

Northern Graphite Announces Non-Brokered Private Placement

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Ottawa, January 21, 2021 - [Northern Graphite Corp.](#) (TSXV: NGC) (OTCQB: NGPHF) ("Northern" or the "Company") announces that it plans to complete a non-brokered private placement of up to \$2.8 million through the sale of up to 10 million units at a price of \$0.28 per unit. Each unit will be comprised of one common share and one half of one share purchase warrant with each full warrant entitling the holder to purchase one common share at a price of \$0.45 for a period of two years. All securities to be issued under the placement will be subject to a four month hold period from the date of closing. The placement is subject to approval by the TSX Venture Exchange.

It is anticipated that the net proceeds of the placement will be used to:

1. Finalize operational permitting for the Bissett Creek graphite project;
2. Continue testing various processes for upgrading mine concentrate into value added products; and
3. Working capital and general corporate purposes.

To demonstrate continued support of the Company's growth plans, certain insiders of the Company will participate in the placement. Such participation is considered a related party transaction within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The related party transaction will be exempt from minority approval and valuation requirements pursuant to the exemptions contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the securities to be issued under the placement nor the consideration to be paid by the insiders will exceed 25% of the Company's market capitalization.

Finder's fees of up to 6% of subscription amounts may be paid in cash on all or any portion of the funds raised pursuant to the placement.

This press release is for informational purposes only and shall not be constituted as an offer to sell or the solicitation of an offer to buy the units nor shall there be any sale of the units in any jurisdiction in which such sale would be unlawful.

About Northern Graphite

Northern owns 100% of the Bissett Creek graphite deposit which is located in the southern part of Canada between the cities of North Bay and Ottawa, and 15 km from the Trans-Canada highway. It has the benefit of ready access to labour, supplies, equipment, natural gas and concentrate transportation. Bissett Creek is an advanced stage project with a Feasibility Study and its major mining permit. Operational permitting is well advanced and the Company is in a position to make a construction decision subject to full project financing.

A recent independent study estimated that Bissett Creek will have the highest margin of any existing or proposed graphite deposit. This is due to simple metallurgy, the high purity, large flake nature of its concentrates and a very favorable location. Because of these factors the Project has a reasonable capital cost and is economic at current prices using an initial production rate that is realistic relative to the size of the existing market. Sufficient measured and indicated resources have already been drilled off to substantially increase production as demand grows. The high percentage of large flake concentrates will enable the Company to initially focus on high margin, value-added industrial markets and to expand into the lithium ion battery ("LiB") market as EV demand grows and small flake prices increase.

About Graphite

Graphite is one of only two naturally occurring pure forms of carbon, the other being diamonds. Graphite has a multitude of industrial uses including refractories for the steel industry, thermal management in electronics, conventional batteries, brake & clutch parts, gaskets, fire retardants, insulation products, carbon brushes and pencils. Graphite has become a "strategic" mineral because it is also the anode material in a LiB. It is the largest single component and requires the largest production increase of all the battery minerals in order to meet expected demand growth from the EV and grid storage markets. Graphite is also used to make the bipolar plates in fuel cells and vanadium redox batteries which will compete for graphite supply in the green economy. China is the world's largest graphite producer and supplies almost all battery anode material. Because of this supply dependence both the US and EU have declared graphite a supply critical mineral.

Like most industrial minerals, graphite prices vary by quality. With graphite, large flake sizes and high purity concentrates command premium pricing. Chinese production of the larger sizes, which are mainly used in industrial markets, is declining and new sources of supply are needed. China has excess production capacity of smaller flake sizes which are mainly used in the LiB market. However, it is forecasting a substantial shortfall in small flake supply due to the ongoing growth in EV sales.

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.

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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 conduct of the private placement and the use of proceeds therefrom, including operational permitting for the Bissett Creek graphite project; and insider participation in the private placement. 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.

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.

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