

Northern Graphite Announces 2024 Year-End Results

01.05.2025 | [Newsfile](#)

Growing Resources & Managing Costs at Cornerstone LDI Mine

Ottawa, May 1, 2025 - [Northern Graphite Corp.](#) (TSXV: NGC) (OTCQB: NGPHF) (FSE: 0NG) (XSTU: 0NG) (the "Company" or "Northern") announces that its Audited Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2024 have been filed on SEDAR+ and posted to the Company's website. The Company is pleased to provide the following operational and financial summary.

"In 2024, we implemented strict cost controls to preserve cash while simultaneously expanding resources through exploration success at our cornerstone Lac des Iles ("LDI") mine and advancing our vertical integration strategy with the launch of our battery materials division in Frankfurt. Despite geopolitical uncertainty, we sold near-record volumes and continued to broaden our market reach," said Northern Chief Executive Officer Hugues Jacquemin. "We now have sufficient data to support an expansion of our LDI pit, which is good news considering that demand for our product continues to strengthen. But none of this will matter if we cannot secure financing to extend the pit before we run out of ore by the end of this year. We are doing everything in our power to respond, but like many in our industry, we are operating in a capital environment that remains extremely difficult. Without near-term access to the funding, we may be forced to place Lac des Iles, the only operating graphite mine in North America, on care and maintenance. That is not a decision we take lightly. The world needs more graphite, and Northern is positioned to deliver it, but we cannot do it alone."

Operational Highlights: Growing Resources

- To meet increasing customer demand, the Company maintained strong production and sales volumes up until the fourth quarter, when management made the decision to shut down the LDI plant for two months to accelerate repairs and maintenance and enable the Company to increase throughput going forward to meet growing demand for natural graphite sourced outside of China;
- After publishing a new resource estimate in the first quarter, which showed the potential to significantly extend the life of LDI, the Company embarked on a second drilling program in the fourth quarter with the goal of further increasing its resource base;
- The Company started the permitting process in the first quarter of this year to extend the current pit which, pending financing, will allow for continued mining after the current pit is mined out;
- The Company advanced its mine-to-battery capabilities with the launch in February of the NGC Battery Materials Group ("NGCBM"). Based in Frankfurt and armed with a state of the art lab, NGCBM will oversee construction of Northern's planned Battery Anode Material ("BAM") facilities in Baie-Comeau and in France. NGCBM is also advancing the development, production, and commercialization of Porocarb®, its patented high-performance macro-porous hard carbon material designed to boost the performance of next generation battery chemistries. Non-disclosure agreements have been signed with top-tier global battery manufacturers from South Korea, Japan, China, and several Western countries;
- The Company is in ongoing, active discussions with government organizations in Canada at the Federal and Provincial levels, as well as in the United States and internationally to gain support for its projects and to speed up development of the battery anode supply chain;
- The Company has been continuously and actively involved in discussions and negotiations with technology and original equipment manufacturing ("OEM") partners in both the US and Europe who want to collaborate with a quality supplier of graphite that has current production, immediately available inventory and the capacity to support future growth;

- The Company announced some key management changes, including the appointment of Niall Moore as interim Chief Financial Officer in the fourth quarter. In order to enhance operational efficiencies and better align sales strategy to meet increasing demand from the battery sector, in February, 2025, Northern appointed Maximilian Meier as Chief Operating Officer and Michael Grimm, the President of Northern's Battery Materials Division, as Chief Commercial Officer; and
- At the Board level, Northern welcomed a new Board member in January in Ms. Samantha Espley, an industry veteran who has a history of making transformation happen at some of the world's most important mining companies.

Financial Highlights: Focus on Cash Management

(Stated in thousands of Canadian Dollars except for per-tonne amounts)

- Northern responded in 2024 to rising industrial demand for its graphite in North America, increasing revenues by 33% compared to 2023 and sales volumes by 45%. The Company generated revenue of \$22.7 million for the year, based on 12,442 tonnes of graphite concentrate sold at an average realized sales price of \$1,827 per tonne (US\$1,306 per tonne). (1) The impact of the tonnage increase on revenue was partially offset by a decrease in the average sales price per tonne of 8%, primarily due to inventory spot sales for cash management purposes;
- The LDI plant produced 11,697 tonnes of graphite concentrate in 2024 as operations ran continually until November 3 when it and the mine went into a temporary shutdown for maintenance and repairs. Plant and mine operations recommenced in mid-January 2025. In order to preserve cash, mining operations were halted again for the first four months of the year and for just under two months in the third quarter;
- Production costs of \$18.1 million were 47% higher than the prior year, primarily as a result of a 45% increase in sales volumes, while cash costs were \$1,455 (US\$1,041) per tonne of graphite concentrate sold, in-line with the prior year. Lower average sales prices for the year contributed to a loss from mine operations of \$0.3 million in 2024 compared to income of \$1.9 million in 2023;
- The Company reported an operating loss of \$7.5 million for the year which included \$5.4 million in non-cash charges relating to depletion and depreciation and share-based compensation;
- Finance costs were \$16.0 million during 2024 (2023 - \$6.6 million). They increased due to a loss on extinguishment of \$4.4 million on the Company's royalty liability due to an update of the LDI production plan and related revenue forecast, increased interest rates on the Company's senior debt and no capitalization of interest while the Okanjande project is under care and maintenance. These increases were partially offset by modification gains on the Company's royalty liability and senior debt of \$520,000 and \$346,000, respectively, due to changes in the anticipated timing of royalty and interest payments. Almost all of the finance costs were non-cash items.
- An overall net loss of \$38.8 million (\$0.30 per share) was recorded in 2024 which included significant non-cash charges relating to depletion and depreciation, finance costs, foreign exchange, share-based compensation, impairment expenses and drawdown of inventories. Cash used in operating activities was \$1.2 million;
- The Company's lender and royalty holder have waived all defaults as of April 29, 2025, effective December 31, 2024. Discussions continue with respect to amending the terms of the senior secured loan and royalty financing to better align them with project timelines that have shifted with markets that are evolving at a slower pace than forecast. As of December 31, 2024, in line with June and September 30, 2024, the Company continued to report its senior secured loan (\$25.1 million) and its royalty financing (\$14.8 million) as current liabilities as the Company has not met the following covenants related to these instruments:
 - Senior secured loan - As at December 31, 2024, the Company had not met some of the covenants and working capital related and restated credit agreement dated November 29, 2023, including the payment of accrued interest of \$3.5 million (US\$2.5 million), maintaining, at all times, on a consolidated basis, positive working capital, and maintaining, as at December 31, 2024, consolidated cash, cash equivalents and receivables of at least \$3.5 million as at December 31, 2023, and
 - The Company's working capital optimization efforts on inventories and receivables were offset by the share-based senior debt and royalty classification to current liabilities (\$39.9 million in total), resulting in a negative working capital balance of \$37.4 million as at December 31, 2024.

(1) The Company reports the non-IFRS financial measures of average realized sales price per tonne of

graphite concentrate sold and cash costs per tonne of graphite concentrate sold to manage and evaluate its operating performance. See "Cautionary Note Regarding Non-IFRS Performance Measures" below.

Banner

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Northern is advancing toward its goal of becoming a vertically integrated, mine-to-market supplier to traditional downstream customers and to the emerging &lrn;&lrn;market for battery anode material. The main catalysts of that strategy include growing graphite production from its cornerstone Lac des Iles asset, restarting its Okanjande mine in Namibia and developing downstream capacity to produce anode material for use in lithium-ion batteries and electric vehicles ("EVs") in North America and Europe and to upgrade graphite mine concentrate into value added industrial products.

Graphite Market Outlook

Non-battery demand for graphite in industrial applications, particularly in the refractory industry, was robust throughout 2024 and is expected to remain strong through 2025, particularly in North America, the destination for about 85 percent of the Company's production. Large and jumbo flake graphite, which is critical to these sectors, has become increasingly scarce as China curtailed mining capacity amid elevated inventories of anode material, effectively removing Chinese supply of these flake sizes from the market. Outside of China, supply has been further constrained by force majeure being declared at a large mine in Mozambique and operational challenges at new mines globally, leading to increased supply pressures. Looking ahead, demand is expected to remain resilient while supply remains tight, particularly following the imposition of tariffs on both natural and synthetic graphite imports from China by U.S. President Donald Trump amid escalating trade tensions. These tariffs could rise even further after U.S. graphite producers petitioned for anti-dumping tariffs on imports of Chinese graphite of as high as 920%, alleging unfair trade practices. A decision from the U.S. Department of Commerce and the International Trade Commission is anticipated in the coming months.

Demand for the Company's graphite products increased throughout 2024 despite geopolitical turbulence and is expected to continue doing so through 2025, even with price increases announced in January of this year. During the year ended December 31, 2024, in line with the trend evidenced during the second half of 2023, graphite sales volumes and revenues from LDI increased significantly and continuously. During the year ended December 31, 2024, revenue increased 33 percent compared to 2023 along with a 45 percent increase in sales volumes due to robust demand from industrial customers in the United States. The US is the Company's primary market and provides a stable source of revenue until it can supply the growing demand from battery clients currently being served by China. While overall market performance was solid, sales volumes and revenues were impacted by a scheduled two-month shutdown of the Lac des Iles mill in the fourth quarter of 2024 in order to carry out critical maintenance and prepare the mill to increase throughput and meet rising demand. Despite this temporary disruption, the market environment remains stable, with clients continuing to prioritize secure and reliable supply amid ongoing geopolitical uncertainty. The United States' recent announcement of new tariffs on goods from various global trading partners has created additional market unease. Graphite from Canada remains exempt under the terms of the United States-Mexico-Canada Agreement (USMCA) and customers have not experienced any negative tariff-related impacts to date. Management has also been aggressively pursuing new markets/customer opportunities in North America and Europe in order to balance liquidity with the amount of working capital tied up in inventories, and to create a market for future expected Namibian production.

Mining Operations

Northern is advancing its key growth catalyst of adding resources that will enable it to bring on quick, scalable, low capex production from its existing mine and development projects in time to supply growing demand amidst widescale global electrification and the EV revolution.

Lac des Iles Mine - Quebec

In order to meet growing demand from industrial customers and from North American battery makers, the

Company is working to boost mill output and extend the life of its cornerstone Lac des Iles mine in Quebec. LDI is the only producing graphite mine in North America but its existing pit will be mined out and stockpiles used up by the fourth quarter of 2025. The Company requires an investment of up to \$10 million to extend the existing pit and there is a lead time from an investment decision to production of approximately six months. The Company is pursuing a number of options for raising the necessary financing. The pit extension will be based on the LDI resource estimate published in January 2024 which showed potential to extend the life of the mine by approximately eight years. The goal is to be able to break ground as soon as possible and ensure a continuous flow of ore to the plant. The new mineral resource estimate also supports the Company's intention to meet rising demand by permanently moving the LDI mill to a seven-days-per week operation, targeting annual nameplate capacity of 25,000 tonnes per year ("tpy"). A technical report in respect of the mineral resource estimate prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") - was filed under the Company's profile on SEDAR+ (www.sedarplus.ca) on March 1, 2024. Northern also completed an additional drilling program in the fourth quarter with the objectives of further identifying and expanding resources with a lower strip ratio. Core logging and data compilation are ongoing but the release of results has been delayed due to financial constraints the Company is experiencing.

Okanjande Mine - Namibia

The Company continues to evaluate options to fund the Okanjande project through the use of a royalty/stream/debt structure and equity contributed by a strategic partner without having to go to the market at current share prices. During the third quarter of 2023, Northern placed Okanjande on care and maintenance. A technical report in respect of a preliminary economic assessment ("PEA") for the Okanjande project prepared in accordance with NI 43 101 was filed under the Company's profile on SEDAR+ (www.sedarplus.ca) on August 28, 2023. The PEA indicated that the economics are attractive under a plan to move the processing plant from Okorusu to the mine site with higher capital costs but lower operating costs. In addition, greenhouse gas emissions are reduced, sustainability is improved, and the expansion potential of the project is substantially enhanced. Battery grade graphite ore from Okanjande is within easy maritime access to European and North American markets and is intended to be used to supply Northern's planned BAM facilities in France and in Canada. Okanjande represents an opportunity to substantially increase graphite production at a lower cost and with a shorter time to market than most competing projects.

Mine-to-Market-to-Battery Strategy

Northern launched its Battery Materials Group ("NGCBM") in February of 2024 to help drive its mine-to-market-to-battery strategy and its goal of becoming one of the world's few integrated producers of Battery Anode Material ("BAM") outside of China. Based in Frankfurt, NGCBM has a state of the art electrochemical lab which enables it to process battery grade graphite from the Company's mines and produce anode material that is tailored to battery makers' specific needs. NGCBM will oversee construction of Northern's planned BAM facilities in Baie-Comeau, Quebec, which will process graphite from the Company's Canadian and Namibian operations, and in France, which will also process graphite from Namibia. The French BAM project has been designated as "strategic" under the European Critical Raw Materials Act by the European Commission, the EU's executive body. This qualifies it for fast-tracked permitting and greater access to financing and off-take support mechanisms in order to boost Europe's strategic raw material capacities and diversify its sources of supply. Northern's Battery Materials Division submitted the proposal last year to take battery grade graphite from its Okanjande project in Namibia and upgrade it into Battery Anode Material in a facility in France for investment of an estimated €159,000,000. Under the scope of the project, pre-purification, milling and shaping of the graphite would occur in Namibia and purification and coating would take place at a new facility in France. Battery testing would take place at NGCBM's laboratory in Germany. The mining of graphite at Okanjande is not covered under the scope of the Strategic Project, although Northern intends to file a subsequent proposal that will include extraction activities at the Namibia site.

Battery Anode Material, the single largest component of lithium-ion batteries, is made by upgrading graphite mine concentrate to the exacting specifications of EV battery manufacturers and Northern's BAM facilities will address this critical need that is currently missing from the energy transition supply chain in the West. Independent testing has determined that graphite from all of Northern's assets, all located close to infrastructure and in politically stable jurisdictions, is battery grade. Also, in preparation to supply growing demand from North American battery markets, in the fourth quarter Northern signed a Joint Development Agreement with Rain Carbon Inc. to develop and commercialize advanced, natural graphite BAM products used in lithium-ion batteries for electric vehicles. NGCBM is also advancing efforts related to the development, production, and commercialization of Porocarb®, its patented high-performance macro-porous

hard carbon material aimed at boosting performance in next generation battery chemistries and has signed non-disclosure agreements with top-tier global battery manufacturers from South Korea, Japan, China, and several Western countries. The Company is also pursuing opportunities to move downstream into non-EV applications in the electronics, construction, graphene and hydrogen fuel cell markets. These markets provide the opportunity to increase revenues and profits through further processing of the Company's graphite mine concentrates.

Balance Sheet and Corporate Update

Northern implemented strict cost control measures during 2024 to better manage its cash position and optimize its working capital, including sales of inventory, optimization of accounts receivable and operating the LDI mill on a seven-days-a-week schedule until the shut down for maintenance and repairs in the last two months of the year. The level of production at LDI since its acquisition has not been sufficient to sustain the Company on a cash flow basis, and operational deficits have been financed by external means and the sale of inventories. In order to make the Company self-sustaining and meet growing demand stimulated by EV sales, Chinese export controls and US tariffs on Chinese graphite, Northern is working to ramp up output at LDI to nameplate capacity of 25,000 tpy. While the expansion is expected to increase operating income, it will require additional investment in the planned pit extension and working capital that is straining resources.

Northern continues to report as current liabilities its senior secured loan (\$25.1 million) and its royalty financing (\$14.8 million) as a result of the Company not meeting certain covenants related to these instruments. While the lender and royalty holder have waived all defaults as of April 29, 2025 effective December 31, 2024, discussions continue with the parties relating to amending the terms of the senior secured loan and royalty financing to better align with project timelines that have shifted with markets that are evolving at a slower pace than forecast. While discussions continue, the lender and royalty holder is supportive of Northern's growth plans and is keen to work with the Company to find ways to capitalize on the new resource and extended mine life potential at LDI and allow the Company to benefit from a strong industrial market for graphite in North America as well as coming demand from EV markets. Going forward, the Company intends to continue to reduce inventories to generate liquidity and maintain strict overhead cost controls that were implemented in 2024, as well as consider a number of other strategies until support for the only operating graphite mine in North America materializes or markets improve. The Company also continues to seek support from federal, provincial, US and European government agencies as well as EV and battery manufacturers.

Closing Remarks

"As we close the books on 2024, we do so with a clear sense of both accomplishment and urgency," said Mr. Jacquemin. "Northern Graphite is attempting to build a unique position in the global supply chain as a fully integrated, Western supplier of natural graphite and battery anode material. We've grown our market share, deepened customer relationships, advanced our technical and downstream capabilities, and continued to develop our resources to help power the energy transition. At the same time, we recognize that capital markets have not yet caught up to the critical role graphite plays in electrification and energy security. We remain fully committed to unlocking the full potential of our assets and to working with customers, governments and partners to ensure North America and Europe have a secure, transparent graphite supply chain. The building blocks are in place and with the right support, we're ready to lead. That said, we must also remain pragmatic, prioritizing regions where stronger progress is being made and where our efforts are best supported."

About Northern Graphite

Northern, the only flake graphite producing company in North America, is a Canadian, TSX Venture Exchange listed company that is focused on becoming a world leader in producing natural graphite and upgrading it into high-value products critical to the green economy, including anode material for lithium-ion batteries/EVs, fuel cells and graphene, as well as advanced industrial technologies.

Northern expects to become one of the largest natural graphite producers outside of China when its Namibian operations come back online. The Company also has the large-scale Bissett Creek project in Ontario and substantial additional measured and indicated resources in Namibia and the Mousseau property in Quebec which are expected to be sources of continued production growth in the future. All projects have

"battery quality" graphite and are located close to infrastructure in politically stable jurisdictions.

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Qualified Person

Gregory Bowes, B.Sc. MBA P.Geo, the Chairman of Northern, is a "qualified person" as defined under NI 43-101 and has reviewed and approved the content of this news release.

For additional information

Please visit the Company's website at www.northerngraphite.com/investors/presentation the Company's profile on www.sedarplus.ca our Social Channels listed below or contact the Company at (613) 271-2124.

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Cautionary Note Regarding Non-IFRS Performance Measures

This news release includes certain non-IFRS performance measures that do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). The Company believes that these measures, in addition to measures prepared in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company and to compare it to information reported by other companies. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers. The calculation and an explanation of these measures is provided in the Company's Management's Discussion and Analysis and such measures should be read in conjunction with the Company's Management's Discussion and Analysis and financial statements.

Cautionary Note Regarding Forward-Looking Statements

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 news release include statements regarding, among others, plans for extending the mine life and output at LDI, bringing the Company's Namibian operations back online, advancing other developments projects to production, developing the capacity to manufacture value added products and raising the financing to complete any or all of these initiatives. 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, and the inability to raise the required financing. 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.

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