

NMG Advances Electrification Efforts: Confirmed Hydropower Supply and Progress on Collaboration with Caterpillar

- + Confirmed 77 MW electricity block for NMG's Phase-2 Bécancour Battery Material Plant to support production of carbon-neutral active anode material for the battery/EV market.
- + NMG to benefit from Québec's discounted industrial rate for hydroelectricity at both Phase-2 Matawinie Mine and Bécancour Battery Material Plant.
- + Calendar established with Caterpillar to test new equipment models and deploy zero-exhaust emission fleet and infrastructure at NMG's Phase-2 Matawinie Mine.
- + Electrification strategy supported by Québec's affordable, reliable, and renewable power grid, one of the greenest in the world.

MONTREAL, CANADA, October 6, 2023 – In line with its commitment to adopt clean energy sources and technologies, Nouveau Monde Graphite Inc. ("NMG" or the "Company") ([NYSE: NMG](#), [TSX.V: NOU](#)) reports advancement on its electrification program for the Phase-2 Matawinie Mine and Bécancour Battery Material Plant. Leveraging Québec's power grid, one of the greenest in the world, as the bedrock of its electrification strategy, NMG has confirmed electrical capacity and competitive rates, and defined zero-exhaust emission equipment deployment with Caterpillar Inc. ("Caterpillar") ([NYSE: CAT](#)).

Arne H Frandsen, Chair of NMG, declared: *"Clean energy is central to our operational, commercial, and ESG strategy. I am extremely pleased to see the progress made by our team and in collaboration with partners to translate our objectives into plans, technological design, and schedules. Québec is becoming North America's green battery thanks to its vast hydropower network, and we, in turn, are leveraging this renewable energy and its multiple jurisdictional advantages to establish a new operational model, from ore to battery materials, fully electrified, fully integrated, fully traceable."*

Renewable Electricity Powering Clean Processing

Complementary to agreements in place for the Phase-2 Matawinie Mine which include the construction of a dedicated powerline, NMG obtained confirmation from Hydro-Québec – the government corporation that produces, transmits, and distributes electricity in Québec – of a 77 MW electricity block for the Phase-2 Bécancour Battery Material Plant. In the context of intense industrial development in the province, in part related to the expanding battery ecosystem, electricity allocations are now assessed on basis of technical connection capacities, economic and regional development benefits, environmental and social impact, and alignment with governmental orientations.

The allocated electricity block will enable the establishment of a fully integrated advanced manufacturing platform in Bécancour, in the heart of Québec’s battery valley, for refining graphite into active anode material.

NMG has received confirmation of its discounted industrial rate for hydroelectricity at both Phase-2 Matawinie Mine and Bécancour Battery Material Plant. Such favorable commercial electricity rate provides a cost-competitive environment for energy-intensive sectors such as mining and advanced manufacturing, an incentive for investment and continued upgrading of facilities, and operational visibility for the Company.

Electrifying Mining at Matawinie

Active technical work between Caterpillar and NMG’s teams have enabled the establishment of a calendar to deploy early learners and/or pilot models for the Phase 2 Matawinie Mine, to test equipment in actual terrain and weather, and to map the transition to future zero-exhaust-emission production models. The Cat® 950 GC-wheel loader would be the first battery-electric pilot machine to arrive at Matawinie.

These developments also support planning for the site’s charging infrastructure. Modeling and simulating the location of charging stations, equipment operations on site, as well as charging cycles in relation to operational schedules and the mining plan, help optimize site design and technology choices. The simulation of charging needs helps identify peak power demand and defining energy management strategies.

Denise Johnson, Caterpillar Group President, commented: *“The Matawinie project highlights the complex questions miners are faced with when determining the amount of energy required to run a fully electric site. This is part of the learning NMG and Caterpillar are navigating together as we work through the realities of supporting the mine site of the future. I’m proud of the work our teams are accomplishing together to propel this project forward.”*



3D model of the Matawinie Mine showcasing Cat® zero-exhaust-emission equipment at work, available at <https://youtu.be/aHhmZrsuDU4>.

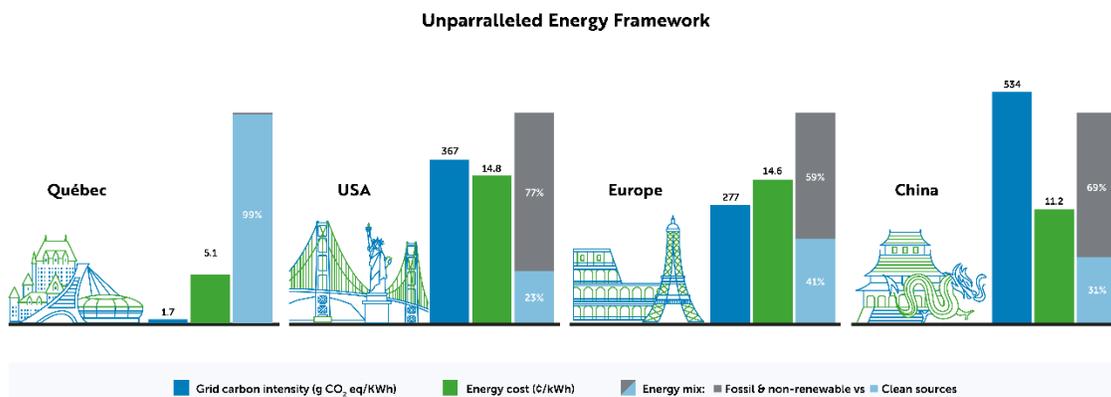
Eric Desaulniers, Founder, President and CEO of NMG, said: *“It started with a bold vision. Going all-electric at our Matawinie Mine is the way to go; environmentally to limit our carbon footprint, socially to rally the community behind a new mining development and to reduce the sound level*

of our operations, and commercially to engage with battery/EV manufacturers and tap into consumers' responsible purchasing desires. Now, Caterpillar is providing us with a comprehensive solution, de-risking the adoption of new technologies and optimizing operational excellence through integrated infrastructure.”

Through definitive agreements signed earlier this year, Caterpillar is set to be NMG’s supplier of heavy mining equipment, supporting the progressive transition from traditional models to Cat® zero-exhaust emission machines as they become available. Moreover, NMG and Caterpillar signed a non-binding memorandum of understanding to advance commercial discussions targeting NMG’s active anode material. Hence, a full circular value chain could be established whereas NMG would supply carbon-neutral graphite materials to Caterpillar for the development of its secure, resilient, and sustainable battery supply chain that would serve to electrify heavy vehicles, including NMG’s Matawinie fleet.

Clean Energy to Support Decarbonization

Québec’s energy grid is among the greenest in the world. Hydro-Québec generates over 99% of its electricity from renewable energy sources, mainly through hydroelectric generating stations, for an emission factor of 0.6 kg CO₂ eq/MWh (Hydro-Québec, 2021).



Sources: International Energy Agency, Global Carbon Lab, Hydro-Québec, Ember Climate

Comparison of major energy grids through carbon intensity, cost, and sustainability indicators.

NMG’s confirmed capacity to tap into this electricity network provides a solid foundation for deploying new equipment and proprietary technologies with a view to produce advanced materials with a very low climate change impact, in line with global decarbonization efforts. An independently conducted cradle-to-gate life cycle assessment for the Company’s portfolio of graphite-based materials, confirmed the minimal and industry-leading environmental footprint of its production. NMG’s full commercial-scale Phase-2 all-electric facilities are forecasted to produce active anode material for lithium-ion batteries with a Global Warming Potential of 1.23 kg CO₂ equivalent per kg, an impact up to 11 times smaller than that of benchmarked production.

Advancement of electrification initiatives aligns with NMG’s objective of reaching Net Zero by 2030 as detailed in the Company’s Climate Action Plan. NMG has placed environmental stewardship at the heart of its business strategy. Maintaining a carbon-neutral footprint and bringing to market Net Zero products provide a competitive advantage in the battery and electric vehicle sector as manufacturers actively seek to reduce their Scope 3 emissions, comply with regulatory requirements, and respond to consumer demands for sustainable, responsible production.

About Nouveau Monde Graphite

Nouveau Monde Graphite is striving to become a key contributor to the sustainable energy revolution. The Company is working towards developing a fully integrated source of carbon-neutral battery anode material in Québec, Canada, for the growing lithium-ion and fuel cell markets. With enviable ESG standards, NMG aspires to become a strategic supplier to the world's leading battery and automobile manufacturers, providing high-performing and reliable advanced materials while promoting sustainability and supply chain traceability. www.NMG.com

Contact

MEDIA

Julie Paquet
VP Communications & ESG Strategy
+1-450-757-8905 #140
jpaquet@nmg.com

INVESTORS

Marc Jasmin
Director, Investor Relations
+1-450-757-8905 #993
mjasmin@nmg.com

Subscribe to our news feed: <https://bit.ly/3UDrY3X>

Cautionary Note

All statements, other than statements of historical fact, contained in this press release including, but not limited to those describing the initiatives described in this press release, the intended commercial production of high-performing active anode material with a carbon-neutral footprint, the Company's commitments and objectives described in this press release, including those related to Net Zero, the Company's performance with respect to the initiatives described in this press release, the positive impact of the foregoing on project economics, the construction of the Hydro-Québec powerline, the deployment of early learners, pilot models and Cat® zero-exhaust emission machines at the Matawinie Mine, the potential supply by NMG of graphite materials to Caterpillar, the planned development of the Matawinie Mine and the Bécancour Battery Material plant, the general business and operational outlook of the Company, and those statements which are discussed under the "About Nouveau Monde" paragraph and elsewhere in the press release which essentially describe the Company's outlook and objectives, constitute "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements") within the meaning of Canadian and United States securities laws, and are based on expectations, estimates and projections as of the time of this press release. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect. Moreover, these forward-looking statements were based upon various underlying factors and assumptions, including the current technological trends, the business relationship between the Company and its stakeholders, the ability to operate in a safe and effective manner, the timely delivery and installation at estimated prices of the equipment supporting the production, assumed sale prices for graphite concentrate, the accuracy of any Mineral Resource estimates, future currency exchange rates and interest rates, political and regulatory stability, prices of commodity and production costs, the receipt of governmental, regulatory and third party approvals, licenses and permits on favorable terms, sustained labor stability, stability in financial and capital markets, availability of equipment and critical supplies, spare parts and consumables, the various tax assumptions, CAPEX and OPEX estimates, all economic and operational projections relating to the project, local infrastructures, the Company's business prospects and opportunities and estimates of the operational performance of the equipment, and are not guarantees of future performance.

Forward-looking statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements. Risk factors that could cause actual results or events to differ materially from current expectations include, among others, those risks, delays in the scheduled delivery times of the equipment, the ability of the Company to successfully

implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the availability of financing or financing on favorable terms for the Company, the dependence on commodity prices, the impact of inflation on costs, the risks of obtaining the necessary permits, the operating performance of the Company's assets and businesses, competitive factors in the graphite mining and production industry, changes in laws and regulations affecting the Company's businesses, political and social acceptability risk, environmental regulation risk, currency and exchange rate risk, technological developments, the impacts of the global COVID-19 pandemic and the governments' responses thereto, and general economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. A further description of risks and uncertainties can be found in NMG's Annual Information Form dated March 23, 2023, including in the section thereof captioned "Risk Factors", which is available on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. Unpredictable or unknown factors not discussed in this Cautionary Note could also have material adverse effects on forward-looking statements.

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Further information regarding the Company is available in the SEDAR+ database (www.sedarplus.ca), and for United States readers on EDGAR (www.sec.gov), and on the Company's website at: www.NMG.com