

# Northern Graphite moves to become a North American producer

written by InvestorNews | February 10, 2022

Did you know that 'graphite' is on the [list of 35 U.S critical minerals](#)? It is because graphite is important in steel manufacturing and also in batteries. An average sized electric vehicle ("EV") lithium-ion battery typically has about 55 kgs of graphite, larger size EVs can use [75-115 kgs](#) per vehicle. This is why in 2016 Elon Musk famously [said](#): "Our cells should be called Nickel-Graphite, because primarily the cathode is nickel and the anode side is graphite with silicon oxide."

**Graphite demand is set to soar this decade as EVs takeoff**



Source: [Northern Graphite company presentation](#)

Today's company has recently signed a company changing deal that will see them soon become a North American graphite producer, assuming the deal finalizes.

**Northern Graphite to acquire two graphite mines from Imerys Group**

[Northern Graphite Corporation](#) (TSXV: NGC) [announced](#) on December 2, 2021: "Northern Graphite to acquire two graphite mines from Imerys Group."

The two graphite mines are the Lac des Iles, producing graphite mine in Quebec, Canada, and the Okanjande graphite deposit/Okorusu processing plant in Namibia. The purchase price

is approximately [US\\$40 million](#). Northern Graphite plans to fund the deal and raise extra working capital, according to a term sheet with Sprott Resource Streaming and Royalty Corp., through [US\\$40 million](#) in debt/royalty/stream financing plus a US\$15 million (~[C\\$20 million](#)) private placement equity raise.

Northern Graphite CEO, Gregory Bowes, [stated](#): “This is a truly transformational deal that will elevate Northern from one of over 20 junior graphite companies looking for project financing to being **the only North American and the world’s third largest<sup>1</sup> non-Chinese graphite producing company.**”

*Note: Bold emphasis by the author.*

### **Northern Graphite’s existing graphite project**

Northern Graphite owns the Bissett Creek Graphite Project located 100km east of North Bay, Ontario, Canada and close to major roads and infrastructure. The Company has completed an NI 43-101 Bankable Feasibility Study and received its major environmental permit. The next step is project financing. More details on the Bissett Creek project [here](#).

### **Northern Graphite’s company goal and strategy**

Northern Graphite is focused on becoming a world leading producer of natural graphite and on the upgrade of mine concentrates into high value products critical to the green energy revolution including lithium-ion battery anode material for EVs and stationary power systems, fuel cells, and graphene, as well as advanced industrial technologies. The upgrading of mine concentrates usually means upgrading flake graphite (sells at [~US\\$550-1,000/t](#)) to active coated spherical graphite (sells at [~US\\$7,000+/t](#)). Northern Graphite is not yet at this stage, but it is their plan to go in that direction, which makes good business sense, to increase profit margins. Manufacturing and

selling graphene is another way to add value.



Source: [Northern Graphite company presentation](#)

## **Closing remarks**

Northern Graphite has made a company changing deal by purchasing two graphite mines (and a processing plant) for only ~US\$40 million. Combine this with their existing advanced stage Bissett Creek graphite Project, and Northern Graphite will own 3 graphite projects/mines, two in Canada and one in Namibia.

A key to the new acquisition is that the Quebec based Lac des Iles Mine is already a producing asset. The Okanjande is a fully operational, permitted, mine in Namibia (currently on care and maintenance). With graphite demand set to surge this decade as electric vehicles takeoff, the timing of the recent acquisition could not be any better and propels Northern Graphite from being a junior to being a North American graphite producer. Or as the company [states](#): “Northern will become the only North American, and the world’s third largest non-Chinese, graphite producing company.”

The deal still needs to go through the usual approvals but is expected to finalize soon. Higher graphite prices are needed in the sector to make it more profitable; however, this may happen in 2022 as [flake graphite is expected to move into deficit](#). Also, note the higher sovereign risk for the Namibia operation.

Northern Graphite Corporation trades on a market cap of only [C\\$69 million](#). One to follow closely in 2022.

---

# Northern Graphite Greg Bowes InvestorIntel Summit Presentation

written by InvestorNews | February 10, 2022

May 30, 2018 – “Why should you be interested in graphite? As I mentioned earlier, graphite is the anode material in lithium-ion batteries. That is a \$20 billion dollar a year business that is growing at over 20% a year. That chart is historical. That is not a forecast.” states Gregory Bowes, CEO and Director of [Northern Graphite Corp.](#) (TSXV: NGC | OTCQX: NGPHF), in a recent presentation at the 7th Annual InvestorIntel Summit – Buds, Batteries & Blockchain 2018.

**Gregory Bowes:** Northern Graphite is a company that is based in Ottawa, Canada. We have about 65 million shares outstanding. We consider that we have the best new graphite project. I am sure everybody says that so my job today is to convince you why it actually might be true in our case. It starts with location. If any of you want to do a site visit you can jump in a car and you would be there in 4½ hours. It is between North Bay and Ottawa, off the Trans-Canada Highway. It has a reasonable capital cost. It has a realistic production target relative to the size of the market. It is the highest percentage of the more valuable large flake production. It has the lowest marketing risk of any new project. It has the highest margin and the best economics. It is not a junior exploration story. We have a full feasibility study and we have our major environmental permit. The next step is \$100 million dollars Canadian and building a mine. We have

developed a patent pending battery material technology, which I will tell you a little bit more about, which converts that graphite mine concentrate or helps convert it into the anode material for lithium-ion batteries. Why should you be interested in graphite? As I mentioned earlier, graphite is the anode material in lithium-ion batteries. That is a \$20 billion dollar a year business that is growing at over 20% a year. That chart is historical. That is not a forecast. As usual the best investment advice comes from looking around you. We all know the proliferation of personal devices, cameras, cell phones, laptops. All of that market is driven by lithium-ion batteries. This is lithium-ion battery manufacturing capacity that is in the pipeline. It is set to quadruple by 2021. If that happens we are adding 300 gigawatt hours of production capacity. You can see at the bottom that would require a doubling of annual graphite production. Even if these plants were only to operate at 20% or 30% or 40% of capacity due to lower than expected growth in EVs, you would still need multiple new graphite mines. This is a little bit of a comparison. The three main battery minerals are graphite, lithium and cobalt, obviously. The difference in the graphite market you can see it is quite a bit bigger than the other two. In terms of battery demand, it still has not got to where the other two are yet. That is one of the reasons that the graphite price has not performed as well, nearly as well, as lithium and cobalt. The interesting story is that if you add 100 gigawatt hours of battery manufacturing capacity or demand, you are looking at 160% increase in graphite demand so there is much greater leverage there than there is in the other two minerals. That leverage comes from two factors that people do not often consider. You talk about how much lithium you need and how much graphite you need in a battery...to access the complete presentation, [click here](#)

Disclaimer: Northern Graphite Corp. is an advertorial member of

InvestorIntel Corp.