Nouveau Monde receives $5.2 million in financial support

Nouveau Monde Graphite Inc. {TSX.V: NOU}

Announced that it has received non-dilutive financial leverage totaling $5,206,905 to advance its business strategy.

These amounts in the form of grants and loans will be invested in particular to create a graphite purification demonstration plant to qualify Nouveau Monde’s value-added products as anode material for lithium-ion batteries.



NOUVEAU MONDE RECEIVES OVER

$5.2M IN FINANCIAL SUPPORT

- $3,000,000 non-refundable financial assistance from Transition énergétique Québec’s Technoclimat program
- $1,994,405 in funding closed with Investissement Québec through two loan offers
- 5% increase to Sustainable Development Technology Canada’s $4,250,000 initial grant representing an additional $212,500

SAINT-MICHEL-DES-SAINTS, QUEBEC, April 29, 2020 – Nouveau Monde Graphite Inc. is pleased to announce that it has received non-dilutive financial leverage totaling $5,206,905 to advance its business strategy.

These amounts in the form of grants and loans will be invested in particular to create a graphite purification demonstration plant to qualify Nouveau Monde’s value-added products (“VAP”) as anode material for lithium-ion batteries.

Nouveau Monde has agreed to terms with the Quebec Government Crown corporation Transition énergétique Québec (“TEQ”) for non-refundable financial assistance of a maximum of $3,000,000 through the Technoclimat program, which will be used to optimise a purification furnace for its pilot plant to produce purified graphite. Thanks to the thermochemical transformation process that it developed—a new green purification technology that uses renewable hydroelectricity from Hydro-Québec—NMG

will sustainably and responsibly produce high-purity graphite for the growing lithium-ion battery market.

This financial assistance is in addition to the $1,994,405 in funding closed with Investissement Québec through two loan offers that are ready to be disbursed as per NMG’s cash flow needs, subject to the loan offer conditions. The interest rate on the loan offer of $641,090 is the current prime rate of 2.45% plus 0.07%, while the interest rate on the loan offer of $1,353,315 is the current prime rate of 2.45% with no margin. The interest will be paid monthly throughout the term, whereas the capital will be repaid by no later than the term’s expiry on June 30, 2021. To secure its obligations set out in the loan offers, Nouveau Monde granted two first-ranking mortgages for a total of $1,994,405 covering the universality of its present and future receivables, including the universality of its tax credits.