

# Canada Growth Fund announces first transaction in critical minerals sector with investment in Quebec-based Nouveau Monde Graphite

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MONTREAL, Dec. 17, 2024 - Canada Growth Fund Inc. ("CGF") is pleased to announce that it has entered into a definitive agreement with respect to a ~C\$35.6 million private placement with [Nouveau Monde Graphite Inc.](#) (TSXV: NOU) (NYSE: NMG) ("NMG"), a Québec-based integrated graphite mining and processing company. With operations in Saint-Michel-des-Saints and Bécancour, NMG is developing an integrated value chain to transform natural graphite into active anode material, a critical component of lithium-ion batteries. NMG's Phase-2 Matawinie Mine and Bécancour Battery Material Plant represent one of the most advanced integrated critical minerals opportunities in Canada and will support North America's efforts to build more resilient supply chains to the benefit of their domestic economies.

In connection with the investment, CGF will subscribe to ~19.8 million common shares of NMG at a share price of ~C\$1.80/share. In addition, CGF will receive an equal number of common share purchase warrants, which can be exercised upon the occurrence of a positive Final Investment Decision ("FID") to acquire additional common shares of NMG at a price of US\$2.38 per share. CGF's investment will be alongside an investment by Investissement Québec under the same terms as CGF's investment, for aggregate proceeds to NMG of ~C\$71million.

CGF has a mandate to capitalize on Canada's abundance of natural resources and strengthen critical supply chains to support the country's long-term economic and environmental prosperity. Critical minerals, such as graphite, are used in the development of many technologies that are essential to the global energy transition. CGF's flexible and innovative mandate enables it to invest in projects and companies that advance the development of new or existing supply chains of critical minerals, including through direct equity and debt investments, co-investments and primary fund commitments in mining activities and related infrastructure, including processing, manufacturing, and recycling.

"Investors and policymakers alike recognize the strategic importance of securing a stable supply of critical minerals, which are essential for high-tech industries, from defence to renewable energy and batteries," said Patrick Charbonneau, President and Chief Executive Officer of Canada Growth Fund Investment Management Inc., the exclusive manager of CGF. "CGF is pleased to invest in NMG and looks forward to supporting the company in its journey to create the largest fully integrated natural graphite production facility in North America."

With its first direct investment in Québec and in the mining sector, CGF is fuelling economic growth and job creation, while also strengthening the supply chain of key materials for Canada and its trading partners. CGF is investing capital at an important stage in NMG's development where CGF's capital, alongside Investissement Québec's capital, enable the company to advance its mine and processing facility to a FID.

"As a project developer, NMG requires credible financial partners to share risks and unlock value in this strategic and geopolitically important sector," explained Eric Desaulniers, Founder, President and CEO of NMG. "This investment by Canada Growth Fund and Investissement Québec will enable our team to make tangible advancements and place strategic orders in preparation for our project execution. We are committed to delivering high-performing and reliable active anode materials to the North American battery and electric vehicle ("EV") markets, contributing to a local, sustainable and reliable supply chain."

As previously-disclosed by NMG, 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), have entered into

multi-year offtake agreements for NMG's active anode material, representing approximately 85% of NMG's planned Phase-2 integrated production. As announced in February 2024, Panasonic and GM have made respective initial US\$25M investments, alongside their respective offtake agreements. Upon a positive FID decision and meeting of established conditions, Panasonic and GM, 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. See NMG's press release dated February 15, 2024.

Closing of CGF's and Investissement Québec's investments is subject to standard closing conditions, including the approval of the TSX Venture Exchange and the New York Stock Exchange.

#### Highlights

- It is expected that NMG will raise ~C\$71 million to fund expenditures to reach an FID, currently targeted for 2025.
- Capital will be funded equally by CGF and Investissement Québec, an existing investor in the company.
- CGF's investment will be made through the subscription to common shares of NMG.
- As part of the transaction, CGF will obtain the option to invest additional funds at FID. A portion of said investment would be in the form of warrants secured with the transaction.
- NMG has received a ministerial decree authorising the Matawinie Mine and key permits to support preliminary infrastructure work on both sites.
- On December 12, 2024, NMG and the Conseil des Atikamekw de Manawan, representing the Atikamekw Nehirowisiw First Nation of Manawan, announced they had concluded an Impact Benefit Agreement with respect to the Matawinie mining project.
- In January 2020, the Municipality of Saint-Michel-des-Saints and NMG signed a collaboration and benefit-sharing agreement with respect to the Matawinie mining project.

#### About the Canada Growth Fund

CGF is a \$15 billion arm's length public investment vehicle that helps attract private capital to build Canada's clean economy by using investment instruments that absorb certain risks, in order to encourage private investment in low carbon projects, technologies, businesses, and supply chains.

Further information on CGF's mandate, strategic objectives, investment selection criteria, scope of investment activities, and range of investment instruments can be found on [www.cgf-fcc.ca](http://www.cgf-fcc.ca).

#### About CGF Investment Management

In Budget 2023, the Government of Canada announced that PSP Investments, through a wholly-owned subsidiary, would act as the asset manager for CGF. Canada Growth Fund Investment Management Inc. has been incorporated to act as the independent and exclusive asset manager for CGF.

#### Advisors

Davies Ward Phillips & Vineberg LLP, TD Securities Inc., Global Graphite Advisory LLC and Wood Mackenzie acted as advisors to CGF and Canada Growth Fund Investment Management Inc. in connection with CGF's investment.

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