

Northern Graphite Announces Third Quarter 2025 Results and Provides Corporate Update

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- Work underway to extend Lac des Îles Pit and mine life
- Strong demand continues amid growing support for ex-China graphite industry
- Mine to Market strategy advances with new product and technology agreements

Ottawa, December 2, 2025 - [Northern Graphite Corp.](#) (TSXV: NGC) (OTCQB: NGPHF) (FSE: ONG) (XSTU: ONG) (the "Company" or "Northern") is pleased to provide an operating summary, financial highlights and a corporate update for the three month period ending September 30, 2025. The Company's Financial Statements and Management's Discussion and Analysis for the period have been filed on SEDAR+ and posted to the Company website.

"The Company's financial and operating performance continues to be negatively affected by a number of intermittent and temporary shutdowns of the LDI mine and processing plant due to planned and unplanned maintenance requirements and technical challenges. In part, this relates to a lack of investment by the previous owners as well as it being an older plant and mining being near the bottom of the existing pit," said Northern Chief Executive Officer Hugues Jacquemin. "The Company expects its operating and financial performance to improve as plant upgrades are completed, and mining of the new pit extension commences in the first half of 2026. This will enable the Company to operate at a steady state production rate of 20,000 tpy of concentrate, and potentially up to nameplate capacity of 25,000 tpy, which will substantially reduce unit costs and increase the Company's profit margin. While the market tends to focus on slowing electric vehicle ("EV") sales, growth remains above that for gasoline powered vehicles and the same is true for grid scale battery electric storage systems ("BESS"). Graphite demand from these sectors is already substantial, growing at above market rates, and they are almost entirely dependent on China for graphite supply. As the only North American graphite producer, and one with two advanced stage development projects, and plans to build downstream processing capacity to produce battery anode material ("BAM") in both Canada and Europe, the Company is well positioned to provide a solution to the graphite supply problem."

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Operational Highlights:

- Northern has secured a federal \$6.225 million interest-free loan to cover 75 per cent of the Lac des Îles pit-extension costs and has completed pre-stripping of overburden as the Company works to extend LDI's mine life and maintain production from North America's only operating graphite mine;
- Subsequent to quarter end, Northern closed a C\$1,442,600 non-brokered private placement to advance the Baie-Comeau BAM feasibility study and for working capital and corporate expenses;
- Strong demand from industrial clients for Northern's graphite concentrate continued through the third quarter of the year amid geopolitical uncertainties and after negotiating higher pricing with customers for 2025;
- Concentrate production in the quarter declined to 2,325 tonnes as a result of fluctuating plant availability due to unexpected SAG mill repairs and ore supply issues;
- NGC Battery Materials division ("NGCBM") again delivered wins in the quarter as Northern's integrated mine-to-battery strategy earned national and international recognition at the G-7 Meeting in Toronto where the federal government highlighted the Company's recent partnerships with Italy's Alkeemia and RAIN Carbon Canada;

- Key management changes included Niall Moore assuming the position of CFO on a permanent basis and Dr. Moritz Hantel being promoted to the position of Chief Product Officer;
- Northern continued active discussions with government organizations and institutional investors at the federal and provincial level, and internationally, to gain support for its projects and to speed up development of the battery anode supply chain. In July, Northern hosted Stéphane Séjourné, Executive Vice-President of the European Commission for Prosperity and Industrial Strategy, at Lac des Iles as Europe moves to secure transparent and sustainable critical mineral supply chains in response to shifting global trade dynamics.

Financial Highlights

- Revenue decreased by 4% to \$6.5 million compared to the third quarter of 2024 as a result of a 27% decrease in sales volumes due to limited production, partially offset by 32% higher prices, primarily as a result of price increases implemented in 2025, particularly in higher priced large flake sizes;
- Cash costs of \$1,817 (US\$1,319) per tonne of graphite concentrate sold increased by 29% compared to third quarter 2024 costs (\$1,413 per tonne or US\$1,035), primarily due to lower production and higher cost inventory being sold;
- During the third quarter of 2025 the Company placed the LDI plant under a temporary shutdown for unplanned maintenance on the SAG mill;
- On November 28, 2025, the Company received confirmation of approval of the updated LDI restoration plan from the Directorate of Mine Site Restoration and Environmental Liabilities in Quebec. Under the plan, the total financial guarantee required is \$10.1 million, which represents a \$1.8 million increase from the current surety requirement. The Company has been requested to pay 50% of the additional requirement with a \$0.9 million cash deposit by February 26, 2026, with a further 25% due in November 2026 and November 2027;
- A loss from mine operations of \$1.5 million was incurred for the quarter ended September 30, 2025 (after a non cash depreciation charge of \$2.6 million), compared to a loss from mine operations of \$0.6 million for the prior year's quarter after a depreciation charge of \$1.6 million;
- General and administrative expenses during the third quarter of 2025 were \$2.4 million compared to \$2.3 million in the third quarter of 2024. Higher legal expenditures were partially offset by strict overhead cost control measures and lower Namibian care and maintenance costs;
- Finance costs increased to \$3.8 million in the quarter, from \$2.9 million in the year-ago period, partially due to higher interest accretion on the Company's senior secured debt and royalty. Most of the finance costs were non-cash as the lender agreed to capitalize interest costs and the royalty holder agreed to defer payment;
- A foreign exchange loss on financing instruments of \$1.7 million was recorded during the quarter compared to a gain of \$0.9 million in the previous year's quarter, largely attributable to quarter-end revaluations of US dollar denominated debt;
- A net loss of \$9.4 million or \$0.07 per share, was recorded in the third quarter of 2025 compared to a net loss of \$4.8 million or \$0.04 per share during the three months ended September 30, 2024. The increased loss was due to a \$0.9 million increase in the mine operating loss, as well as foreign exchange losses on the Company's U.S. dollar denominated financial instruments, additional inventory impairment charges and non-cash accretion on the senior secured loan, royalty facility and deferred revenue;
- As of September 30, 2025, the Company continued to report its senior secured loan (\$27.7 million) and its royalty financing (\$17.0 million) as current liabilities as a result of the lack of performance by the Company on the following covenants related to these instruments:

Senior secured loan:

- The payment of accrued interest of \$5.2 million (US\$3.7 million) on the semi-annual cash interest payment date as of June 30, 2025 (covering the period January 1, 2024 to June 30, 2025);
- Maintaining, at all times, on a consolidated basis, positive working capital; and
- Maintaining, at all times, on a consolidated basis, a minimum cash balance of US\$0.75 million;

Royalty financing:

- The payment of royalty amounts with respect to the third quarter of 2025 of \$0.7 million (US\$0.5 million) which were due on October 31, 2025; and
- The payment of 2024 royalties totaling \$4.2 million (US\$3 million) which were due during 2024 and in the first half of 2025;
- The Company's lender and royalty holder have waived all defaults as of December 1, 2025 and effective September 30, 2025. 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;
- Cash and equivalents were \$0.6 million as at September 30, 2025, compared to \$2.1 million as of June 30, 2024. The decrease is attributable to net cash used in operating activities of \$0.7 million, as the net loss from mine operations was only partially offset by operational changes related to working capital items, net cash used in investing activities of \$1.2 million as the Company continued to pay for exploration work performed at LDI in late 2024 and the purchase of intellectual property in connection with the Company's new IP licensing agreement. These items were partially offset by net cash provided by financing activities of \$0.4 million which was mainly the result of share subscriptions received in advance of the non-brokered private placement completed subsequent to September 30, 2025;
- The Company's classification of its senior debt and royalties to current liabilities are largely responsible for a negative working capital balance of \$48.3 million as at September 30, 2025. The royalty liability represents payments that will only be made in the future based on LDI's production.

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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 &Irm;&Irm;market for battery anode material. The Company's strategy is to extend the mine life and expand production at Lac des îles, resume and expand production at the Okanjande project in Namibia, advance the Bissett Creek and the Mousseau projects toward development, develop downstream capacity to produce anode material for use in LiBs and EVs in North America and Europe, and upgrade graphite mine concentrate into value added industrial products.

Market Commentary

Momentum behind building secure, sustainable and transparent critical mineral supply chains in the West has continued to accelerate with graphite, and producers like Northern, moving into the spotlight as governments recognize the mineral's essential role in the energy transition and the risks of continued dependence on China. Graphite supply, processing capability and domestic production capacity are now at the center of Western policy and its financial and industrial strategies. Western governments have moved from rhetoric to action, advancing concrete measures to localize supply and mobilize investment closer to emerging EV, energy storage and defense markets. This shift is beginning to reshape the competitive landscape and to strengthen the long-term outlook for North American graphite producers.

In the United States, the U.S. Department of Commerce's July preliminary determination that China is dumping graphite active anode material ("AAM") also known as BAM, into the American market resulted in preliminary anti-dumping tariffs of 93.5%. When combined with existing countervailing duties, President

Trump's 30% blanket tariff on Chinese imports and last year's Section 301 tariffs, the effective duty rate on Chinese AAM now sits at approximately 160%. These actions represent the strongest signal yet that North America intends to foster a domestic graphite industry. Northern, as a founding member of the North American Graphite Alliance, continues to engage U.S. policymakers to advance trade measures, incentives and investment frameworks that support a competitive, secure and resilient graphite supply chain. In Canada, which until now has been slower to act, October marked a meaningful turning point. At the G7 Energy and Environment Ministers' Meeting in Toronto on October 31, the federal government announced 26 new investments and partnerships with nine allied countries to accelerate \$6.4 billion in critical minerals projects under the G7 Critical Minerals Action Plan, including two projects by Northern and its partners, underscoring that securing and expanding domestic graphite production is now a national priority.

Mining Operations

Northern's mining projects represent a competitive advantage in terms of current production, the ability to increase output in a relatively quick, modular manner by leveraging existing permitting and infrastructure at both LDI and Okanjande, their advanced stage, their suitability for the BAM market, and their location close to infrastructure in politically stable jurisdictions.

Lac des Îles Mine - Quebec

Northern is advancing plans to extend the life of its cornerstone Lac des Îles mine in the short-, medium- and long-term, through an extension to the existing pit. In August, Northern secured an interest free, repayable contribution from the Canadian government of up to \$6.2 million to finance 75% of eligible costs for the pit extension and potentially support eight more years of production from North America's only operating graphite mine. Northern has already completed the pre-stripping of overburden and is currently in discussions with a number of parties to raise the balance of the required funding. First production from the new zones is expected to take place in approximately six months. Subsequent to quarter end, the Company announced that it would put LDI on temporary care and maintenance in order to address an unplanned equipment issue, and to accelerate critical maintenance and plant upgrades ahead of new production from the pit extension. This work is a necessary part of the Company's plan to meet rising demand by permanently moving the LDI mill to a seven-days-per week operation and reaching a reliable and sustainable production rate of 20,000 tpy, and potentially up to nameplate capacity of 25,000 tonnes per year, which will substantially reduce unit operating costs and increase the Company's profit margin.

On November 28, 2025, the Company received confirmation of approval of the updated restoration plan prepared by an independent third party for LDI, from the Directorate of Mine Site Restoration and Environmental Liabilities in Quebec (the 'Ministry'). Under the plan, the total financial guarantee required is \$10.1 million, which represents a \$1.8 million increase from the current surety requirement. The Company has been requested by the Ministry to pay 50% of the additional security requirement in the form of a \$0.9 million cash deposit by February 26, 2026, with a further 25% due in November 2026 and November 2027, respectively.

Mine-to-Market-Battery Strategy

Northern is advancing plans to become a fully integrated, mine-to-battery producer of natural graphite anode material, positioned to supply North America and global markets outside of China from planned Battery Anode Material facilities in Canada and France. The Company continues to make meaningful progress in securing the right strategic partnerships to develop competitive, non-China BAM processing capacity which is an existential gap in non-Chinese supply chains. Partners include established companies that are actively working in the space and smaller companies with innovative breakthrough technologies that can enhance the performance of Northern's material and processes by leveraging their expertise. The Company's integrated, mine-to-battery strategy earned national and international recognition during G7 ceremonies in Toronto in October, where Canada's Minister of Energy and Natural Resources highlighted two Northern partnerships as advancing the country's critical minerals ambitions to deploy sovereign tools and mobilize investments to build resilient supply chains. These included Northern's partnership with Italy's Alkeemia S.p.A to test advanced graphite purification technology for battery and high-tech applications, and research funding of up to C\$860,000 (~530,000) awarded to a consortium comprising RAIN Carbon Canada and Northern's Germany-based battery materials group under the Canada-Germany Collaborative Industrial Research and Development Program. The joint initiative will recycle low-value graphite fines into high-performance BAM, increasing the yield from mining, milling and shaping while reducing waste.

In Baie-Comeau, Québec, Northern is collaborating with The BMI Group to evaluate a brownfield site at a former paper mill, offering the potential to fast-track permitting, shorten construction timelines and reduce capital costs compared to the previously announced greenfield alternative. In October Northern closed the first tranche of a non-brokered private placement, raising C\$1,442,600 to fund a 12-month feasibility study for the Baie-Comeau BAM facility and support working capital and corporate expenses, with participation from The BMI Group as lead investor which underscores growing confidence in the Company's strategy. Northern's planned BAM facility in France, which will process graphite from the Okanjande mine in Namibia, was awarded "Strategic Project" status under the European Union's Critical Raw Materials Act, providing access to fast-tracked permitting and funding support as Europe seeks secure, transparent and sustainable anode material supply.

Battery anode material is the single largest component of lithium-ion batteries and is produced by upgrading graphite concentrate to the precise specifications required by EV manufacturers. Northern's planned facilities are designed to fill this strategic gap in supply chains outside of China, offering a secure, transparent and ESG-aligned source of natural graphite anode material.

Closing Remarks

"Since acquiring LDI and the Okanjande Project in 2022, we have been laying the groundwork for a resilient, integrated and globally relevant graphite business and that work is starting to bear fruit," said Mr. Jacquemin. "Geopolitical realities have made the criticality of what we do unmistakable, and governments and customers alike are now stepping forward to support the development of secure, transparent supply chains in the west. Northern is well positioned to meet this challenge."

About Northern Graphite

Northern is a Canadian, TSX Venture Exchange listed company that is the only flake graphite producing company in North America. Northern 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. The Company's mine-to-battery strategy is spearheaded by its Battery Materials Group, which has a fully equipped, state-of-the-art laboratory in Frankfurt. Northern's graphite assets include the producing Lac des Iles mine in Quebec, where the Company plans to increase output to meet growing demand from industrial customers and coming demand from North American battery makers. The Company also owns the large-scale, advanced stage Bissett Creek graphite project in Ontario and the fully permitted Okanjande graphite mine in Namibia, which is currently on care and maintenance, and represents an opportunity to substantially increase graphite production at a lower cost and with a shorter time to market than most competing projects. 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.northerngrahite.com/investors/presentation the Company's

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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.

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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 news release include statements regarding, among others, plans for extending the mine life and increasing 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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