" or "Northern") announces that a major international engineering company has completed a scoping study with respect to the Company's proprietary coating process. Coating is one of the steps in upgrading graphite mine concentrate to spherical graphite ("SPG"), the anode material used in lithium ion batteries ("LiBs"). Capital costs are estimated at approximately US\$3.2 million (including a 35% contingency) for a facility to coat 5,000 tonnes per year of SPG. Operating costs were estimated to be less than US\$0.20/kg.

The manufacture of SPG involves three main steps, milling (to micronize and round the flakes), purification and coating. It typically takes three tonnes of flake graphite concentrate to produce one tonne of SPG due to losses in the process and this is a major cost. Micronization and rounding are relatively straightforward and can be done with readily available equipment. The Company is in the process of completing capital and operating cost estimates for a plant that will have the capacity to mill 10,000 tonnes of concentrate per year and produce 5,000 tonnes of SPG. This will represent approximately half of the proposed production from the Bissett Creek deposit. It will be integrated with results from the coating and previously announced purification studies (see February 8, 2016 announcement), to provide a complete cost competitive, environmentally sustainable alternative to the methods employed in China.

Almost all natural graphite based SPG is produced in China, largely because of the availability of cheap graphite, the use of hydrofluoric acid in the purification step, and weak environmental regulations. Northern's proprietary purification technology represents the first viable, cost competitive alternative to the Chinese wet chemical approach.

Coating is mainly done by a few large Japanese, South Korean and Chinese companies and consists of a number of steps centered around covering the graphite sphere with a protective carbon layer that makes it more durable and improves electrochemical performance. Uncoated SPG sells for US\$2,500/t while coated SPG sells for \$8,000-12,000/t which reflects the costs and complexities involved. Northern's proprietary process is an alternative coating technique which involves fewer and simpler steps leading to much lower costs.

Gregory Bowes, CEO commented: "Our proprietary coating technology performed very well in initial coin cell tests and we have now demonstrated that it is very cost competitive. The next stage is extensive life cycle testing in 18650 cells and assuming results continue to be positive, we will do a pilot plant test to optimize and refine operating parameters."

Northern Graphite Corporation

Northern's Bissett Creek graphite deposit is an advanced, pre-development stage project that has a Feasibility Study and its major environmental permit. Subject to the completion of operational and species at risk permitting, which are at an advanced stage, Northern is in a position to commence construction in 2016 subject to the availability of financing.

The Bissett Creek project is located close to infrastructure in eastern Canada, has the highest reported percentage of large/XL/XXL flake, a reasonable capital cost and the highest operating margin of any new graphite project. As a result, the Company believes it also has the best economics and lowest marketing risk. Bissett Creek provides a natural competitive advantage in the LiB field as it has a high percentage of battery grade material, a high yield on the conversion of mine concentrate to SPG, and a pristine, highly ordered crystal structure that makes purification easier and could result in higher capacity batteries. Because of Chinese supply issues and the rapid growth in new uses such as LiBs, new western sources of graphite supply will be needed, particularly for large/XL/XXL flake graphite.

Mehmet F. Taner, Ph.D., P.Geo., Consulting Geologist and independent Qualified Person as that term is defined within National Instrument 43-101, approved the technical content of this press release.

Additional information can be found at www.sedar.com and www.northerngraphite.com.

This press release contains forward-looking statements, which can be identified by the use of statements that include words such as "could", "potential", "believe", "expect", "anticipate", "intend", "plan", "likely", "will" or other similar words or phrases. These statements are only current predictions and are subject to known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. The Company does not intend, and does not assume any obligation, to update forward-looking statements, whether as a result of new information, future events or otherwise, unless otherwise required by applicable securities laws. Readers should not place undue reliance on forward-looking statements.

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Contact

[Northern Graphite Corp.](#)

Gregory Bowes

CEO

(613) 241-9959

[Northern Graphite Corp.](#)

Stephen Thompson

CFO

(613) 241-9959

www.northerngraphite.com