

NMG Provides Update on its Progress Toward FID for its Fully Integrated Ore-to-Active-Anode-Materials Phase-2 Operations

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- Integrated feasibility study for NMG's Phase-2 Matawinie Mine and Bécancour Battery Material Plant advancing to optimize production parameters, engineering, and cost projections, with the updated results expected early in Q1-2025.
- Active work with Anchor Customers Panasonic Energy and GM to advance product qualification, project execution, commercial, and corporate requirements associated with the respective offtake agreements with a view to underpin Phase-2 development.
- On-going project financing activities for the Company's Phase 2 including cumulative expressions of interest for approximately \$1.4 billion comprised of potential lenders, Anchor Customers and institutional equity investors.
- Eligibility to a refundable investment tax credit from the Canadian government estimated at about \$350 million for the Phase-2 facilities.
- Detailed engineering of Phase-2 facilities progressing with key engineering firms, supporting the preparation of purchase orders for vendor engineering and long-lead items.
- Electrification program progressing well; Matawinie Mine's 120kV electrical substation contract awarded to ABB, construction planning underway for the powerline to supply the mine with clean hydropower, and development of zero-emission mining equipment by Caterpillar Inc. ("Caterpillar").
- Even in the pressured market, 11.2% year-to-date gain on graphite prices (Benchmark Mineral Intelligence, September 2024) and 11.5 million EV sales (Rho Motion, October 2024); GM's EV production and sales in North America are growing significantly (GM, October 2024).
- Appointment of Stéphane Leblanc to the Board of Directors and Karine Doucet to the position of Vice President Human Resources.
- Continued engagement with First Nations and community to inform project execution and maximize local benefits.
- Twelve-month rolling total recordable injury frequency rate of 1.73 and severity rate of 0.86 at the Company's facilities; and no major environmental incidents.
- Period-end cash position of \$56.5 million.

[Nouveau Monde Graphite Inc.](#) ("NMG" or the "Company") (NYSE: NMG, TSX.V: NOU) reports progress update on its multiple workstreams to bring its Phase-2 Matawinie Mine and Bécancour Battery Material Plant to a Final Investment Decision ("FID"). The Company is actively advancing its integrated feasibility study, engaging with its Anchor Customers Panasonic Energy Co., Ltd. ("Panasonic Energy"), a wholly owned subsidiary of Panasonic Holdings Corporation ("Panasonic") (TYO: 6752), and General Motors Holdings LLC, a wholly owned subsidiary of General Motors Co. (collectively, "GM") (NYSE: GM), ongoing project financing activities, and preparing for the construction of its Phase-2 operations.

This press release features multimedia. View the full release here:
<https://www.businesswire.com/news/home/20241115963747/en/>

NMG's leadership poses with a battery-powered mining truck at Caterpillar's Tuscon Proving Ground in September. (Photo: Business Wire)

Arne H Frandsen, Chair of NMG, declared: "Our roadmap is laid out with key components aligning toward the establishment of North America's largest and fully integrated natural graphite production for the electric vehicle ("EV") and lithium-ion battery market. The team is relentless in diligently advancing the technical, commercial and financial deliverables to support a positive FID."

Eric Desaulniers, Founder, President, and CEO of NMG, stated: "Our focus on engineering, customer

engagement, financing, and construction preparation is driving us closer to our goal of becoming a leading supplier of carbon-neutral active anode material. Our time-to-market window remains reasonable and the efforts we invest in refining our facilities and production parameters, CAPEX and OPEX projections, and execution strategy will bear fruit upon reaching FID. Our team, along with our Anchor Customers, strategic investors, lenders, and consultants, are rallied behind our objective of building a competitive, responsible, and quality ore-to-active-anode-materials operation to deliver value to the market and our shareholders."

Path to FID: Disciplined Approach to Commercial Launch

The Company is actively working on updating the feasibility study for its integrated ore-to-active-anode-material Phase 2. The Matawinie Mine is well advanced in regard to detailed engineering; work on that end focuses on updating cost projections to reflect the advancement in equipment selection, construction strategy, and economic conditions. In parallel, plans for the Bécancour Battery Material Plant are being updated to reflect Anchor Customers' product specifications, including production parameters, engineering and cost projections. The exercise aims at optimizing all aspects of the project, from technological trade-offs to equipment selection, energy efficiency and engineering, in order to design, finance, and build a competitive value-added operation. Management expects the results of the updated integrated feasibility study to be ready early in Q1-2025.

The Company is working closely with its Anchor Customers to advance the product qualification, project execution, commercial and corporate requirements associated with the respective offtake agreements with the objective of supporting Phase-2 development. This work involves the full review of Phase-2 plans, both technical and financial, to ensure that all key contractual components are aligned prior to launching Phase-2 construction and all conditions to the Anchor Customers' multi-year offtake obligations and additional equity subscription commitments can be met. Results from the updated feasibility study are among those key deliverables.

The Company's contracts with its Anchor Customers contain conditions precedent which require NMG to have made a positive decision with respect to FID and entered into certain other project-related agreements by certain fixed dates, failing which the Anchor Customers may terminate their contracts with the Company. Those dates will be exceeded. The Company and its Anchor Customers are working collaboratively toward FID and are in discussions to update the project timeline, including for the satisfaction of these conditions' precedent.

As the issuance of the updated feasibility study nears, NMG is accelerating financing activities in preparation for FID. Since the launch of project financing planning efforts, the Company has received cumulative expressions of interest totaling approximately \$1.4 billion for its Phase-2 project financing comprised of potential lenders, Anchor Customers and institutional equity investors. Presentations, site visits, due diligence reviews, and regular meetings provide financial partners with visibility and comfort on the Company's project, execution strategy, and risk management.

The financing structure is set to include Panasonic and GM's respective Tranche-2 investments announced in February 2024 in conjunction with their respective offtake agreements. Upon a positive FID decision and meeting of established conditions, the Anchor Customers, directly or through an affiliate, or together with potential co-investors, would participate in future funding for a total amount valued at approximately US\$275 million.

A third-party assessment of the Company's Phase-2 CAPEX eligibility to the new Canadian Investment Tax Credit for Clean Technology Manufacturing indicate a potential for securing approximately \$350 million through this refundable tax credit. NMG is designing its capital structure to leverage such fiscal incentives along with strategic debt and equity facilities.

The Company is also furthering its project execution plan. NMG has awarded the Matawinie Mine's 120kV electrical substation contract to ABB. ABB will lead construction of the substation as the primary connection point between the mining site and Hydro-Québec's hydropower line, enabling full electrification of the Matawinie Mine using renewable energy. NMG will benefit from technical expertise and dedicated resources overseeing engineering, supply, commissioning, and start-up of the substation.

Complimentary procurement activities are being deployed in preparation of the first construction packages

for tendering, including direct meetings with local and Indigenous businesses representatives to document the capacity, service offerings and availability of businesses in the region.

The Company's electrification program is making tangible progress. Hydro-Québec, which NMG has mandated to build and operate the 120-kV electrical line set to connect the Matawinie Mine to the provincial hydropower network, is now actively updating execution plans, meeting with landowners and key stakeholders, and preparing construction activities. The powerline is set to be operational in time for the Matawinie Mine commissioning phase.

In parallel, Caterpillar Inc. ("Caterpillar") continues to advance the development of zero-exhaust emission equipment for the mining industry, including NMG's Matawinie Mine. NMG participated in a site visit at Caterpillar's Tucson Proving Ground involving live field demonstrations of zero-exhaust emission Early Learner machines and prototypes, including battery-electric haulage and charging solutions in the 70 to 100-ton-class. NMG's technical team is actively collaborating with Caterpillar to support the development, testing and deployment of an integrated site solution for the Matawinie Mine covering the fleet, charging infrastructure, and operating site management.

Market Perspectives

The global supply of natural graphite remains robust, with China continuing to dominate the market. The overcapacity in China results in intense competition and a pressured market. Nonetheless, the prices for natural graphite continue their correction with a 11.2% year-to-date gain on the Benchmark Flake Graphite Price Index (Benchmark Mineral Intelligence, September 2024). The stability in pricing, coupled with the growing demand, indicates a healthy market outlook for natural graphite.

Indeed, the lithium-ion battery manufacturing for EVs and energy storage systems approaches the 10 TWh landmark by 2030 as gigafactories continue to be added to the pipeline (Benchmark Mineral Intelligence, October 2024). Anchor Customer Panasonic Energy announced strategic partnerships with Mazda and Subaru as part of its plans to supply of next-generation automotive lithium-ion batteries (Panasonic Energy, September 2024).

After surpassing 1 million EV sales for the first time in August 2024, September reached another record with 1.7 million EVs for a total of 11.5 million EVs year-to-date (Rho Motion, October 2024). Among the manufacturers supporting this trend is GM, which has been making significant progress on EV profitability, rising sales (60% year-over-year increase), and market share growth. GM has invested in a dedicated EV platform, U.S. battery cell manufacturing, and flexible assembly capacity to buttress its EV strategy (GM, October 2024).

Echoing the U.S. trade restrictions, Canada has announced a 100% surtax on Chinese-made EVs starting October 2024. The Canadian government is also exploring potential tariffs on graphite and other minerals, materials and products associated with the energy transition in response to Chinese trade practices in critical manufacturing sectors.

Market conditions remain favorable to NMG's business strategy, especially with long-term incentives and trade instruments from Western governments targeting onshoring and friendshoring of battery materials. Furthermore, NMG strongly believes in the eventual decoupling from China of the pricing for active anode material in North America based on geopolitical dynamics, ESG advantages and logistical gains.

Additional Corporate Development

Director Stephanie Anderson will be leaving the Company after two years. NMG thanks Stephanie for her tenure; her technical skillset and careful judgment have contributed significantly to the Company's development and sound governance.

The Company has appointed Stéphane Leblanc (ex-Rio Tinto), a senior mining executive with over 30 years of experience in the industry, to its Board of Directors.

In addition, NMG has recruited Karine Doucet to the position of Vice President, Human Resources. With over 20 years of experience in human capital management, Mrs. Doucet will lead the next phase of corporate and operational design for the Company's workforce with a view to strengthen talent acquisition and management, leadership development, and labor relations.

NMG continues to engage with First Nations and local communities to inform project execution and maximize local benefits. Discussions between NMG and the Atikamekw First Nation of Manawan are progressing well toward the adoption of an Impact and Benefit Agreement for the Matawinie Mine in line with the two previously signed agreements.

For the twelve-month rolling period ended September 30, 2024, NMG reported a total recordable injury frequency rate of 1.73 and severity rate of 0.86 at the Company's facilities. There were no environmental incidents during this period.

The period-end cash position stands at \$56.5 million.

About Nouveau Monde Graphite

Nouveau Monde Graphite is an integrated company developing responsible mining and advanced manufacturing operations to supply the global economy with carbon-neutral active anode material to power EV and renewable energy storage systems. The Company is developing a fully integrated ore-to-battery-material source of graphite-based active anode material in Québec, Canada. With enviable ESG standards and structuring partnerships with anchor customers, NMG is set to become a strategic supplier to the world's leading lithium-ion battery and EV manufacturers, providing high-performing and reliable advanced materials while promoting sustainability and supply chain traceability. www.NMG.com

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Cautionary Note

Certain statements contained in this press release constitute "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements") within the meaning of Canadian and United States securities laws. Such statements reflect management's current beliefs and are based upon information currently available to it. Such forward-looking statements include but are not limited to statements regarding the future benefit from ABB's technical expertise, the projections about future operations, including reliance on hydroelectricity and becoming the world's first all-electric open-pit mine, the future engagement and potential economic benefits for the region, the implementation and integration of the four-season recreational center into the milieu, the future impact and success of the Matawinie Mine in reshoring efforts, the completion of the four-season recreational center adjacent to the Matawinie mining site, the services and impacts of the four-season recreational center, as well as the intended results of the initiatives described in this press release and those statements which are discussed under the "About Nouveau Monde" paragraph and elsewhere in the press release which describe the Company's outlook and objectives.

Forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions are not guarantees of future performance and may prove to be incorrect. Moreover, these forward-looking statements are based upon various underlying factors and assumptions, including the current technological trends, the business relationship between the Company and its stakeholders, the ability to obtain sufficient financing for the development of the Matawinie Mine and the Bécancour Battery Material Plant, the Company's ability to provide high-performing and reliable advanced materials while promoting sustainability and supply chain traceability, the consumers demand for components in lithium-ion batteries for EVs and energy storage solutions, the ability to operate in a safe and effective manner, the timely delivery and installation at estimated prices of the equipment supporting the production, assumed sale prices for graphite concentrate, the accuracy of any Mineral Resource estimates, future currency exchange rates and interest rates, political and regulatory stability, prices of commodity and production costs, the receipt of governmental, regulatory and third party approvals, licenses and permits on favorable terms, sustained labor stability, stability in financial and capital markets, availability of equipment and critical supplies, spare parts

and consumables, the various tax assumptions, CAPEX and OPEX estimates, all economic and operational projections relating to the project, local infrastructures, the Company's business prospects and opportunities and estimates of the operational performance of the equipment.

Forward-looking statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Risk factors that could cause actual results or events to differ materially from current expectations include, among others, those risks, delays in the scheduled delivery times of the equipment, the ability of the Company to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the availability of financing or financing on favorable terms for the Company, the dependence on commodity prices, the impact of inflation on costs, the risks of obtaining the necessary permits, the operating performance of the Company's assets and businesses, competitive factors in the graphite mining and production industry, changes in laws and regulations affecting the Company's businesses, including the changes in China's policy regarding restrictions on Chinese graphite materials exportations, political and social acceptability risk, environmental regulation risk, currency and exchange rate risk, technological developments, and general economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. A further description of risks and uncertainties can be found in NMG's Annual Information Form dated March 27, 2024, including in the section thereof captioned "Risk Factors", which is available on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. Unpredictable or unknown factors not discussed in this Cautionary Note could also have material adverse effects on forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The Company disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

The market and industry data contained in this press release is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company believes these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any survey. The Company has not independently verified any of the data from third-party sources referred to in this press release and accordingly, the accuracy and completeness of such data is not guaranteed.

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Further information regarding the Company is available in the SEDAR+ database (www.sedarplus.ca), and for United States readers on EDGAR (www.sec.gov), and on the Company's website at: www.NMG.com

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