

Northern Graphite Announces First Quarter 2026 Results and Provides Corporate Update

- *Joint Venture to develop Saudi Battery Anode Material facility*
- *Restructures Senior Secured Debt with Sprott Streaming*
- *Advances Preparations for LDI Pit Extension*
- *Advances Mill Relocation to Okanjande Mine Site*

Ottawa, Ontario--(Newsfile Corp. - June 2, 2026) - Northern Graphite Corporation (**TSXV: NGC**) (**OTCQB: NGPHF**) (**FSE: 0NG**) (**XSTU: 0NG**) (the "**Company**" or "**Northern**") is pleased to provide an operating summary and financial highlights for the three month period ending March 31, 2026. 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.

"While Northern's financial and operating performance continued to be impacted during the first quarter by the temporary shutdown of the Lac des Iles ("**LDI**") mine and processing plant, the period also saw us advance on our key growth catalysts across divisions. At LDI, we advanced critical mill maintenance associated with the planned 2026 pit expansion, positioning the operation for increased throughput and improved operating efficiency. At the same time, our partnership with Obeikan Investment Group to develop a Battery Anode Material ("**BAM**") facility in the Kingdom of Saudi Arabia has materially advanced our mine-to-battery strategy and accelerated plans to restart our Okanjande mine in Namibia," said **Chief Executive Officer Hugues Jacquemin**. "Subsequent to quarter end, we completed a **transformative restructuring of our senior secured debt**, stream and royalty arrangements with Sprott Streaming, materially strengthening our balance sheet and aligning our capital structure with our long-term development timeline. Together, these milestones reflect Northern's continued transition from planning to execution as we build an integrated graphite platform supporting secure graphite supply chains independent of China."



Banner 1

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Operational Highlights: Driving toward Execution

- There was **no active mining or processing at our cornerstone Lac des Iles mine and plant in the First Quarter** as work advanced to complete critical maintenance work to prepare it for operational readiness ahead of the planned 2026 pit expansion;

- The Company expects to **resume mining activities in the third quarter** as we continue to await receipt of our amended mining permit, originally filed in February. Upon restart, Northern anticipates transitioning the LDI mill to a seven-days-per-week, 24 hours/day operation as it targets nameplate capacity of 25,000 tonnes per year;
- In March, the Company completed **a flow-through private placement** for gross proceeds of \$2 million which will be used to complete a drill program on a number of targets around the mine or at its nearby Mousseau exploration project in 2026 and 2027, with the objective of identifying potential new sources of mill feed;
- As it seeks to enhance market visibility and enable transparent, market-driven price discovery amid increasingly robust demand for its graphite portfolio, Northern announced in March that it has **partnered with Metalshub to launch online auctions** for graphite flake products from LDI;
- In Namibia, the Company **initiated work in May to relocate the processing plant** from the former Okorusu site to the mine site at Okanjande as it targets a restart of the mine in late 2027. The work is now 60 percent complete and is expected to be concluded in June 2026;
- In January, Northern announced **a landmark joint venture with Obeikan Investment Group to develop a scalable US\$200 million Battery Anode Material ("BAM") facility** in the Kingdom of Saudi Arabia, advancing Northern's mine-to-battery strategy and positioning the Company to supply graphite anode materials to global markets outside of China;
- Northern also continued to advance its Mine-to-Market Strategy in the first quarter with an **R&D partnership with Rain Carbon Germany GmbH, H.C. Starck Tungsten GmbH and Friedrich Schiller University Jena** for a three-year German-funded program to develop cleaner graphite processing and battery recycling technologies for the European battery sector;
- Northern is **actively engaging 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 and the capacity to support future growth. Discussions are also being held with various Canadian government organizations at both the federal and provincial level to gain support to speed up the development of the battery anode supply chain, with a particular focus on Ontario and Québec.

Financial Highlights: Balance Sheet Restructuring

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

- **No sales or revenue were recorded in the first quarter** as a result of a temporary shutdown at the LDI mine and processing plant as the Company advanced critical maintenance and development work ahead of the 2026 pit expansion, dependent on final approval of the Company's amended Certificate of Authorization which was filed in February 2026;
- **A loss from mine operations at LDI of nil** was recorded for the quarter ended March 31, 2026 compared to income from mine operations of \$0.3 million for the prior year's quarter. The 2025 amount does not include impairment losses on inventory and there were no impairment losses for Q1 2026;
- **General and administrative expenses** during the first quarter of 2026 were \$2.5 million compared with \$2.5 million in the first quarter of 2025 as higher office and management expenses at NGC Battery Materials were offset by lower legal expenses;
- **License and other revenue** was \$0.6 million for the three-month period ended March 31, 2026, in-line with \$0.7 million in the first quarter of 2025;
- **Finance costs rose in the quarter** to \$3.7 million (2025 - \$3.2 million) as a result of higher accretion, partially due to the non-payment of interest on senior secured debt and royalties resulting in higher interest accretion, partially offset by a larger gain on a revaluation of the Company's royalty liability and senior debt due to modifications to the anticipated timing of royalty and interest payments. Almost all of the finance costs were non-cash items;
- A **net loss of \$9.9 million** (\$0.06 per share) was recorded in the first quarter of 2026 compared to a net loss of \$5.3 million (\$0.04 per share) during the three months ended March 31, 2025. The primary reasons for the increased loss were the continuous temporary shutdown of the LDI plant resulting in no revenue during the quarter, an increase in care and maintenance expense of \$1.3

million and the significant impact of non-cash items including a foreign exchange loss on the Company's operations and U.S. dollar denominated financial instruments of \$1.6 million compared to the prior year period's gain of \$0.1 million. The net loss of \$9.9 million includes \$6.7 million in non-cash items;

- As of March 31, 2026, the Company **continued to report its senior secured loan (\$30.2 million) and its royalty financing (\$19.0 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 \$7.0 million (US\$5.1 million) on the semi-annual cash interest payment date as of March 31, 2026 (covering the period January 1, 2024 to December 31, 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 totaling \$6.1 million (US\$4.4 million) which were due from 2024 through 2026;

- **Debt Agreement:** As of May 31, 2026, all defaults have been waived by the lender effective March 31, 2026.
 - On April 29, 2026, the Company entered into a binding letter of agreement (the "**Debt Agreement**") to restructure its secured debt, stream and royalty financing arrangements with funds managed by Sprott Resource Streaming and Royalty Corp. (collectively, "**Sprott Streaming**"), which will significantly strengthen the Company's financial position. Under the terms of the Debt Agreement, all of the senior secured debt held by Sprott Streaming in the principal amount of approximately US\$16.0 million, which matures on April 29, 2026, together with all accrued interest thereon which currently amounts to approximately US\$6 million, will be satisfied through Northern issuing 12.5 million common shares to Sprott Streaming - resulting in Sprott Streaming increasing its interest in the Company to 9.9% of its basic shares outstanding and becoming the Company's largest shareholder - and an amendment to the Sprott streaming agreement in respect of the Company's Okanjande project to remove the current 350,000 tonnes of graphite concentrate cap on production and option to then convert the stream to a 1.0% royalty, such that the streaming agreement will now cover all future production from the Okanjande project;
- **Cash and equivalents were \$1.1 million as at March 31, 2026**, compared to \$2.5 million as of December 31, 2025. The net decrease in cash and cash equivalents resulted from the following elements:
 - **Net cash used in operating activities** was \$5.7 million, largely driven by the LDI plant remaining under a temporary shutdown during the first quarter resulting in no sales of product and changes in related working capital items;
 - **Net cash used in investing activities** of \$0.6 million as the Company continued to pay for development of mineral interests and equipment modernization to extend the life of LDI mine; and
 - **Net cash provided by financing activities** of \$4.8 million was mainly the result of \$2.0 million in flow through share funding completed during the quarter and the receipt of a repayable government contribution of \$2.9 million, partially offset by lease payments and repayment of debt;

- The classification of the Company's senior debt and royalty classification as current liabilities (\$49.3 million in total) was largely the reason for a negative working capital balance of \$54.6 million as at March 31, 2026.

(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 2

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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 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, Europe and Saudi Arabia and to upgrade graphite mine concentrate into value added industrial products.

Graphite Markets Outlook

Policy momentum continues to grow in North America and Europe for critical minerals with graphite increasingly recognized as a strategic material tied to energy security, industrial policy and supply chain resilience. In Europe, the Critical Raw Materials Act continues to support the development of strategic raw material supply chains, while in Canada and the United States a combination of industrial policy, targeted investment and evolving trade measures continues to reinforce domestic battery material development. As a member of the North American Graphite Alliance ("**NAGA**"), Northern continues to engage with government agencies regarding measures to support the development of a domestic graphite industry in the United States, including ongoing reviews of existing Section 301 tariffs and discussions around additional trade protections and strategic supply chain measures. **Demand for high-quality graphite for non-battery applications continues to strengthen**, particularly in North America and especially for large and jumbo flake graphite produced at the Company's Lac des Iles mine. While Northern has previously faced challenges meeting demand due to technical issues at the mine and plant, the Company anticipates improved performance following ongoing plant upgrades and the planned restart of operations tied to the 2026 pit extension. As it seeks to enhance market visibility and enable transparent, market-driven price discovery for its graphite portfolio, **Northern has partnered with Metalshub**, a leading digital platform provider for the metals and mining industry, to conduct online auctions for graphite flake products from Lac des Iles. Northern has started to conduct competitive bidding events for multiple natural graphite flake sizes, including jumbo, large and medium flake products.

Battery Materials

Northern took a **transformative step in the first quarter toward becoming an integrated global battery materials producer** through the signing of a term sheet with Obeikan Investment Group to jointly develop and operate a large-scale Battery Anode Material ("**BAM**") facility in Yanbu Industrial City, Kingdom of Saudi Arabia. The proposed facility, expected to require approximately US\$200 million in capital, is planned to have an initial production capacity of 25,000 tonnes per year, scalable over time to meet growing demand for ex-China anode material supply. The project is **expected to accelerate the restart of Northern's Okanjande mine in Namibia** while establishing a strategic presence in one of

the world's fastest-growing industrial and logistics hubs with direct access to European, North American and Middle Eastern markets. Northern expects to complete a feasibility study for the Yanbu facility in the coming months, with the project intended to serve as a **blueprint for planned BAM facilities in Canada and France**. In parallel, Northern continued advancing its technical and commercial capabilities across the battery materials value chain. During the quarter, Northern and partners Rain Carbon Germany GmbH, H.C. Starck Tungsten GmbH and Friedrich Schiller University Jena **launched a three-year research and development program** funded largely by the German Federal Ministry for Economic Affairs and Energy to develop an environmentally friendly and secure graphite processing route for Europe's battery industry incorporating both natural and recycled graphite feedstocks. The initiative is intended to support the development of a more sustainable and independent anode material supply chain outside of China. Graphite-based anode material is the largest component of lithium-ion batteries by weight and requires significant downstream processing capacity, most of which is currently concentrated in China. Northern's integrated mine-to-battery strategy is designed to establish a secure, transparent and scalable supply chain of natural graphite anode material for global markets.

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

Lac des Iles remained under **temporary care and maintenance throughout the first quarter of 2026** as Northern continued critical maintenance and development work associated with the planned 2026 pit extension and mill refurbishment program. As a result, no production, sales or shipments were recorded during the quarter. The work program included major mill maintenance activities designed to support increased throughput, improved operating efficiency and a planned transition to continuous seven-days-per-week operations targeting annual nameplate capacity of 25,000 tonnes per year ("**tpy**"). The planned pit extension is based on an updated mineral resource estimate announced in January 2024, which indicated the potential to extend the mine life by approximately eight years. Northern's independent consultants have since prepared a draft life-of-mine plan for an extension to the existing pit, while overburden pre-stripping activities were completed in late 2025 in preparation for mining operations. **Operations are now expected to resume from the pit extension in the third quarter of 2026**, subject to final approval of the Company's amended Certificate of Authorization, which was filed in February 2026. The pit extension is expected to be largely financed through the previously announced \$6.2 million interest-free, repayable government funding package, while the Company continues to evaluate additional financing alternatives to support ongoing production and development activities beyond 2026. **Northern believes the Lac des Iles property continues to offer significant long-term upside beyond the current pit extension**. The Company completed a drilling program in the fourth quarter of 2024 with the objective of further identifying and expanding LDI resources with a lower strip ratio, although core logging and data compilation have been delayed due to the financial constraints the Company is experiencing. As well, Northern is evaluating additional potential exploration targets near the mine and at its nearby Mousseau project with the objective of identifying future sources of mill feed.

Okanjande Mine, Namibia

Northern is **advancing plans to restart its Okanjande mine in Namibia in late 2027** as the Company prepares to be able to supply graphite concentrate to its planned Battery Anode Material ("BAM") facility in the Kingdom of Saudi Arabia, which is targeted to begin production in 2028. Subsequent to quarter end, the Company **initiated work to relocate the processing plant** from the former Okorusu site to the mine site at Okanjande and retained Rotary Engineering Services of Namibia to dismantle and transport the remaining plant infrastructure for reassembly at the mine site. The work is now 60 percent complete and is expected to be concluded in June 2026. The plant relocation marks another step toward resuming production at Okanjande and is expected to reduce operating costs, improve project sustainability and enhance the operation's long-term expansion potential. Namibia is considered one of the most favourable mining jurisdictions in Africa, and Okanjande is well positioned to supply customers

in North America, Europe and the Middle East. The operation benefits from high-quality graphite resources, proximity to the deep-water port at Walvis Bay and a comparatively short development timeline relative to many competing graphite projects. Northern believes these advantages position Okanjande to play an important role in supporting the development of secure graphite supply chains independent of China.

Closing Remarks

"Northern has entered a pivotal stage in its evolution, with a stronger balance sheet, advancing operations and a clear path toward becoming an integrated global graphite and battery materials producer," **said Mr. Jacquemin**. "Over the coming quarters, we expect to restart production at Lac des Iles, continue advancing toward a final investment decision for our planned BAM facility in Yanbu and further position Okanjande as a future source of scalable graphite production. Together, these initiatives are laying the foundation for Northern to become a key supplier of critical materials to global markets seeking secure supply chains independent of China."

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 and is focused on advancing plans to develop battery anode material plants in Saudi Arabia, Quebec and France.

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, 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.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 plans for its Yanbu Battery Anode plant to a final investment decision, otherwise 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.



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