

# Northern Graphite Closes Royalty Financing

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Ottawa, July 16, 2020 - [Northern Graphite Corp.](#) (TSXV: NGC) (OTCQB: NGPHF) (the "Company" or "Northern") has closed the previously announced sale of a one per cent gross revenue royalty ("GRR") on its Bissett Creek Project to [Electric Royalties Ltd.](#) ("ELEC") for \$500,000 in cash and two million common shares of ELEC (the "Consideration Shares"). Half of the Consideration Shares are subject to a 12 month hold period and half to an 18 month hold period. Under the terms of the agreement ELEC also has a two-year option to acquire an additional half of one per cent GRR by paying \$750,000, of which up to 25 per cent can be paid in ELEC shares. Northern has the option to buy back half of one per cent of the initial GRR at any time after 12 months by returning the Consideration Shares or paying \$1.5 million in cash.

Gregory Bowes, CEO of Northern, commented that: "Bissett Creek is a high margin project and the sale of a small royalty has very little effect on its economics. The proceeds provide a non-dilutive source of funding while the Company continues to wait for a turnaround in graphite prices. The World Bank recently estimated that annual graphite production will ultimately have to increase 500 per cent to meet the demands of the electric vehicle and energy storage markets. This is the largest projected increase of any of the battery minerals. And there are no new graphite mines currently under construction." He added that: "We are happy to support ELEC in bringing more attention to the electric metals/minerals space by selling a royalty on what we believe is one of the world's highest quality, undeveloped graphite projects."

Brendan Yurik, CEO of [Electric Royalties Ltd.](#), commented that: "We are excited to become a financial partner to Northern through a non-dilutive royalty financing given its project is conveniently located in Canada in easy transportation distance to announced new battery factories and has a long mine life with high quality graphite for battery and industrial uses. We are also very pleased to welcome Gregory Bowes to our Advisory Board."

## About Northern Graphite

Northern's 100% owned Bissett Creek graphite deposit is located in the southern part of Canada with ready access to labour, supplies, equipment and concentrate transportation whereas most of the Company's peers are located in the northern part of Canada or Africa. Bissett Creek is an advanced stage project with a full Feasibility Study and a Preliminary Economic Assessment which contemplates doubling production after three years of operation. Permitting is well advanced and the Company is in a position to make a construction decision subject to financing.

The Bissett Creek Project has a reasonable capital cost, an initial production rate that is realistic relative to the size of the current market (and which can be expanded as demand grows), and it has one of the highest percentages of large/XL flake. The latter will enable the Company to initially focus on high margin, value-added industrial markets and expand into the LiB market as conditions warrant. Unlike many graphite deposits, essentially all Bissett Creek production is "battery grade".

## About Electric Royalties Ltd

Electric Royalties is a royalty company set to take advantage of the demand for a wide range of commodities (lithium, vanadium, manganese, tin, graphite, cobalt, nickel & copper) that will benefit from the drive to electrification (cars, rechargeable batteries, large scale energy storage, renewable energy generation and other applications).

Electric vehicle sales, battery production capacity and renewable energy generation are slated to increase significantly over the next several years and with it the demand for these targeted commodities. This creates a unique opportunity to invest in and acquire royalties over the mines and projects that will supply the materials needed to feed the electric revolution.

Electric Royalties currently has a portfolio of seven royalties with six additional royalties under binding letters of intent and plans to focus predominantly on acquiring royalties on advanced stage and operating projects to build a diversified portfolio located in jurisdictions with low geopolitical risk.

#### Qualified Person

Gregory Bowes, B.Sc. MBA, P. Geo., a Qualified Person as defined under National Instrument 43-101, has reviewed and is responsible for the technical information in this news release.

For additional information, please contact:

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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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