

Northern Graphite Greg Bowes InvestorIntel Summit Presentation

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 different 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](#)

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Greg Bowes on why graphite should be next

Greg Bowes, CEO and Director of Northern Graphite Corp. (TSXV: NGC | OTCQX: NGPHF) in an interview with InvestorIntel's CEO Tracy Weslosky discuss the company's past, present, and future in graphite purification. On Friday, March 10, 2017 a news release was issued about closing \$2.5 million in a private placement that will be put towards three major things: the completion of operational permitting, an updated feasibility study to reflect the economic landscape of 2017, and the construction of a pilot plant to show off their new technology.

Tracy Weslosky: Greg, I'd like to start by asking you about your timing for this private placement.

Gregory Bowes: Yes. We have been in a holding pattern for the last year or two because we have a feasibility study done, we have our major environmental permit and we didn't just want to issue press releases for the sake of issuing press releases. We wanted to minimize expenses. We wanted to minimize dilution and we wanted to wait until we felt the timing was right to move the company forward again. Now we feel the time is right and there's a couple of reasons for that. One is just before Christmas the Chinese government announced that they're building a stockpile equal to 80% of their annual production. They're telling the rest of the world they have a graphite supply problem and they produce 80% of the world's graphite, 100% of the anode material for lithium-ion batteries. The lithium price has already responded to that battery demand. Finally, we've seen cobalt respond and graphite should be next. That pretty much drove the timing. It's time to move the company forward.

Tracy Weslosky: I have to commend you on a very well written

news release. You did something I rarely see and I think investors at InvestorIntel will appreciate this. In your news release you clearly identify what you plan on doing with this raise. Can you explain this to our audience?

Gregory Bowes: Yes. Thank you for the compliment. We are raising \$2.5 million non-brokered private placement. It's over subscribed. A lot of it is retail brokers and high net worth people that did very well in Northern back in 2010 to 2012. They know the asset. They know the company and they came to me and said "Greg, it's time to get back in..." – to access the complete interview, [click here](#)

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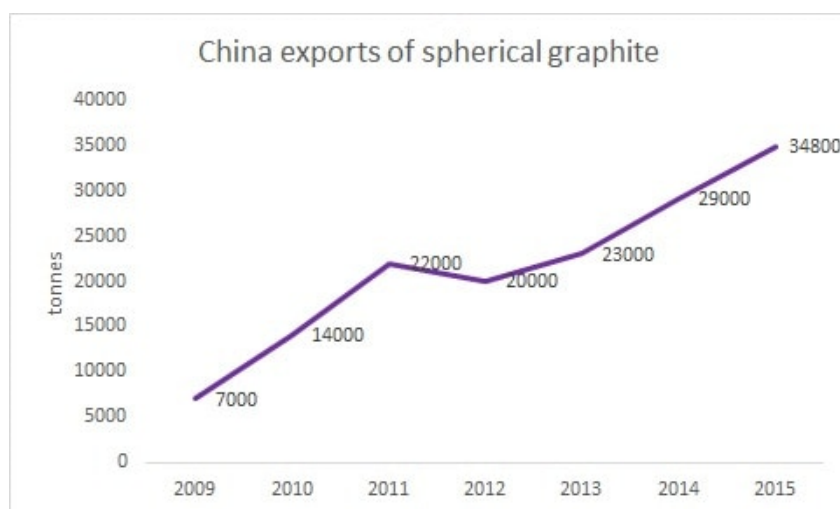
Tesla news bolsters confidence in Canadian graphite project

✘ Northern Graphite Corp. (TSXV: NGC | OTCQX: NGPHF) is a mineral exploration and development company that owns a 100% interest in the Bissett Creek graphite mining project located in eastern Ontario.

Northern's Bissett Creek mine is an advanced, pre-development stage project that completed its NI 43-101 Final Bankable Feasibility Study in 2013, and was recently granted its major environmental permit. Northern expects to commence construction in 2017, subject to the availability of financing and species-at-risk permit, both reported to be in advanced stages. Their company website states that the Bissett Creek project has the best flake size distribution and highest margin of any new graphite project, with the added advantages of low capital costs and realistic production targets relative to the size of the market.

A significant growth in demand for graphite is expected since it is essential to cell phones, cameras, laptops, power tools, etc. and applications of Lithium-Ion batteries (LIBs) continue to multiply. Both the EU and US have declared graphite a supply critical material. In 2013, the global graphite market was valued at US\$ 13.6 billion (including synthetic and amorphous graphite), and is projected to increase at 3.70% CAGR and reach US\$ 17.5 billion in 2020.

Tesla Motors' recently announced plans to manufacture lithium-ion batteries, further indicating a promising future for Northern's project as numerous countries strive to increase the uptake of electric vehicles, and experience increased demand for newer technologies such as grid energy storage systems.



China has recognised this dynamic and since 2012 has increased its imports of graphite exponentially, whilst at the same time, global supply actually fell from its peak in 2011 of 450,000 tonnes to 300,000 tonnes in 2015. This has left a

gap to be filled by junior miners.

Northern expects that its plant will process up to 2,900 tonnes of material each day from commencement of production in 2018, with over 90% of the contained graphite being categorised as large flake, the highest in the industry. Over 28 years of operation an average of 20,800 tonnes of concentrate will be produced each year, at an average cash mining cost of CDN\$795 per tonne. The capital cost to construct the processing plant, power plant and associated infrastructure is estimated at a total of \$102m. Northern's feasibility study in 2013 used a weighted average price of \$1,800/tonne to value its concentrates, while prices have since come down, the outlook for graphite is positive, underpinned by solid fundamentals.

With respect to the junior graphite market, the majority are focused on producing flake graphite for batteries. Annual world flake graphite production is 370,000 tonnes, while it takes around 100,000 tonnes of flake concentrate to produce the anode material for 400,000 Tesla Model 3's. This implies that the 370,000 tonne flake market will have to increase by around 27% to service Tesla's requirements alone. Our last assessment was that graphite flake concentrate prices were trading at \$780-840/tonne (80 mesh, 94-97% Cg) in October 2016.

Northern announced this year that they have advanced their proprietary purification and coating technologies and joined forces with Elcora Advanced Materials Corp. (TSXV: ERA | OTCQB: ECORF), Nouveau Monde Mining Enterprises Inc. (TSXV: NOU), Metals of Africa Limited (ASX: MTA), Coulometrics LLC and a private industry partner to acquire a micronizing and spheronizing mill to produce spherical graphite ("SPG"), a critical step in the production of anode material used in LIBs. All natural based SPG is currently produced in China and is purified using sulfuric and hydrofluoric acid, the method is unsustainable due to high levels of untreated waste and increasing demand for environmentally friendly alternatives. On October 27th 2016 Northern and its associates announced their mill was installed and operational.

The Bissett Creek project is in a politically stable authority only 15km from the trans-Canada highway and has easy access to the port of Montreal and north-eastern US markets. Its flat geography makes for easy future expansion and Bissett Creek has very attractive economics even at or below current depressed graphite price levels. Graphite deposits generally yield less than 15% XL flake and yet 50% of Bissett Creek's production will be XL flake, providing the Company with the choice of serving both the LiB and expandable graphite markets.

Northern Graphite's Greg Bowes bullish on graphite prices

August 15, 2016 – Northern Graphite Corp. (TSXV: NGC | OTCQX: NGPHF) owns a 100% interest in the Bissett Creek large-flake graphite deposit, located in eastern Ontario and 15km from the Trans-Canada Highway and is five hours by road from the port of Montreal. InvestorIntel Senior Editor Christopher Ecclestone has described Northern Graphite as being less one of the “noise-makers and more one of the doers ... Amongst the new wave of projects it has the best infrastructure, the lowest capital costs, the best flake size distribution and the lowest unit operating costs which offsets it being a lower grade deposit”.

But, as with rare earths, being a graphite play means a lot more than just becoming a miner. There is a technology wall to climb, and few have begun that climb.

In this interview with InvestorIntel's Fred Cowans, Northern Graphite CEO Gregory Bowes explains the technology leap that faces most juniors. Using Fred's opening example of a cell phone battery that died after just three years, Gregory Bowes then goes on to explain the leap in technology required from producing batteries for cameras and cell phones (that would usually be replaced before three years was up) to those for electric vehicles where such cars need to retain 80% of their battery capacity after eight years.

As he explains:

- Western graphite companies cannot use the dangerous acid employed by the Chinese to purify spherical graphite. They need to perfect their own purification solutions.
- Only four companies have figured out how to make a battery suited to an EV; every other company faces a "huge technological challenge" to complete their qualification work.
- Why he is bullish on graphite prices – and expects them to follow the lithium trajectory,
- The problem that many hopefuls face of making their economics work by planning ambitious production targets.

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Battery Market placing Pressure on Graphite Demand

March 16, 2016 – In a special **InvestorIntel** interview, Publisher Tracy Weslosky interviews Greg Bowes of Northern Graphite Corp. (TSXV: NGC | OTCQX: NGPHF) on the impact of

rising demand for graphite from the lithium-ion battery industry and how “Lithium and graphite have a lot in common and the catalysts that may drive both prices and demand.” Explaining how the steel industry has bottomed, Greg believes that this combined with battery demand will drive graphite performance and stresses Northern’s proprietary and competitive graphite purification technology edge.

Tracy Weslosky: Greg, I’m delighted to be speaking with you. I deem you not to be just a CEO of a graphite company, a well-respected one: but actually as an industry expert. So I would like to ask you, what’s happening with graphite prices? Because our writers, like John Peterson, are telling us that the type of graphite you have is in demand so the prices should be arguably exploding.

Gregory Bowes: Yes and, in fact, if you look at lithium, they are. Lithium and graphite have a lot in common. Obviously they’re both used in batteries. Battery demand accounts for about 40% of both markets, but if you look at lithium, the balance of demand is fairly diverse and fairly stable so you’ve got a stable base, growing battery demand. If you look at graphite, the balance of demand is the steel industry, which has tanked so you’ve got steel demand going down and you’ve got battery demand going up and prices staying flat. I think what we have to look forward to is that the steel industry I think has bottomed. Iron ore prices are perking up and graphite is lagging lithium in terms of price performance, but it will catch up. It has to because all the metrics are the same.

Tracy Weslosky: And, of course, Greg, Northern Graphite is known for having a purification technology process that really makes your graphite more competitive. Can you give us an overview on that?

Gregory Bowes: Yes. All natural graphite that’s used in

batteries comes from China and its purified using hydrofluoric acid, which is one of the nastiest substances known to man and of course they have lax environmental regulations there so you, kind of, have a green card or a D battery syndrome. If you're in the West and you want to produce spherical graphite, as all juniors apparently do, you have to have a method of purifying the graphite that's an alternative to the Chinese approach. That's basically what we've developed.

Tracy Weslosky: Something that I enjoyed too in preparing for this interview, Christopher Ecclestone did a lovely piece and he said, I think the quote was that you're the right size for takeoff. Okay, he likes the size of Northern Graphite. Can you tell us a little bit more about what he meant when he was saying that?

Gregory Bowes: Yes, absolutely. The graphite market is a little less than 400,000 tons a year. We're going to produce 20,000 tons a year, which is 5% of the market. Now any other commodity, if you're building a mine that's going to add 5% to annual demand, that's a little on the aggressive side. You know, the market has to have the ability to absorb that production without affecting price. Everybody else is 40,000 tons a year plus. That's 10% to 15% of annual world supply...to access the complete interview, [click here](#)

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Greg Bowes on the lithium-ion

battery demand and “getting close” to the graphite tipping point

December 27, 2015 – In a special **InvestorIntel** interview, Publisher Tracy Weslosky interviews Greg Bowes of Northern Graphite Corp. (TSXV: NGC | OTCQX: NGPHF) on graphite prices and the catalysts that may drive both prices and demand.

Explaining how the lithium-ion battery industry is the 2nd largest user of graphite, he says we are **“getting close to the tipping point where it will start to drive graphite prices higher. It’s already doing that in the lithium space.”** They also discuss Christopher Ecclestone’s latest Hallgarten & Co. report which raises four competitive advantages including “best infrastructure, lowest capital costs, best flake size distribution and the lowest unit operating cost” for what has also been described as an “oven ready graphite company in an accessible location” before discussing Northern Graphite’s spherical graphite technology.

Tracy Weslosky: Greg, I was reading your summary that you did for your shareholders recently and I thought it was outstanding. You started by explaining why graphite prices are where they are presently. Can you just share this with our audience please?

Gregory Bowes: Yes Tracy. Obviously we’ve had a slowdown in China and probably bigger than most people think. There’s very little growth elsewhere in the world – Japan, Europe, the United States. The steel industry and industrial demand is still the main user of graphite so obviously that’s had a very negative effect on graphite prices. The other thing is the strong U.S. dollar. Graphite is priced in U.S. dollars. If you want to think of it simply, it takes less U.S. dollars to buy

a ton of graphite hence the price goes down.

Tracy Weslosky: Then you went on to discuss the catalysts that might actually drive prices up and drive the demand for graphite. You discussed three in particular. Can you outline these for me please?

Gregory Bowes: Yes, obviously one would be an economic recovery – we always get them. When is the \$64 dollar question? If the economic cycle as we know it, the traditional cycle is dead, we might as well all go home. We will get a recovery at some point in steel demand. The second major factor would be that the lithium-ion battery industry, which is growing rapidly. It has become the second largest user of graphite. It is getting close to the tipping point where it will start to drive graphite prices higher. It's already doing that in the lithium space. That's a big advantage graphite has over other commodities which are also depressed. Nobody's coming up with new uses for oil or coal or copper, but we have a very new dynamic market for graphite. The third factor which would lead to higher share prices, maybe not higher graphite prices, would be strategic partnerships and that kind of thing and graphite projects actually moving forward with real deals.

Tracy Weslosky: And speaking of new applications, I was reading you have a very competitive spherical graphite technology. Can you explain this for me?

Gregory Bowes: Yes. Graphite mines produce a basic concentrate. In order for that concentrate to be used in lithium-ion batteries it has to be upgraded to spherical graphite. That is where a lot of the excitement is coming from. Every junior, us included, says, we are going to be in the spherical graphite market. That is very easy to say, but it's more difficult to do. Nobody is really answering the question, how are you going to do it, because pretty well all spherical graphite from natural graphite is manufactured in China and those methods are very expensive and difficult to

use in the West for environmental or regulatory reasons. To access the complete interview, [click here](#)

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Northern Graphite: Right-Sizing for Take-Off

This company was the first graphite stock we ever stumbled across at the end of last decade when the commodity had none of the sound and fury that it generated since. Northern Graphite Corp. (TSXV: NGC | OTCQX: NGPHF) has been less one of the noise-makers” and more one of the doers as it ploughed through the various “report phases” in search of the ideal metrics for a rightsized graphite project. Amongst the new wave of projects it has the best infrastructure, the lowest capital costs, the best flake size distribution and the lowest unit operating costs which offsets it being a lower grade deposit.

Bissett Creek

The company owns a 100% interest in the Bissett Creek large-flake graphite deposit, located in eastern Ontario, which is located 15kms from the Trans-Canada Highway. The site is however 130 kms from railway connections, but only five hours by road from the port of Montreal.



Late last decade Northern Graphite re-activated the project due to higher graphite prices and renewed interest in graphite projects. An additional 6,600m of drilling in 118 holes has been completed by NGC to bring the total drilling on the project to approximately 12,200m in 275 holes.

The actual graphite deposit occurs at surface and covers an area of approximately 1.5 by 0.5 kilometres. There is minimal overburden and the maximum depth of the resource is about 80m. Northern maintains that Bissett Creek is a unique deposit in that approximately 90% of the contained graphite will be categorized as large flake (and 60% XL flake), which are the highest ratios reported by any of the juniors.

The resource estimate for Bissett Creek currently stands at 69.8 million tonnes of measured and indicated resources grading 1.74% graphitic carbon and 24 million tonnes of inferred resources grading 1.65% graphitic carbon (both at a 1.02% Cg cutoff grade).

The proposed development consists of an open pit mine and a 2,900 tpd processing plant with conventional crushing, grinding and flotation circuits. The capital cost to construct the processing plant, power plant and all associated mine

infrastructure is estimated at \$101.6 million including a \$9.3 million contingency.

Bissett Creek Capex	
(in US\$)	
Published capex	\$84.7mn
Working capital	\$3.4mn
Reclamation bond	\$1.3mn
Deferred items	\$2.7mn
Other	<u>(\$1mn)</u>
Total	<u><u>\$91mn</u></u>

NGC anticipates being in a position to commence construction early in 2016 and to commence production in 2017. However, that timetable is subject to financing which is currently the subject of negotiations. As we are nearly at the beginning of 2016, this schedule must inevitably be pushed back slightly even in the most optimistic of financing outcomes.

The Mine Closure Plan has been filed and accepted by the Provincial Government and is the main environmental approval required prior to the commencement of construction. A number of other operational approvals and permits are required. This process is underway and they are expected to follow the main permit in due course.

Economics

The Bissett Creek project has a pre-tax IRR of 19.8% (17.3% after tax) and a pre-tax NPV of \$129.9 million (\$89.3 million after tax) in the base case which uses a weighted average price of US\$1,800/tonne for the concentrates that will be produced. The one should also consider the foreign exchange kicker from an extended period of the Canadian dollar trading at a substantial discount to the USD, which appears the most likely scenario at least through the minebuild and the first years of the mine's operation.

Conclusion

For NGC this is all about rightsizing for current conditions. Despite having an expansion scenario the company is cognizant that current graphite prices do not justify going with an over-sized project. Most of its peers are modeling projects with 40,000-50,000tpa (or more) of production. This is very optimistic given that the annual flake market is less than 400,000 tonnes.

Having a grip on reality is one of the key elements for gaining our interest and support for a project. Reality is in short supply in the graphite space with some off-the-chart capex projections that would make even a Rare Earth wannabe blanch. Northern Graphite is hunting for the title as lowest capex in the greenfield sites and thus far has taken the prize. Now to make it reality.

[Click here](#) to see the Hallgarten & Company report on Northern Graphite.