

# Northern Graphite and Al Obeikan Group for Investment Company Sign Term Sheet for US\$200 Million Battery Anode Material Plant in Kingdom of Saudi Arabia

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- Joint Venture Company to be 51% owned by Obeikan and 49% by Northern
- Project debt financing to be sourced from Saudi government finance agencies, local and global commercial banks
- Phase I BAM production capacity of 25,000 tonnes per year forecast for 2028; scalable expansion to meet growing global demand
- Advanced discussions underway with global battery manufacturers regarding long-term offtake agreements for the initial 25,000 tpy of production
- Northern and JVCo to conclude long-term offtake agreement for purchase of up to 50,000 tpy of graphite concentrate from Northern's Okanjande mine in Namibia
- Project aligned with Saudi Arabia's Vision 2030 and accelerating demand for secure, non-Chinese graphite anode supply chains

Ottawa, January 14, 2026 - [Northern Graphite Corp.](#) (TSXV: NGC) (OTCQB: NGPHF) (FSE: 0NG) (XSTU: 0NG) (the "Company" or "Northern") and Al Obeikan Group for Investment Company ("Obeikan") are pleased to announce that they have signed a term sheet to jointly develop and operate a large-scale Battery Anode Material ("BAM") facility in Yanbu Industrial City, Kingdom of Saudi Arabia, through a joint venture company ("JVCo").

The term sheet, signed January 14, outlines the development of an approximately US\$200 million BAM facility with an initial production capacity of 25,000 tonnes per year ("tpy") scalable over time to meet rapidly growing global demand for graphite anode materials sourced outside of China. The facility will be located in Yanbu, a strategically positioned industrial and logistics hub on the Red Sea with direct access to European, North American, and Middle Eastern markets.

The JVCo is to be majority-owned (51 percent) by Obeikan, a Kingdom of Saudi Arabia diversified industrial group engaged in packaging, printing, building glass, real estate and the digitalization of industrial operation processes in the Middle East and Africa, and 49 percent owned by Northern. Construction of the facility is expected to start in 2026, with first-phase production forecast to begin in 2028. The BAM facility will be funded at the JVCo level, with Obeikan leading the organizing of local debt funding required to finance construction, development and commissioning of the Yanbu plant. The remaining funding is to be provided as equity by the JV partners in proportion to their ownership interests and jointly through commercial banks.

Negotiations with global battery manufacturers with respect to a long term 25,000 tpy BAM offtake agreement are well advanced. The JVCo will also enter into a long term offtake agreement to purchase up to 50,000 tpy of graphite concentrate from Northern's Okanjande Project in Namibia. In recognition of Northern's efforts in developing, assembling and integrating the required technologies, validating the products, establishing commercial relationships and a customer qualification pipeline, the JVCo and Northern will conclude a long-term agreement whereby Northern will receive a royalty on net sales of Battery Anode Materials in addition to its direct ownership interest in JVCo.

"This joint venture represents a defining step in Northern's evolution from a mining company into a fully

integrated, global battery anode material producer," said Hugues Jacquemin, Chief Executive Officer of Northern Graphite. "By partnering with Obeikan in the Kingdom of Saudi Arabia, we are partnering with a well-financed and experienced industrial player, gaining scale, financing strength, and access to one of the world's most strategically important industrial hubs, while accelerating the restart of our Okanjande mine in Namibia and advancing our broader mine-to-market strategy."

"Our partnership with Northern is fully aligned with the Kingdom's ambition to lead in advanced materials and clean energy supply chains," said Abdallah Obeikan, Chief Executive Officer of Al Obeikan Group for Investment Company. "This partnership will combine Northern's expertise with the industrial knowledge of Obeikan and the strength of Saudi Arabia. Together, we intend to establish a world-class BAM production hub in Yanbu that serves global battery manufacturers while strengthening the resilience of international supply chains."

The joint venture provides scale, financing strength, and geopolitical diversification and will establish Northern as a fully integrated, globally relevant BAM producer and partner of choice for OEMs seeking secure, traceable supply chains. It also positions Okanjande as Northern's primary growth engine, responding directly to global efforts to reduce dependence on China for graphite supply. The Yanbu BAM plant will form part of a fully integrated, traceable, multi-jurisdiction supply chain for high-performance anode material - the largest component in lithium-ion batteries - to global battery and electric vehicle manufacturers. The project is fully aligned with Saudi Arabia's Vision 2030, which prioritizes advanced manufacturing, energy transition technologies, and downstream value creation.

"The Kingdom of Saudi Arabia is an attractive location for our BAM plant due to its low energy and labour costs, close proximity to Namibia, strong government support, favourable financing conditions, and trade advantages that include low tariffs into the U.S. and efficient access to European markets," said Mr. Jacquemin.

According to SNE Research, lithium-ion battery cell manufacturing capacity is expected to reach 4,527 GWh by 2035 (9% CAGR), with graphite retaining over 91% anode share through 2040. At the same time, evolving policies are splitting the global graphite market as tariffs and de-risking measures drive demand for non-Chinese anode materials.

#### Okanjande Mine Restart and Expansion

Importantly, the joint venture materially accelerates the restart and potential expansion of Northern's Okanjande graphite mine in Namibia, which has been on care and maintenance since 2018 and represents an opportunity to substantially increase the Company's graphite production at a lower cost and with a shorter time to market than most competing projects. A preliminary economic assessment ("PEA") for the Okanjande project was prepared in accordance with NI 43 101 and filed under the Company's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) on August 28, 2023. The PEA contemplates 31,000 tpy of production over a ten year mine life. However, the project contains a substantial measured and indicated resource and the Company intends to prepare a new technical report to evaluate the economics of producing at a higher rate based on the requirements of the JVCo.

#### Technical Flow and Integration

The project will operate as part of a globally integrated mining and processing chain designed to provide OEMs with a secure, non-Chinese supply of battery anode material:

Stage	Location
Mining & Concentrate Production	Okanjande Mine - Namibia
BAM Production (Spheronization, purification and coating)	Yanbu - Kingdom of Saudi Arabia
R&D and Qualification	Northern's Battery Materials Laboratory - Germany

A Final Feasibility Study ("FFS") for the BAM facility will be conducted and is intended to be completed by June 30, 2026, with debt funding to follow based on the FFS.

Completion of the joint venture is subject to customary conditions, including execution of definitive

agreements, completion of offtake agreements, completion of feasibility studies, regulatory and permitting approvals in the Kingdom of Saudi Arabia, finalization of offtake agreements, and receipt of all required board and regulatory approvals. The partners intend to proceed with incorporation of JVCo and entry into a definitive shareholders' agreement governing ownership, governance, capital contributions, and development obligations by Q4 2026.

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.

#### About Northern Graphite

Northern is a Canadian, TSX Venture Exchange listed company that is the only producer of flake graphite in North America. Northern's graphite assets include the producing Lac des Iles mine in Quebec, where the Company is boosting 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. All projects have "battery quality" graphite and are located close to infrastructure in politically stable jurisdictions. 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 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.

#### About Al Obeikan Group for Investment Company

Al Obeikan Group for Investment Company (OIG) is a family-run business, founded in 1982 by the Obeikan family with headquarters in Riyadh. OIG has a strong foothold in manufacturing, packaging, education, and health care. On top of being the leading provider of fully integrated packaging solutions in the region, OIG has a growing focus on digital transformation and providing proven models that help manufacturers and enterprises to achieve operational excellence with productivity-enhancing applications, and performance improvement end-to-end solutions.

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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, the Company's plans to enter into a definitive joint venture agreement with Obeikan, extend the mine life of its LDI mine and development plans for its other projects including Bissett Creek. 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 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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